1983-1984
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
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COMMUNITY & REGIONAL AFFAIRS COMMISSIONER
CONFIRMATION HEARING (FILE 2)

COMMUNITY & REGIONAL AFFAIRS COMMISSIONER
CONFIRMATION HEARING (FILE 3)

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HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
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1983-1984
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
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SJR 34: see file for HJR 59

CERA

COMMISSIONER CONFIRMATION HEARINGS

FILE 1

C+RA

TO: COMMITTEES
FROM: CHIEF CLERK
DATE: March 5, 1984

The Governor has made appointments to the following boards and commissions, Commissioners and changes in military rank and they have been referred by the Speaker to these committees for confirmation:
(* indicates resumes have not yet been received & forwarded to committees)

HESS

Board of Education
- Kito, Sam
- Schaeffer, Mary

Board of Nursing Home Administrators
- Deater, Eloise

Board of Regents
- Hensley, Willie
- Shaver, Beatrice Lynn (Student)

Professional Teaching Practices Com.
- Adkison, Larry
- Jorgensen, Spike
- Nelson, James "Tom"
- Ryals, Karen
- Trent, Darleen
- Van Flein, Margaret

JUDICIARY

Alcoholic Beverage Control Board
- Perkins, Jane
- Smith, William

Judicial Conduct, Commission on
- Dale, Barbara
- Lincoln, Georgianna

Judicial Council
- Murray, Renee

LABOR & COMMERCE

Architects, Engineers & Land Surveyors
- Menzies, Malcolm
- Sampson, Sandra

Barbers & Hairdressers, Board
- Ashcraft, Letha
- Janzen, Carolyn
- Slaven, Roger

Dental Examiners, Board
- Buxton, Paul
- Zemlicka, Jerry

Nursing, Board of
Hartz, Lynn
Solomon, Alice

Pharmacy, Board of
Donelson, Joy
Nielson, Christy

Real Estate Commission
Anders, Ed
Benson, John
Collins, LaVerne
Serrano, Gilbert
Hill, Barbara

Worker's Compensation Board
Pruhs, Delia
Richards, David
Thomas (II), Joe
Thompson, Jack

Medical Board
Hughes, Dolores

RESOURCES/FISHERIES

Fisheries, Board of
Angasan, Val
Blake, Robert
Borney, Bix
Foster, Jesse
Garner, John
Jolin, Ron
Museth, Jerene

Commercial Fisheries Entry Commission
Smith, Phillip

RESOURCES

Game, Board of
Bennett, Joel
Huntington, Sidney
Jackson, Nicholas
Scanlan, Sarah

STATE AFFAIRS

Personnel Board
* Humphries, Ben
Johnson, Marlene

Human Rights Commission
Solomon, Morgan

TRANSPORTATION

Marine Pilots, Board of
Brady, Judith
Hodgman, James

COMMISSIONERS:

COMMUNITY & REGIONAL AFFAIRS

COMMUNITY & REGIONAL AFFAIRS
Notti, Emil
(Report received 1/20/84)

TRANSPORTATION & FINANCE

DOT/PF
Knapp, Richard

CHANGE IN ALASKA NATIONAL GUARD RANK

STATE AFFAIRS

MAJOR GENERAL
Pagano, Edward

BRIGADIER GENERAL
Hoyt, John
(Report received 2/22/84)

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

JANUARY 19, 1984

AGENDA

1. Call meeting to order
2. Roll call
3. Recognition of special guests
4. Introduction of Acting Commissioner Emil Notti
5. Question and answer session
6. Vote
7. Brief summary of next meeting
8. Adjournment

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Community and Regional Affairs Committee Members

FROM: Staff

SUBJ: Confirmation Hearing

DATE: January 19, 1984

The following comments were prepared as a result of a discussion during which legal advice was requested for the question:

"What is the role of the Committee in conducting confirmation hearings?"

The question which the individual committee members must resolve in their own minds is:

"Do you believe the nominee would properly fulfill the duties of the Commissioner?"

The decision is essentially a political process as opposed to a legal process. There is no requirement to apply the rule of "burden of proof"; a more appropriate description is a "burden of persuasion".

During the process, the determination of an act or acts being technically illegal is "mildly interesting" and in large part, irrelevant from the perspective of the Committee. The question of impropriety is more important in the decision making process.

The rationale for the previous statement is that the commitment of an illegal act(s), even if substantially proven, may or may not be indicative of a person's qualifications to perform assigned duties and the Committee is not in a position to prosecute for illegal acts.

On the other hand, the Committee is charged with making a judgement, based on all reasonably available information, whether or not the actions of the individual convince the Committee that the nominee will, or will not, properly fulfill the role of Commissioner.

RESUME

Emil Reynold Notti
6735 Gray Street
Juneau, AK 99801
Phone: (907) 586-2168

Education

BSEE, Northrop University
Inglewood, California - 1961

Military Service

U.S. Navy 1952-1956 - Honorable Discharge

Honors

Honorary Doctor of Humane Letters Degree from Alaska Methodist University, 1969
President Emeritus, Alaska Federation of Natives
Nominee - Alaskan of the Year, 1969

Employment

December 1982 to Present: Director, Legislative Relations for Governor Bill Sheffield.
April 1980 - December 1982: Emil Notti & Associates, Anchorage, Alaska

Job placement for high level professional personnel. Generate job placements, interview potential candidates, screen for suitability of client, and check references for clients.

April 1978 - March 1980: President, Doyon, Limited, Fairbanks.

The President of Doyon, Limited is chief executive officer for the Corporation. The President is responsible for the general supervision and control of the business, property, and affairs of the Corporation. He reports to the Board of Directors monthly and to the stockholders annually. The President presides at all meetings of the stockholders.

1976 to April 1978: Senior Vice President, Doyon, Limited, Fairbanks.

The Senior Vice President has internal management of the Company. The Vice President of Finance, Director of Resources, and Director of Lands report to the Senior Vice President. He is part of a senior investment committee He held negotiations for oil and gas and heavy minerals exploration on millions of acres of Company land. He has responsibility for dealing with government bodies - both legislative and administrative. Operating budgets and planning

functions are the responsibility of the Senior Vice President. Preparation and presentation of reports to the Board of Directors and to the stockholders at the Annual Meeting of Stockholders are made by the Senior Vice President.

September 1972 to 1976: President, Alaska Native Foundation, Anchorage.

Chief Administrator for the Foundation. Prepares budgets, seeks contracts from State and Federal agencies, coordinates seminars and training activities, chairs Board meetings.

June 1971 to September 1972: Deputy Commissioner, Department of Health & Social Services, State of Alaska.

Full responsibilities for Department in absence of Commissioner. Department had approximately 1400 employees. Worked with Divisions in Department to prepare budget. The Divisions in the Department were Public Health, Mental Health, Administration, Corrections, and Family and Childrens Services. Other programs attached to the Commissioner's office were Office of Alcoholism and Office of Aging.

April 1970 - May 1971: Self-Employed. Electronic Systems, Sitka.

Sales and service of electronic equipment for commercial boats, cars, institutions and homes.

June 1967 - March 1970: President, Alaska Federation of Natives, Anchorage. The Alaska Federation of Natives, Native land claims lobbying. Organizing regional Native organizations.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Community and Regional Affairs Committee Members

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Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 19, 1984

Representative Joe Hayes
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

The House Community and Regional Affairs Committee has held confirmation hearings on Mr. Emil Reynold Notti for confirmation to the Commissioner's position to the Community and Regional Affairs Department, State of Alaska.

Mr. Notti was recommended for appointment by Governor William Sheffield.

After meeting and voting on the matter, the House Community and Regional Affairs Committee recommends that the above named person be confirmed to that position.

Respectfully submitted,

Mike W. Miller, Chairman

Concurring:

Bette Cato
Bette Cato, Vice Chairman

John Lindauer

Vern Hurlbert

Jack McBride

Barbara Lacher

Randy Phillips 1/17/84

CFRA

COMMISSIONER CONFIRMATION HEARINGS

FILE 2

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Copy of letter to Mark Lewis informing of hearings

AS 39.05.070

Resume - Mark Lewis

Financial Statement - Mark Lewis

Letters, articles in support of or against Mark Lewis

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TAB 2 Valdez Property Tax Assessments

News Release - Dept. of Revenue
Municipal assessed value ratio tables 1980, 1981, 1982, Dept. of Revenue
Press Release - Mark Lewis
Letter, Mr. Randall, assessor, to Mark Lewis re: assessed values dated March 31, 1981
Valdez City Code - taxation
Valdez City Charter - taxation
Excerpts Anchorage Daily Times, February 18, 1983; February 19, 1983

TAB 3 Seward Grain Terminal

Chronology of events - Seward Grain Terminal

TAB 4 Valdez Personnel Policy Change

Request for change - April 12, 1982
Memo for Review Committee - April 12, 1982
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Unsigned city resolution No. 8248, Sept. 1982
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7.	LETTER OF NON-SUPPORT

Lee Sharp
586-

How Gov's appointed you?
Why?
Want Bldg from
Cordova St

Alaska State Legislature

file

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

March 17, 1983

Joe Hayes
House Speaker
State Capital
Pouch V
Juneau, AK 99811

Dear Speaker Hayes,

This is to request an extention of the April 1, 1983 recommendation form the Committee on Community & Regional Affairs pertaining to the confirmation of Mr. Mark Lewis as Commissioner, Department of Community and Regional Affairs.

We initially scheduled the hearings to begin on March 21, 1983, this schedule was based upon timely receipt of a report from the Department of Revenue and of receiving legal opinions on related issues. The report arrived this morning and will clearly require additional staff time to fully analyze. In all fairness to Commissioner Lewis, we need to clear up the allegations that have been addressed in the report.

The primary purpose of this request is to insure that the Committee provide Mr. Lewis with a full hearing and, in so far as possible, clear the air on any possible allegations.

Sincerely,

Barbara Lacher
Representative
District 16

BL/sr

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

March 17, 1983

Mr. Mark Lewis, Commissioner
Department of Community & Regional
Affairs
Juneau, Alaska

Dear Commissioner Lewis:

I regret that I must inform you that confirmation hearings for your appointment, scheduled for March 21 and 22, must be delayed.

When we initially scheduled the hearings for the above dates, it was with the understanding that we would be in receipt of a report from the Department of Revenue and of receiving legal opinions on related issues. The report just arrived this morning and will clearly require additional staff time to review. It is my intention to inform myself and the committee to the fullest extent possible and it is with this in mind that I am delaying the hearing.

Please rest assured that hearings will be rescheduled as soon as possible.

Sincerely,

Representative Barbara Lacher
Chairman, House C & R A Committee

Enclosure

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

March 14, 1983

Mr. Mark Lewis, Commissioner
Department of Community and
Regional Affairs
Pouch B
Juneau, Alasla 99811

Dear Commissioner Lewis:

Pursuant to AS 39.05.080, the House Committee on Community and Regional Affairs is in receipt of communications that request the Committee to conduct hearings pertaining to your confirmation as Commissioner, Department of Community and Regional Affairs.

This is to notify you that confirmation hearings will be scheduled to begin at 3:15 p.m. on March 21 in Room 205, Capitol and on March 22, in Room 126, Capitol. Additional hearings may be scheduled, if deemed necessary. The Committee respectfully requests your presence during the hearings.

Sincerely,

Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

BL:pt

Applied in Alaska State-Operated School Sys. v. Mueller, Sup. Ct. Op. No. 1157 (File No. 2138), 536 P.2d 99 (1975).

Cited in Walker v. Alaska State Mortgage Ass'n, Sup. Ct. Op. No. 353 (File No. 669), 416 P.2d 245 (1966); Alaska State Housing Auth. v. Dixon, Sup. Ct. Op. No. 793 (File No. 1529), 496 P.2d 649 (1972).

Am. Jur. 2d and ALR references. — 63 Am. Jur. 2d, Public Officers and Employees, §§ 5, 38-81, 360-413.

Conclusiveness of governor's decision in removing or suspending officers, 52 ALR 7; 92 ALR 998.

Constitutionality of statute providing for direct appeal or other review of orders and rulings of governor, 66 ALR 586.

Prohibition as means of controlling action of governor, 115 ALR 14.

Legislative power to prescribe qualifications for or conditions of eligibility to constitutional office, 34 ALR2d 155.

Sec. 39.05.065. Qualifications of members of the Board of Education. (a) Each member of the Board of Education shall be a citizen of the United States and have been a resident of Alaska for at least three years.

(b) A member of the Board of Education may also be a member of a district school board. (§ 11 ch 96 SLA 1967; am § 19 ch 26 SLA 1980)

Revisor's note. — "District" as used in subsection (b) of this section apparently means a district of the state public school system as set out in AS 14.12.010.

Cross reference. — As to appointment of members of Board of Education, see AS 14.07.085.

Effect of amendment. — The 1980 amendment, added subsection (b).

Sec. 39.05.070. Purpose. It is the purpose of AS 39.05.070 — 39.05.110 to—provide procedural uniformity in the exercise of appointive powers conferred by the legislature to eliminate, insofar as possible, recess or interim appointments except in the event of death, resignation, inability to act or other removal from office and the exercise, insofar as possible, of appointive powers only when the legislature is in session. (§ 1 ch 64 SLA 1955)

Section repugnant to tacit confirmation. — The expressed intention of this section is repugnant to tacit confirmation of appointments. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

Sec. 39.05.080. Procedure for all appointments. Appointments shall be made in the following manner:

(1) The appointing authority shall, within 30 days of the convening of the legislature in regular session, present to the legislature for confirmation the names of the following persons: (A) persons appointed to a position or membership who have not previously been confirmed by the legislature or either house of it; (B) persons appointed by him subject to confirmation to fill an existing position or membership vacancy; (C) persons to be appointed subject to confirmation to fill a position or membership the term of which shall expire before July 2, following the session of the legislature. If an appointment is made after the deadline but while the legislature is in session, the appointing

authority shall, within five calendar days after the appointment is made, present to the legislature for confirmation the name of the person appointed. The deadline may be extended by the legislature by the approval of a concurrent resolution.

(2) When appointments are presented to the legislature for confirmation,

(A) the presiding officer of each house shall assign the name of each appointee to a standing committee of that house for a hearing, report and recommendation; standing committees of the two houses assigned the same person's name for consideration may meet jointly to consider the qualifications of the person appointed and may issue either a separate or a joint report and recommendation concerning that person; then

(B) the legislature shall, before the end of the session in which the appointments are presented, in joint session assembled, act on the appointments by confirming or declining to confirm by a majority vote of all of the members the appointments presented.

(3) When the legislature declines to confirm an appointment, the legislature shall notify the appointing authority of its action and a vacancy in the position or membership exists which the appointing authority shall fill by making a new appointment. The new appointment shall be presented for confirmation to the legislature within 20 calendar days following receipt by the appointing authority of the legislature's notification of its refusal to confirm the prior appointment. If the name of a person is submitted and is not confirmed, the appointing authority may not, upon resubmission of appointments, submit again the name of the person whose confirmation was refused for the same position or membership during the session of the legislature at which confirmation was refused. The person whose name is refused for appointment by the legislature may not thereafter be appointed to the position or membership during the interim between legislative sessions. Failure of the legislature to act to confirm or decline to confirm an appointment during the session in which the appointment was presented is tantamount to a declination of confirmation on the day the session adjourns.

(4) Pending confirmation or rejection of appointment by the legislature, persons appointed shall exercise the functions, and have the powers and be charged with the duties prescribed by law for the appointive positions or membership. (§ 4 ch 64 SLA 1955; am §§ 1—3 ch 1 SLA 1964; am § 1 ch 2 SLA 1967; am § 1 ch 65 SLA 1974; am § 2 ch 82 SLA 1975)

Legislative history of ch. 82, SLA 1975. — See Bradner v. Hammond, Sup. Ct. Op. No. 1297 (File No. 2802), 553 P.2d 1 (1976).

Laws requiring bilateral appointments are mandatory. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

Paragraph (2) of this section imposes a direct mandate upon the legislature to act upon the nominations of the governor. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

BIOGRAPHY

Mark E. Lewis

Born:

Place: Boston, Massachusetts

Year: June 27, 1951

Education:

Grade School - Marblehead, Massachusetts

High School - Shattuck School
Fairbault, Minnesota

Undergraduate - Washington State University
September 1971 - June 1974; Bachelor of Arts - Political Science/Public Administration; course work emphasis in community development; organization and government administration

Graduate - Washington State University
February 1977 - January 1978; course work emphasis in finance and accounting

Listings and Offices:

- President, Alaska City Managers Assoc., 1980/81
- Vice President, Alaska City Managers Assoc., 1979/80
- Board of Directors, Alaska City Managers Assoc., 1978/79
- "Who's Who" Among Students in American Universities and Colleges, 1973/74

Military:

- Graduate of United States Army
  Ranger School - 1972
  Status: Army Reserves

Work Experience:

- City of Pullman
  Pullman, Washington
  1972 - 1974

  Program Coordinator
  Worked part-time while an undergraduate student as staff assistant to a City Department Head

- City & Borough of Juneau
  Juneau, Alaska
  June 1974 - February 1977

City/Borough Administrative Assistant (Assistant to the City Manager)

The City of Juneau is a consolidated full-service "home-rule" city/borough government of the capital of the State of Alaska with a population of 22,000; net budget approximately $40 million, including $15 million capital budget. Responsibilities as the Assistant to the City Manager included: budget preparation and budget management assignments; direct responsibility for the City's insurance program and State and Federal grant programs. As staff assistant to the manager, I conducted management analysis and review of various City operations, supervised a wide variety of civic projects and aided in the development of staff policy on a broad spectrum of issues.

- City of Valdez
  Valdez, Alaska
  January 1978 - May 1978

Assistant City Manager

Managed day-to-day routine operations of the City, along with being directly responsible for financial operations. Did research; monitored, evaluated and directly supervised various programs; developed staff policy recommendations on a broad spectrum of issues.

- City of Valdez
  Valdez, Alaska
  May 1978 - July 1982

City Manager

The City of Valdez is a growing oil pipeline and port community - the terminus of the Trans-Alaska Pipeline and North America's largest oil port. The City is a full-service, "home-rule," local government encompassing 275 square miles, with a 1981 net operating budget of $29 million and a capital budget of $70 million. The Community has approximately 80 full-time City employees and a population of approximately 4,000 people.

The Community's goals, as defined and developed, are to expand and diversify the economy - building on the economic base of the pipeline terminal and utilizing the City's unusual tax base to rebuild and establish the community's long term assets while improving the quality of life for its citizens.

I, as City Manager, was able to make significant contributions to the City of Valdez while, at the same time, gaining a great wealth of management experience, especially in the fields of municipal finance and industrial development, as well as obtaining the experience of piloting major construction projects with significant environmental considerations through Federal and State permit process, on schedule and within budget.

Experience Summary

- Identified, developed and implemented comprehensive community goals with the City Council over a period of years.

- Planned and implemented a comprehensive capital improvement program which included: major port facilities, schools, roads, storm and sanitary sewers, parks, library, civic center, administration building and police and fire stations.

- Facilitated the economic development and diversification of the City.

- Developed the City as one of the major leaders in tax-exempt financing.

- Reconstructed and redirected the City's financial systems.

- Developed a capable staff who are able to follow through with the City's diversification programs.

Economic Development and Diversification

The City Administration established a sound working relationship with industry, which has been the basis for Valdez's economic development. The Administration's efforts included the development of the oil industry, port and marine industries, seafood industry, pipeline related industries, as well as small businesses.

Tax-Exempt Financing

The City of Valdez has become a leader in the field of tax-exempt financing. I was the key administrative official for the City of Valdez on the following financing:

- in the final issues of $1.35 Billion in Marine Terminal Revenue Bonds;

- $600 million developed to construct oil facilities in Valdez;

- $48 million Port Redevelopment bond issue to construct a new "interior Alaska" container port at Valdez;

- $10 million housing mortgage revenue bond (low interest8 1/2%) which provided tax-exempt housing mortgage money for Valdez residents; and

- $18 million school bond issue used to construct various school facilities

Capital Construction

Major new capital construction programs completed under my administration include the following:

- Library facilities - $2.6 million

- Administration and Police buildings - $3.0 million

- Three fire stations (2 rural and 1 central)

- City shop (heavy equipment, vehicle maintenance facility)

- Roads, storm and sanitary sewers, parks

- Airport reconstruction - $7.0 million (including Navigational Aid System)

- Port facilities - $48.0 million (cargo and container)

- Civic Center (includes theater and large convention center)

These construction projects were designed to build Valdez's infrastructure of community facilities while stimulating the economy in the midst of a temporary recession. During these years the tax millage rate was lowered from 8.9 mills to 6.3 mills.

Awards

Valdez-All America City, 1981-82 by the National League of Cities

Excellence in financial Reporting, 1982 by the Municipal Financial Officer's Association

JAN 4 1983

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

APOC - JNO

610 C Street, Suite 211
Anchorage, AK 99501-3598
(907) 276-4176

OR

Room 302, Goldbelt Bldg
130 Sewart Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1982 to December 31, 1982 *

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 150 Third Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code 99811 Home Phone: Work Phone. (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

☐ Legislative _____ (Senator or Representative) ☐ Judicial: _____ (title)

☒ Executive Commissioner (title of position) Community and Regional Affairs (name of department)

☒ Board or Commission Alaska Housing Finance Corporation, Alaska Industrial Develop and others declared by State Statute (name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End _____

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 7, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: Mark Lewis

SUBSCRIBED AND SWORN to before me this _____ day of _____, 19 _____.

Notary Public: _____
My commission expires: _____

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject to AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME (by name; amounts need not be disclosed.)
1) Salary:	
Mark Lewis	State of Alaska
Commissioner	Community and Regional Affairs
	Office of the Commissioner
2) Rentals (include business name, if any):	(renters)
3) Dividends and Interest:	
Mark Lewis	First National Bank of Anchorage
	Foster & Marshall, Inc.
4) Self employment (business name):	(clients or customers or "retail")
N.A.	
5) Other:	
N.A.	

(Continue on blank sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Mark Lewis	Savings Account	First Nation Bank of Anch. Valdez, AK 99686
	Savings Account	Foster & Marshall, Inc. Juneau, AK 99801

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Mark Lewis	House - 324 Hanagita Valdez, AK 99686	Owner, current Rental
	Town house, Juneau Douglas Island	Purchasing house Mortgage TBA

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N.A.			

(Continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE

NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Mortgage on Valdez house - self mtg. w/ FWBA
Mark Lewis	Car loan self-loan w/ FWBA

(Continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

(Continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

JAN 3 1983

APOC - JNO
P.M. HC.

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

610 C Street, Suite 211
Anchorage, AK 99501-3598
(907) 276-4176

OR

Room 302, Goldstein Bldg.
130 Sewart Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1981 to December 31, 1981 *

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 2733 John Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code _____ Home Phone: Work Phone: (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

☐ Legislative _____ (Senator or Representative) ☐ Judicial: _____ (title)

☒ Executive Commissioner of the Department (title of position) of Community and Regional Affairs (name of department)

☒ Board or Commission Alaska Housing Finance Corporation and the Alaska Industrial ~~Development Association & others by State Statute~~ (name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End _____

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 6, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict o interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: Mark Lewis

SUBSCRIBED AND SWORN to before me this 3rd day of January, 1983

Notary Public: Debra E. English
My commission expires: 4/16/83

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME (by name; amounts need not be disclosed.)
1) Salary:	
Mark Lewis	City of Valdez
Mark Lewis	University of Alaska
Mark Lewis	State of Alaska/CRA/Commissioner
2) Rentals (include business name, if any):	(renters)
3) Dividends and Interest:	
Mark Lewis	First National Bank of Anch
	Foster & Marshall, Inc.
4) Self employment (business name):	(clients or customers or "retail")
N.A.	
5) Other:	
N A	

(Continue on blank sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Mark Lewis	Savings Account	Valdex, AK 99686
		Foster and Marshall, Inc.

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Mark Lewis	House - 324 Hanagita	Owner -

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N.A.			

(Continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE

NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Car loan self-loan ~~w/FWBA~~

(Continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

(Continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

City of Valdez

RECEIVED

JAN 27 1983

DEPT. OF COMMUNITY AND REGIONAL AFFAIRS

POLICE DEPARTMENT
January, 24, 1983

Governor Bill Sheffield
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

I am writing this letter because I feel that it is important that other views be known. I have never used the news media or other public sources to air my personal opinions. However; recently after reading several stories in the Anchorage Daily News I find myself compelled to ask for a few minutes of your time.

I will not answer each point that has been made by the Anchorage Daily News as I feel this is a blatant attempt by them not only to discredit Mr. Lewis but also a cheap way to sell newspapers.

I have worked closely with Mr. Lewis and was very pleased with his appointment to the state cabinet post. I feel this appointment and others that you have made are a clear sign that we will not only have honesty in our state government but that we will have progressive government rather than business as usual.

In the time Mr Lewis spent as City Manager with the City of Valdez I found his integrity and honesty to be of the highest level. I would not hesitate to work for or with Mr. Lewis on any matters.

To allow blatant attempts by the Anchorage Daily News and others who appear to have personal grudges against Mr. Lewis to remove Mr. Lewis from office would be a serious miscarriage of justice.

I also feel that this type of political mudslinging would damage our political process if allowed to have any credibility.

Thank you for your time. Please be assured of my support and cooperation.

Sincerely,

Patrick M. Shely
Chief of Police

cc: Mark Lewis

P. O. BOX 307 . . . VALDEZ, ALASKA 99686 . . . TELEPHONE (907) 835-4313

CO—MAN SERVICES

BOX 234
DILLINGHAM, ALASKA 99576

February 24, 1983

The Honorable
Representative Barbara Lacher
Pouch V
Juneau, Alaska 99811

Dear Rep. Lacher:

I have recently met with the Department of Community and Regional Affairs Commissioner and wish to convey to you my favorable impression of him. Mr. Lewis strikes me as a person who is sensitive to municipal problems of communities of all sizes in our state.

It is my hope that you will look favorably on his confirmation. Although I have heard of certain allegations in reference to Mr. Lewis, I am not personally aware of anything substantial against him to cause me to speak against his confirmation.

With this in mind, I am in support of Mr. Lewis as Commissioner of Community and Regional Affairs and I sincerely urge you to vote in favor of his confirmation.

Thank you for your consideration.

Sincerely,

Nels A. Anderson Jr.

Nels A. Anderson, Jr.

NAA:bjb

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN RESOURCES COMMITTEE
4016 EVERGREEN
FAIRBANKS, ALASKA 99701
907-479-3550

Senate

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
OFFICE 907-465-3763
RESOURCES COMMITTEE
907-465-3634
HOME 907-789-9182

March 7, 1983

Mr. Nels A. Anderson, Jr.
Co-Man Services
Box 234
Dillingham, Alaska 99576

Dear Nels:

Thank you for your letter supporting Mark Lewis. I've had the opportunity to work with Mark and I find him to be not only very dedicated, but bright and aggressively motivated. I tend to feel as you do, I'm very impressed.

Nels, as you know, there are no assurances. But, I intend to do all that I can to see this fine young man confirmed. It's just too bad you're not here to cast your official vote. We sure do miss you in the chamber and in the lounge.

I sincerely hope all is well with you professionally and personally. Next time you are in town, don't be such a stranger.

Warm personal regards.

Sincerely,

Bettye Fahrenkamp
Alaska State Senator

BF/ab

THE FIRST NATIONAL BANK OF ANCHORAGE

November 7, 1980

Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

I'm sorry to hear you're leaving the City for I've truly enjoyed the candor of our relationship.

You, as well as all who are willing to conscientiously and meaningfully devote some portion of your lives to public service, are to be applauded.

In the meantime, I'm anxious to learn of your future plans, so do let me know.

Sincerely,

H.M. Blair
Senior Vice President

HMB/ks

Seatrain Pacific Services, Inc.

John W. Graves
President
and Chief Operating Officer

November 20, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

It's with mixed feelings that I received word of your intent to resign as City Manager of Valdez on the first of next year. Certainly, the citizens of Valdez have benefited by your energies and dedication in directing the city into the 80's. Your accomplishments in guiding the economic growth of Valdez in a sensible manner, but always with an eye towards the long-term, are exceedingly noteworthy and will not soon be forgotten.

We, at Seatrain, will miss dealing with you as a representative of Valdez, but there is no doubt your management skills will greatly enhance the prospects of your next endeavor and bring you personal rewards and fulfillment, as well.

I personally wish you much success in the years ahead. Please take leave from Valdez with the thought the city is better for your efforts and take the best wishes of your associates with you as you begin a new journey elsewhere.

Best personal regards.

Sincerely,

JOHN W. GRAVES

/def

433 Hegenberger Road • Oakland, California 94621 • (415) 562-6175 • Telex: 336-372

AlaskaPacificBank

A Subsidiary of Alaska Pacific Bancorporation

November 17, 1980

Mark Lewis
City Manager
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

Although your letter of resignation was not a surprise, it was certainly received with deep regret.

You have made a substantial contribution to the City of Valdez and are clearly the most outstanding city manager with whom I have ever dealt.

Naturally—I am extremely interested in your future plans and would appreciate hearing from you in that regard if you deem that appropriate.

My colleagues join me in extending to you our grateful appreciation for the opportunity to work with you in the past, and we send you best wishes for unbounded success in the future.

Cordially,

Robert R. Richards
President

101 W. BENSON BLVD. • POST OFFICE BOX 420 • ANCHORAGE, ALASKA 99510 • PHONE (907) 276-3110 • TELEX 090-25-380

Charter Resources

Charter Resources Company
2525 C Street · Suite 508
Anchorage, Alaska 99503
Telephone 907-276-3545

November 18, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99868

Dear Mark,

I must say I was mildly surprised to learn of your decision to resign as City Manager of Valdez. However, in light of the success you and the City have realized over the past few years, the temptations and opportunities to tackle new, challenging tasks surely must be considered.

I have enjoyed very much knowing you and working with you over the past year, and look forward to continuing a relationship wherever you ultimately settle.

All my best wishes to you and your family, and good luck on your future endeavors. Please keep in contact and let us know what you are doing.

Very truly yours,

CHARTER RESOURCES COMPANY

Bill Thorpe

W.L. THORPE
President

WLT:jcg

ALASKA POWER AUTHORITY

333 WEST 4th AVENUE - SUITE 31 - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-2715

November 13, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P. O. Box 307
Valdez, Alaska 99686

Dear Mark:

I was surprised, as I'm sure many others were, at your decision to leave your position as City Manager. I feel that you served the City well and that you will be missed. I've enjoyed knowing you and am sorry that we did not have an opportunity to work together more.

Again, I am sorry to see you leave and wish you well in your future endeavors either in Alaska or Outside.

Sincerely,

Eric P. Yould
Executive Director

my [illegible] work [illegible]

cc: John Hunter 11-26

NORTHERN TELEVISION, INC.
THE BROADCAST CENTER

P.O. BOX 2200 ANCHORAGE, ALASKA 99510
KTVA-TV/KBYR-AM/KNIK-FM/MUZAK
(907) 272-3456

P.O. BOX 950 FAIRBANKS, ALASKA 99701
KTVF-TV/KFRB-AM
(907) 452-5121

November 14, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mark,

Just noticed in the Nov. 5th issue of the Valdez Vanguard that you have resigned from your City Manager post. Needless to say I am extremely sorry to hear this, because my company and I have enjoyed a very fine and cooperative relationship with you and personally I hate to see you leave very much.

Let me take this opportunity to thank you on behalf of Northern Television for all of your efforts on our behalf, and to wish you well in whatever new responsibility you take on whatever you may be once you leave your Valdez position. I sincerely hope you will remain in Alaska and contribute your expertise to some other city or company who I know will benefit considerably from it.

Cordially yours,

A. G. Hiebert
President

cc: Mr. Ron Moore, Vice President, Northern Television
Mr. Randy Kruse, Sales Manager, KBYR-AM Radio

CBS 11

V(dez City Schools
Office of the Superintendent

Box 398
Valdez, Alaska 99686
Phone: (907) 835-4357

November 7, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P. O. Box 307
Valdez, Alaska

Dear Mark:

The news of your resignation is very distressful. You are an asset to this community, and Sue is improving the quality of our educational programs tremendously.

I could go on and on listing your achievements, such as fiscal support, construction support, in-kind services, etc., etc., etc., but I would just like to say that I consider you a true person who devoted his most to the benefit of our community and a kind friend.

I wish you the best in your endeavors, and if any time I can do something for you, please let me know.

Sincerely,

George Maykowskyj
Superintendent

GM:ml

Holland America Cruises
Two Pennsylvania Plaza
New York, N.Y. 10001

John R. Berry
President

October 27, 1980

Mr. Mark Lewis
City Manager
City of Valdez
Box 307
Valdez, AK 99686

Dear Mr. Lewis:

On behalf of Holland America Cruises, I would like to thank you for your assistance and cooperation in aiding the passengers and crew of the Prinsendam. We have received many comments, both from the passengers and our own personnel, that you went beyond the call of duty to insure that the passengers and crew were taken care of properly.

The spirit of cooperation that you and your fellow Valdez residents displayed was truly extraordinary. You should be very proud and realize that your actions were greatly appreciated.

Sincerely,

John R. Berry

JRB/sec

Valdez Chamber of Commerce

P.O. Box 512 • Valdez, Alaska 99686 • Phone 835-2330

March 12, 1981

CITY OF VALDEZ
MAR 13 1981

Mr. Mark Lewis
City Manager
City of Valdez, Alaska

Dear ~~Mr. Lewis;~~ Mark

The Valdez Winter Carnival Committee extends a hearty thanks and appreciation to you and your staff's participation and support in this years Sixth Annual Winter Carnival.

Our goal is to provide a well rounded list of events for our community and it's guest participation and to maintain a balanced budget. We feel we have acheived that goal with you help.

We look forward to your continued efforts in our endeavors.

Thank You,

VALDEZ CHAMBER OF COMMERCE

Barney M. Mexring
President

LUTHERAN
Hospitals and Homes
Society of America

BOX 2087 • FARGO, NORTH DAKOTA 58107 • PHONE 701-293-9053

NOV 1980
CITY OF VALDEZ

November 19, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

I have just learned from Val Stasch, our Valdez hospital administrator, of your resignation effective January 1, 1981 as City Manager of Valdez.

We have enjoyed the finest relationship with you as City Manager and have been pleased in all of our dealings with your office in the administration of your city hospital. You will be missed by the Society.

We want to thank you for past courtesies and wish you the very best in your future career. Hopefully, the future will bring other opportunities for our association.

Sincerely,

GLEN W. BENSON, F.A.C.H.A.
Vice President

GWB/cgs

CC: Val Stasch, Administrator, Valdez, AK

Valdez Chamber of Commerce

P.O. Box 512 • Valdez, Alaska 99686 • Phone 835-2330

November 12, 1980

Stephen A. McAlpine, Mayor
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mr. McAlpine:

On this date the Board of Directors of the Valdez Chamber of Commerce held its regular meeting and during a discussion of business matters, the subject of the resignation of City Manager, Mark Lewis, was addressed.

It was the unanimous decision of the Board that it should urge you and the council members to request that Mr. Lewis withdraw his resignation and seriously consider continuing his relationship with the City of Valdez as City Manager.

Our reasons for making this request are many, but to detail a few, we list the following:

1. Mr. Lewis has been professionally and personally involved in the City activities with an intensity almost unknown heretofore. This is a quality we would not like to see lost.

2. If there were a change in the city administration, existing projects currently underway could be severely delayed, curtailed or abandoned; or the direction of these projects could be substantially changed from the original intent.

3. Mr. Lewis has shown outstanding abilities and has demonstrated capability in the administration of the City which would be sorely missed should he leave the community.

4. We are aware of, and would not like to lose, Mr. Lewis' expertise in the area of managing the City's excess funds and maximizing the income therefrom.

5. Mr. Lewis has demonstrated that he has the ability to gain the respect of federal, state and

industry's top people which is important to Valdez in our future growth and development.

6. Our contacts with many of the citizenry of Valdez show that they would like to see Mr. Lewis continue in his present position.

We feel it is in the best interests of the community of Valdez that Mark Lewis be retained as City Manager. Therefore, we urge you and the council to accomplish this in whatever manner you deem appropriate.

Very truly yours,
VALDEZ CHAMBER OF COMMERCE
BOARD OF DIRECTORS

Barney M. Meyring

Barney M. Meyring, President

DLR

cc: Mark Lewis
City Council Members

OFFICE OF ADMINISTRATION
November 17, 1980

Mayor and City Council
City of Valdez
Box 307
Valdez, Alaska 99686

Dear Mayor McAlpine and
Members of the City Council:

I hereby respectfully request that you accept the withdrawal of my letter of resignation dated November 3, 1980.

Respectfully,

Mark Lewis
City Manager

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combination of reachable and unreachable things," Mathis said.

Guests were able to purchase the designer fashions after the show, but Mathis said she sold only "a third of as much as I would have liked to have sold."

Still, Mathis said, "We were terribly pleased. Everything was so organized and prepared. It made it really easy for us.

"We feel we have made a lot of friends in Valdez," she said.

Although the fashions were imported, Rasmus said it was a

Lewis changes mind, urged to stay here

City Manager Mark Lewis, who two weeks ago said it was time to pack his bags, withdrew his resignation Monday and said he would stay.

The community and City Council members had "convinced me I haven't quite overstayed my welcome yet," said Lewis after he asked the council to disregard his earlier resignation.

No council action was required, because the body had not yet acted on the resignation. Mayor Stephen McAlpine, who helped spearhead an effort to keep Lewis on the city payroll, said the council would gladly turn the matter aside.

"I think the city is the largest beneficiary of his (Lewis') decision," McAlpine said after the regular council meeting Monday.

A major factor in the 29-year-old Lewis' reconsideration apparently was a letter written to McAlpine by the Valdez Chamber of Commerce board of directors. Meeting last week, the board decided to ask the council to keep Lewis, and "to accomplish this in whatever manner you deem appropriate."

Lewis, said the chamber officials, "has been professionally and personally involved in the city activities with an intensity almost unknown heretofore."

With a change in the city manager's spot, "existing projects currently underway could be severely delayed, curtailed or abandoned; or the directions of these projects could be substantially changed from the original intent," the letter continued.

Lewis was praised for his financial management capabilities, with the chamber recognizing his "expertise in the area of managing the city's excess funds and maximizing the income therefrom."

At the same time Lewis was being cited for his "ability to gain the respect" of government officials at various levels by the chamber board, he was in Fairbanks being elected president of the City Managers Association of the Alaska Municipal League.

McAlpine, who also was at the AML meeting, indicated there was a lot of interest expressed by other cities' officials in latching onto Lewis, who had said he would leave his post at the end of the year.

But Lewis said he became convinced that he was still welcome in Valdez, also.

His decision did not involve apprehension about his relationship with the newly elected council, Lewis said. In fact, one of the reason he asked to resign was because he was getting along so well with the current council, Lewis said.

"It was a team relationship. It was a good relationship," he said.

In deciding to submit his resignation, Lewis said he had also considered that the city was in top financial shape, having just received a spotless audit report.

He said he had come to like Valdez too much "to leave under any other circumstances than the very best."

Old Post Office Gallery
Where you'll find that perfect gift
Mile 101.5 Richardson Hwy. in Copper Center
Original paintings, drawings and photography. Athabascan bead work,

Valdez Vanguard

Welcome back, Mark

There was a collective sigh of relief at City Council Monday when Mark Lewis asked that his resignation, announced two weeks earlier, be withdrawn.

There was no objection.

There had been much objection the past two weeks to the city manager's decision to look elsewhere for employment. And there was apparently a lot of lobbying going on to get him to change his mind.

The youthful Lewis was as politic this week as he was two weeks ago—revealing little in public about the real reasons behind his decisions. He continued to draw on the analogy that a city manager is like a guest in someone else's house. The worst thing that guest can do is overstay his welcome.

The best thing the guest could do was move on while times were good and everything was running smoothly.

Lewis and many others feel the city is cruising nicely now. But what came out the past two weeks is that there is a strong opinion that Lewis is a necessary gear in the machinery.

The Chamber of Commerce board of directors strongly voiced this opinion in a letter to Mayor Stephen McAlpine urging the council to do what it could to pursuade Lewis to stay. The board also said its opinion reflected the community.

"Our contacts with many of the citizenry of Valdez show that they would like to see Mr. Lewis continue in his present position," the board's letter read.

It is an extremely unusual situation for a person in Lewis' position to retract a resignation once tendered. But Lewis is an unusual administrator. His talents are perhaps appropriate for these extraordinary times in Valdez—with so many projects of sizable magnitude in progress.

To whomever or whatever made him change his mind, we take off our hats and say, "Good work."

And now let's get back to work.

RS FROM THE PEOPLE

people' is your space to comment on nearly any topic, nsiderations of good taste and libel. The shorter the it can be published; in any case the best guideline is . Prose only, please; no poems or verse. All letters d should include a daytime phone number so we can Address letters to The Daily News, Pouch 6610,

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– Robert Armstrong

Support your local jazz musician

I would like to comment about the fledgling jazz opportunities in Anchorage, Alaska. I am an Alaskan since 1967 and have played in various "in town" settings as an entertainer. It seems in the late 70s (disco era), local musicians were given their walking papers by local club owners in favor of "out of towners." Do Alaskans really think "in town" acts can't be quality?

I went to a local "jam session" last Sunday at the Tiki Cove. It seems the house band members (which are composed mostly of non-[illegible] Alaskan residents) come to get all of the jazz jobs that come [illegible] them to entertain themselves and could not let local musicians play alone as a group for even one song.

The purpose of "jam sessions" are to let everyone express themselves musically. People have to be able to crawl before we walk.

In the late '50s and early 60s, the "Oasis" club was a frequent stopover spot for many

our forests, and turn our lakes and streams into garbage dumps — all this in only a few years — we'd better hurry, 'cause there isn't much time left.

All that aside, Jerry, you still haven't answered my main question: how much do the oil companies write off when they find a dry hole? And why bother drilling when they know nothing is there? I say, let us put our money and intelligence to better use!

— Dave Carlson

A response from Valdez

The recent letter congratulating your reporters on spotlighting Valdez' profligate ways was not amusing to Valdezeans, nor was it accurate. As with anything that is spotlighted, much of what is really there languishes in the dark.

While we recognize that telling stories on Valdez has become great sport of late, your letter writer's gross exaggeration demands correction. The great "Big Mac Importation" was not quite as exciting a story as it apparently translated by a pilot passing on an amplified anecdote.

Political fund-raisers necessitate unique items to spur contributors and as auction coordinator, I fixed on Big Macs. While taken for granted by Anchoragites, we in the hinterlands have Big Mac Attacks that necessarily involve 350-mile ventures upcountry to satisfy. The order for 50 Big Macs was placed and arrangements were made to have them picked up and delivered to Valdez Airlines on their last evening run into Valdez so the burgers would be "fresh" for the big event. A last-minute snag in pick-up arrangements developed, however, and as zero hour approached, I prevailed upon a Valdez Airlines employee to run and get them for us and get them to the plane.

Unfortunately, the run took a bit longer than anticipated and because Valdez Airlines was kind enough to accommodate my plea for help, the plane was delayed in its departure, time awaiting delivery. That plane was by no means chartered; it was on a regularly scheduled flight and the accommodations were in time and energy expended by employees who responded to customer requests. We have come to expect that kind of good service by Valdez Airlines and we very much appreciate it.

It should also be pointed out that Messrs. McAlpine and Lewis steered Valdez through years of unparalleled prosperity and activity; during those years an investment plan was developed, a master plan was implemented and the community bonded and put in place new schools, a dock complex, a civic center, a senior citizens center, a softball complex, a hatchery, a new city hall, and a new library; and it increased its network of roads and water and sewer systems. It spruced up its parks and green areas, added flowers and trees and increased the overall quality of life in Valdez immeasurably.

We in Valdez are not blind to the fact that some mistakes were made along the way, but we wish the naysayers and predictors of doom would not be blind to the fact that we have accomplished an enormous amount in a very short period of time and we are well on the road to diversifying Valdez's economy. We are very much alive and well here in Valdez and we are looking forward to a continuing bright future.

— Judy Londo

Thanks for coverage on Brothers

Lewis cleared by probe

A state report clearing Community and Regional Affairs Commissioner Mark Lewis of charges that he illegally changed Valdez tax rolls will be delivered to legislators today.

Commissioner of Revenue Robert Heath, who headed an investigation by his department and the Department of Law, will tell legislators his investigators "have concluded from the facts that Mr. Lewis did not act improperly or illegally . . . and we view the matter as closed."

The Daily News reported Jan. 14 that "tax rolls had been 'improperly altered under Lewis' tenure" as Valdez city manager.

The full reports accompanying the Heath investigation were not available Wednesday night, but a letter from Heath to legislators who will examine Lewis' appointment as commissioner concludes the state did not lose revenue as a result of Valdez tax roll changes.

"While the procedures (involving the assessment changes) may have been irregular, they are by no means clearly improper" or in violation of Alaska law, the attorney general's opinion says.

The Heath report will be delivered to Rep. Barbara Lacher, R-Wasilla, and Sen. Frank Ferguson, D-Kotzebue, who head legislative committees on Community and Regional Affairs. Both committees have announced plans to hold hearings prior to a vote to confirm Lewis's appointment as commissioner.

"In conjunction with the Department of Law, we have completed an investigation of allegations that Mark Lewis, former city manager of Valdez, improperly reduced assessments on local property in

See Back Page, INVESTIGATION

Investigation clears Lewis of improperly altering tax rolls

Continued from Page A-1

other is a special roll of property related to the oil pipeline and terminal operations in the city.

The city assesses its property, but the state is in charge of assessing oil-related property for the state, and have concluded from the facts that Mr. Lewis did not act improperly or illegally. Therefore the state should not pursue any claim against the City of Valdez for the recovery of additional taxes," Heath's letter says.

Randell said he did not.

Valdez taxes two groups of property. One is commercial property, and residental property; the assessments in

the 1981 year. In 1982 he said he again kept fair-value figures on file but submitted figures 15 percent lower on instructions from the city administration.

Oil related property did not receive the benefit of the assessment reductions in other year. As a result, the millage rate in each year which is applied equally to oil and city property, had the effect of increasing taxes by about $190,000, from the 1981 tax roll.

Randell said he considered to be fair what he considered to be fair

Under state law, the

company is allowed to deduct the taxes it pays the city from its state taxes, meaning the state did not receive $190,000 it would have gotten had the original assessments been approved.

Lewis argued that a pipeline construction slump in Valdez had lowered property values and that Randell's original assessment was too high. Subsequent state comparisons showed the lowered Valdez assessments were in line with communities around the state.

ALASKA CLIPPING SERVICE
Anchorage Daily News
Anchorage, AK

49

Valdez named All-America city

VALDEZ — The National Municipal League's Citizen Action Awards Program has named Valdez as one of its 10 All-America Cities of 1981. More than 500 cities were nominated. City officials said the award to Valdez was based in part on the depth of citizen involvement in community projects such as the new $40 million port, a fisheries enhancement program and construction of a recreation complex.

ALASKA CLIPPING
SLRVICE
Alaska Journal
of Commerce
Anchorage,AK
MAR 1 1982

Chapt. 5: he's resigned

49

Valdez City Manger, Mark Lewis, has notified the Valdez City Council his resignation of Jan. 18 will stand over the protest of local business and community leaders.

Lewis' move follows a rejection of his original Jan. 18 resignation by the City Council at their Feb. 1 meeting. After the city council rejected his resignation, Lewis then announced that he would reconsider in light of strong community support for his remaining in the city's top executive position.

"I sincerely appreciate the council's rejection of my resignation," said Lewis. "However, after further reflection, it is my belief that my resignation cannot be rejected."

Lewis' resignation is effective July 18.

DEPARTMENT OF TRANSPORTATION

UNITED STATES COAST GUARD

Certificate of Merit

IN RECOGNITION *of notable services which have assisted greatly in furthering the aims and functions of the Coast Guard*

This certificate is awarded to

MARK LEWIS

Executed this 15TH *day of* JANUARY, 1981

at JUNEAU, ALASKA

J. KILLEY
Rear Admiral, U.S. Coast Guard
Commander, Coast Guard District

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

Certificate of Merit

to

MARK LEWIS
CITY MANAGER OF VALDEZ

"MARK LEWIS is cited for meritorious service performed during the period of 4 October 1988 through 6 October 1988. Early on the morning of 4 October 1988, five hundred and nineteen passengers and crewmembers of the luxury liner PRINCESS were forced, by fire, to abandon ship in lifeboats and liferafts in the Gulf of Alaska. Throughout the day, rescue efforts continued until all 519 passengers and crewmembers of the stricken vessel had been accounted for and placed safely aboard vessels for transportation to port. City Manager LEWIS, working with state and federal agencies coordinated the efforts of the city of Valdez and local citizen groups in preparing to receive and care for the 519 survivors that were transported to Valdez by the tanker WILLIAM SMITH. As a result of his expert planning the reception of the survivors was conducted in a most exemplary manner. MARK LEWIS' dedication and genuine concern for humanity are recognized as Alaskan traditions and are greatly appreciated."

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

STEPHEN A. McALPINE
LIEUTENANT GOVERNOR

STATE OF ALASKA
POUCH AA
JUNEAU 99811
(907) 465-3520

In light of all of the publicity recently received by the City of Valdez and Commissioner Mark Lewis, I thought the attached information would be of interest to you. It was recently forwarded to me from the City of Valdez.

Stephen McAlpine
Lieutenant Governor

MUNICIPAL FINANCE
OFFICERS ASSOCIATION

EXECUTIVE OFFICES
180 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601
312 977-9700

news release

DATE:

RE: Certificate of Conformance in Financial Reporting awarded to

The CITY OF VALDEZ, ALASKA has been awarded a Certificate of Conformance in Financial Reporting by the Municipal Finance Officers Association of the United States and Canada (MFOA) for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended DECEMBER 31, 1981. The Certificate of Conformance is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In order to be awarded a Certificate of Conformance, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Eligible CAFRs are evaluated by an impartial Special Review Committee composed of government finance officers, certified public accountants, educators and others with particular expertise in the area of governmental accounting and financial reporting.

When a Certificate of Conformance is awarded to a government, an Award of Financial Reporting Achievement is also presented to the individual(s) designated by the government as primarily responsible for its having earned the certificate. An Award of Financial Reporting Achievement has been awarded to CITY MANAGER, MARK LEWIS.

NOTE: A list of governments holding valid Certificates of Conformance is published periodically. A copy of the most recent list is enclosed. Further information concerning the Certificate of Conformance in Financial Reporting Program is available upon request from MFOA at 180 N. Michigan - Suite 800, Chicago, Illinois 60601 or (312) 977-9700.

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

The Municipal Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to:

MARK LEWIS
CITY MANAGER

CITY OF VALDEZ, ALASKA

The Award of Financial Reporting Achievement is presented by the Municipal Finance Officers Association to those individuals who have been instrumental in their governmental unit achieving a Certificate of Conformance in Financial Reporting. A Certificate of Conformance is presented to those governmental units whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

Executive Director Jeffrey L. Esser *Date* JANUARY 5, 1983

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

MUNICIPAL FINANCE
OFFICERS ASSOCIATION

EXECUTIVE OFFICES:
180 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601
312. 977-9700

January 5, 1983

CITY OF VALDEZ
JAN 15 1983

Mr. Stephen A. McAlpine
Mayor
City of Valdez
Box 307
Valdez, AK 99686

Dear Mr. McAlpine:

We are pleased to notify you that the comprehensive annual financial report of City of Valdez, Alaska for the fiscal year ended December 31, 1981 qualifies for a Certificate of Conformance in Financial Reporting. The Certificate of Conformance is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a governmental unit and its management.

When a Certificate of Conformance is awarded to a governmental unit, an Award of Financial Reporting Achievement is also presented to the individual designated by the governmental unit as primarily responsible for its having earned the certificate. Enclosed is an Award of Financial Reporting Achievement for City Manager, Mark Lewis.

The Certificate of Conformance will be mailed to you under separate cover. We hope that you will arrange for a formal presentation of the certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed. We suggest that you provide copies of it to the appropriate local newspapers and radio and television stations.

We hope that this example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting. If you have any questions regarding this matter, or if we may be of any further assistance, please don't hesitate to contact us.

Very truly yours,

MUNICIPAL FINANCE OFFICERS ASSOCIATION

Gila K. Klein

Gila K. Klein
Director/Certificate of Conformance Program

GKK/pdp

Enclosures

SOMETIMES, IT PAYS TO CONFORM.

certificate of conformance

MUNICIPAL FINANCE OFFICERS ASSOCIATION

The Certificate of Conformance is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The Certificate of Conformance in Financial Reporting Program was begun by MFOA in 1945 to emphasize the association's belief that every government and public employee retirement system (PERS) should prepare and publish an easily readable and understandable comprehensive annual financial report (CAFR) covering all of its funds and financial transactions during the year. MFOA believes that governments have a special responsibility to fully and fairly disclose their financial affairs. The CAFR is a very detailed report that goes beyond the requirements of generally accepted accounting principles (GAAP) and beyond the requirements of applicable statutes and regulations in an effort to present all of the information necessary to meet the information needs of the many persons and groups with legitimate interests in the financial affairs of government.

To be eligible for a Certificate of Conformance, a report must be the published CAFR of a government or PERS. Eligible CAFRs must include general purpose financial statements prepared in substantial conformance with generally accepted accounting principles which have been independently audited in accordance with generally accepted auditing standards and a reproduction of the auditor's opinion on them. Governmental CAFRs must also include financial statements for individual funds for which an independent auditor has accepted *at least* "in relation to" supplementary data responsibility.

To earn a Certificate of Conformance, a CAFR must tell its financial story clearly, thoroughly and understandably. Certificate of Conformance reports are efficiently organized, employ certain standardized terminology and formatting conventions, minimize ambiguities and potentials for misleading inference, enhance understanding of current GAAP theory, and generally demonstrate a constructive "spirit of full disclosure."

The Certificate of Conformance Program provides a government with easy and economical access to an extensive amount of technical reference material concerning governmental accounting and financial reporting theory. It provides technical informational tools which can enable government finance officers to help themselves to improve their financial reporting techniques. The standards of the Certificate of Conformance Program are quite rigorous. This is apparent from the large number of governments which do not receive a certificate on their first attempt. There should be no stigma attached to a government's failure to earn a Certificate of Conformance at the time of its first, or even its second, submission of its CAFR. The Certificate of Conformance review process should be viewed as a learning device. A government's follow-up analysis and study of the comments and suggestions for improvements provided through the review can significantly facilitate an improved management by objectives approach to the government's financial reporting activities.

To participate in the program, units must complete an application form, submit the appropriate fee and send five copies of their CAFRs for review by the Certificate of Conformance Program Special Review Committee. Special Review Committee members include finance officers, certified public accounts, educators and others with particular expertise in governmental accounting and financial reporting. Reports must be received by MFOA within six months of the end of the reporting entity's fiscal year.

The governments listed on the following pages held Certificates of Conformance on October 27, 1982. Results of reviews still in process on that date are not reflected in this list.

Further information about the Certificate of Conformance in Financial Reporting Program is available upon request from Gila K. Klein, Director/Certificate of Conformance Program, Municipal Finance Officers Association, 180 North Michigan Avenue, Suite 800, Chicago, IL 60601.

ALABAMA
Birmingham
Huntsville

ALASKA
Fairbanks North Star Borough
Kenai
Kenai Peninsula Borough

ARIZONA
Phoenix
Scottsdale
Tempe

ARKANSAS
Little Rock

CALIFORNIA
Anaheim
Bakersfield
Beverly Hills
California State Teachers Retirement System
Costa Mesa
Fresno County
Grass Valley
Inglewood
Irvine
Lakewood
Long Beach
Oceanside
Orange County
Orange County Transit District
Pacifica
Palm Springs
Port of Stockton
Riverside
Sacramento
San Buenaventura
Santa Ana
Santa Cruz
Santa Cruz County
Santa Rosa
Simi Valley
Ventura County

COLORADO
Aurora
County of Weld
Fort Collins
Lakewood
Loveland
Palm Springs
Pueblo
Thornton

CONNECTICUT
Greenwich
Town of East Hartford

DELAWARE
New Castle County

DISTRICT OF COLUMBIA
District of Columbia

FLORIDA
Boca Raton
Board of County Commissioners, Hillsborough
Board of County Commissioners, Seminole County
Bradenton
Clearwater
Coral Gables
Coral Springs
Daytona Beach
Deerfield Beach
Escambia County
Fort Lauderdale
Gainesville
Greater Orlando Aviation Authority
Holly Hill
Hollywood
Jacksonville
Juno Beach
Kissimmee
Lakeland
Maitland
Manatee County
Melbourne
Metropolitan Dade Count
Naples
New Smyrna Beach
Orlando
Pensacola
Polk County
Polk County Board of Commissioners
Pompano Beach
Port Orange
Sarasota
St. Cloud
St. Petersburg
Tallahassee
Tampa
Temple Terrace
Treasure Island
Utilities Commission New Smyrna Beach
Vero Beach
Volusia County
West Palm Beach
Winter Haven
Winter Park

GEORGIA
Atlanta Regional Commission
Cartersville
Cobb County Board of Education
Decatur
DeKalb County
Forest Park
LaFayette
Milledgeville

HAWAII
None

IDAHO
Boise
Nampa

ILLINOIS
Bloomington
Chicago Metropolitan Sanitary District
Community Unit School District #304, Geneva
Decatur
Department of Water City of Chicago
Des Plaines
Downers Grove
Elgin
Flossmoor
Hoffman Estates
Homewood
Illinois Municipal Retirement Fund
LaGrange
Lake Forest
Niles
Northlake
Oak Brook
Oak Lawn
Park Ridge
Rockford
Rock Island
Valley View Public Schools #365 U
Wheeling
Winnebago County
Winnebago County Forest Preserve Dist.

INDIANA
Indianapolis

IOWA
Ames
Cedar Rapids
Des Moines

KANSAS
Andover
El Dorado
Lenexa
Olathe
Overland Park
Wichita

KENTUCKY
Jefferson County Fiscal Court
Owensboro

LOUISIANA
Baton Rouge
Bossier City
Shreveport

MAINE
Lewiston

MARYLAND
Anne Arundel County
Baltimore County
Board of Education & Public Schools of Anne Arundel County
Bowie
College Park
Frederick
Frederick County
Gaithersburg
Howard County
Maryland National Capital Park & Planning Commission
Montgomery County
New Carrollton
Prince George's County
Prince George's County Public Schools
Rockville
State of Maryland

MASSACHUSETTS
None

MICHIGAN
Big Rapids
Burton
Genessee County
Grand Rapids
Lansing
Midland
Muskegon County
Port Huron
Southfield

MINNESOTA
Anoka
Bloomington
Brooklyn Center
Brooklyn Park
Coon Rapids
Duluth
Fridley
Hennepin County
Maplewood
Minneapolis
Ramsey County
Robbinsdale
Rochester
Roseville
St. Paul

MISSISSIPPI
Armory

MISSOURI
Berkeley
Bridgeton
Columbia
Crestwood
Gladstone
Independence
Kansas City
Kirkwood
Lee's Summit
Missouri LGERS
Springfield

MONTANA
None

NEBRASKA
None

NEVADA
Clark County
Division of Colorado River Resources
Las Vegas
Las Vegas Valley Water District

North Las Vegas
Reno
Sparks

NEW HAMPSHIRE
None

NEW JERSEY
None

NEW MEXICO
Albuquerque

NEW YORK
New York
New York ERDA
White Plains

NORTH CAROLINA
Asheville
Buncombe County
Charlotte-Mecklenburg Schools
Durham County
Greensboro
Guilford County
High Point
Mecklenburg County
New Hanover County
Raleigh
Sanford

NORTH DAKOTA
None

OHIO
Cincinnati
Columbus
Wooster

OKLAHOMA
Muscogee (Creek) Nation

OREGON
Beaverton
Eugene
Gresham
Marion County Oregon School District 24J
Milwaukie
Oregon Public Employees Retirement System
Portland
Portland Public Schools
Portland School District #1
Springfield
Washington County School District #48

PENNSYLVANIA
Allentown
Lancaster County
Mt. Lebanon
Philadelphia

RHODE ISLAND
None

SOUTH CAROLINA
Orangeburg County School District
Sumter County

SOUTH DAKOTA
Aberdeen
Sioux Falls
Yankton

TENNESSEE
Gallatin
Hamilton County
Hendersonville
Memphis
Oak Ridge
State of Tennessee

TEXAS
Abilene
Addison
Alice
Amarillo
Andrews
Arlington
Arlington Independent School District
Austin
Bell County
Bexar County
Boerne
Carrollton Farmers Branch Independent School District
College Station
Collin County
Conroe Independent School District
City of Dallas
Dallas County
Dallas Independent School District
Forest Hill
Fort Worth
Galveston
Garland
Goldsmith
Guadalupe-Blanco River Authority
Harris County &
Harris County Flood Control
Harris County—Port of Houston Authority
Houston Independent School District
Hurst
Irving
Klein Independent School District
La Porte
League City
Lubbock County
Mesquite
North Central Texas Council of Governments
North East Independent School District
Nueces County
Odessa
Palestine
Pearland
Richardson
Richardson Independent School District
San Antonio
San Marcos
Seabrook
Spring Independent School District
Stephenville
Temple

UTAH
Bountiful
Logan
Murray City Corporation
Salt Lake City Corporation
Salt Lake City School District

VERMONT
None

VIRGINIA
Alexandria
Arlington County
Blacksburg
Charlottesville
Chesapeake
Chesterfield County
Colonial Heights
Fairfax
Fairfax County
Hampton
Hampton Roads Sanitation District
Henrico County
Herndon
James City County
Newport News
Portsmouth
Prince William County
Roanoke
Rockingham County
Vienna
Virginia Beach

WASHINGTON
Clark County
Edmonds
Kent
Seattle

WEST VIRGINIA
None

WISCONSIN
Fond du Lac
Milwaukee
Milwaukee County
Milwaukee Metropolitan Sewerage District
Outgamie County
Waukesha Area Vocational Technical & Adult Education District

WYOMING
Cheyenne Board of Public Utilities
Laramie

On October 27, 1982, the Special Review Committee membership included the following individuals:

Damon R. Adams, Director of Finance, Fort Lauderdale, Florida

Charles A. Anderson, Partner, Anderson & Whitney, CPAs, Greeley, Colorado

Roy Anderson, Controller, Illinois Municipal Retirement Fund, Chicago, Illinois

Harold L. Ashby, Partner, Coopers & Lybrand, Baltimore, Maryland

Harold H. Bach, Jr., Partner, Arthur Young & Company, Chicago, Illinois

Francois R. Barfuss, Partner, Deloitte Haskins & Sells, New York, New York

David R. Bean, Cusas Coordinator, State of Illinois, Springfield, Illinois

R. Edward Beranek, Partner, Main Hurdman, Newport Beach, California

Leroy R. Bergstrom, Partner, Kafoury, Armstrong & Co., Reno, Nevada

James J. Bolthouse, Director of Accounting, State of Michigan, Lansing, Michigan

Lyle D. Botkin, City Controller, Wichita, Kansas

Walter Bransen, Supervisor, Peat, Marwick, Mitchell & Co., Chicago, Illinois

Michael F. Bresnan, Manager, Deloitte Haskins & Sells, Costa Mesa, California

Gerald D. Brighton, Professor of Accounting, University of Illinois, Urbana, Illinois

Philip T. Calder, Partner, Arthur Young & Company, Detroit, Michigan

Patrick Callan, Supervisor, Cherry, Bekaert & Holland, CPAs, St. Petersburg, Florida

Gary Caporicci, Audit Manager, Apodaca, Finacchiaro & Company, Newport Beach, California

Edward P. Chait, Senior Technical Consultant, Price Waterhouse, Washington, D.C.

Linda S. Chappell, Controller, Atlantic Services, Wichita, Kansas

Joseph L. Christoffel, CPA, Sartoris Inc., Farmington Hills, Michigan

Mary Ellen Clemens, Assistant Director, Bureau of Financial Management Services, Tallahassee, Florida

Tom Cleveland, Partner, Touche Ross & Co., San Francisco, California

Harriet V. Commons, Audit Senior, Price Waterhouse, Sacramento, California

Gary M. Cone, Senior Consultant, Arthur Young & Company, Birmingham, Alabama

Robert K. Cox, Partner, Main Hurdman, Chicago, Illinois

Gilbert W. Crain, Associate Professor of Accounting, School of Business, Montana State University, Bozeman, Montana

John Crider, Manager, Alexander Grant & Company, San Antonio, Texas

Jack R. Crist, Director of Finance, Sacramento, California

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Kenneth Daly, Partner, Peat, Marwick, Mitchell & Co., Philadelphia, Pennsylvania

Irwin T. David, Partner, Touche Ross & Co., Chicago, Illinois

Irwin R. Davis, Executive Director of Finance, School District of Philadelphia, Philadelphia, Pennsylvania

Francis A. Dawson, Finance Director, Cincinnati, Ohio

Mark W. Dick, Partner, Fox & Co., Wichita, Kansas

William B. Dillon, Partner, Arthur Andersen & Co., Dallas, Texas

James B. Dodson, Audit Partner, Harris, Huber & Co. P.C., Casper, Wyoming

Francis J. Dubas, Jr., Manager, Deloitte Haskins & Sells, New York, New York

Dennis F. Dycus, Director, Division of Municipal Audit, State of Tennessee, Nashville, Tennessee

Bert T. Edwards, Partner, Arthur Andersen & Co., Washington, D.C.

Burton Emmer, Partner, Alexander Grant & Co., Fort Lauderdale, Florida

Gary W. Findlay, Consultant, Gabriel, Roeder, Smith & Co., Detroit, Michigan

S. Grady Fullerton, CPA, University of Houston System, Houston, Texas

A. R. Garraway, Partner, Laventhol & Horwath, Las Vegas, Nevada

Gary L. George, CPA, Manager, Fox & Company, Wichita, Kansas

Terry Gordon, CPA, Tucker, Georgia

William T. Gordon, III, Audit Manager, Price Waterhouse & Co., Orlando, Florida

Robert Green, Finance Director, Daly City, California

Richard J. Haas, CPA, Chicago, Illinois

Robert D. Hammond, Partner, Clifton, Gunderson & Co., Denver, Colorado

George Hanna, Supervisor, Governmental Accounting, Derieux, Baker, Thompson & Whitt, CPAs, Richmond, Virginia

Roger Harmelink, Partner, McGladrey Hendrickson & Co., Rock Island, Illinois

Rhett Harrell, Manager, May, Zima & Co., Tallahassee, Florida

Jane Anne Hart, Director of Budget & Research, Dallas, Texas

Stanley C. Henslee, Partner, Fox & Co., Newport Beach, California

Harold Hensold, Partner, Arthur Young & Co., Chicago, Illinois

William W. Holder, Associate Professor, University of Southern California, School of Accounting, Los Angeles, California

Paula J. Horgen, Comptroller, Orlando, Florida

Charles J. Huckleberry, Jr., Deputy Director of Finance, DeKalb County, Decatur, Georgia

Robert L. Hull, Vice President, Selden, Fox & Associates, Ltd., Oak Brook, Illinois

Leo T. Hury, Partner, Davis, Monk, Farnsworth & Company, Gainesville, Florida

Richard J. Hutchinson, Manager, Nowlen, Stewart, Tedamonson & Holt, West Palm Beach, Florida

Ronald G. Ibarra, Chief Accountant, Tampa, Florida

Charles I. Johnson III, Accounting Supervisor, Alexandria, Virginia

Lawrence F. Johnson, Principal, Arthur Young & Company, Tulsa, Oklahoma

Jeff A. Jones, Manager, Arthur Andersen & Co., Washington, D.C.

Robert Jones, Assistant Administrator & Audit Coordinator, Cleveland, Ohio

Louis G. Karrison, Partner, Karrison & Byrne, Wheaton, Illinois

Steven R. Kay, Manager, Peat, Marwick, Mitchell & Co., Los Angeles, California

William P. Kessler, Deputy Comptroller, Metropolitan Sanitary District of Greater Chicago, Illinois

Alex H. Kish, Manager, Brent Millikan, New Smyrna Beach, Florida

Jeffrey A. Klank, Senior, Ernst & Whinney, Dayton, Ohio

Edward M. Klasny, Partner, Ernst & Whinney, Cleveland, Ohio

Gary S. Kofnovec, Partner, McIntosh & Associates, Austin, Texas

Roger Korvola, Partner, Touche Ross & Co., Portland, Oregon

Alexander L. Leonard, CPA, Principal, Haynes, Moore, VanLandingham & Finney, CPA's, Rome, Georgia

John B. Lilja, Manager, Deloitte Haskins & Sells, St. Paul, Minnesota

John MacDonald, Partner, Coopers & Lybrand, Kansas City, Missouri

Thomas L. Maher, Partner, McGladrey Hendrickson & Co., Davenport, Iowa

Anthony M. Mandolini, Partner, Peat, Marwick, Mitchell & Co., Chicago, Illinois

John M. Mann, CPA, Coral Springs, Florida

Anthony R. Maresca, Audit Manager, Main Hurdman, Houston, Texas

Douglas R. Martin, Executive Secretary, State Board of Public Accountancy, Albany, New York

Mike McDonald, Manager, Touche Ross & Co., Nashville, Tennessee

Frank McHugh, Deputy Comptroller, Metropolitan Sanitary District of Greater Chicago, Illinois

Bob Melville, Manager, Price Waterhouse, Denver, Colorado

Terrill E. Menzel, Senior Audit Manager, Peat, Marwick, Mitchell & Co., Atlanta, Georgia

G. Michael Miller, Director of Finance, Orlando, Florida

Robert E. Moody, Manager, Ernst & Whinney, West Palm Beach, Florida

Anthony J. Mottola, Partner, Coopers & Lybrand, New York, New York

Terry L. Musika, Manager, Coopers & Lybrand, Boston, Massachusetts

R. J. Nachlinger, Finance Officer, Beaumont, Texas

Claude Nixon, Jr., Partner, Bourgeois, Bennett, Thokey & Hickey, New Orleans, Louisiana

Donald Oatman, Executive Director of Business Services, Jefferson County School District #1, Lakewood, Colorado

Paula C. O'Connor, Assistant Director of Finance, Tacoma, Washington

Carl G. Orne, Associate Dean of the School of Business and Economics, California State University, Hayward, California

Jose R. Pagan, Jr., Controller, Metropolitan Dade County, Miami, Florida

James L. Pandolfi, Partner, Pandolfi, Touhy, Weiss & Co., Chicago, Illinois

Dan Patrick, Assistant Director of Finance, Lakewood, Colorado

John S. Pavlik, Partner, Deloitte Haskins & Sells, New Haven, Connecticut

Bob Plain, Partner, Touche Ross & Co., Washington, D.C.

Dennis D. Powell, Partner, Coopers & Lybrand, Portland, Oregon

Louis Profumo, Senior Manager, Peat, Marwick, Mitchell & Co., Miami, Florida

Mike Profumo, Partner, Coopers & Lybrand, Sacramento, California

Robert L. Puckett, Audit Manager, Alexander Grant & Co., Denver, Colorado

David M. Pugh, Manager, Ernst & Whinney, Harrisburg, Pennsylvania

Steven C. Purvis, Partner, Ripley, Doorn & Co., Boise, Idaho

James B. Pyers, Director of Finance, City of Wooster, Wooster, Ohio

Donald L. Rahn, Supervisor, Virchow, Krause & Co., Madison, Wisconsin

William Reidy, Partner, Coopers & Lybrand, Cleveland, Ohio

Larry J. Robertson, Partner, Peat, Marwick, Mitchell & Co., Sacramento, California

Joseph W. Rose, Assistant to County Auditor, Cook County, Chicago, Illinois

Daniel P. Rosen, Assistant Comptroller, City of New York, New York

John Ryan, Manager, Ernst & Whinney, Oklahoma City, Oklahoma

Paul Sachs, Manager, Arthur Andersen & Co., Chicago, Illinois

Tom Samp, Manager, Peat, Marwick, Mitchell & Co., Chicago, Illinois

Rudolph J. Santoro, Partner, Deloitte, Haskins & Sells, Woodbury, New York

David H. Sarbey, Supervising Manager, Speer, Safer & Co., Miami, Florida

Raymond M Saunders, Project Manager Consultant, Americ. Management Systems, Arlington, Virginia

Gerald J. Schmidt, CPA, St. Louis, Missouri

Dan Schultz, Manager, Peat, Marwick, Mitchell & Co., Tulsa, Oklahoma

William R. Schwartz, Executive Secretary, Missouri Local Government Employees Retirement System, Jefferson City, Missouri

Robert A. Shonk, Finance Director & Comptroller, Evanston, Illinois

Joe Shore, Manager, Alexander Grant & Co., Fort Lauderdale, Florida

D. Scott Showalter, Manager, Peat, Marwick, Mitchell & Co., New York, New York

Gary Smith, Manager, Deloitte Haskins & Sells, Los Angeles, California

Peggy Smith, Manager, Arthur Andersen & Co., Washington, D.C.

John G. Smithyman, Deputy Controller, Philadelphia, Pennsylvania

Thomas W. Snow, Partner, Peat, Marwick, Mitchell & Co., Los Angeles, California

Robert W. Spence, Partner, Peat, Marwick, Mitchell & Co., Kansas City, Missouri

Thomas M. Stack, Treasurer, Chicago Board of Education, Chicago, Illinois

Virginia Stanton, Director of Finance, Fulton County, Atlanta, Georgia

Barbara Steckel, Municipal Manager, Anchorage, Alaska

Roger R. Stoltz, Principal, Arthur Young & Company, Cleveland, Ohio

Robert V. Stout, Manager, Coopers & Lybrand, New York, New York

Paul C. Sundee, Partner, Price Waterhouse & Co., Newport Beach, California

Marcia L. Taylor, Director of Finance, Mt. Lebanon, Pennsylvania

Tommy J. Tompkins, Principal, Arthur Young & Company, Dallas, Texas

Robert W. Trudeau, Chief Accountant, St. Paul, Minnesota

Richard C. Vaughan, Partner, Peat, Marwick, Mitchell & Co., St. Louis, Missouri

Edward J. Virnig, Partner, Arthur Andersen & Co., Milwaukee, Wisconsin

Carl L. White, Director of Finance, San Antonio, Texas

James L. Williams, Partner, Deloitte Haskins & Sells, Houston, Texas

King Moore Willis, Vice President, John C. Muse Company, Sanford, North Carolina

William D. Wysocki, Partner, Arthur Young & Company, Indianapolis, Indiana

Frederick Zahn, Partner, Deloitte, Haskins & Sells, Cleveland, Ohio

Robert J. Zarlengo, Hines, Condon & Zarlengo, Arvada, Colorado

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

BERING STRAITS COASTAL RESOURCE SERVICE AREA BOARD
c/o City of Unalakleet
Box 28
Unalakleet, Alaska 99684

0471 824 30

Harry Y. Boone
Golovin, AK 99762
Paul Kiniksh
Box 135
Savoonga, AK 99769
Robert Blodgett
Box 845
Teller, AK 99778
Frances Degnan
Box 28
Unalakleet, Ak 99684
Dwight Millgrook, Sr.
Box 138
Nome, AK 99762
Andrew Tocick
Elim, AK 99739
hn Chocmak, Sr
. Michael, AK

18 March 1983

THROUGH LEGISLATIVE INFORMATION TELECOPIER

Representative John G. (Jack) Fuller
Senator Frank Ferguson
Repr. Al Adams
Representative Tony Vaska
and Other Members of the Bush Caucus

Gentlemen:

On behalf of the Bering Straits CRSA Board, I am writing to express grave concerns regarding the appointment of Mr. Mark Lewis by Governor Sheffield as Commissioner of the Department of Community & Regional Affairs (DCRA).

At their regular meeting at Unalakleet, Alaska on March 16, 1983, the Bering Straits CRSA Board directed me to convey the Board's extreme disappointment that Governor Sheffield did not appoint a person with known seasoned experience and knowledge of local concerns.

To the Board's knowledge, Mr. Lewis has not demonstrated requisite experience and knowledge of our Inupiat and Yupik cultures in the Bering Straits Coastal Resource Service Area District. From Shishmaref to Stebbins along the coastline and over to St. Lawrence Island, we Inuit along with the Naluamiut (White People) who live in this Region, have advocated the adoption of a Coastal Management Program, which, when adopted, will provide an opportunity for local residents to express their concerns regarding major coastal land and water resources, uses, and management plans.

We understand that Mr. Lewis's Confirmation Hearings are scheduled before the DCRA Committee - House on Monday and Tuesday of next week, and before the DCRA Committee - Senate on Wednesday.

Please convey to the Committee the Board's feelings, and give a copy of this letter to them and to Governor Sheffield as well.

Thank you for your kind assistance and cooperation.

Very truly yours,

BERING STRAITS CRSA BOARD

BY: Frances A. Degnan
Frances A. Degnan
Secretary/Treasurer

cc Bering Sts. CRSA Board

Shishmaref, Wales, Diomede, Brevig Mission, Teller, "Nome West", White Mountain, Golovin, Solomon, Council, "Nome East", Elim, Koyuk, Shaktoolik, Unalakleet, Stebbins, St. Michael, Council, Savoonga

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

1. Grain Elevator — Tuesday
2. Fuel Processing Plant
* 3. Sick Pay — Wednesday
4. Assessment — City Manager of Odessa - Rick Randall
* 5. Contract Awards
* 6. Others — 3rd Day

Mark Lewis - Testify Background
Introduction
Qualifications

1st Mark Lewis - Intro, Background, Qualifications, Etc.
2nd Goals,

Binder from Mortgage

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

CONFIRMATION HEARINGS

AGENDA

THURSDAY JUNE 2, 1983 2:00 P.M. ROOM 124 CAPITOL

1. CALL TO ORDER
2. ROLL CALL
3. CONTINUE COMMITTEE DIALOGUE WITH MARK LEWIS
   A. SUBJECTS REGARDING VALDEZ ACTIVITIES
      (1) PERSONNEL POLICY RULE CHANGE
      (2) VALDEZ TAX ASSESSMENTS *
   B. CONSULTANT CONTRACT PROCEDURES **
4. DISCUSSION OF GOALS OF COMMISSIONER RE: DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
5. CONCLUSION OF HEARINGS

NOTE: ADDITIONAL MEETINGS FOR CONTINUATION OF HEARINGS MAY BE SCHEDULED AS NECESSARY. COMMITTEE DISCUSSIONS MAY INCLUDE SUBJECTS NOT LISTED ABOVE.

* MAY INCLUDE TELECONFERENCE TESTIMONY ----RICHARD RANDALL

** MAY INCLUDE TELECONFERENCE TESTIMONY-----LAWRENCE KIMBALL

Attorney general review finds no contract bid conflict

By STEVE SEPLOCHA
and JOHN LINDBACK
Daily News reporters

A company denied a state Department of Community and Regional Affairs contract because of a possible conflict of interest actually had no conflict, an attorney general's office opinion says.

The Kuskokwim Planning and Management Corp., bidding for one-third of a $395,000 contract for planning in Western Alaska, was called a "runaway winner" in the competition by a department bid review team in January.

But Community and Regional Affairs Commissioner Mark Lewis threw out all bids for the contract amid questions over potential conflicts in Kuskokwim's bid, and in the bid made by the second-ranked competitor, Calista Professional Service Corp.

A Kuskokwim employee, Richard Aks, had been deputy commissioner of the Department of Community and Regional Affairs. He resigned Dec. 3, and became general manager of Kuskokwim Corp. on Jan. 5.

Thomas Jahnke, an assistant attorney general asked by Aks to review the situation, said in a letter to Aks that his review of documents and discussions with state officials "lead me to conclude that there has been no impropriety on your part."

Jahnke said, "It was appropriate for Commissioner Lewis to inquire about the appearance of conflict in connection with your employment by KP (Kuskokwim). However, on closer examination, the apparent conflict is seen to be illusory."

The Jahnke opinion on Aks said the record was "entirely contrary" to any of the factors required for a conflict finding under Alaska law.

Lewis' actions on the contract have been criticized by the former director of the department's community planning division, Lawrence H. Kimball Jr., and a number of private contractors. They claim Lewis steered the contract to Calista Professional Services Corp. and/or the Association of Village Council Presidents (AVCP).

Lewis has denied any improper actions and has said his actions were aimed at making the contracting procedure fair. He further accused Kimball of having a personal vendetta against him.

Jeff Smith, director of the C&RA Local Assistance Division, said Lewis would have no comment on the ruling. Smith said he felt the actions taken by Lewis were "still justified based on the appearance (that existed at the time) and other issues involved."

Aks began negotiating with Kuskokwim in mid-October and immediately notified superiors that he was talking with the firm and would take no part in department decisions regarding the planning contract.

In January, the bids were graded by a department review team and the Kuskokwim proposal was cited as the best.

The second-ranked proposal, by Calista, was also recommended for two-thirds of the $395,000 award, since the top firm had only applied for one-third.

However, about the same time, Sen. John Sackett, R-Ruby, complained to Lewis and Gov. Bill Sheffield's office that Aks' employment by Kuskokwim should disqualify that company.

Lewis convened an executive review committee in February, at which Aks' potential conflict was addressed, along with information that Kimball had that a member of the original review committee had been employed by Calista.

After a stormy second meeting of the review committee, in which Kimball said he made charges of impropriety and asked to be relieved of any involvement in the award, Lewis threw out all proposals.

In tossing out the bids, Lewis announced a change in the scope of the work that had the effect of eliminating resubmission of the Kuskokwim bid.

He subsequently made another rule change that allowed Association of Village Council Presidents, a nonprofit organization with close ties to Calista, to enter the second round of bids. Lewis also briefly put a Calista shareholder who is a relative of an influential AVCP member on the second round review committee.

A new review committee appointed after complaints about the Calista shareholder met this week and made a contract award recommendation to Lewis.

Smith said Lewis would issue a press release Tuesday giving his decision on the contract.

Calista, in partnership with AVCP, resubmitted a bid in the second round.

The alleged conflict involving the Calista employee, who had access to all first round bids and an apparent advantage in the second round, has not been resolved.

Smith said earlier this week that he had a preliminary indication that the change that eliminated the Kuskokwim bid represented a significant revision of the proposal and made the point about a potential Calista conflict moot.

U.S.S. Anchorage visiting namesake

Anchorage's namesake on the high seas is paying a holiday visit, and the welcome mat is out to residents.

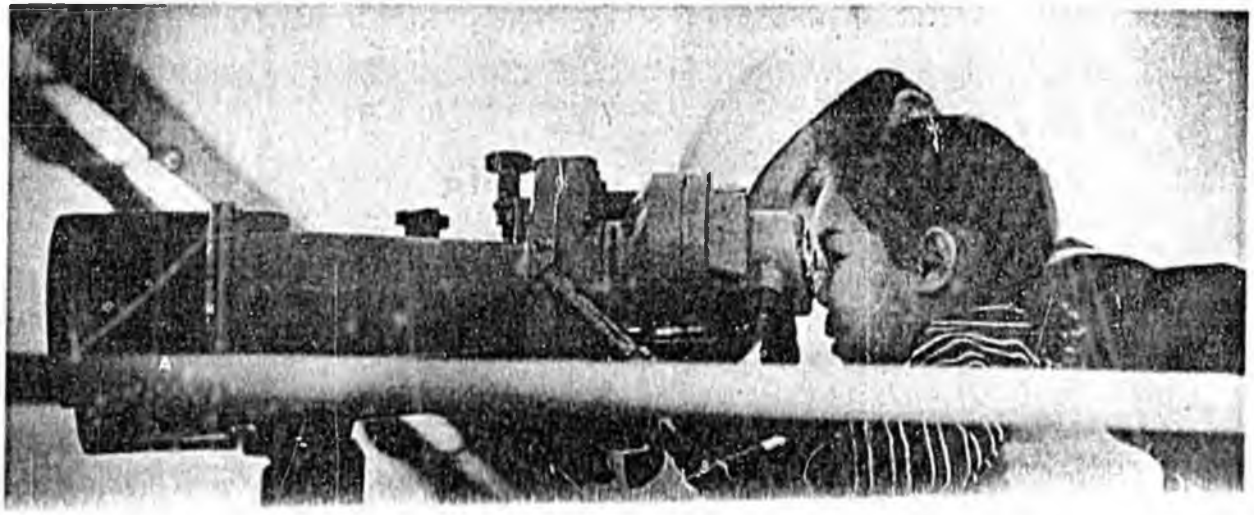
The U.S.S. Anchorage is docked at the Port of Anchorage and the public has been invited to scurry over its decks, peer in its holds and sit in a captain's chair from noon to 5 p.m. today.

The Anchorage is a Dock Landing Ship (LSD), designed for two main missions. First, it is a cargo ship, capable of toting up to 300 fully equipped troops and their land vehicles and debarking them on use as harbor tugs to steer in for overhauls.

"We can get a boat in the lower decks and it works just like a dry dock," said Lt. j.g. Michael Craft. "We can use the cranes and lift an engine right out of a vessel and drop another one in."

The upper deck is also large enough to allow medium-sized helicopters to drop in for service and storage.

The Anchorage carries three twin-barreled 50-caliber gun mounts with a range of six miles. While primarily for



Phillips
Cap. 421

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

May 31, 1983
FOR RELEASE 8 a.m.

PRESS RELEASE

Mark Lewis, Commissioner of the Department of Community and Regional Affairs, announced today that the Anchorage firm of Maynard and Partch has been selected to carry out the Yukon/Kuskokwim Regional Planning Needs Assessment project, subject to successful contract negotiations. This selection implements a unanimous recommendation by the Proposal Evaluation Committee.

Revised Requests for Proposals were issued on April 20, 1983, with an addendum to the RFP issued on April 29, 1983. Using appropriate bidder's lists, maintained by the Alaska Department of Administration, the RFP was distributed to over 180 firms. In addition, public notice was printed in major Alaska newspapers in both Anchorage and Juneau inviting prospective bidders to submit proposals.

Five proposals were received by the deadline for submission on May 19, 1983. A five-member Proposal Evaluation Committee met on May 25 and 26 in Anchorage to consider the proposals which had been submitted in a manner responsive to the terms of the RFP. The final proposals were submitted by Maynard and Partch in association with Kuskokwim Planning and Management Corporation; Kevin Waring and Associates; Woodward and Clyde Consultants and the second from Calista Professional Services joint venture with the Association of Village Council Presidents. The other three proposals were rejected as not complying with the submittal requirements of the RFP.

Proposal Evaluation Committee members were Fred Ali, President, Kuskokwim Community College, Bethel; Tony Stigel, Planning Director, City of Bethel; George Gee, Private Consultant, Ketchikan; Jim Edwards, Department of Transportation and Public Facilities, Anchorage; and Ed Busch, Department of Community and Regional Affairs, Division of Community Planning.

The Proposal Evaluation Committee reviewed the proposals according to criteria established within the RFP. Major criteria included:

1. Quality and Thoroughness of Presentation

   - Understanding of the project
   - Understanding of the communities and the region
   - Responsiveness to contractual requirements
   - Organization and clarity of the proposal
   - Innovativeness of the proposal

2. Capabilities and Organization of the Proposed Team

   - Qualifications and experience
   - Work satisfactorily completed on related projects
   - Organization and management

3. Project Budget

Following their discussions on May 25, the Proposal Evaluation Committee elected to interview both proposed project teams on the morning of May 26. Following these interviews, the members resumed their discussions and, ultimately, moved to recommend the firm of Maynard and Partch as the firm most qualified to carry out this project. The Committee vote was unanimous in favor of the motion.

Subject to successful negotiations, the Yukon/Kuskokwim Regional Planning Needs Assessment Project is expected to be under contract with the firm of Maynard and Partch before June 30, 1983.

The policy of this administration is to award all contracts in a fair and equitable manner and to contract with the firm most capable to successfully complete the project. As evident by the process we have just completed regarding the Regional Planning Needs Assessment for the Yukon/Kuskokwim both of these goals have been met.

Commissioner Mark Lewis said:

"It is unfortunate that the Anchorage Daily News was so quick to judge this contract review process and that their articles were one-sided and had a biased interpretation. I am pleased to announce this award and as I have maintained all along that this contract review process has been fair and equitable to all the participants involved."

CONTACT Jeff Smith - 465-4707.

1135K

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

TO: Representative Lacher

FROM: Staff

DATE: May 25, 1982

SUBJ: Planning Consultant Contract, Department of Community and Regional Affairs.

CAUTION: The following information has been summarized from articles appearing in the Anchorage Daily News on May 15 and May 17, 1983 and has not been verified by independent investigation.

The articles allege that Commissioner Mark Lewis has directed actions that favor the award of a State-funded Regional Planning Contract to Calista Professional Services Corporation. The amount of the contract is $395,000. and is one part of a larger multi-part contract.

Earlier portions of the larger Regional Planning Contract were awarded to Calista Professional Service Corporation. Proposals from several consulting and planning firms for the latest contract were reviewed in January by a contract review committee comprised of employees of the Department of Community and Regional Affairs. The review committee recommended award of the contract to Kuskokwim Planning and Management Corporation.

In January, Senator Sackett informed the Governor that a conflict of interest existed in the award of the contract to Kuskokwim because a former employee of the Department, Richard Aks, worked for Kuskokwim. The Senator also wanted to award one contract on a regional basis rather than several smaller contracts on a subregion basis. A decision to follow the Senator's request would mean eliminating the request for contract proposals and the Kuskokwim bid.

Subsequent to receipt of Senator Sackett's letter, Commissioner Lewis directed a newly formed contract review committee to again review the proposals and recommend a winning bid. Reasons given for appointment of a new review committee were to be certain that the program was in line with the new administration policies (not clarified) and possible conflict of interest in the earlier recommendation for contract award.

The new or "executive" review commttee met twice but apparently made no recommendation. On March 13, Lewis announced that all of the bids would be discarded but, bidders would be paid for their efforts. He also announced that readvertisements for bids would eliminate the provisions that permitted bids for portions of the work. This change eliminated the proposal submitted by Kuskokwim from further consideration.

During the month of February, a Mr. Jim Pederson who prepared Calista's bid proposal resigned from Calista, which would reduce the strength of that Corporation's proposal. Additionally, Gary Hennigh, a former Department employee who had been a member of the original bid review committee had been hired by Calista. Since Mr. Hennigh had seen all the comtetitive bids, it could be a conflict of interest in subsequent proposals submitted by Calista.

An Assistant Attorney General, Mr. Janhke, stated that a preliminary review of materials supplied by Lewis indicated that Richard Aks of the Kuskokwim organization did not create a conflict of interest situation in their bid proposal.

The requests for new bid proposals were advertised on April 22. Later, Lewis directed additional changes to the bid rules to allow the Bethel based association of Village Council Presidents to submit a bid proposal. The rule change allowed an organization with no planning staff to submit a bid (the Association had no planning staff), even though an important part of the bid evaluation was based on the expertise of the applicant's planning staff.

The Association of Village Council Presidents has strong ties to Calista Corporation. The rule change could result in the Association being awarded the contract, and then using or hiring the Calista Planning Staff to do the work. In effect, the Calista Corporation may have two chances for the contract.

Lewis is reported to have told Lawrence Kimball and Jim Kohler that he (Lewis) was going to name another committee to review the proposals. The new committee would include Bethel City Manager Lyman Hoffman, nephew of the Chairman of the Association of Village Council Presidents and a Calista shareholder. Lewis later said that he would not name Hoffman to the committee.

Lawrence Kimball, who was the Director of the Departments' Division of Community Planning, has resigned at the request of Lewis. Kimball had advised Lewis of the legal and ethical problems involved in the rejection of the original review committte's recommendations and of subsequent actions. Jim Kohler, Kimball's Deputy Director advised Lewis against changing the bid rules to allow the Association of Village Council Presidents to bid on the contract.

Three charges involving the procedures and circumstances surrounding the bidding procedures have been filed with the State Ombudsman's office.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

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

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

OFFICE OF THE COMMISSIONER

May 17, 1983

Howard Weaver
Anchorage Daily News
200 Potter Drive
Anchorage, Alaska 99504

Dear Mr. Weaver

It has not been my policy to respond directly to the articles that have been appearing in the Daily News. However, following the article that appeared in your May 15 Sunday edition, I feel a response is necessary. In reviewing this entire contract's history, it must be remembered that this project was appropriated and developed during the last year of the Hammond Administration and the associated problems have arisen as a result of their decisions. It has fallen to the Sheffield Administration to correct these problems and to implement the project. This, I have attempted to do in a fair and equitable manner.

The article that was printed contained factual errors, conclusions inconsistent with the facts and, at best, misrepresented the actions that I have taken regarding the Yukon-Kuskokwim Planning Needs Assessment. The article is as interesting for what it doesn't say as much as for what it does. Contradictory documentation that was provided to your reporters does not appear anywhere in the article. This is especially troubling from the standpoint that this proffered documentation was also written by a major source for your story, Larry Kimball. Following is a point by point rebuttal to your article.

In the article you state that decisions made by me have consistently favored the Calista Corp. This is patently not true and I do not believe that this statement is substantiated in the article. While your reporters view the change in the second RFP as benefiting Calista, it was actually made in order that the RFP conform to the original "legislative" intent for this project. The project was instigated by the Legislature in order to provide for a comprehensive regional planning effort, not a subregional planning effort. On what basis DCRA, under the Hammond Administration, made this change in the project remains unclear to us now. We can find no supporting documentation in the files for not meeting the intent of the legislation. Therefore, this change to the RFP that you intimate is so damaging, in actuality only readdresses the original intent of the project. The other change referred to is the amendment to the second RFP that would allow for a firm to disclose the staff that will be hired to implement the project, after selection, but before the contract is let.

21-P1LH

While your reporters view this as giving Calista two chances, in fact, the Association of Village Council Presidents (AVCP) could choose to hire its staff from any firm. As I stated during my interview, the possibility that AVCP would hire Calista did not occur to me and my only motivation was to remove a stumbling block from the path of any firm which desired to respond to the proposal without having to receive firm commitments from professionals to work on a project that may not be awarded to them. In your article you state that this constitutes a pattern. I do not believe two changes are a pattern, especially when at least one of the changes was to bring the project into compliance with the original intent of the legislation.

You go on to mention the complaints received by the Ombudsman's Office and his subsequent review. If carefully scrutinized, you would discover that the majority of the aspects under investigation by the Ombudsman were actions taken by the former Hammond Administration. The concern regarding a favoring of firms with ties to native organizations from that region, refers to the original RFP written in October of 1982 by Larry Kimball of the Division of Community Planning. Both of these complaints were closed by the Ombudsman's Office after we cancelled the old RFP and went out for new bids.

Your point that these actions all figured heavily in the dismissal of Larry Kimball is pure conjecture. Kimball's departure is due to the proposed reorganization of the Department and Mr. Kimball's inability to conform to the stronger management style of this administration. Both Mr. Kimball and I made a good faith effort during the last few months to communicate better, however, this was without success. As stated to me in my last meeting with Mr Kimball, he felt the same way and was not upset about leaving the Department. He indicated that he was tired and looked forward to entering the private sector.

Your May 15th article stated that my reasons for throwing out the first set of bids was due to the conflicts previously mentioned and was an attempt on my part to provide the Calista Corporation with another chance at the contract. What wasn't stated in the article, and should have been apparent, is that due to the number of problems and apparent conflicts that came up regarding the contract, no matter to whom the contract was awarded, a cloud would have been left hanging over the project. This was apparent and no one, including Mr. Kimball, recommended that we award the project to the third, fourth or fifth bidder. The decision to re-bid was a joint and unanimous decision by all the staff involved.

You further state that Mr. Kimball repeatedly warned me about legal and ethical problems. This is a very interesting point. The only time that Mr. Kimball stated he felt there were problems with the manner in which I was proceeding was in a memo dated February 24th and that memo was not received in my office until March 14, at almost the same time that it was given to your newspaper by person or persons unknown. However, in a trip report written by Mr. Kimball March 3rd which covers the meeting held February 23 in Juneau, he states:

> I met with Jeff Smith and Marty Rutherford to convene as the Executive Review Committee on the Y-K proposals. I had discussed the situation with Bob Rehfeld earlier in the day. He was unable to attend the review committee meeting.
>
> Marty, Jeff and myself spent considerable time discussing the increasing problems with the proposal evaluations and decided to identify the issue areas and pass our concerns on to you prior to issuing a decision from the committee. You have been so informed and I agree with the course of action you have directed Marty to take. I have a separate memorandum coming to you relative to my continued involvement in this matter.

In addition, in another trip report covering the second and last meeting of the review team, Mr. Kimball wrote:

> "Met with Marty, Jeff and Bob to discuss the tasks necessary to follow your directives on the Y-K projects. I firmly believe your decisions were sound on these projects".

Both of these trip reports were provided to your reporters here in Juneau and these were never mentioned in your article. It must be remembered that the review committee held only two meetings. The first was held February 23 and the second held March 16. Mr. Kimball was present at both meetings, and his trip reports, I believe, reflect his immediate and therefore more accurate thoughts about the process. I do not believe that contradictory statements can be construed as repeatedly warning me of legal and ethical problems. If the statements made in Mr. Kimball's February 24 memo were true, and his impressions later changed, why did he not immediately come to my office and inform me of those instructions or at the very least utilize our telecommunication system to send me that memo on February 24, which could have been received in my office in minutes.

Instead, he chose to communicate these concerns to me in a memo I received eighteen days after it was written and on the same day your newspaper received it. With regard to your second point about the change in the RFP attemp- ting to exclude the Kuskokwim Planning and Management Corp. (KPMC) this is simply not true. Again, this action was taken in order to bring the project in line with legislative intent. KPMC can, under these guidelines, still bid on the project, but like everyone else, they have to include the whole region and not just parts of it in their scope of work.

You also brought up in your article a February 10 meeting that never occurred. The first meeting to review the project was held February 23. Further, at no time did Mr. Kimball recommend an Attorney General's opinion on the conflicts that he had pointed out to me.

In the interview I held with your reporters on Friday, May 13, Marty Rutherford, my Special Assistant, stated that she never used the word "orders" at that meeting, however, you imply in the article that she admitted using that word. You also imply that Jeff Smith, the Director of our Local Government Assistance Division, admitted to opening the February 23 meeting with the statement "Larry, you're not going to like this." Mr. Smith did comment that he made that statement at the meeting held on March 16 when he informed Mr. Kimball that I had decided to let the Land Management Contract to Darbyshire and Associates. This action was recommended by the technical evaluation team, however, Mr. Kimball did not want this contract given to that particular firm and Mr. Smith made his remark because he was aware of that fact.

You state that Mr. Kimball was allowed to leave the committee and he began losing influence in the decisions regarding the matter. In reality, in Mr. Kimball's February 24 memo he states categorically that he does not want to have anything further to do with this contract. However, he did continue to play a role as evidenced by his March 16 trip report and his May 2 memo, in which he pointed out problems with the proposed review committee. These comments were taken into consideration when I changed the membership of the new evaluation team.

A conflict of interest or an appearance of one is not to be taken lightly and deserves to be reviewed very carefully. At no time did we state that former Deputy Commissioner Aks had a conflict, but since Senator Sackett had questioned this, we were unable to ignore the concern. The records show that Mr. Aks signed the Authority To Negotiate (ATN) and approved the RFP for Contract Advertisement for the Yukon-Kuskokwim Contract.

I still maintain that since there was an appearance of a conflict, it was in the best interest of the State to throw out all the original proposals and start new. I find it ironic that attempts to proceed cautiously and be fair in awarding the contract would be interpreted as somehow "wiring" the outcome.

It is interesting to note that on April 28 Mr Kimball requested that I approve a sole-source contract to Kawarek, Inc., a non-profit regional corporation serving the Bering Straits Region, to develop a regional strategy. The Bering Straits Regional Strategy and the Yukon-Kuskokwim Region Comprehensive Plan are very similar. Both plans are designed to develop a region-wide policy and goal statement, which includes physical, social and economic growth and development issues, along with compiling information on the economic, political, cultural and physical characteristics of the region. This information and goal statements, and other pertinent information and data , will be used to assess development trends in the years to come and serve as a foundation for capital improvement programming. Mr. Kimball states that the success of the Bering Straits Plan depends upon the involvement of the Non-profit Regional Corporation (Kawarek, Inc), yet when he discusses doing the same planning in the Yukon-Kuskokwim Region, his statements are totally different. Mr. Kimball accuses me of "wiring" the Yukon-Kuskokwim contract in favor of the Calista Corporation, yet he, without the benefit of any competitive process, advises me to award a sole-source contract in the amount of $ 102,600 and calls it standard contracting practice in his division. One has to question the consistency of this logic. While I have not attempted to "wire" this contract to the Calista Corporation, Mr. Kimball's recommendation raises serious questions.

If, as you suggest, my only motivation was to ensure that Calista receive the contract for this project, I would have proceeded to award the contract to them on February 1st when everyone, including Mr. Kimball, presented that as an option. I did not do this and still your newspaper chose to imply that all of my actions had one purpose and one purpose only, to give the contract to the Calista Corp. For whatever reasons, however, you do not question the contradictory written statements of Mr. Kimball. You use words such as "pattern" and "repeatedly" in such a manner as to make them inflammatory. Throughout the article you make editorial judgments and assumptions and present them as factual information. You state that all planners and their firms, with the exception of Calista, complained about the sequence of events, but in my interview with your reporter, he stated that some of the firms contacted would not comment, yet you state that they <u>all</u> complained, when in fact, some you contacted did not.

The only conclusion I can draw is that this article demonstrates that your newspaper, or perhaps just one of your reporters, is trying to insinuate from loosely gathered facts that I am manipulating a contract process in order to favor one firm over others. This is absolutely not true and my past and future actions will bear out my contention that every decision I have made was to ensure that the people of the region and the state get a high quality product for the money, and that the project is implemented by the firm most capable to perform the work.

I look forward to an opportunity to meet with you to discuss this issue at your earliest opportunity.

Sincerely,

Mark Lewis
Commissioner

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

TO: House C & R A Committee

FROM: Representative Barbara Lacher

SUBJECT: Confirmation Hearings

DATE: March 16, 1983

Attached you will find a summary of allegations pertaining to Mr. Lewis that appeared in the Anchorage Daily News during January 1983. The staff has developed some questions that you may wish to further refine in order to clarify some of the allegations. I am not suggesting that the proposed questions be used for any purposes other than to assist your efforts in preparing for the confirmation hearings.

Please use the attached information with caution and discretion. None of the allegations or reports have been substantiated, the only source being newspaper articles. Materials provided in your file folder provide clarification on several of the issues.

ANCHORAGE NEWS ALLEGATIONS -Mark Lewis

SUBJECT: TAX ASSESSMENT ROLLS

ALLEGATION: MR. Lewis directed that the property tax assessment rolls for the City of Valdez non-oil related properties be lowered by 15% in 1981 and 1982.

BACKGROUND: State law and City of Valdez code require that only the assessor, upon the direction of the City Council, can change the assessment rolls.

Property within the City that is oil related is taxed by the City at the same rate as non-oil related property, but oil related property is assessed by the State. The reduction in assessed valuation of non-oil related property resulted in the oil related property paying a higher percentage of City revenues in 1981 and 1982.

SUGGESTED QUESTIONS: Was Mr. Lewis aware of the City of Valdez and State laws that require property to be assessed at 100 percent of market value?

Was Mr. Lewis aware that, by law, only the City Council could direct the Assessor to make any change to the assessment role?

Did Mr. Lewis own any property in the City of Valdez? And, if so, did he realize a personal gain by ordering the reduction of the assessment rates?

Did Mr. Lewis, at any time, discuss his order to reduce the assessment roles with any elected official of the City?

Why did Mr. Lewis not discuss or refer the question of reducing the tax assessment roles to the City Council?

POSSIBLE WITNESSES:

Rich Randall: Contracted with the City of Valdez for property assessments in 1981-82. Has stated that Lewis requested him (Randall) to change assessments in 1981 but he refused and that he (Randall) never agreed to alter the figures. In 1982, Randall, at the verbal request of Lewis, prepared the tax rolls with the same 15 percent reduction.

Lori Anderson: Secretary to City Manager. Has stated that Lewis verbally instructed Randall to prepare 1982 tax rolls with the 15 percent reduction.

Lt. Gov. Steve McAlpine and/or Council members: For verification that they were not consulted or aware of tax reductions.

ADDITIONAL QUESTION

Did Mr. Lewis reduce the assessment rolls by 15 percent and request City Council approval of those rolls while being fully aware that the individual property cards would continue to reflect the full 100 percent of market value as required by law?

SUBJECT: PERSONNEL POLICY CHANGE

ALLEGATION: Mr. Lewis changed the personnel policy for the City of Valdez employees two months prior to his departure, resulting in Mr. Lewis' being paid an additional $6,174 in compensation for accrued sick leave.

BACKGROUND: The City of Valdez has an ordinance that prohibits the City Manager from changing personnel policy but the ordinance had not been placed in the city code book (codified).

Lewis approved the change which allowed departing employees to be paid for unused sick leave four months after he announced his resignation and two months before he departed. The change in policy is reported to have been requested by Valdez Police Chief Pat Shely. Lewis established a committee of City employees to review and make a recommendation on the policy change. The committee recommended the change be made. Lewis departed his employment in July 1982 and collected the $6,174.

Lt. Gov. McAlpine is reported to have said that the City Council retroactively approved the personnel policy change in September 1982. Apparently there was debate as to whether Lewis had the authority to make the rule change. Lt. Gov. McAlpine is reported to believe that Lewis acted properly.

POSSIBLE QUESTIONS.

Did the City of Valdez have an ordinance in effect that prohibited the City Manager from making personnel policy changes when Mr. Lewis directed the change to the City personnel policy?

What is the policy of the City of Valdez on frequency of codification of ordinances? Are ordinances effective even though they have not been codified?

When Mr. Lewis made the policy change, was he aware that he could realize a substantial amount of money?

Assuming that Mr. Lewis' subordinate employees that he appointed to the committee to make a recommendation on the policy change were aware that Mr. Lewis had a financial interest in their decision, did Mr. Lewis feel that the committee members might be unduly influenced in their decision?

Did Mr. Lewis make any other major employee policy changes during his tenure as City Manager? If so, did he normally discuss with or inform the City Council of such changes - especially those with financial impact? Did Mr. Lewis inform the Council of the policy change in question?

POSSIBLE WITNESSES:

Policy Chief Pat Shelby. Reported to have requested the sick pay policy change and convinced Lewis that he (Lewis) should make the change for the long range benefit of the employees.

Lt. Gov. Steve McAlpine. Reports imply that McAlpine was not aware of the change in personnel policy (he may have departted for campaigning in July 1982) and that he (McAlpine) had conducted an investigation to confirm that Lewis had established an employee recommendation committee.

City Clerk (name unknown) Should be able to verify existence of ordinance prohibiting the City Manager from changing personnel policy, effectiveness of adopted ordinances prior to codification, and City Manager authorities under the City charter and codes pertaining to Lewis' authority regarding policy changes and budgeting matters.

City Treasurer (name unknown) Questions may be asked regarding city procedures on changing personnel policies that have a fiscal impact, especially when those changes affect a fiscal year budget that has previously been approved by the City Council. The implication could be that Lewis improperly made a policy change with budgetary impact without council approval.

Recommendation Committee Members (names unknown). Regarding guidance or influence from Lewis in making their recommendation. Were they aware of Lewis' imminent departure and, did they feel any pressure or obligation to report favorably on the policy change.

Council Members To determine if council members believed Lewis' action to change the personnel policy was proper or improper.

SUBJECT: MR. LEWIS' RELATIONSHIP WITH ALASKA GRAIN CO.

ALLEGATION: There is potential of collusion and use of office to assist Alaska Grain Co. in return for personal gain.

BACKGROUND INFORMATION: Apparently, when the voters of Valdez and the City Council decided to build a grain terminal, the concept was to contract the operation of the terminal, but the City would retain ownership. After the construction contract was awarded, Mr. Lewis presented to the Council a contract that not only awarded operations of the facility, but included selling the 30,000 ton capacity facility to Alaska Grain Co. The company was given a five year deferral to begin payments to Valdez.

Mr. Lewis deposited $5 million of Valdez funds, at 8% interest in a bank in Montana to help Alaska Grain Co. start up its business. Alaska banks refused to loan Alaska Grain Co. money because of too much risk.

In December, 1982, Mr. Eugene Thayer, President of Montana Merchandising (parent company of Alaska Grain Co.) stated he expected to sell the grain terminal as a tax credit to a third party. Reports are that Mr. Thayer's profit will be between $1.5 million and $3 million.

POSSIBLE QUESTIONS: It appears that Mr. Lewis' actions to 1) sell the grain terminal to Alaska Grain Co. 2) reduce the size and scope of the facility that was to be built in order to keep the contract alive, and 3)provide for the financing of Alaska Grain Co., were all performed under circumstances that are - at the least - "questionable."

Was there, at any time, and in any manner, reason for Mr. Lewis to believe or understand that he might realize any type of remuneration or other benefit, directly or indirectly, from his transactions or dealings with Alaska Grain Co. or Montana Merchandising or their representatives?

POSSIBLE WITNESSES:

Councilman Chuck Lapaze: will probably state that the idea of selling the facility had not occurred until Mr. Lewis proposed the selling and council was not aware of the reduction in the size of the terminal or of the Montana Bank investment until after the fact.

Eugene Thayer, President of Montana Merchandising regarding contacts, agreements or understandings between himself and Mr. Lewis regarding potential rewards from the sale of the terminal to a third party.

Tom Watson, Valdez City Manager: Can relate faulty aspects of contract to sell a 30,000 ton capacity facility while building a 15,000 ton facility, and associated problems caused by the contract.

SUBJECT: DECISION TO BUILD VALDEZ GRAIN TERMINAL

ALLEGATION: Mr. Lewis intentionally suppressed information concerning the economic feasibility of a Valdez grain terminal.

BACKGROUND INFORMATION: It has been reported that on February 17, 1982, Mr. Lewis received the results of a $17,000 feasibility study that indicated construction of the grain terminal was a "relatively high risk endeavor." Three weeks after receipt of the report, Mr. Lewis authorized $10 million in bonds be issued to build the grain facility. At least one city councilman who objected to the issuing of the bonds was unaware of the feasibility study and it is unknown if any of the council members were aware of the study. Mr. Lewis has reportedly indicated that there are several studies that are "relatively positive" toward the project and, that the council was aware that there were negative aspects of the project.

POSSIBLE QUESTIONS:

Did Mr. Lewis or the City Council initiate the action to have a grain terminal feasibility study prepared by Mr. Frank Orth?

Did Mr. Lewis discuss the results of the grain terminal feasibility study, prepared by Mr. Frank Orth, with any city official before authorizing the issuance of $10 million bonds to build the project?

In view of a report that indicated a high degree of risks for the City of Valdez, why did you not feel it appropriate or necessary to review the project with the council prior to proceeding with the bond sale, especially in consideration of the cost of the project?

Can Mr. Lewis produce any studies that reflect favorably on the economic viability of the Valdez grain terminal?

Was Mr. Lewis aware of efforts to construct a grain terminal in Seward and were his actions to rapidly proceed with the Valdez grain terminal influenced by knowledge of a potentially competing grain terminal? Did Mr. Lewis discuss at any time, with any person, any possibility of impeding or preventing the construction of a grain terminal at Seward, Ak.?

Did Mr. Lewis normally report the results or availability of city sponsored studies to the Council? Why did Mr. Lewis not take steps to insure that the City Council was aware of Mr. Frank Orth's study?

Was Mr. Lewis aware that an increase from 7500 acres of harvested grain in 1981 to a harvest of 150,000 acres of grain would be required before the City of Valdez could realize a profit on the grain terminal?

POSSIBLE WITNESSES:

Mr. Bob Kellar: Councilman who reportedly was against the issuance of bonds for the grain facility, had asked in March of 1982 if it was too late to terminate the bond action and was told by the city attorney that it was not and was not informed of the Frank Orth study, which was available in February, 1982.

Mr. Frank Orth: consultant who prepared the report that was allegedly suppressed by Mr. Lewis.

Mr. Ken Jacobus. Valdez City Attorney

Other City Council Members: For verification or denial if being made aware of consultant study(s) or contents. Other information as desired.

SUBJECT: VALDEZ GRAIN TERMINAL CONTRACT

ALLEGATION: Mr. Lewis entered into a contract on behalf of the City of Valdez that contained substantial errors.

BACKGROUND INFORMATION: It has been reported that, in the spring of 1982, Mr. Lewis learned that the $10 million of bonds issued would not pay for the 30,000 ton grain capacity building and conveyor system to transport the grain to the dock. At that time, the size of the project was reduced to a 15,000 ton facility with no conveyor system. After the decision to reduce the size of the project, Mr. Lewis signed a contract selling the terminal to to Alaska Grain Company. The contract with Alaska Grain Company specified a 30,000 ton facility with a conveyor belt. In November of 1982, Alaska Grain Company asked for renegotiation of the contract, during which negotiations the city of Valdez was in a disadvantageous position.

In May of 1982, Mr. Lewis signed documents that deposited $5 million dollars (Valdez funds) in a five year certificate of deposit in the National Bank of Great Falls, Montana. The certificate of deposit was to guarantee a $628,000 loan to Alaska Grain Company so that the company could complete a grain receiving terminal in Delta, Alaska.

Mr. Lewis allegedly states that some of the Council members may not have been aware of the financial transactions but that Councilman John Devens and former Mayor Steve McAlpine were informed. Former Mayor McAlpine is reported to have stated that, during the following month (June, 1982), he asked the other council members if they approved.

POSSIBLE QUESTIONS:

While the voters of Valdez authorized a $10 million bond issue for construction of the grain facility, does Mr. Lewis feel that he was authorized to commit an additional $5 million to guarantee a loan for Alaska Grain Co. without prior voter or city council approval?

How does Mr. Lewis account for the alledged fact that after he had to reduce the size of the grain terminal project and eliminate the conveyor belt, he then entered into a contract to sell the facility with the original capacity (30,000 tons) and with a conveyor belt?

In that the original plans called for a 30,000 ton capacity facility, with conveyor system to be constructed for $10 million and had to be reduced to one-half that capacity with no conveyor system, how does Mr. Lewis account for this amount of error in cost estimates?

Mr. Lewis, is the following sequence of events correct as they pertain to the deposit of $5 million of Valdez funds in a Montana bank in the May-June 1982 time frane?

1. You signed documents investing the $5 million in the Montana Bank at 8% interest, while the city charter for the Permanent Fund required investment at the higher rate of interest then available.

2. The Council learned of your investment action and protested because they were unaware of the investment and because of the low interest rate.

3. You then secured an agreement from the Alaska Grain Company to repay the City the difference between the 8% and 12% interest.

POSSIBLE WITNESSES:

Councilman John Devens - reported to have been kept informed of Mr. Lewis' financial transactions on behalf of the City of Valdez and was to keep the remainder of the council informed.

Lt. Gov. McAlpine. During tenure as Mayor of Valdez, did he convey to Mr. Lewis the impression that his (McAlpine's) approval of Mr. Lewis' transactions in regard to financing the Alaska Grain Co.'s loan, constituted the approval of the city council?

Mr. Jim Watson, present Valdez City Manager. Can provide insight into potential gains or loss to the City of Valdez as a result of Mr. Lewis' financial and contractual activities.

Mr. Ken Jacobus, City Attorney to assist in determining propriety of Mr. Lewis' actions in accordance with City Charter and terms of employment.

Mr. Clark Lapage, city councilman. Has stated that Council believed everything to be in order when they gave Lewis approval to sign a contract selling the 30,000 ton facility, with conveyor system to Alaska Grain Co.

1/20/83

Anchorage Daily News

Winner, 1976 Pulitzer Prize Gold Medal for Public Service

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Howard Weaver
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Lawrence Fanning, Editor and Publisher 1967 to 1971
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Lewis appointment demands examination

Serious questions of competence and attitude surround the performance of Mark Lewis as Valdez city manager and strongly suggest that he is unqualified to assume a state Cabinet post.

Mr. Lewis has been selected by Gov. Bill Sheffield as head of Community and Regional Affairs, a wide-ranging department that deals extensively with all local governments in the state. That appointment is a dramatic step forward for the young administrator, but is a peculiar move for the state.

In essence, the question is this: Why should Mr. Lewis be elevated to high state office after a decidedly questionable tenure as a city official?

An extensive investigation of his Valdez reign resulted in a series of stories in The Daily News in recent days. Those stories ranged across a multitude of matters, but centered on these most telling revelations:

• After he decided to leave his Valdez job, Mr. Lewis changed city personnel rules and allowed himself to collect more than $6,000 in unused sick pay from the city.

• Without authority under state law or city ordinance — and without informing the Valdez City Council — Mr. Lewis directed that property tax assessments in the city be lowered by 15 percent for two years running.

• Mr. Lewis received a consultant's report outlining high risks for a city-sponsored grain terminal project but did not show it to other city officials before the bonds to finance the project were sold.

• He negotiated a flawed contract to sell that terminal to a private firm, and errors in the contract later influenced dramatic revisions in the deal that made it far less favorable to the city.

Taken even in the most favorable light, those are not the actions of a skilled administrator sensitive to the public decision-making process. It is not a record that recommends advancement.

As commissioner of Community and Regional Affairs, Mr. Lewis would be dealing with many of the same issues — and not just for Valdez, but the entire state. Can he be counted on to give unfavorable reports of pet projects wide distribution? Will he handle departmental personnel policies with more judgement than he did Valdez regulations? Can he now be relied upon to give state contracts the care he failed to exercise with the Valdez grain terminal? Considering his actions with Valdez tax assessments, should he now be made the boss of the state assessor?

Gov. Sheffield must weigh those questions. The quality and competence of his initial appointments will set a tone and establish standards for his entire administration. And once the governor formally submits his Cabinet nominations, the legislature must vote on confirmation. If Mr. Lewis is recommended by the governor, surely many questions arising from his Valdez tenure demand the closest scrutiny.

These issues will be addressed first by the governor. Even if he is satisfied, they must also be examined thoroughly and vigorously at legislative confirmation hearings, and Alaskans must be certain that the Valdez experience will not be repeated on a statewide stage.

Valdez sick pay is worth $6,174 to commissioner

By STEVE SEPLOCHA
Daily News business editor

Commissioner of Community and Regional Affairs Mark Lewis received $6,174 in extra pay when he left office in July as Valdez city manager after he changed personnel rules to allow departing employees to cash in unused sick time.

The rule change, made in May, came four months after Lewis announced his resignation and two months before he left office.

The change came to light in September, according to Lt. Gov. Steve McAlpine, who was Valdez mayor during the period. He said the City Council investigated whether to seek return of the money but did not.

An ordinance prohibiting the city manager from changing the personnel policy existed at the time, but McAlpine said it had been inadvertently omitted from the published list of codes and revisions.

Lewis said he felt he did no wrong in ordering the rule change and took steps to "divorce myself from it."

He said Police Chief Pat Shely requested the change as an incentive to keep people from taking sick leave just to get rid of it. Shely felt that if employees could cash in a portion of the leave on departure there would be less absenteeism, Lewis said.

Lewis said he realized he would benefit if he changed the rule and therefore set up a committee of employees to recommend whether he should adopt the change.

The recommendation was favorable and at the time it was made, Lewis said mention was made of the fact that

See Back Page, OFFICIAL

Official cashes in sick pay

Continued from Page A-1

he was leaving. He said he almost vetoed the matter at that stage but was convinced by the chief that the change was for the long range benefit of a lot of employees.

Lewis signed the change and it became effective. In July, he left his job and took the $6,174 due him as a result of the new rules.

McAlpine said the council retroactively approved the change in a resolution in September since there was some room to argue whether Lewis had authority to make the change.

The council did not seek to recover the money because members believed Lewis thought he acted properly, McAlpine said. McAlpine said he agreed.

Lewis did not notify the council that he had changed the rule or that he would personally benefit from the change. McAlpine said Friday that, in retrospect, had he (McAlpine) been Lewis, "I probably would have said something about it."

McAlpine said his own investigation verified Lewis' statements that the chief and other employees initiated the change and that Lewis set up a recommendation committee.

1-2-83

Valdez grain terminal proves to be risky venture

By DON HUNTER
STEVE SEPLOCHA
and JOHN LINDBACK
Daily News reporters
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When Valdez voters in 1981 approved a $10 million bond issue to build a grain terminal, they were hoping to turn present oil wealth into a future grain industry for the town.

At the time of the referendum it was envisioned that the city would be able to create jobs with the facility and make money. The dream, however, has been shattered and instead of making money on the deal, the city will be lucky to come out of it without a loss.

In addition the city came close in December to losing a significant chunk of a $5 million certificate of deposit it pledged to help the grain operator get started in business.

Here is how it happened:

In the fall of 1981 voters, by a 2-1 margin, gave the City Council approval to build the terminal.

The council felt pressed to award a construction contract this spring so that the terminal could be built during the summer season and ready for the 1983 harvest.

There was a problem, however, in that no agreement had been reached with an operator for the facility.

At this point, then-City Manager Mark Lewis appeared before the council with a contract from Alaska Grain Co. proposing that Alaska Grain not only operate the terminal but that the company buy the operation from the city.

Councilman Chuck LaPage said the idea of selling the facility had not occurred to the council but they heard the proposal out.

Alaska Grain, a subsidiary of Montana Merchandising of Great Falls, Mont., wanted to defer making payments for five years. When the payments started, they proposed that the amount be based on the amount of grain processed up to a maximum not to exceed the annual bond payments.

LaPage said the deal did not sound great, but since there was pressure to get the terminal on line the council gave Lewis permission to sign the agreement.

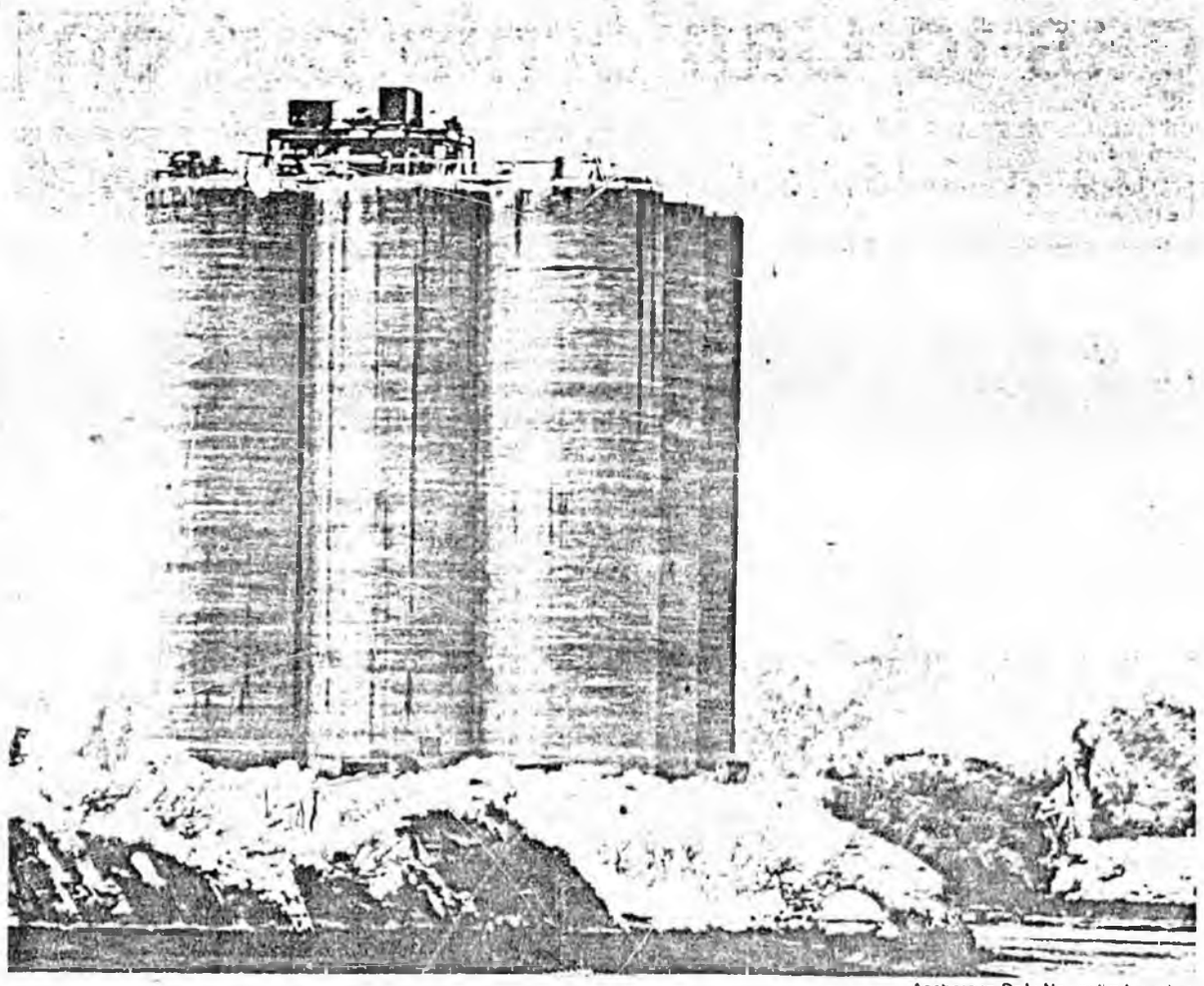
The contract specified that the terminal would hold 30,000-35,000 tons of grain and would be complete with a conveyor system.

Around the same time, the council gave Lewis permission to let the contract for the terminal and, according to LaPage, everything seemed in order.

In early June the council learned that Lewis, without consulting the council, had signed documents to invest $5 million of the Valdez permanent fund in a bank in Great Falls.

The money was invested in a five-year certificate of deposit at 8 percent interest, which was 4 percent below the prevailing rate.

A controversy ensued, as some members on the council protested because Lewis had not informed the council of his actions and because the lower rate was said to violate the charter provisions requiring prudent investment of funds at the highest rates of interest available.



Anchorage Daily News/Jim Larrakas

The new grain terminal in Valdez

Lewis explained that he made the deposit to help Alaska Grain start up its business.

Alaska banks had refused to loan Alaska Grain money to complete an elevator it was building in the Delta region to compete the grain transport chain. The banks in Alaska, not involved in agricultural lending, felt there was too much risk in the state grain program.

So, in an effort to secure the loan for the company, Lewis agreed to guarantee that the $5 million would stay in the bank for five years. If it were withdrawn the city would lose interest and a significant part of the principal.

With the Valdez money committed the National Bank of Great Falls, agreed to loan Alaska Grain $600,000 to complete the Delta terminal.

Lewis got an agreement from the company that it would repay the city the difference between the 12 percent the money had been earning and the 8 percent that the certificate would earn.

His rationale was that the city would break even on the interest with this plan, and would at the same time be helping the company, which in turn would help the city.

The council bought the argument and the matter was settled.

During the summer and fall the work on the terminal was completed, Lewis and Mayor Steve McAlpine left office, and a new city manager was hired.

In late November, the new manager, Jim Watson, came to the council with news that Alaska Grain wanted to change terms of the purchase agreement.

The company wanted to extend the deferred payment period to 15 years.

Watson also revealed that there was a problem with the original contract with Alaska Grain. The contract called for the city to provide a 30,000-35,000 ton capacity building and a conveyor system. But, Watson said, the building only had a capacity of 15,000 tons and there was no conveyor system.

The council was told that another $3 million would be needed to build the conveyor system. Besides, Watson told the council, since there was no conveyor and the building was half the size it should have been, Alaska Grain could probably get out of the contract and sue for losses.

Members of the council began raising questions about the deal. The explanations generally told this story:

Early estimates of the cost for the facility were wrong.

When the administration discovered this, they decided to scale the project down. When this happened is still not clear, and there is dispute over whether the council was formally advised of the change.

It was not brought to the council's attention that the city was building itself into a contract problem with Alaska Grain because of the discrepancy between the operating agreement and the building contract.

The bottom line was that the city was in a corner. Its house of grain was crumbling into dust. If Valdez pulled out of the deal with Alaska Grain, the city stood to lose at least the $628,000 to be paid by the grain company. And Valdez would be without an operator for its new terminal. If it salvaged the deal it would still be out a bundle because of a reduced payback from Alaska Grain.

And no matter what it did it still had to build some type of conveyance system or it would be stuck with a new building with no functional use.

To address the latter matter, the council in early December decided to buy $600,000 worth of trucks and land and set up a circle of trucks to haul the grain from the terminal to the dock. Additional funds would be provided for drivers, maintenance, and other operating expenses.

Later in the month, on Dec. 20, the council voted against renegotiating the contract with Alaska Grain, and said they wanted to stick with the five-year deferral.

In the last week of December, Eugene Thayer, president of Montana Merchandising asked for reconsideration and an emergency council meeting was called.

Thayer and LaPage both said it was understood that the deal was on the verge of collapse. But they said the company did not allude to that possibility and dealt only with its need to spread payments.

Another vote was taken and it deadlocked 3-3. The motion to grant deferral failed.

A recess was called until the seventh councilman, Lynn Chrystal, could be found. He voted for a compromise on the deferral request that would have the company pay a minimum of 3 percent of the bond payment during the first five years, 5 percent during the second five years and 12 percent during the final three years.

This meant the Alaska Grain share of bond repayment would be a minimum of $45,000 a year. The city's share of bond payment would be $1.3 million.

The property was turned over to Alaska Grain and Thayer said he expects to sell it as a tax credit to a third party in the next 90 days. There were reports he would receive $3 million in the sale but he said the figure will probably be much less. He said he will use the money for operating capital.

New Mayor Susy Collins said the council felt there were no good answers to the problem and chose the path least damaging to the city.

"It is a strange arrangement," she said. "The city spent an enormous amount on a facility that isn't there . . . We have bonded $10 million plus the $5 million tied up in the bank and we don't even own it."

But she also said the decisions leading to the present situation must be viewed in the context of the the time. "I think Mark felt he had a great deal of community support for what he did. I believe he had complete support for aggressively pursuing this."

Valdez grain project rocked by changes

1-9-83

By STEVE SEPLOCHA
DON HUNTER and
JOHN LINDBACK
Daily News reporters
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VALDEZ — A $10 million grain terminal operation approved by Valdez voters in 1981 has now become a $15 million gamble that requires astronomical increases in state grain production just to break even.

The project — engineered by former City Manager Mark Lewis and former Mayor Steve McAlpine — was marked by:

- Gross errors in cost estimates;
- Questionable investment plans for city funds; and
- A faulty contract that required renegotiation and will cost the city hundreds of thousands of dollars yearly.

McAlpine is now Alaska's lieutenent governor; Lewis is commissioner of Community and Regional Affairs. Both defended their decisions this week and said the city got a good deal that will bring long term benefits to Valdez.

But several current city officials say there is only a remote chance the city will ever get back the money invested in the project.

City Manager Jim Watson, who succeeded Lewis two months ago, said Saturday a profitable Valdez operation would require farmers in the state to harvest at least 150,000 acres of grain a year and ship all grain not used for state consumption through the Valdez terminal.

Farmers last year harvested about 7,500 acres of grain.

In addition, the state has proposed building a grain terminal at Seward that could compete with Valdez for business.

The first miscalculation in the project was discovered last spring, when it was learned that $10 million would not pay for the initially proposed 30,000-ton capaci-

See Page A-10, VALDEZ

Valdez grain project is rocked by changes

Continued from Page A-1

ty building and a conveyor system to move the grain to the dock. The project was then scaled back to a 15,000-ton facility with no conveyor system.

Later, in June, a contract was signed selling the terminal to Alaska Grain Co. The sales contract, though, promised a 30,000-ton capacity facility complete with a conveyor. This contractual error, along with risks incurred through a financing plan initiated by Lewis without prior council authorization, forced city officials to renegotiate terms of the sales agreement last month at a significant disadvantage.

Though Lewis has come under criticism since he left office, city officials say that he acted within power granted under the strong city manager form of Valdez government.

Criticism has been leveled at the wisdom of his actions and he has been accused by some members of keeping the council in the dark.

Lewis acknowledges some council members may not have known what was going on at times, but said he kept former Mayor McAlpine and Councilman John Devens "fully informed about the whole project."

He said because the city had a number of projects in progress, it was his practice to consult with the mayor on all the work and different council members on each project. Information was supposed to be passed to the entire council through this system, he said.

McAlpine said the council was kept informed on the project and all members should have known what was going on.

He cites a City Council meeting in early June when he polled members about the financing scheme and asked each, individually, whether they approved.

The discussion was not in the minutes but did occur, according to council members and newspaper accounts.

However, the meeting was held after Lewis, with McAlpine's blessing, signed documents committing $5 million of the city's $13 million permanent fund to a five-year certificate of deposit in the National Bank of Great Falls, Mont.

The documents, signed May 26, resulted in the city receiving eight percent interest instead of the prevailing 12 percent on the $5 million deposit. The certificate was used to guarantee a $628,000 loan to Alaska Grain so the company could complete work on its $2 million grain receiving terminal in Delta.

The $628,000 loan represented the difference between the 12 percent prevailing rate and the 8 percent certificate. Lewis and McAlpine explained that Alaska Grain would repay that amount to the city. That would represent a break-even on interest for the city, with the benefits of the new industry as the city's payoff.

At risk, though, was the $628,000. Should the company default to the city, that money might be lost.

Such a possibility occurred in November and December when Alaska Grain asked for renegotiation of the sales agreement. The original contract called for a two-year

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Grain project hit by change

Continued from Page A-10

deferral of payments from Alaska Grain with the possibility of a five-year deferral.

Alaska Grain said it wanted to change the deferral to 15 years so it could re-sell the building to a third party for investment tax credits.

Watson informed the council of the Alaska Grain request and advised the council that Alaska Grain might pull out of the deal and sue because of the faulty contract.

"It was held out that we had a faulty contract," Watson said Saturday. It was also known, he said, that should the deal fall through there was a good chance that Alaska Grain would default and the city would have a problem collecting the $628,000 loan made through the Montana Bank.

The council considered the arguments and, on Dec. 20, rejected the request to renegotiate.

On Dec. 27, Eugene Thayer, president of Montana Merchandising, the parent company of Alaska Grain, appeared at an emergency council meeting and asked for reconsideration.

Thayer said Friday he dealt only with his request for the deferral extension at that meeting but acknowledged both sides knew of the contract faults and that default on the loan was possible. He said he intended to go through with the deal no matter what the vote.

The council then approved a deferral, with the company paying a fraction of the bond obligation during the next 15 years.

Thayer, meanwhile, said he will realize more than $1.5 million in the next 90 days when he sells the property for the investment tax credit. He said the money will be used for operating capital and points out that should his company fail the city can still get the building back.

The city faces increased cost of operations because no conveyor system was built, including establishment of truck delivery system to move the grain from silo to dock, Watson said. That will cost $600,000 originally plus salaries for three or four drivers. The city must later pay the cost of putting in a permanent conveyor system.

The company will pay the city a minimum of $45,000 during the first five years of the new deal, leaving the city with a annual bond payments approaching $1.5 million.

Prospects of success for the project hinge on the state's grain program.

The council has been told the state needs 30,000 acres under cultivation — up from 7,500 acres last season — to fill the terminal one time. That amount would fill one small ship and would turn an operating profit for the company.

If the company is to process enough grain to meet the city's bond obligation as well, production would have to be increased to at least 150,000 acres.

Watson said that could come in five to 10 years. He said there is concern the state grain program won't advance as planned but "I'm told its realistic."

Asked Friday whether the operation was a good one in view of its current status, both McAlpine and Lewis said it was.

Lewis said that the financial arrangements were made in an effort to help Alaska Grain get on its feet. He said the "link deposit concept" used with the Montana bank was sound and that the city funds were safe.

Because of it, he said, jobs and port commerce will be created. McAlpine agreed.

Watson, who wasn't in Valdez until this fall, said he could not challenge the intentions of the previous administration. "I think they were convinced the state would make it (grain production) grow."

Asked if he would propose an arrangement like the Montana deposit, he said, "As a professional manager you are very conservative person. It depends on the mood of the community. Your role is not to dictate but to respond to the wishes of the council."

'Gloomy' Valdez grain study, tax roll change found

By STEVE SEPLOCHA
JOHN LINDBACK and
DON HUNTER
Daily News reporters
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After Mark Lewis left the city manager's job in Valdez for a Cabinet post in Juneau, the new city manager discovered that tax rolls had been improperly altered under Lewis' tenure and that Lewis had withheld a $17,000 feasibility study predicting gloomy prospects for a $10 million grain terminal the city has since built.

Lewis, in an interview Friday, acknowledged the tax rolls were changed and said the council may not have seen the report, but denied any wrongdoing on his part.

Lt. Gov. Stephen McAlpine, who was Valdez mayor during the period, said he learned only recently of the tax roll change and the existence of the feasibility report.

Lewis's performance as chief administrator in Valdez came into scrutiny beginning in September, when it was learned he had changed personnel rules two months before he left office and took $6,174 in extra pay as a result when he left office in July.

Appraiser Rich Randell, who had a contract to assess city property for the tax roll, says Lewis asked him in early 1981 to lower his valuation of property in the pipeline terminus city.

Randell said he told Lewis his figures might be computed differently by someone else because no two assessors see things the same way, but "I'm going to give you what I think the numbers are."

State law requires assessment at 100 percent of fair market value.

Randell said he told Lewis

See Back Page: PESSIMISTIC

Pessimistic Valdez grain report, changes in tax assessment rolls found

Continued from Page A-1

that he (Randell) wouldn't change the numbers but that the city could do what it wanted to with them.

The numbers were later lowered 15 percent across the board and the roll was presented to the council for certification without mention of the change.

Alaska statutes and the city code of Valdez say only the assessor, after instructed by the city council, can change numbers on the roll and he must personally certify those changes to the council.

Lewis claims Randell agreed to the changes and certified them to the city in a letter shortly after the change. Randell says his letter did not agree to alter the figures.

Valdez taxes two separate assessment rolls. The one that was changed was for all non-oil-related property in the city. The city sets the assessment and applies taxes to this property.

Oil-related property is taxed by the city at the same rate as non-oil related property, but is assessed by the state.

The effect of the change on the city-assessed roll was that oil-related property did not receive the same break and, accordingly, paid a higher percentage of city revenues during 1981-82.

Randell said in preparing the 1982 roll he asked the city whether the 15 percent break was to be applied again. He said he was told "yes" and submitted the figures that way "to save them the trouble of changing it."

Current Valdez City Manager Jim Watson and Lori Anderson, secretary to the city manager, say Lewis directed the change in assessments in 1982. The council did not address the issue.

Anderson said Lewis's directive was verbal.

Individual property cards maintained by Randell reflect 100 percent values, as required by law, for both years, he said.

Charges of suppression of information surfaced when it was learned that Lewis did not alert council members of a $17,000 grain terminal feasibility report.

The report, submitted to Lewis Feb. 17, 1982, came about three weeks before $10 million in bonds were issued to build the terminal and warned of risks in the venture.

Minutes of city council meetings show that Councilman Bob Kellar asked City Attorney Ken Jacobus early in March if it was too late to pull out of the bond deal. He was told it was not.

Kellar, who objected to the bond deal from the beginning, said he did not know that a "gloomy" report was in Lewis's possession when he asked the question.

The report was prepared by consultant Frank Orth, who had a contract to evaluate and advise on the grain terminal project.

The summary portion of the report contained Orth's characterization that it was gloomy and said the city could elect to pull out and let private enterpise develop any grain facilities.

"This relatively bleak forecast suggests that selection of the aggressive policy option may be essential to prevent the city's investment in the grain terminal from being a wasted or seriously underutilized asset," the Orth report says. "While we are disappointed for you and the city to have to make such a gloomy prediction, we do feel that the situation is manageable with a continued aggressive posture on the part of the city and Port of Valdez."

He went on to outline the best route should the city choose to build in light of the "relatively high risk endeavor."

The terminal has been plagued with cost estimate problems, a faulty contract prepared under Lewis's direction, and a crisis with the proposed operator in December that resulted in further losses to the city.

Lewis said Friday that the council was fully aware that the project had some negative aspects.

He said if he is to be judged fairly, the entire context of the operation must be considered.

First, he said, the mood of the community was to build the terminal and his job was to build it. Secondly, he said, the "body of information that was available" in several studies was "relatively positive" toward the project.

He said he did not suppress the Orth study and that it was available to any councilmen who wanted to see it. He said he could not recall if he took any steps to tell the council there was a report that was partly negative.

Fish plant transactions raise questions

By DON HUNTER
JOHN LINDBACK
and STEVE SEPLOCHA
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Daily News reporters

Dealings between Valdez city officials and fish processors over the past three years have resulted in questions about the propriety of actions by Stephen McAlpine, now lieutenant governor, and two other members of the City Council.

The complex string of transactions concerns a city-owned warehouse bordering the Valdez dock that the city leased for use as a fish processing plant.

The record of the city's eviction of one processor and lease with another shows:

• That McAlpine, acting as a lawyer while serving on the Valdez City Council, had a $7,200 warehouse rent check to the city seized on behalf of a private client;

• That McAlpine vigorously pressed for city payment of $68,000 in repairs to the dockside facility for a subsequent renter even though the firm had agreed to lease it "as is;"

• That two councilmen were stockholders in a corporation that leased the city property — and one of them later gave up his ownership so he would be allowed to vote to help the firm;

See Page A-12, FISH

McAlpine, Lewis leave legacy behind in Valdez

By SHEILA TOOMEY
Daily News reporter

The town and the men who ran it were alike: ambitious, confident, brash.

Mark Lewis and Stephen McAlpine have moved on to higher office now, leaving behind a mixed legacy in Valdez. But for a couple of years they were the dream team that was going to make it all happen for a city that feels perpetually cheated by destiny — and by an overgrown railroad camp to the west called Anchorage.

A community of 3,700 people located on Prince William Sound, Valdez has Chugach mountain majesty at its back and a year-round port at its feet. "The Switzerland of

See Back Page, McALPINE

McAlpine, Lewis leave a mixed legacy in Valdez where the two teamed up to run city

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Alaska," a bygone promotional campaign gushed.

Settled before Anchorage and once the seat of federal power in the state, Valdez' dream of becoming the center of Alaska commerce died at the hands of Anchorage boosters. Instead — like much of Alaska — Valdez is temporarily oil rich and worried about the future.

Things started to go downhill for Valdez before 1920, when the new Alaska Railroad linked Seward to Anchorage. The freight that once came through the Port of Valdez for the rest of Alaska quickly dropped off. In 1940, what was to have been a branch of the U.S. Third District Court — then headquartered in Valdez — opened in Anchorage. Soon after, the headquarters court and its big federal payroll all moved to the new Anchorage building.

For now, jobs and taxes from the terminus of the trans-Alaska oil pipeline in Valdez have brought the always feisty town a new era of optimisim and opportunity.

For the future, "diversification" is the dream: grain terminals, fish plants and tourists to take up the economic slack when the oil runs out.

In 1978, when Lewis arrived in Valdez to begin a $2,385-a-month job as assistant city manager, the town was looking for someone to help them take charge of the future. Within the year, the man who hired Lewis had been fired and Lewis had his job.

Then in his late twenties, Lewis had grown up in Edina, Minn., an affluent suburb of Minneapolis. He was graduated in 1974 from Washington State University with a bachelors degree in politics and public administration and headed for Alaska.

During a three-year stint as administrative assistant in the Juneau city manager's office Lewis seemed eager to learn how local government really worked. "He was always ready to take the bull by the horns," is how one coworker from that period put it.

Valdez City Council members say they were impressed by Lewis' intelligence, his hustle and his savvy about government systems. "The old city manager was into delegating authority," said a Valdez businessman who was on the council at the time.

"After a while Mark looked sharper than him at the council meetings."

During his own administration, where he came to earn $60,000-a-year, Lewis rarely delegated authority to anyone, according to present and past city officials. His department heads reportedly made few decisions on their own.

At least once, when Lewis and the mayor were both out of town, subordinates had difficulty finding someone authorized to sign a check.

At about the time Lewis came to power, one of Valdez' two lawyers was elected to the City Council. At 30, Stephen McAlpine had lived in Valdez on and off for almost 10 years. A native of Yakima, Wash., and a graduate of the University of Washington, he worked for the state and for a pipeline company before getting a law degree from the University of Puget Sound Law School.

One of the most interesting things about McAlpine is that his friends and his enemies use the same words to describe him: colorful, aggressive, articulate, hot tempered. "He really knows what he wants," says gas station owner and former Valdez Mayor Mack MacDonald. "He's politically astute. He gets things done."

Steve McAlpine

Mark Lewis

"He's a colorful character," a former girl friend says of McAlpine, "but he pushes too far. He baits people into fights. He wants to ram a point down your throat beyond good taste, beyond politics, beyond reason."

However, the same woman called McAlpine charming, perceptive, shrewd and able to laugh at himself. And MacDonald says he has a lot of respect for McAlpine although the two often disagree.

"When he kicks your fanny, that's the end of it," MacDonald laughs.

A year after joining the council, McAlpine was elected mayor and for the next two years — according to most accounts, but not theirs — the two men ran Valdez virtually on their own.

Together and separately, Lewis and McAlpine usually convinced the City Council to go along with them, at least partly because both so hated to lose even the smallest point.

MacDonald remembers a minor flap about how a new Little League baseball diamond should be laid out — "You know, how the sun should rise and set and so forth."

Lewis allegedly told Little League sponsors that the city already had decided how to lay it out, "and that was that. it was a small item, no big deal," MacDonald says.

"But when I got to the council meeting he had a bunch of experts there. He took me to the cleaners." The baseball diamond was laid out the way Lewis wanted.

"He always lined up his ducks," MacDonald said. "He was always ready."

The stories about McAlpine sound a similar chord. Charles LaPage, a long-time city councilman, local accountant and air service operator who was a frequent political foe of the administration, accuses McAlpine of using his attorney's skills to belittle people who challenge him. "And he will defend his actions to the end in the face of criticism," LaPage said.

Aggressive is the most often offered description of both men — usually meant as a compliment. People seem either to have loved them or hated them. "They're that kind of people," MacDonald said.

Like others, MacDonald had little quarrel with Lewis' and McAlpine's plan to develop Valdez. "It's just how you get there," he said.

Respectively divorced and separated at the time, McAlpine and Lewis socialized as well as worked together. Valdez is a small town and Lewis and McAlpine were well known. Townspeople described them a close friends.

For a while all was well between the town and the two bright young men who ran it. If their own ambitions were obvious — well, Valdez isn't the kind of place that would fault men for ambition as long as they were willing to tie the town's fortunes to the tail of their personal comet.

During this period Valdez built a beautiful convention center — one that can handle more people than Valdez hotels can accommodate.

In a financial transaction that is now being questioned, the city floated a $10 million bond issue and beat the state in a race to construct a grain terminal. The terminal joined a new floating dock to complete an international barley marketing system.

Its future — like that of the state's barley crop itself — remains uncertain.

There is a new airport terminal with a space-age radar system so sophisticated that planes landing in Valdez can't use it.

And, in the midst of plenty, there's a looming 70-percent property tax hike.

By early 1982, the bloom was off the rose, at least for Lewis. Four, perhaps five, Valdez City Council members favored firing him because of prevailing sentiment that he was making too many important decisions without consulting them, according to council members LaPage and Jason Wells, and former Councilman George Hillar.

Lewis resigned. It was the third time he had submitted his resignation; this time it was accepted.

"I think this town needed him for a while," says former Mayor MacDonald, "but it was time for him to leave. We knew it and he knew it."

Around the same time, McAlpine filed for lieutenant governor and eventually the team moved on. Lewis helped McAlpine during the primary race and ran the Sheffield-McAlpine headquarters in Fairbanks during the general election campaign.

Now Lewis is Commissioner of Community and Regional Affairs. The new job makes him responsible for the federally funded CETA program, the state's coastal management program, senior citizens housing programs, distribution of municipal assistance funds and a miscellany of other community local government assistance programs, including the Local Boundary Commission. Lewis' department also includes the Office of the State Assessor.

As for McAlpine, he is the No. 2 man in state government.

Valdez is still worried about the future.

1-16-83

Fish processing plant transactions raise questions involving McAlpine, city officials

Continued from Page A-1

• That the city leased its facility to a firm composed of local fishermen only to see it taken over — three days later — by a company headed by a man involved earlier in the controversial bankruptcy of Salamatof Seafoods in Kenai; and

• That the city's close relationship with that firm has fueled protest from another Valdez processor who claims unfair competition and threatens to sue.

The story centers on the city-owned warehouse at the Valdez dock. Hoping to diversify the city's oil-dominated economy, city officials in 1978 awarded a lease on the building to a fish processing company that in early 1980 fell into serious financial difficulties.

A restructured company called Arctic Coast Fisheries Inc. then assumed control of the leased plant and scaled down operations. The company began to run up unpaid bills, and a series of non-sufficient-funds checks were issued to fishermen and former employees.

In early 1981, the city began to explore the possibility of declaring Arctic Coast in default and resuming control of the processing plant. On March 20, then City Manager Mark Lewis sent notice to the firm that the city considered the company in default for three reasons:

• Monthly rent payments totalling $3,600 for January and February had not been the city.

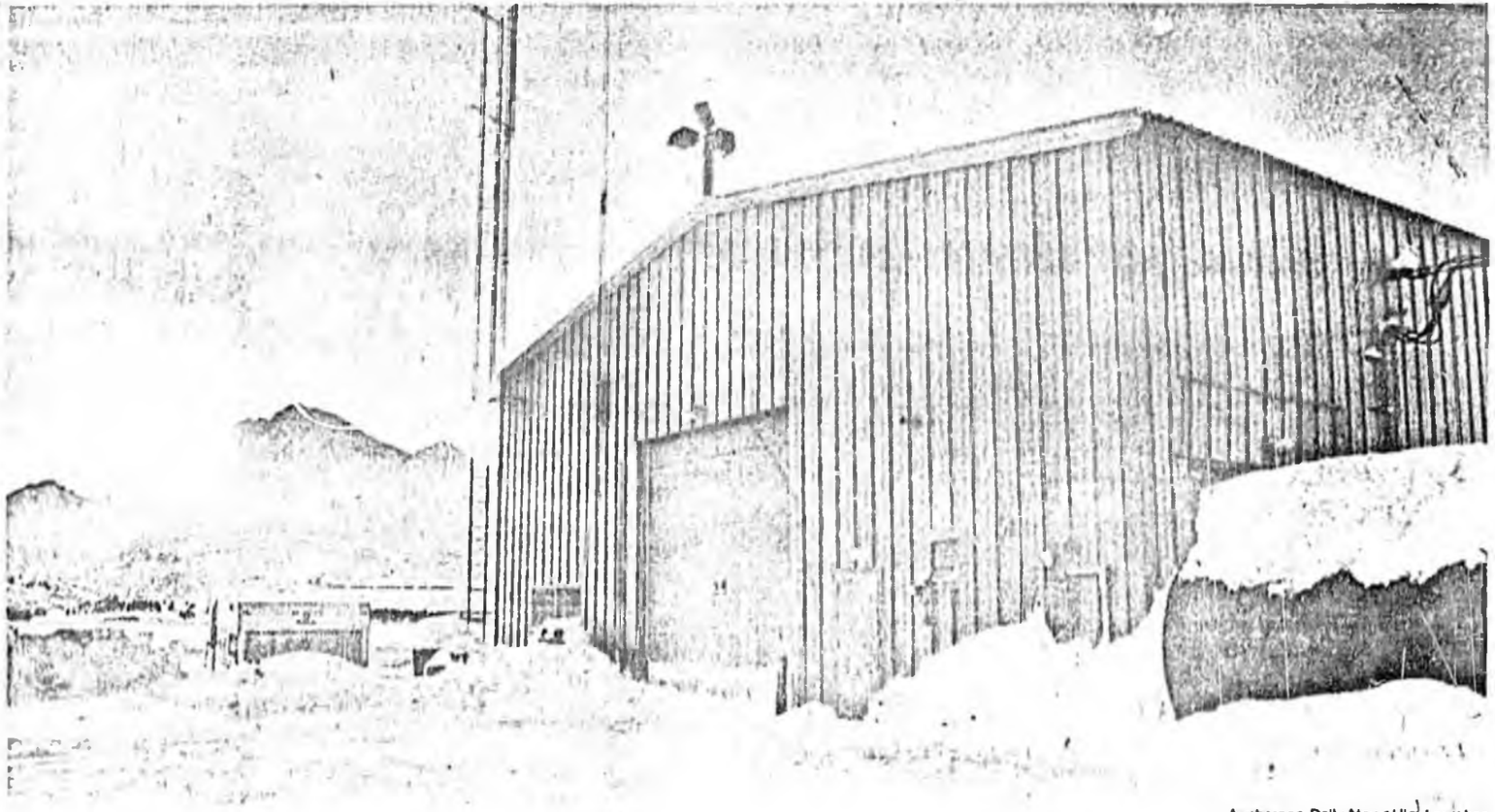
McAlpine told his fellow councilmen that it was he who had directed the seizure of the check. According to the minutes of that meeting, McAlpine said because he had "several interests in having Arctic Coast Fisheries eliminated, he (McAlpine) would abstain" from voting on a motion to declare the company in default."

But he still lobbied the council to find the company in default. The minutes show: "Mr. McAlpine did, however, proceed to explain his futile efforts to seek other assets and declared that because both Farm-N-Sea (the company that preceded Arctic Coast) and Arctic Coast fisheries have done nothing but exhibit a bad faith position both to the city and the fishermen who attempted to serve them and open this area for fisheries development, and because they had not properly filed bonds and become licensed with the state of Alaska, he was in favor of declaring default."

When questions were raised about McAlpine's seizure of the check, City Attorney Ken Jacobus replied that "there might be a conflict of interest because both his (McAlpine's) client and the city wanted the check."

With McAlpine abstaining, the council then voted 6-0 to confirm Lewis' declaration of default.

McAlpine this week said he learned of the rent payment by reading information sent to all members of the City



Anchorage Daily News/Jim Lavrakas

Photo shows the Waterkist warehouse in Valdez

interested in moving into the warehouse.

A ballot proposition that would have created a company owned by Valdez citizens to operate a processing plant failed at a special election in 1981.

In January 1982, according to City Council minutes, a tour of the plant was conducted with Orth, council members, and Prince William Sound Processors, a new firm

line Service worker and a part-time commercial fisherman who also serves as head of the Valdez Fisheries Development Association. Wells is a fisheries biologist for the association, which is developing a salmon hatchery near Valdez.

Kellar said he didn't view as a conflict of interest his strong advocacy for fisheries development in Valdez so he and others in the local indus-

council members, Wells said.

And without votes from himself or Kellar, the lease couldn't have been accomplished. Both those factors led Wells to dispose of his interest in Prince William Sound Processors.

"It enabled me to become the sixth vote," Wells said. He said his intent was not personal financial gain. "My total emphasis has been to get something going in Valdez for

million worth of improvements to the building. Its monthly payroll during the summer months of operations was $150,000, Waterer said.

But the complaints about the arrangements spurred worries by the new city administration headed by present City Manager Jim Watson.

The city in November mailed a notice of default on the lease to Waterkist, arguing that assignment of the

of declaring Arctic Coast in default and resuming control of the processing plant. On March 20, then City Manager Mark Lewis sent notice to the firm that the city considered the company in default for three reasons:

- Monthly rent payments totalling $3,600 for January and February had not been made;
- The company allegedly had failed to maintain liability insurance; and
- The company had ceased actively purchasing or processing fish.

The notice allowed the company 30 days to correct the deficiencies.

In April, Arctic Coast sent a check for $7,200 — to cover the rent for the first four months of the year — to City Hall. McAlpine, then a city councilman, issued a writ of execution on behalf of a client to whom the company owed money and had a state trooper seize the check at city offices. The check was held by the court for several weeks until the city secured its release.

On April 17, Lewis wrote another letter to the firm advising that the $7,200 check had been seized by troopers. "Needless to say," Lewis continued, "this leaves the rent on the city owned building still due."

Lewis also discounted Arctic Coast claims that its scaled-down operation still conformed with the lease. "We do not, under any stretch of the imagination," Lewis wrote, "believe that your watchman selling some of the product retail or wholesale justifies 'active fish purchasing or food processing.' "

Lewis told the firm the city still considered Arctic Coast in default and ordered it to move company equipment stored on or in city property within 20 days.

At the May 5, 1980, City Council meeting, Lewis told the council that Arctic Coast had been advised that it was in default of the lease. He also noted that the $7,200 rent check had been seized from because both his (McAlpine's) client and the city wanted the check."

With McAlpine abstaining, the council then voted 6-0 to confirm Lewis' declaration of default.

McAlpine this week said he learned of the rent payment by reading information sent to all members of the City Council that was also available to any member of the public.

He argued that his first responsibility was to his client.

McAlpine said the conflicts that have arisen throughout the city's attempts to support fisheries development can be attributed to Valdez's small population.

"It's a small town. At one time or another I have represented the majority of people in the city," he said.

At least five suits and countersuits surrounding the disposition of the Arctic Coast lease have been filed. A trial on several of those suits, since combined, was scheduled for Oct. 4, 1982. It was delayed on the motion of the city, supported by affidavits from Lewis and McAlpine, who in part argued that their involvement in the general election campaign would hinder their participation.

At the time, McAlpine was campaigning for lieutenant governor and Lewis — who had stepped down as Valdez city manager in mid-July — was managing the Sheffield-McAlpine Fairbanks campaign.

The trial is now set for April 23.

Even before the Arctic Coast eviction, the City Council decided to look for another processor. Seattle consultant Frank Orth was commissioned to conduct a $240,000 study on prospects for the fish processing industry in the area and search out businesses that might lease the warehouse.

Orth's 1980 study concluded that fish processing was a feasible industry for Valdez. But the consultant said he couldn't find anyone firmly would have created a company owned by Valdez citizens to operate a processing plant failed at a special election in 1981.

In January 1982, according to City Council minutes, a tour of the plant was conducted with Orth, council members, and Prince William Sound Processors, a new firm.

Also on the tour was Tom Waterer. Council members say they were told he was considering running the fish processing plant for Prince William Sound Processors.

On April 12, 1982, the city's warehouse lease with Prince William Sound Processors was executed. Three days later, the firm was taken over by Waterkist Corp. Its president is Tom Waterer.

Waterkist operated the plant all last summer. But another local processor, Sea Hawk Seafoods, some members of the City Council and other citizens of Valdez have questioned the original intent of Prince William Sound Processors and Waterer.

Council members and city officials said they didn't realize that Prince William Sound Processors intended to sell out so quickly. They thought the city was leasing its building to a group of local fishermen, not a man who was formerly connected to Anchorage and Kenai fish processing businesses.

"The first time I was introduced to Mr. Waterer, he was going to be the manager of the plant for Prince William Sound Processors," said City Councilman Chuck LaPage. "The next thing we know, Prince William Sound Processors isn't doing anything and Waterkist is running a plant out of the city's building," LaPage said.

Waterer was out of town and attempts by The Daily News to reach him during the past week for comment were unsuccessful.

Prince William Sound Processors, composed of about 20 area fishermen, included two City Council members, Bob Kellar and Jason Wells.

Kellar is an Alyeska Pipe- of the Valdez Fisheries Development Association. Wells is a fisheries biologist for the association, which is developing a salmon hatchery near Valdez.

Kellar said he didn't view as a conflict of interest his strong advocacy for fisheries development in Valdez so he and others in the local industry could have another place to sell their fish.

"You've got to remember, processors are folding up all around the state," said Kellar.

The Orth study said a successful fish processing operation would help others get started in Valdez, Kellar said.

Orth, as part of his study, tried to search out potential processors for Valdez but was unsuccessful, Wells said. So he and 19 other fishermen formed Prince William Sound Processors.

But Orth introduced Waterer to the group, and after the lease with the city was signed in April, a stock transfer took place that "made Prince William Sound Processors for all intents and purposes a dead horse," Wells said.

Wells said he sold his stock in Prince William Sound Processors soon after the council began discussions of leasing the group its waterfront warehouse. He said he had left the group because of a conflict of interest with his elected position as a city councilman.

Kellar has opted to maintain his interest in Prince William Sound Processors. Minutes of City Council meetings show that Kellar has abstained from all votes on the city's deal with the fish processing operation.

But he said in an interview that he doesn't consider it a conflict of interest for him to discuss and lobby with other councilman on matters pertaining to the firm.

"I could see I was getting into a conflict of interest situation, and I didn't want to get into that," Wells said.

Any time the city leases or sells property, it must be approved by six of the seven couldn't have been accomplished. Both those factors led Wells to dispose of his interest in Prince William Sound Processors.

"It enabled me to become the sixth vote," Wells said. He said his intent was not personal financial gain "My total emphasis has been to get something going in Valdez for fisheries," he said.

"Every fisherman in town has been accused of being in cahoots with the city and it's not true," said Wells, adding that he intends to complete the second year of his term and bow out of city politics.

The Waterkist merger spurred a new issue for the city when Waterer in June presented them with a letter demanding payment for $70,000 in repairs to the warehouse.

A source of dispute in that controversy was that the lease agreement specified that the firm would be willing to accept the building "as is, where is" and wouldn't press the city to finance improvements.

Council minutes show Waterer argued that the repairs should have been financed by the city because there was no way he could have realized they were necessary when he took a tour of the building in January 1982.

Members of the council including McAlpine, voted to pay for $68,000 of the repairs. McAlpine, according to council minutes, argued that the city had a moral obligation to appropriate the funds in order to ensure the success of the processing plant. He also argued that the repairs would be permanent improvements to the city-owned building.

Competitor Sea Hawk Seafoods Vice President Sandy Cesarini protested the move. She also asked the council to appropriate $68,000 to her business so that all processors in Valdez would be treated equally. The City Council did not respond.

According to a letter by Waterer printed in the Valdez Vanguard, the local newspaper, Waterkist has made $1 summer months of operations was $150,000, Waterer said.

But the complaints about the arrangements spurred worries by the new city administration headed by present City Manager Jim Watson.

The city in November mailed a notice of default on the lease to Waterkist, arguing that assignment of the lease from Prince William Sound Processors to Waterkist required City Council approval. The council must now decide whether to approve that assignment.

The emergence of Waterer in the processing operation has fueled a petition drive that calls for the city to investigate the background of businesses that intend to lease city property.

Last week Watson said he has asked Waterer to submit details of his financial background to auditors who can compile a report for the town government.

But some details are already public.

Waterer was head of Salamatof Seafoods, a fish processing plant in Kenai that went broke two years ago.

At least some council members have been notified that the federal government recently filed a notice of federal tax liens against Waterkist in the amount of $43,808.

"The thing showed up in my mailbox in a clean white envelope with no return address," LaPage said.

LaPage, an accountant, said the notice indicates that during 1982 Waterkist deducted Social Security and income taxes from its employees and did not make later payments to the federal government.

Meanwhile, Sea Hawk Seafoods is showing signs of taking legal action.

Sea Hawk lawyer Henry Camerot recently mailed a letter to the council, demanding that the City of Valstop its help to the Waterkist operation. The city is participating in an illegal restraint of trade under provisions of the Sherman Anti-Trust Act, Camerot contends.

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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
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

SUBJECT: Confirmation Hearings

DATE: March 18, 1983

The following comments were prepared as a result of a discussion during which legal advice was requested for the question: "What is the role of the Committee in conducting confirmation hearings?"

Presumably the nominee who will be appearing before the Committee has received careful consideration by the Governor and as such, represents the Governor's choice for the position. Traditionally, the Committee has an affirmative attitude towards the Governor's selection.

The question which the individual committee members must resolve in their own minds is: "Do you believe the nominee would properly fulfill the duties of the Commissioner?"

The decision is essentially a political process as opposed to a legal process. There is no requirement to apply the rule of "burden of proof;" a more appropriate description is a "burden of persuasion."

During the process, the determination of an act or acts being technically illegal is "mildly interesting" and in large part irrelevant from the perspective of the Committee. The question of impropriety is more important in the decision making process.

The rationale for the previous statement is that the commitment of an illegal act(s), even if substantially proven, may or may not be indicative of a person's qualifications to perform assigned duties and, the Committee is not in a position to prosecute for illegal acts.

On the other hand, the Committee is charged with making a judgement, based on all reasonably available information, whether or not the actions of the individual convince the Committee that the nominee will, or will not, properly fulfill the role of Commissioner.

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

TAB 1 - GENERAL QUESTIONS

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS:

Can we expect any changes in the direction, philosophy, or organization of the Department of Community and Regional Affairs, and, if so, how will they differ from the present situation?

Alaska State Legislature

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

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

The Department of Community and Regional Affairs recently compiled a list of capital improvement projects submitted by state municipalities. Does this activity indicate that the Department will act as a screening agency to establish priorities for state funding of all capital improvement projects, including such things as airports, roads and sewage facilities?

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

A major portion of the effort and resources of the Department of Community and Regional Affairs is directed towards grant administration and other activities for the unincorporated communities and unorganized boroughs.

One of the major reasons for the establishment of the Department was to assist the unorganized areas in achieving a level of sophis..cation and education that would encourage them to organize into municipalities for the delivery of services.

In your view, has the Department been a success or a failure in this role?

Do you believe the Department should encourage rural areas to incorporate?

What incentives do you believe are necessary to encourage incorporation?

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

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

To date, there has been considerable reluctance in the rural - or unorganized borough - parts of the state to organize into municipalities. The state constitution provides for maximum self-government, both through the organized and unorganized borough. However, the delivery of services in the unorganized borough presents considerable problems to the state and to the residents of the unorganized borough.

Partial solutions for the delivery of services have evolved by the formation of such entities as the Regional Education Attendance Area (REAA), the Native Regional Housing Corporations, the Regional Development Corporation, and others. Other needs have been provided for by direct legislative appropriations, usually administered by the Department of Community and Regional Affairs.

Do you feel that providing all these services, some of which are funded at 100 percent from the state general fund, is an inducement or a disincentive to the formation of organized municipalities? Why?

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Room 104
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Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

Many of the activities of the Department of Community and Regional Affairs appear to overlap or duplicate the functions of other departments in the Administration. Among these duplicated activities are housing mortgage loans and construction, employment training programs, grants for court litigation, grants for water and sewer projects in rural areas, and many projects that are normally within the realm of responsibilities of the Department of Transportation and Public Facilities.

You have now indicated a desire to organize a separate "grants management" organization which would be similar to a function in the Department of Administration.

In brief, it seems that the Department of Community and Regional Affairs is drifting towards being a separate, large entity that encompasses the responsibilities of all the other departments in state government, and is intended to serve as all state agencies for the rural areas of Alaska.

Do you feel that the Department should perform all functions for the rural areas and the remaining departments concentrate their efforts on the urban areas of the state, or should the other departments perform their respective responsibilities statewide?

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

TAB 2 - VALDEZ PROPERTY TAX ASSESSMENTS

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

TAB 2 - Valdez Property Tax Assessments

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

As Commissioner of the Department of Community and Regional Affairs, you will be responsible for reviewing and approving requests for state funds, many of which will be based on the local revenue generating capability, including property taxes.

State law requires property assessments for taxation to be 100 percent of true value. Please discuss your philosophy on who should be authorized to determine property valuations and who should be authorized to change valuations.

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-~~3248~~ 4801
DEPARTMENT OF ASSESSMENT

March 22, 1983

MAR 26 1983

House of Representatives
Barbara Lacher, Chairman
Community and Regional Affairs Committee

Dear Representative Lacher:

This is in response to your request for me to review the packet you sent me regarding reduced assessments in Valdez for 1981 and 1982.

The packet seemed to address the legal implications of reducing the assessments and, therefore, contained very little information as to whether or not the reduction of assessments could be substantiated.

After reviewing the packet, as presented, it is my personal and professional opinion that the reduction of assessments in Valdez was not substantiated by any supporting data and the method used could be considered, by professional assessors, as improper and unethical. My opinion is based upon the following observations:

1. Property appraisal is not an exact science but an opinion of value based on facts. Mr. Randell indicated in his letter that it was his opinion that his values represented 100% market value. I believe that a small amount of research will show that these value estimates were based upon facts which Mr. Randell obtained through his market analysis.

2. The valuations were reduced "because he (Mr. Lewis) believed that local economic conditions were depressed to the extent that the market probably would not support the values used by Mr. Randell." Nowhere in the packet can I find any information to support what Mr. Lewis believed. If this strategy were used by other assessors in the State, we might all raise our assessments by 10% - 20% because we believed we were low. This could not happen because our Boards of Equalization require us to show supporting data for our value estimates.

3. Mr. Randell's statement, it is not uncommon for appraisers to differ as much as 15% to 20% in valuation, is a correct statement. However, it should be noted that both appraisers values would be based upon supporting data. The interpretation of this data usually is the reason for a difference of opinions.

MAR 2 6 1983

4. The statutes mandate that the assessor assess property at its full and true value, not attempt to assess at a level comparable with other municipalities.

As I stated earlier, the appraisal of real estate is not an exact science but an opinion of value based on facts or supporting data. If Mr. Lewis believed that the assessments were high, a sales ratio study should have been conducted. A sales ratio study may have shown that the assessments were high and adjustments were warranted. This would have been the proper method for an assessor to follow rather than an arbitrary percentage reduction. I would like to point out that this may have been done, however, I did not see it in the packet you sent me. If this were in fact done, then I would state that the actions taken were both ethical and proper. For your information, I have enclosed a copy of the IAAO Code of Ethics which most assessing offices use.

As to your question regarding the tax dollar amounts as reported by Gerald Heier with the Department of Revenue, I believe the figures obtained are correct with respect to the information he received.

I hope I have answered your questions and would like to point out that the opinions expressed in this letter are my personal opinions and not necessarily those of my employer.

Respectfully,

Steve Van Sant
Director of Assessments
and Land Management

cr

International Association of Assessing Officers

MAR 26 [illegible]

Code of Ethics

The functions of the assessing officer and other members of IAAO are professionals in character. This Code of Ethics is a set of dynamic principles guiding the members' conduct. Each member of IAAO agrees that he will:

1. Cooperate fully with other members in all matters affecting his offical duties.
2. Conduct his activities in a manner that will reflect credit upon himself, other members and the IAAO.
3. Cooperate with the IAAO and its officers in all matters, including, but not limited to the investigation, censure, discipline or expulsion of members who by their conduct prejudice their professional status or the reputation of the IAAO.
4. Protect the professional reputation of other members of IAAO who subscribe to and abide by this Code of Ethics.
5. Treat as confidential all information concerning persons or their property obtained in his official capacity, except for lawfully authorized uses. It is proper for members employed by different jurisdictions to exchange factual information concerning persons or their property to aid either or both in the assessment of property legally subject to taxation.
6. Perform his assessment duties in a manner consistent with statutory requirements without advocacy for accommodation or any particular interests, being factual, objective, unbiased and honest in his conclusion.
7. Maintain, at all times, a courteous and respectful attitude in his relations with taxpayers, public officials and the public generally, and to compel a similar attitude on the part of his subordinates.
8. Give full faith and allegiance to his oath of office, apply the law of his jurisdiction to all taxpayers alike, and obey all applicable laws and regulations.
9. Conform in all respects to this Code of Ethics, The Standards of Professional Conduct and the Constitution of the IAAO as the same may be amended from time to time

Standards of Professional Conduct

In relations with assessing officers, an IAAO member will:

Cooperate within the legal and ethical boundaries of his office or profession with other members who request his cooperation in performing the functions of their offices or profession.

Treat information obtained in his professional capacity as confidential unless use of that information is authorized by law. It is proper for members employed by different jurisdictions to exchange factual information concerning property to aid either or both in the assessment of property legally subject to taxation.

Protect the professional reputation of other members who subscribe to and abide by these Standards of Professional Conduct.

Give full credit to the originator of any material he uses in his writings or speeches.

Conduct his activities in a manner that will reflect credit upon himself, other members, and the IAAO.

Cooperate with the officers of the IAAO in all matters, including but not limited to the investigation, censure, discipline, or expulsion of members whose conduct casts a shadow on their professional status or the reputation of the IAAO.

In relations with public officials, an IAAO member:

Has a duty to cooperate with public officials to improve the efficiency and economy of public administration.

Will always maintain an attitude of respect and cooperation toward public officials and governmental agencies to whom the law has assigned official duties relating to the work of the IAAO member.

In relations with the public and taxpayers, an IAAO member will:

Maintain at all times a courteous and respectful attitude in his relations with taxpayers, taxing officials, and the public generally, and will compel a similar attitude on the part of his subordinates.

Give full faith and allegiance to his oath of office.

Apply the law of his jurisdiction equitably.

Perform his duties in a manner consistent with statutory requirements without advocacy for accommodation of any particular interests; he will be factual, objective, unbiased, and honest in his conclusion.

Appraisal standards to be complied with by IAAO members:

Any appraisal by an IAAO member shall conform to the highest professional assessment/appraisal standards.

Any value estimate made for assessment purposes by an IAAO member shall be an estimate of true market value as defined by the courts having jurisdiction, regardless of the assessment percentage to be used, except when the law of his jurisdiction requires or the assessment practice in his jurisdiction permits special valuation techniques.

Any value estimate made by an IAAO member shall be a true opinion of value in accordance with generally accepted appraisal practices, except when the law of his jurisdiction requires or the assessment practice in his jurisdiction permits special valuation techniques.

Any fee appraisal assignment accepted by an IAAO member shall be one in which he has no unrevealed personal interest or bias, and one which he is competent to complete without placing his personal integrity or the assessing/appraisal profession in jeopardy.

It shall be unethical for a member of IAAO to accept an engagement for which the amount of his compensation is contingent upon reporting a predetermined value or upon the amount of the value estimate; or upon reporting a predetermined opinion, conclusion, or recommendation; or upon the amount of a tax reduction obtained by a client where his services are used; or upon any result, value, or subsequent transaction.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 17, 1983

House of Representatives
Barbara Lacher, Chairman
Community & Regional Affairs Committee

Senate
Frank Ferguson, Chairman
Community & Regional Affairs Committee

Review of potential State claim against
the City of Valdez for recovery of taxes
paid under AS 43.56

In conjunction with the Department of Law, we have completed an investigation of allegations that Mark Lewis, the former City Manager of Valdez, improperly reduced assessments on local property in 1981 and 1982, thereby increasing the overall millage rate in the local tax on the petroleum properties in concomitantly reducing taxes paid to the State, and have concluded from the facts that Mr. Lewis did not act improperly or illegally. Therefore, the State should not pursue any claim against the City of Valdez for recovery of additional taxes under AS 43.56 and we view the matter as closed.

A copy of the Department of Revenue's report dated March 14, 1983 and a copy of the Department of Law's legal opinion dated March 16, 1983 are attached. The following is a brief summary of those findings.

AS 43.56.010(a) imposes a state tax of 20 mills on oil and gas property. Under AS 43.56.010(b) and AS 29.53.045 a municipality may levy a tax on petroleum properties within its jurisdiction at the rate applicable to other property tax by the municipality. The tax paid to a municipality under this subsection is then credited under AS 43.56.010(d) against the state tax due.

In 1981 and 1982, the City of Valdez hired on contract an appraiser to assess property in the city for purposes of taxation. The contractual provisions required the appraiser to perform the statutory duties of an assessor. Under state law (AS 29.53.060(a)) and the Valdez city code (25-4 (2)) the city is required to assess property at its true and full value. Both define "full and true value" in a manner which clearly allows for a determination upon which reasonable minds can differ. In addition, real estate appraising is not an exact science and does not allow for "full and true value" determinations to be precise and often appraisers differ by as much as 20 percent on valuations.

House of Representatives
Barbara Lacher, Chairman
Community & Regional Affairs Committee

Senate
Frank Ferguson, Chairman
Community & Regional Affairs Committee

The City of Valdez's contracted assessor made his real property valuations as being 100% of fair market value, however, Mr. Lewis believed the assessor's assessments were high in light of the local economic conditions and after consultation with the assessor lowered the assessments by 15%. The assessor certified the reduced assessments as true and correct for 1981 and 1982.

The Department of Revenue investigation shows that all the real property assessments ratios for the municipalities which contain petroleum property are less than 100% of valuation. The ratios for Valdez in 1981 and 1982 are 89.6% and 93.8% respectively. When comparing the Valdez assessment ratios with the assessments ratios of other municipalities having oil and gas properties which ranged from 70.0 to 93.8, it is clear that the City of Valdez appraisals were in fact high and will not support a finding of any improper or illegal action.

In conclusion, the facts do not substantiate that Mr. Lewis acted improperly or that his actions resulted in the City of Valdez making any illegal real property assessment determinations under AS 29.53.060(a) and therefore, we conclude that the State did not lose any revenue under AS 43.56.010(d) and the matter is closed.

Sincerely,

Robt D Heath

Robert D. Heath
Commissioner of Revenue

RDH:NS:mc

Attachments

MINERAL CREEK SUBDIVISION		LAND	IMPROVEMENTS	TOTAL
Block 1				
Lot 2	Perrier, Basil & Marian Box 434 Valdez, Alaska 99686	17,600 ~~$20,700-~~	$ 3,400-	21000 ~~$24,100-~~
Lot 3 1 38	Wallace, Jack & Mary Box 794 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~
Trailer Only Lot 3 39	Hitchcock, Glen & Kathy maryann General Delivery Valdez, Alaska 99686	-0-	6,700-	6,700-
Lot 4 4	Coleman, Allan C. & Mary Ann T. Box 1127 Valdez, Alaska 99686	17600 ~~20,700-~~	12,100-	29700 ~~32,800-~~
Lot 5 58	Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~
Trailer Only Lot 5 59	Esposti, John Box 1203 Valdez, Alaska 99686	-0-	13,100-	13,100-
Lot 6 68	Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~
Trailer Only Lot 6 69	Dunning, Richard Box 413 Valdez, Alaska 99686	-0-	5,100-	5,100-
Lot 7 78	Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~
Trailer Only Lot 7 79	Henson, Larry Box 187 Valdez, Alaska 99686	-0-	9,100-	9,100-
Lot 8 88	Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~
(Trlr Only) Lot 8 89	Herrin Kathy Box 172 Valdez, Alaska 99686	-0-	14,000-	14,000-
Lot 9 90	Dieringer, James & Nora Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~
Lot 10 100	Dieringer, James & Nora Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	HO-	17600 ~~20,700-~~
Lot 11 110	Dieringer, James & Nora Box 508 Valdez, Alaska 99686	17600 ~~20,700-~~	-0-	17600 ~~20,700-~~

EXTRACT OF VALDEZ 1981
TAX Rolls – with Changes

Block 1

Lot 12-13	Dierlinger, James & Nora Box 508 Valdez, Alaska 99686	35,300 ~~41,500-~~	$12,500-	47,800 ~~$ 54,000-~~
Lot 14 14	Small, George E. Box 466 Valdez, Alaska 99686	22500 ~~26,500-~~	36,400 ~~42,800-~~	58,900 ~~69,300-~~
Lot 15 15	Madsen Construction Co. Box 338 Juneau, Alaska 99802	22500 ~~26,500-~~	66,700 ~~78,500-~~	89,200 ~~105,000-~~
Lot 16 16	Ruhl, Clyde E. & Hallie N. Box 513 Valdez, Alaska 99686	22500 ~~26,500-~~	58200 ~~68,400-~~	80,700 ~~94,900-~~
Lot 17-18 17	Larson, Robert W. & Frances W. Box 426 Valdez, Alaska 99686	45,050 ~~52,000-~~	52,400 ~~61,600-~~	97450 ~~114,000-~~
Lot 19 19	City of Valdez Box 307 Valdez, Alaska 99686	-0-	-0-	-0-
Lot 20 20	Sumner, Judith K. Box 21 Valdez, Alaska 99686	23,550 ~~27,700-~~	57,050 ~~67,100-~~	80,600 ~~94,800-~~
Lot 21 21	Irons, Steven L. & Dorothy B. Box 1247 Valdez, Alaska 99686	23 550 ~~27,700-~~	68,350 ~~80,400-~~	91,900 ~~108,100-~~
Lot 22 22	Chung, Ching & Tran Le Box 1356 Valdez, Alaska 99686	23500 ~~27,600-~~	87,000 ~~102,400-~~	110,500 ~~130,000-~~
Lot 23 23	Gard, Charles & Delores Box 936 Valdez, Alaska 99686	23500 ~~27,600-~~	47,700 ~~56,100-~~	71,200 ~~83,700-~~
Lot 24 24	Welch, Del & Virginia Box 962 Valdez, Alaska 99686	23,500 ~~27,600-~~	67,200 ~~79,100-~~	90,700 ~~106,700-~~
Lot 25 25	City of Valdez Box 307 Valdez, Alaska 99686	-0-	-0-	-0-
Lot 26 26	Cerutti, John ~~Box 589~~ 3301 Montclaire Ct ~~Valdez~~, Alaska ~~99668~~ 99503	17600 ~~20,700-~~	16,500-	34100 ~~37,200-~~
Lt. 27-27 Lot 27, Tr 1 279	Mich John Cerutti Frank Moolin & Associates Box Valdez, Alaska 99686	17600 ~~20,700-~~	~~24,300-~~ 5300	17600 ~~30,000-~~ ~~37,000-~~ 16,300

L 22-27 - Jan. Dierlinger 176.000 ~~207,000~~

MINERAL CREEK SUBDIVISION		LAND	IMPROVEMENTS	TOTAL
Block 15				
Lot 9	Collins, William J. & Lorenza M. Box 1402 Valdez, Alaska 99686	42500 ~~50,300~~	83,300 ~~98,000~~	125,800 ~~148,000~~
Lot 10 101	Hickok, Terry L. & Patricia L. Box 713 Valdez, Alaska 99686	28300 ~~33,300~~	121,300 ~~142,700~~	149,600 ~~176,000~~
Lot 10A 102	D & M Rentals Box 338 Juneau, Alaska 99802	28300 ~~33,300~~	121,300 ~~142,700~~	149,600 ~~176,000~~
Lot 11 110	D & M Rentals Box 338 Juneau, Alaska 99802	28300 ~~33,300~~	121,300 ~~142,700~~	149600 ~~176,000~~
Lot 12 120	Alaska USA Federal Credit Union (Attn: Fred Smith) 777 Juneau Street Anchorage, Alaska 99501	42,500 ~~50,000~~	735,250 ~~865,000~~	777,750 ~~915,000~~
Block 16 7040016009 0				
Lot 1-4	Alaska State Housing Authority		-EXEMPT-	
Lot 5 50	Eder, Robert O. & Rita R. Box 791 Valdez, Alaska 99686	24900 ~~29,300~~	88,700 ~~104,300~~	113,600 ~~133,600~~
Lot 6 60	Wilson, Maurice L. 2705 Arlington Anchorage, Alaska 99503	24900 ~~29,300~~	88,700 ~~104,300~~	113,600 ~~133,600~~
Lot 7 70	Gallagher, Michael & Goudreau, Damian J. Box 971 Valdez, Alaska 99686	24900 ~~29,300~~	166,350 ~~195,700~~	191,250 ~~225,000~~
Lot 8 80	Robinson, Claude D. & Janet Box 588 Valdez, Alaska 99686	24900 ~~29,300~~	54,300 ~~63,900~~	79,200 ~~93,200~~
Lot 9A 90	Teeters, Katherine G. c/o Box ~~567~~ 793 Valdez, Alaska 99686	46900 ~~55,100~~	265,600 ~~312,500~~	312,500 ~~367,600~~
Lot 10A 100	Cooper, Steve E.B. & Dorothy M. Box 44493 Anchorage, Alaska 99509	75,900 ~~89,300~~	162,000 ~~190,600~~	237,900 ~~279,900~~
Lot 12 120	Gilson, Mrs. George Box 504 Valdez, Alaska 99686	42500 ~~50,000~~	46,000 54,100	88,500 ~~104,100~~
Block 17				
Lot 162 10	Alaska State Housing Authority		-EXEMPT-	
		1134,800	2,054,100	3,188,900

Block 17				
Lot 3	Wood, Walter M. Box 868 Valdez, Alaska 99686	119,000 ~~$140,070-~~	-0-	119,000 ~~$140,000-~~
Block 18				
Lot 1	Church of the Epiphany		-EXEMPT-	
Lot 2&3	St. Francis Xavier CAtholic Church		-EXEMPT-	

1-4 +17,050

FOR IMMEDIATE RELEASE - February 18, 1983

TITLE: Revenue sharing under oil and gas property tax.
FROM: Alaska Department of Revenue, Pouch SA, Juneau, AK 99811

The Department of Revenue is conducting an overall review of local property tax assessment procedures utilized by those jurisdictions which share oil and gas property tax revenues under AS 43.56 to determine if the state is receiving its proper allocation under that program. This review was prompted by allegations that assessment practices utilized by the City of Valdez led to an underpayment of oil and gas property tax to the state during the years 1981 and 1982. The final report will be concluded by early March, but due to misimpressions left by the Anchorage Daily News story (Feb. 18) relating to the Valdez situation, Robert Heath, Commissioner of Revenue, feels that the preliminary results of the investigation should be released at this time.

First, the 1981 and 1982 ratios of local assessments to full and true appraised value as set fortn in Alaska Taxable 1981 and 1982 are as follows:

	*1980	1981	1982
Anchorage		87.24	82.05
Kenai		90.39	79.93
Fairbanks North Star Borough		93.11	87.03
Valdez	94.74	89.6	93.84
Matsu		80.84	88.18
North Slope Borough		70.0	76.0

These indicate that, during the relevant period, the Valdez assessments compared very favorably with other assessment ratios.

--Add One--

* SOURCE: DEPT. OF Community and Regional Affairs Report (ANCHORAGE)

Second, officials of the Department of Revenue conducting the review indicate that it is not unusual for these "appraised" values and "assessed" values to differ by ten to fifteen percent.

Commissioner Heath stated: "The results of the overall investigation will be made public once they have been reviewed and approved by myself."

--30--

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

Mark Lewis, Commissioner

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

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

PRESS RELEASE

To All News Media

Juneau, Alaska
Friday, February 18, 1983

Commissioner of Community & Regional Affairs, Mark Lewis, today said he welcomed a State review of 1981 and 1982 tax assessment roles across Alaska, particularly those compiled by the City of Valdez during his tenure as City Manager.

The Commissioner said that adjustments were made uniformly to the pre-certified residential property tax roles in the post-pipeline town. These adjustments were made while the assessments were in draft form prior to certification of the roles and after a review was conducted to consider the towns artificially inflated tax roles, which were a result of the boom economy resulting from pipeline construction. The adjustments were made to reflect the proper post-pipeline market conditions and were made legally and properly.

Lewis presented the back-up documentation which clearly indicates the tax roles were not improper and that studies of assessed valuation to market value indicate Valdez assessments were in conformance with State standards.

Lewis said, "It is unfortunate the recent stories did not present the complete facts on the issue and have a one-sided biased interpretation."

21-P1LH

RICH RANDELL APPRAISAL COMPANY
P.O. BOX 1921
VALDEZ, ALASKA 99686
PH: 835-2717

March 31, 1981

Re: Real Estate Values
for Properties Located
in the City of Valdez

City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Attention: Mr. Mark Lewis

Dear Mr. Lewis,

In reference to our conversation of March 23, 1981 pertaining to assessed values for tax purposes in the city of Valdez, I feel that the valuations I arrived at are 100% of fair market value. However, it is not uncommon for appraisers to be as much as 15% to 20% apart in valuation and two appraisers could arrive at two different values on the same piece of property. Therefore, it would be reasonable to apply a percentage of increase or decrease to the values I arrived at for assessment purposes.

Real estate appraising is not a science, it is an estimation based on knowledge and analysis of the real estate market. The analyses utilized in arriving at an estimation is uniform throughout the appraisal field, but because of the many different variables involved in these processes different appraisers do arrive at different estimations of value.

I hope this satisfactorily answers your questions and if any others should arise please contact me.

Very truly yours,

Richard G. Randell

CONTRACT F PROFESSIONAL APPRAISAL RVICES

THIS AGREEMENT, made and entered into this 15th day of December ,1981, by and between the CITY OF VALDEZ, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as the "City," and Rich Randall Appraisal Company, hereinafter referred to as the "Appraisers".

WITNESSETH:

1. The Appraiser shall:

(a) Appraise, in accordance with standard Alaska tax practice, all taxable real property located within the existing limits of the City at true value, furnishing all necessary cards, photographs and forms required for such appraisal, for tax year 1982 and 1983.

(b) Appraise, in accordance with standard Alaska tax practice, all City, State, and Federal property located within the existing limits of the City at true value, furnishing all necessary property cards with photographs and information on acreage and dimensions as well as a description of any improvements, for tax year 1982 and 1983.

(c) Furnish all necessary equipment and labor, other than legal and/or location descriptions and ownership records of those parcels to be appraised, in connection with the appraisal required in the preceding paragraphs, and make a final report to the City in the manner required by law.

(d) Investigate, evaluate and report to the City the merits of all written complaints received by the City and forwarded to the appraisers after evaluation notices have been mailed and prior to Board of Equalization hearings. The City shall determine which compalints are to be forwarded to the Appraiser for further investigation and evaluation.

(e) Attend hearings of the Board of Equalization at such times as required by law.

City of Valdez Contract for Appraisal Services with Richard Randall 1981

4. The parties agree that all existing property cards and tax records, as well as those cards and records which may be created by the Appraiser while performing this contract, are and shall remain the property of the City.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

CITY OF VALDEZ, ALASKA

By: _____
Mark Lewis, City Manager

Rich Randall Appraisal Company

By: _____
Richard G. Randell

By: _____
Ralph Ellinger

APPROVED AS TO FORM:

HUGHES, THORSNESS, GANTZ,
POWELL & BRUNDIN, Attorneys
for the City of Valdez

By: _____
Kenneth P. Jacobus

(f) Complete, prior to March 1, of each year, all obligations to be performed on the part of the Appraiser with the exception of investigation of complaints and attendance at the Board of Equalization hearings.

2. The City shall:

(a) In consideration of the performance of the obligations undertaken under paragraph 1, Sections (a), (b), (c) and (f), by the Appraiser, pay to the Appraiser the sum of twenty-five thousand two hundred dollars ($25,200) for the 1982 tax year and the sum of twenty-five thousand ($25,000) for the 1983 tax year. Eight thousand four hundred dollars ($8,400) shall be paid not later than December 15th of each year with the remainder to be paid within thirty days of delivery to the City of the tax roll and satisfaction of all contract requirements for that year.

(b) In consideration of the obligations undertaken by the Appraiser under Paragraph 1, Sections (d) and (e) herein pay to the Appraiser amount of FIFTY DOLLARS ($50.00) per hour for the time spent performing these services, except that no additional fee shall be paid for appeals caused by Appraiser negligence, such as appraising non-existent property or misidentifying property.

(c) Provide the Appraiser, prior to commencement of field work in Valdez, with legal or location descriptions, ownership records, owners' addresses, and the existing property cards with photographs from the previous tax year. The property cards and city records shall be returned to the City as soon as possible after use by the Appraiser.

(d) Provide the Appraiser with copies of existing City maps, plats and zoning maps covering the properties to be appraised.

3. The parties agree that the Appraiser shall have no responsibility for the appraisal of either the Pipeline-oriented property which has been appraised by the State or any property, the location and description of which, the City has not provided to the Appraiser.

TABLE IV

LOCAL ASSESSMENTS VS. FULL VALUE

The following information should be used to interpret Table IV:

Municipalities: Boroughs and cities organized under the laws of Alaska, except those second class cities which are located outside of boroughs and do not levy a property tax.

ASSESSED VALUES:

Locally assessed property values taxable under provisions of municipal ordinance and state law. (AS 29.53)

RATIOS:

The relationship in terms of percent, which actual assessed property values bear to the Department's full value determination.

FULL VALUES:

The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional Affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.

NOTE: Table III does not include oil and gas property (AS 43.56).

TABLE IV

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
ANCHORAGE, MUNICIPALITY OF									
City	2,636,844,486	79.51	3,316,206,917	318,386,000	74.63	426,624,792	2,955,230,486	78.96	3,742,831,709
Other	4,952,824,256	83.47	5,933,452,460	555,647,000	63.67	872,636,090	5,508,471,256	80.93	6,806,088,550
TOTAL	7,589,668,742	82.05	9,249,659,377	874,033,000	67.27	1,299,260,882	8,463,701,742	80.23	10,548,920,259
BRISTOL BAY	43,673,300	89.53	48,780,600	36,762,392	95.00	38,697,300	80,435,692	91.94	87,477,900
FAIRBANKS NORTH STAR									
City	706,122,900	89.67	787,468,384	--	--	280,378,840	706,122,900	66.13	1,067,847,224
North Pole	68,764,650	95.24	72,201,438	--	--	27,523,300	68,764,650	68.95	99,724,738
Other	846,477,175	87.51	967,288,078	--	--	242,564,220	846,477,175	69.97	1,209,852,298
TOTAL	1,621,364,725	87.03	1,826,957,900	--	--	550,466,360	1,621,364,725	67.18	2,377,424,260
HAINES									
City	25,126,024	94.22	26,668,113	--	--	8,123,300	25,126,024	72.22	34,791,413
Other	26,821,070	93.06	28,821,559	--	--	7,337,700	26,821,070	74.17	36,159,259
TOTAL	51,947,094	93.62	55,489,672	--	--	15,461,000	51,947,094	73.22	70,950,672
JUNEAU, CITY & BOROUGH									
City	200,188,500	92.99	215,282,127	42,828,200	49.11	87,208,100	243,016,700	80.34	302,490,227
Douglas	35,921,900	87.31	41,144,477	1,630,275	16.45	9,907,875	37,552,175	73.56	51,052,352
Other	503,382,300	93.67	537,375,089	55,224,250	37.60	146,854,400	558,606,550	81.64	684,229,489
TOTAL	739,492,700	93.16	793,801,693	99,682,725	40.86	243,970,375	839,175,425	80.86	1,037,772,068
KENAI PENINSULA									
Homer	118,052,600	90.71	130,139,215	20,961,993	83.67	25,053,774	139,014,593	89.58	155,192,989
Kenai	129,523,015	77.42	167,293,567	23,064,009	83.67	27,566,104	152,587,024	78.31	194,859,671
Seldovia	10,130,400	72.02	14,066,117	4,152,464	83.67	4,963,025	14,282,864	75.06	19,029,142
Seward	37,817,000	86.11	43,917,949	16,369,047	83.67	19,564,285	54,186,047	85.36	63,482,234
Soldotna	102,485,600	90.09	113,759,134	9,256,876	83.67	11,063,819	111,742,476	89.52	124,822,953
Other	1,280,741,580	78.57	1,630,024,118	176,675,311	83.67	211,163,293	1,457,416,891	79.11	1,842,187,411
TOTAL	1,678,750,195	79.93	2,100,200,100	250,479,700	83.67	299,374,300	1,929,229,895	80.40	2,399,574,400
KETCHIKAN GATEWAY									
City	221,789,800	86.96	255,048,068	37,401,250	62.93	59,436,000	259,191,050	82.42	314,484,068
Other	240,723,800	79.99	300,950,232	33,146,450	64.53	51,368,200	273,870,250	77.73	352,318,432
TOTAL	462,513,600	83.19	555,998,300	70,547,700	63.67	110,804,200	533,061,300	79.94	666,802,500
KODIAK ISLAND									
City	146,150,045	77.48	188,635,850	47,860,072	35.40	135,208,156	194,010,117	59.91	323,844,006
Other	69,830,323	77.46	90,146,050	8,516,368	35.40	24,055,444	78,346,691	68.60	114,201,494
TOTAL	215,980,368	77.47	278,781,900	56,384,440	35.40	159,263,600	272,364,808	62.18	438,045,500
MATANUSKA-SUSITNA									
Palmer	61,686,080	82.70	74,590,181	10,242,300	57.88	17,697,132	71,928,380	77.94	92,287,313
Houston	22,406,040	87.01	25,751,100	285,621	57.93	493,008	22,691,661	86.46	26,244,108
Wasilla	97,100,000	90.70	107,065,050	10,350,494	57.93	17,865,884	107,450,494	86.01	124,930,934
Other	788,761,520	88.37	892,588,735	37,576,982	57.95	64,843,376	826,338,502	86.31	957,432,111
TOTAL	969,961,640	88.18	1,099,995,066	58,455,397	57.93	100,899,400	1,028,417,037	85.64	1,200,894,466

TABLE IV

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
NORTH SLOPE BOROUGH	304,790,980	76.00	401,040,800	145,201,100	100.00	145,201,100	449,922,080	32.38	546,241,900
SITKA, CITY & BOROUGH	317,326,605	98.86	320,972,300	60,433,130	60.17	100,433,130	377,759,735	89.64	421,405,430
TOTAL BOROUGHS	13,995,469,949	83.65	16,731,677,708	1,651,979,584	53.92	3,063,831,647	15,647,449,533	79.05	19,795,509,355
CITIES									
CORDOVA	46,775,895	85.37	54,789,400	-0-	--	61,576,200	46,775,895	40.20	116,365,600
CRAIG	13,912,560	100.00	13,912,600	640,200	8.29	7,726,000	14,552,760	67.25	21,638,600
DILLINGHAM	30,953,255	73.70	41,999,000	21,412,659	78.74	27,194,500	52,365,914	75.68	69,193,500
GALENA	---	--	4,855,850	---	--	1,373,850	---	--	6,229,700
HOONAH	---	--	12,289,450	---	--	4,369,600	---	--	16,659,050
HYDABURG	---	--	5,847,200	---	--	3,129,600	---	--	8,976,800
KAKE	---	--	7,258,800	---	--	112,900	---	--	7,371,700
KING COVE	---	--	6,773,300	---	--	21,483,000	---	--	28,256,300
KLAWOCK	---	--	3,334,300	---	--	377,000	---	--	3,711,300
NENANA	4,067,738	85.00	4,785,600	3,553,844	85.00	4,181,000	7,621,582	85.00	8,966,600
NOME	87,004,142	63.00	138,104,262	11,672,407	56.77	20,562,465	98,676,549	62.19	158,666,727
PELICAN	3,310,640	42.47	7,795,410	3,669,945	65.85	5,573,345	6,980,585	52.22	13,368,755
PETERSBURG	49,968,757	71.18	70,200,500	6,965,925	11.78	59,151,300	56,934,682	44.02	129,351,800
ST. MARY'S	---	--	2,331,400	---	--	777,100	---	--	3,108,500
SAND POINT	---	--	13,240,000	---	--	42,000,000	---	--	55,240,000
SKAGWAY	49,953,450	104.06	48,003,900	---	--	8,929,300	49,953,450	87.74	56,933,200
TANANA	---	--	4,903,500	---	--	291,800	---	--	5,195,300
UNALASKA	45,475,240	104.38	43,566,588	29,590,833	98.79	29,954,354	75,066,073	102.10	73,520,942
VALDEZ	91,811,450	93.86	97,838,600	---	--	27,833,800	91,811,450	73.06	125,672,400
WRANGELL	65,306,979	96.28	67,829,900	---	--	19,924,717	65,306,979	74.42	87,754,617
YAKUTAT	7,207,043	38.47	18,733,400	---	--	3,733,500	7,207,043	32.07	22,466,900
TOTAL CITIES	495,747,149	74.17	668,392,960	77,505,813	22.13	350,255,331	573,252,962	56.28	1,018,648,291
STATEWIDE TOTAL	14,491,217,098	83.28	17,400,070,668	1,729,485,397	50.66	3,414,086,978	16,220,702,495	77.93	20,814,157,646

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TABLE III

LOCAL ASSESSMENTS VS. FULL VALUE

The following information should be used to interpret Table III:

Municipalities: Boroughs and cities organized under the laws of Alaska, except those second class cities which are located outside of boroughs and do not levy a property tax.

ASSESSED VALUES:

Locally assessed prooerty values taxable under provisions of municipal ordinance and state law. (AS 29.53)

RATIOS:

The relationship in terms of percent, which actual assessed property values bear to the Department's full value determination.

FULL VALUES:

The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional Affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.

NOTE: Table III does not include oil and gas property (AS 43.56).

TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
ANCHORAGE, MUNICIPALITY OF									
City	2,140,200,615	82.72	2,587,481,600	354,236,390	81.56	434,329,100	2,494,535,005	82.55	3,021,810,700
Other	3,815,518,437	90.00	4,329,567,300	488,246,070	70.65	691,084,200	4,303,764,507	87.29	4,930,651,500
TOTAL	5,955,807,052	87.24	6,827,048,900	842,492,460	74.86	1,125,413,300	6,798,299,512	85.49	7,952,462,200
BRISTOL BAY	35,341,700	88.68	39,853,000	42,566,270	95.00	45,164,500	78,247,970	92.04	85,017,500
FAIRBANKS NORTH STAR									
City	607,650,600	94.50	642,472,600	-0-	-	208,381,200	607,650,600	71.42	850,853,800
North Pole	60,259,000	89.63	67,2 ,000	-0-	-	21,825,000	60,259,000	67.66	89,056,600
Other	715,121,800	92.19	775,7 ,200	-0-	-	251,599,300	715,121,800	69.61	1,027,339,500
TOTAL	1,383,031,400	93.11	1,485,443,600	-0-	-	481,806,300	1,383,031,400	70.30	1,967,249,900
HAINES									
City	22,945,630	96.64	23,743,400	4,746,915	72.02	6,591,100	27,692,545	91.29	30,334,500
Other	24,423,900	96.64	25,273,700	5,866,282	72.02	8,145,450	30,290,182	90.63	33,419,150
TOTAL	47,369,530	96.64	49,017,100	10,613,197	72.02	14,736,550	57,982,727	90.95	63,753,650
JUNEAU, CITY & BOROUGH									
City	169,605,300	92.12	184,113,750	35,419,075	42.99	82,389,100	205,024,375	76.93	266,502,850
Douglas	30,493,200	89.09	34,227,250	1,436,500	42.99	3,341,450	31,929,700	84.99	37,568,700
Other	421,191,700	94.35	446,426,000	46,668,675	43.00	108,526,950	467,860,375	84.31	554,952,950
TOTAL	621,290,200	93.46	664,767,000	83,524,250	42.99	194,257,500	704,814,450	82.05	859,024,500
KENAI PENINSULA									
Homer	101,763,965	94.67	107,493,450	31,814,445	84.66	37,580,800	133,578,410	92.08	145,074,250
Kenai	125,865,370	81.07	155,260,350	30,125,514	84.39	35,699,000	155,990,884	86.69	180,959,350
Soldotna	8,901,400	94.17	9,452,200	4,053,900	84.39	4,803,800	12,955,303	90.88	14,256,000
Seward	38,084,425	93.03	41,796,200	24,950,050	84.39	29,565,200	63,034,475	89.45	71,361,400
Soldotna	86,117,900	90.20	95,470,700	11,005,020	84.39	13,040,700	97,122,920	89.51	108,511,400
Other	1,233,254,015	91.02	1,354,875,800	113,370,503	84.39	134,471,100	1,346,633,318	90.42	1,489,346,900
TOTAL	1,594,787,085	90.39	1,764,348,700	215,327,440	84.39	255,159,600	1,810,115,315	89.63	2,019,508,300
KETCHIKAN GATEWAY									
City	185,906,950	86.10	215,710,000	32,399,700	56.02	57,830,000	218,306,650	79.80	273,541,600
Other	200,873,600	86.10	233,006,400	26,698,350	60.64	38,894,900	227,571,950	83.67	271,901,300
TOTAL	386,780,550	86.10	448,797,200	59,098,050	61.09	96,725,700	445,878,600	81.73	545,522,900
KODIAK ISLAND									
City	135,761,827	74.44	182,377,500	101,560,294	87.61	115,923,200	237,322,121	79.56	298,300,700
Other	51,627,039	74.45	69,341,700	9,338,308	87.63	10,714,200	61,015,427	76.22	80,055,900
TOTAL	187,388,866	74.44	251,719,200	110,948,602	87.61	126,637,400	298,337,548	78.85	378,356,600
MATANUSKA-SUSITNA									
Palmer	66,319,060	88.52	63,656,900	7,100,421	47.69	14,905,500	63,457,401	80.77	78,562,400
Houston	18,921,300	80.11	23,620,300	93,025	47.71	195,000	19,014,405	77.05	23,813,300
Wasilla	85,507,260	86.08	98,419,900	6,129,494	47.69	12,852,000	91,636,754	82.35	111,272,700
Other	681,946,660	79.59	856,831,800	22,330,264	47.68	46,705,000	704,254,924	77.94	903,616,000
TOTAL	842,724,360	80.84	1,042,526,900	35,639,204	47.69	74,730,300	878,363,564	78.62	1,117,265,200

TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
NORTH SLOPE BOROUGH	219,665,480	70.00	313,807,800	90,317,880	96.79	93,317,900	309,983,360	76.14	407,125,700
SITKA, CITY & BOROUGH	270,683,840	98.85	273,820,600	62,945,916	58.04	108,620,103	333,629,756	87.24	382,448,700
TOTAL BOROUGHS	11,544,870,853	87.72	13,161,150,000	1,553,813,349	59.38	2,616,585,150	13,098,684,202	83.02	15,777,735,150
CITIES									
CORDOVA	42,270,850	98.98	42,708,100	-0-	-	54,854,450	42,270,850	43.33	97,562,550
CRAIG	8,471,892	90.00	9,413,200	614,600	8.09	7,594,800	9,086,492	53.42	17,008,000
DILLINGHAM	28,604,355	75.10	38,194,900	20,587,029	100.00	20,587,000	49,271,384	83.82	58,781,900
GALENA	-0-	-	4,410,500	-0-	-	1,353,500	-0-	-	5,784,000
HOONAH	-0-	-	11,213,000	-0-	-	3,986,900	-0-	-	15,199,900
HYDABURG	-0-	-	5,335,000	-0-	-	2,855,500	-0-	-	8,190,500
KAKE	-0-	-	6,623,000	-0-	-	103,000	-0-	-	6,726,000
KING COVE	-0-	-	6,773,300	-0-	-	1,818,500	-0-	-	8,591,800
KLAWOCK	-0-	-	3,042,200	-0-	-	344,000	-0-	-	3,386,200
KENAIA	5,516,219	92.75	5,947,400	3,379,605	90.00	3,755,100	8,895,824	91.69	9,702,500
KODIAK	62,015,818	68.54	87,564,300	9,814,171	57.89	16,952,300	69,829,989	66.81	104,516,600
PELICAN	2,771,400	85.20	3,252,600	2,724,300	67.93	4,010,300	5,495,700	75.66	7,263,100
PETERSBURG	61,803,850	99.37	62,193,300	13,392,259	24.81	53,970,200	75,196,109	64.73	116,163,500
ST. MARY'S	-0-	-	2,127,200	-0-	-	709,000	-0-	-	2,836,200
SAND POINT	-0-	-	9,976,000	-0-	-	7,300,000	-0-	-	17,276,000
SEWARD	44,085,250	99.55	44,285,700	7,135,383	84.37	8,458,900	51,221,633	97.11	52,744,600
UNALASKA	35,077,110	70.00	50,110,200	33,061,776	93.90	35,209,600	68,138,886	79.81	85,319,800
VALDEZ	87,412,330	89.62	97,557,700	-0-	-	25,396,000	87,412,330	71.09	122,953,700
WRANGELL	46,915,950	89.58	52,372,500	6,272,047	34.44	18,209,000	53,187,997	75.36	70,581,500
YAKUTAT	7,216,095	40.65	17,751,800	-0-	-	3,577,600	7,216,095	33.83	21,329,400
TOTAL CITIES	430,241,119	76.71	560,872,100	96,902,170	35.78	271,045,650	527,223,289	63.37	831,917,750
STATEWIDE TOTAL	11,975,111,972	87.27	13,722,022,100	1,650,795,519	57.17	2,887,630,800	13,625,907,491	82.04	16,609,653,590

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TABLE III

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TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
ANCHORAGE, MUNICIPALITY OF									
City	1,987,317,291	81.42	2,440,796,800	319,361,295	83.08	384,361,300	2,306,678,586	81.65	2,825,158,100
Other	3,495,752,955	86.68	4,033,200,900	445,609,870	75.54	603,272,000	3,941,452,825	85.23	4,636,472,900
TOTAL	5,483,070,246	84.69	6,473,997,700	765,061,165	78.47	987,633,300	6,248,131,411	83.74	7,461,631,000
BRISTOL BAY	31,288,300	95.00	32,871,900	24,315,006	100.00	24,315,000	55,543,306	93.84	57,186,900
FAIRBANKS NORTH STAR									
City	554,714,450	87.20	636,121,000			159,030,200	554,714,450	69.76	795,151,200
North Pole	52,823,925	92.18	57,306,300			14,326,600	52,823,925	73.74	71,632,900
Other	664,039,675	91.34	727,010,500			78,828,600	664,039,675	82.40	805,839,100
TOTAL	1,271,578,050	89.52	1,420,437,800			252,185,400	1,271,578,050	76.02	1,672,623,200
HAINES									
City	12,266,725	99.74	12,298,700	8,348,005	48.12	17,348,000	20,614,730	69.53	29,646,700
Other	27,498,100	92.67	29,672,800				27,498,150	92.67	29,672,800
TOTAL	39,764,825	94.74	41,971,500	8,348,005	48.12	17,348,000	48,112,880	81.11	59,319,500
JUNEAU									
City	148,361,800	92.91	159,690,500	32,685,650	51.08	63,984,300	181,047,650	80.94	223,674,800
Douglas	26,398,100	91.91	28,721,300	1,244,725	22.84	5,449,700	27,642,825	80.90	34,171,000
Other	341,349,700	94.52	361,145,100	52,011,625	54.79	94,921,500	393,361,325	86.25	456,066,600
TOTAL	516,109,600	93.91	549,556,900	85,942,200	52.29	164,355,500	602,051,800	84.33	713,912,400
KENAI PENINSULA									
Homer	98,125,965	87.35	112,333,200	15,576,641	100.00	15,576,600	113,702,606	88.89	127,909,800
Kenai	104,054,885	88.57	117,484,200	19,567,508	100.00	19,567,500	123,622,393	90.20	137,051,700
Seldovia	8,045,900	78.01	10,314,300	2,167,563	100.00	2,167,600	10,213,468	81.83	12,481,900
Seward	37,540,850	77.14	48,668,600	20,364,325	100.00	20,364,300	57,905,175	83.88	69,032,900
Soldotna	85,597,750	88.59	96,618,100	13,097,315	100.00	13,097,300	98,695,065	89.95	109,715,400
Other	1,035,993,145	91.01	1,138,327,700	96,302,135	100.00	96,302,100	1,132,295,280	91.71	1,234,629,800
TOTAL	1,369,358,495	89.81	1,523,746,100	167,075,492	100.00	167,075,400	1,536,433,987	90.87	1,690,821,500
KETCHIKAN GATEWAY									
City	155,813,790	85.85	181,495,400	25,940,850	75.18	34,505,000	181,754,640	84.15	216,000,400
Other	160,777,025	85.85	187,279,800	24,082,100	75.18	32,030,600	184,859,125	84.29	219,310,300
TOTAL	316,590,815	85.85	368,775,200	50,022,950	75.18	66,535,600	366,613,765	84.22	435,310,700
KODIAK ISLAND									
City	133,152,009	80.22	165,983,600	94,509,618	100.00	94,509,600	227,661,627	87.40	260,493,200
Other	47,656,202	80.21	59,410,800	37,758,835	100.00	37,758,900	85,415,037	87.80	97,169,700
TOTAL	180,808,211	80.22	225,394,400	132,268,453	100.00	132,268,500	313,076,664	87.53	357,662,900
MATANUSKA-SUSITNA									
Palmer	6,934,580	68.96	10,055,900	10,679,490	100.00	10,679,500	17,614,070	84.95	20,735,400
Houston	7,452,160	81.92	9,096,900	629,480	100.00	629,500	8,081,640	83.09	9,726,400
Wasilla	20,751,400	88.43	23,465,000	10,147,260	100.00	10,147,300	30,898,660	91.93	33,612,300
Other	725,600,760	83.41	869,871,500	51,491,350	100.00	51,491,300	777,092,110	84.34	921,362,800
TOTAL	760,738,900	83.37	912,489,300	72,947,580	100.00	72,947,600	833,686,480	84.60	985,436,900

TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
NORTH SLOPE	190,888,650	66.84	285,599,451	82,033,140	100.00	82,033,100	272,921,790	74.24	367,632,600
SITKA, CITY & BOROUGH OF	254,986,831	102.14	249,651,000	53,669,600	66.04	81,269,600	308,656,431	93.27	330,920,600
TOTAL BOROUGHS	10,415,122,923	86.19	12,084,491,251	1,441,683,591	70.40	2,047,966,900	11,856,806,514	83.90	14,132,458,200
Cities									
Cordova	36,125,560	88.91	40,631,600			16,100,000	36,125,560	63.79	56,731,600
Craig	5,364,518	90.14	6,436,100	437,000	18.46	2,367,800	5,801,518	65.90	8,803,900
Dillingham	25,070,425	78.74	31,839,500	15,857,697	100.00	15,857,700	40,928,122	85.81	47,697,200
Galena			2,610,800			1,681,200			4,292,000
Hoonah			5,050,935			2,467,848			7,518,783
Hydaburg			3,287,600			535,000			3,822,600
Kake			2,155,400			1,078,700			3,234,100
King Cove	4,732,096	87.45	5,411,500			1,567,700	4,732,096	67.80	6,979,200
Klawock			2,622,600			344,000			2,966,600
Nenana	3,613,554	95.00	3,803,700	1,981,645	100.00	1,981,700	5,595,199	96.71	5,785,400
Nome	55,614,713	78.09	71,257,200	8,922,450	81.69	10,922,500	64,637,164	78.65	82,179,700
Pelican	2,752,500	95.00	2,897,400	2,839,565	78.71	3,607,600	5,592,065	85.97	6,505,000
Petersburg	49,077,330	82.72	59,329,500	12,106,749	62.48	19,376,700	61,184,079	77.74	78,706,200
St. Mary's			1,833,800			611,200			2,445,000
Sand Point			8,600,000			2,100,000			10,700,000
Skagway	38,344,050	99.58	38,492,400	6,703,463	78.58	8,753,500	45,037,413	95.33	47,245,900
Unalaska	26,082,800	95.00	27,455,600	29,173,476	100.00	29,173,500	55,256,276	97.58	56,629,100
Valdez	88,451,310	94.74	93,631,500			28,089,500	88,451,310	72.67	121,721,000
Wrangell	44,121,635	87.04	50,692,600	5,054,864	49.41	10,229,900	49,176,499	80.72	60,922,500
Yakutat	9,089,303	90.00	10,099,200				9,089,303	72.00	12,624,000
TOTAL CITIES	388,459,794	82.93	468,138,935	83,076,909	52.13	159,370,848	476,112,644	75.87	627,509,783
STATEWIDE TOTAL	10,803,582,717	86.07	12,552,630,186	1,524,760,500	69.08	2,207,337,748	12,332,919,158	83.56	14,759,967,983

CHAPTER 25.

TAXATION.[1]

Article I. Assessment, Levy and Collection of Taxes.

Division 1. Generally.

§ 25-1. Property subject to taxation generally.
§ 25-2. Exemption of personal property from taxation; mobile homes classified as real property.
§ 25-2.1. Exemptions required by state law.
§ 25-2.2. Additional exemptions.
§ 25-3. Determination of annual levy, due dates, etc.; limitation on amount of levy.

Division 2. Assessments.

§ 25-4. Assessment procedure generally; preparation of assessment roll.
§ 25-4.1. Reevaluation.
§ 25-5. Contents of assessment roll.
§ 25-6. Notices of assessment to be given; corrections in assessment roll by assessor.
§ 25-7. Appeals to board of equalization.
§ 25-7.1. Hearing.
§ 25-8. Completion of assessment roll; records of board of equalization; certification of assessment roll.
§ 25-9. Appeals to superior court.
§ 25-10. Supplementary assessment rolls.
§ 25-11. Delivery of assessment roll to city council; validity of assessment rolls.

Division 3. Levy and Collection.

§ 25-12. Determination of tax rate and delinquent date; tax statements; penalties for delinquent payment.
§ 25-12.1. Deadlines for rate of levy determinations and tax statement mailing.
§ 25-13. Delinquent tax roll; foreclosure lists; payment of taxes prior to sale; giving of notices.
§ 25-14. Foreclosure and sale of real property for delinquent taxes; redemption.
§ 25-15. Foreclosure on personal property.

Article II. Sales Tax.

§§ 25-16 to 25-33. Repealed.

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1. As to finance generally, see ch. 9 of this Code.

Article V. Tax on Pipeline Property.

§ 25-124. Levied on "taxable property."
§ 25-125. Levied on "construction equipment."

Article VI. Hotel-Motel Room Tax.

§ 25-126. Definitions.
§ 25-127. Levied; responsibility for payment; collection.
§ 25-128. Certificate of registration.
§ 25-129. Receipts--Segregation.
§ 25-130. Same--Transmittal; due date; penalty.
§ 25-131. Returns to be confidential.
§ 25-132. Records--Maintenance and inspection.
§ 25-133. Same--Investigation by city.
§ 25-134. Suits for collection.
§ 25-135. Prohibited acts.
§ 25-136. Civil penalties for violations.
§ 25-137. Use of funds generated; creation of advisory board.

Article I. Assessment, Levy and Collection of Taxes.

Division 1. Generally.

Sec. 25-1. Property subject to taxation generally.

All property not expressly exempt by the city, or exempted from taxation by the city under federal or state constitutional provisions, shall be subject to annual taxation at its full and true value based upon the actual value of the property assessed. (Ord. No. 6303, § 1.)

Sec. 25-2. Exemption of personal property from taxation; mobile homes classified as real property.

(a) Effective January 1, 1968, all personal property located within or owned by residents of the city shall be exempt from the Valdez personal property tax. This exemption includes, but is not limited to, household furniture and effects, intangibles, inventories and goods in process, and boats and vessels of all types.

(b) For the purposes of this chapter, real property includes, among other things, trailers and mobile homes, and lean-tos and similar structures attached or contiguous thereto. The words "trailers and mobile homes" include all forms of housing adaptable to being moved by a power connected thereto, and which are or can be used for residential, business, commercial or office purposes. Provided, however, that those trailers which are (1) used for camping or recreational purposes only, or (2) not affixed to the site and not con-

nected with utilities, shall be considered to be personal property and exempt from taxation. A trailer or mobile home is conclusively presumed to be affixed to the land and real property for the purposes of taxation when it has remained at a fixed site for more than ninety days. When the ownership of a trailer or mobile home and attachments and appurtenances is different from the land upon which it rests, the city may, in its discretion, assess and tax the ownerships separately. (Ord. No. 6803, § 2.)

Sec. 25-2.1. Exemptions required by state law.

(a) The following property is exempt from general taxation:

(1) Municipal, state or federally owned property; except, that private leaseholds, contracts or other interest in the property shall be taxable to the extent of those interests.

(2) Household furniture of the head of a family or a householder not exceeding five hundred dollars in value.

(3) Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes. "Property used exclusively for religious purposes" includes the following property owned by a religious organization:

a. The residence of the pastor, priest, rabbi, minister or religious order of a recognized religious organization;

b. A structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious education or a nonprofit hospital;

c. Lots supporting and adjacent to a structure or residence mentioned in subparagraphs a. or b. of this subsection which are necessary to convenient use; and

d. Lots required by local ordinance for parking near a structure defined in subparagraph b. of this subsection.

(4) Property of a nonbusiness organization composed entirely of persons with ninety days or more of active service in the armed forces of the United States whose conditions of service and separation where other than dishonorable, or the property of the auxiliary of such organization.

(5) Money on deposit.

(6) After January 1, 1973, the real property owned and occupied as a permanent place of abode by a resident sixty-five 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 per-

sons 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 Alaska Statutes, sections 44.62.560--44.62.570.

(b) Property described in subsection (a) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable or hospital groups or by educational groups for classroom space.

(c) 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 assess-

ment 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. 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. (Ord. No. 7538, § 1.)

Sec. 25-2.2. Additional exemptions.

Thirty percent of the assessed value, up to a maximum of ten thousand dollars, of a principal residence owned and occupied by the taxpayer is exempt from taxation. (Ord. No. 7611, § 1.)

Sec. 25-3. Determination of annual levy, due dates, etc.; limitation on amount of levy.

The rate of levy of tax, the date of equalization of the tax and the date when taxes shall become delinquent shall be fixed by resolution of the city council, and the levy for school and municipal purposes shall be separately made and fixed, but the aggregate thereof shall not exceed three per cent of the assessed value of the property assessed. (Ord. No. 218, § 1.)

Division 2. Assessments.

Sec. 25-4. Assessment procedure generally; preparation of assessment roll.

(a) All taxable property shall be assessed at its true and full value and all assessments shall be uniform and equal and based upon the actual value of the property assessed. 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.

(b) The city assessor shall annually assess and list on a tax roll all real property in the name of the person by whom it is owned on the first day of January. If no owner or claimant to the property can be discovered, the property shall be assessed to the unknown owner.

(c) The assessor shall complete the listings for the annual assessment roll of all real property within the city before March 1, or other such date as may be established by the city council each year. The listing of all taxable property may be made upon permanent separate ledger cards which will be the combined assessment roll and tax ledger. Real property shall be assessed to the owner of record as shown in the records of the recorder of the district; provided, that any other person having an interest in the property may be listed on the assessment records with the owner. The person in whose name any property is listed as owner thereof shall be conclusively presumed to be the legal owner of record. If the owner of land is unknown, such land may be assessed to an "Unknown Owner" or "Unknown Owners." No assessment shall be invalidated by a mistake, omission or error in the name of the owner of the real property assessed, if the property is correctly described.

(d) The assessor may list real property located in any subdivision by lot and block or tract description, and unsubdivided property according to the land office section and township survey description, or by giving the boundaries thereof, or by reference to the book and page of the records of the recorder where the description may be found or by designation of tax lot number, referring to a public record kept by the assessor of descriptions of real property, or in such other manner as to cause the description to be capable of being made certain. Initial letters, abbreviations, fractions and exponents to designate the township, range, section or part of a section, or the number of any lot or block or part thereof, or any distance, course, bearing or direction, may be employed in any such description of real property.

(e) The assessor personally, or by any designated assistant, shall, after identifying themselves, have the right to enter upon and inspect the premises of any person at reasonable times for the purpose of making an examination, valuation, or assessment of real property. He shall have access to and may examine all property records involved, and any person shall, upon request, furnish to the assessor or his assistant every facility and assistance for the purposes of such examination, valuation or assessment. (Ord. No. 6803, § 3; Ord. No. 7539, § 1.)

Sec. 25-4.1. Reevaluation.

A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the city council directing a systematic reevaluation of all taxable property within the city over the shortest period of time practicable, as determined by the city council and fixed in the resolution or other act of the council. (Ord. No. 7539, § 2.)

Sec. 25-5. Contents of assessment roll.

The assessor shall prepare an annual assessment roll, in duplicate, upon which he shall enter the following particulars:

(a) The names and last known addresses of all persons with property liable to assessment and taxation.

(b) A description of all taxable property.

(c) The assessed value, quantity or amount of such property.

(d) The arrears of taxes, if any, owed by any person. (Ord. No. 218, § 4.)

Sec. 25-6. Notices of assessment to be given; corrections in assessment roll by assessor.

(a) The assessor shall give to every person named in the assessment roll a notice of assessment, showing the assessed value of his property, at least

thirty days before the equalization hearings. On the back of each assessment notice shall be printed a brief summary, for the information of the taxpayer, of the dates when the taxes are payable, delinquent and subject to interest and penalty, dates when the board will sit for equalization purposes and any other particulars specified by the city council. The assessment notice shall be directed to the person to whom it is to be given, and shall be sufficiently given if it is mailed by first class mail addressed to, or is delivered at, his address as last known to the assessor; or if the address is not known to the assessor, the notice may be addressed to the post office nearest to the place where the property is situated. The date on which the notice is mailed, or if delivered by a city official or employee then on the date of such delivery, shall be deemed to be the date on which the notice is given.

(b) When valuation notices have been mailed, the assessor shall cause notice that the assessment rolls have been completed to be published in a newspaper of general circulation once each week for two successive weeks. In the event no newspaper of general circulation is published in the city, the assessor shall cause such notices to be posted at two public places for a period of two weeks. Such notice shall also state when and where the equalization hearings shall be held, and that an appeal may be taken to the board of equalization upon the filing of notice, in writing, with the board specifying the grounds for the appeal.

(c) The assessor may correct any error or supply any omission made or arising in the preparation of the assessment roll at any time before the sitting of the board of equalization. It shall be the duty of every person receiving a notice of assessment to advise the assessor of any error or omission he may have observed in the assessment of his property, in order that the assessor may correct the same.

If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing thirty days for appeal to the board. (Ord. No. 218, § 5; Ord. No. 7539, §§ 3, 4.)

Sec. 25-7. Appeals to board of equalization.

(a) Any person who receives notice or whose name appears on the assessment roll may appear to the board of equalization with respect to any alleged error in the valuation, overcharge, omission or neglect of the assessor not adjusted to the taxpayer's satisfaction. Whenever it appears to the board that there are overcharges or errors or invalidities in the assessment roll, or in any of the proceedings leading up to or subsequent to the preparation of the roll, and there is no appeal before the board by which the same may be dealt with, or where the name of any person is ordered by the board to be entered on the assessment roll, by way of addition or substitution, for the purpose of assessment, the board shall cause notice of assessment to be mailed by the assessor to that person or his agent giving him at least thirty days from the date of such mailing within which to appeal to the board against the assessment.

(b) Notice of appeal, in writing, specifying the grounds for the appeal, shall be filed with the board of equalization within thirty days after the date on which the assessor's notice of assessment was given to the person appealing. Such notice shall contain a certification that a true copy thereof was mailed or delivered to the assessor. If notice of appeal is not given within that period, the right of appeal shall cease as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board that the taxpayer was unable to appeal within the time so limited. A copy of the notice of appeal shall be sent to the assessor as above indicated.

(c) Upon receipt of the notice of appeal, the assessor shall make a record of the same in such form as the city council may direct, which record shall contain all the information shown on the assessment roll in respect of the subject matter of the appeal, and the assessor shall place the same before the board of equalization from time to time as may be required by the board. The board shall cause a notice of the sitting at which the appeal is to be heard to be mailed by the assessor to the person by whom the notice of appeal was given, and to every other person in respect of whom the appeal is taken, to their respective addresses last known to the assessor.

(d) The city may appeal an assessment to the board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city. (Ord. No. 218, § 6; Ord. No. 7539, § 5.)

Sec. 25-7.1. Hearing.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in his absence.

(b) The appellant bears the burden of proof.

(c) The only grounds for adjustment is proof of unequal, excessive or improper valuation based on facts which are stated in a valid written appeal timely filed or proved at the hearing.

(d) The board shall certify its actions to the assessor within seven days.

(e) The assessor shall enter the changes and certify the final assessment roll by June 1.

(f) An appellant may appeal to the superior court for, and is entitled to, trial de novo of the board's action. Either party to the appeal may demand a jury trial. (Ord. No. 7539, § 6.)

Sec. 25-8. Completion of assessment roll; records of board of equalization; certification of assessment roll.[9]

(a) The assessor shall enter the changes, so certified upon his records, and no assessed valuations shall thereafter be changed. After the hearings held by the board of equalization are concluded, the assessor shall complete the annual assessment roll, at a time to be determined by the city council, which shall be based on values as of January 1 immediately preceding, and he shall certify the same. Such supplementary assessment rolls shall be prepared and certified as may be expedient or necessary.

(b) The city clerk shall be ex officio clerk of the board of equalization and shall record in the minutes of the meeting all proceedings before the board and the names of all persons protesting assessments. All changes, revisions, corrections and orders relating to claims or adjustments and all final decisions shall be recorded in a record to be kept by the city clerk and to be known as the appeal record. Within three days following the final hearings of the board, the city clerk shall transmit to the assessor all corrections, revisions or changes authorized and approved by the board and shall certify that the changes so reported are as approved by the board of equalization.

(c) All taxes to be levied or collected, except as otherwise provided, shall be calculated, levied and collected upon the assessed values entered in the assessment roll and certified by the assessor as correct, subject to the taxpayer's right of appeal and to the corrections and amendments made in the rolls pursuant to this article. (Ord. No. 218, § 7.)

Sec. 25-9. Appeals to superior court.[1]

Any person feeling aggrieved by any order of the board of equalization shall have the right of appeal on a de novo basis to the superior court; provided, that the person has first taken his appeal to the board of equalization. (Ord. No. 218, § 8.)

Sec. 25-10. Supplementary assessment rolls.[2]

All the duties imposed upon the assessor and the city clerk with respect to the annual assessment roll and all the provisions of this article relating to assessment rolls shall, as far as applicable, apply to supplementary assessment rolls. The delinquent date when taxes shall become delinquent, as determined by the city council, shall also apply to property listed on the supplementary assessment rolls. (Ord. No. 218, § 9.)

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9. For similar state law, see A.S., §§ 29.10.432, 29.10.435, 29.10.429, 29.10.438.
1. For similar state law, see A.S., § 29.10.426.
2. For similar state law, see A.S., § 29.10.441.

Sec. 25-11. Delivery of assessment roll to city council; validity of assessment rolls.[3]

(a) When the final assessment records have been completed by the assessor as provided in this division, the assessor shall deliver to the city council a statement of the total assessed valuation of all real property within the city.

(b) Every assessment roll as completed and certified by the assessor, and as corrected and amended by him from time to time in conformity with this article and the decisions of the board of equalization, shall, except insofar as the same may be further amended as a result of an appeal to the court, as provided by this article, be valid and binding on all persons, notwithstanding any defect, error, omission or invalidity existing in the assessment roll or any part thereof, and notwithstanding any proceedings pertaining thereto. (Ord. No. 6803, § 4.)

Division 3. Levy and Collection.[4]

Sec. 25-12. Determination of tax rate and delinquent date; tax statements; penalties for delinquent payment.[5]

The city council shall thereupon, by resolution, fix the rate of tax levy and designate the number of mills upon each dollar of assessed real and personal property that shall be levied, and shall levy such tax in accordance therewith and shall determine the date when taxes shall become delinquent. If the total tax assessed to any owner is less than one dollar, then the administration may delete such tax obligation from the tax roll.

The assessor shall then prepare and mail tax statements to the persons listed as the owners on the tax rolls. If the total tax assessed against the taxpayer is in excess of ten dollars, the taxpayer shall be given the right to pay such taxes in two installments. If the first half tax is not paid when due, the entire tax becomes delinquent and penalty and interest accrue as provided in this article. If the first half is paid when due, the second half of such taxes shall be payable on the date fixed by the city council for such second half, and if not paid shall be delinquent after such date.

A penalty not to exceed eight per cent shall be added to all taxes delinquent until the due date fixed for the payment of the second half, and interest at the rate of eight per cent a year shall be charged on the whole of the unpaid taxes, not including the

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3. For similar state law, see A.S., §§ 29.10.444, 29.10.-447.
4. For state law authorizing city to enforce tax liens by foreclosure and sale, see A.S., § 29.10.456.
5. For similar state law, see A.S., §§ 29.10.447, 29.10.-450, 29.10.453.

(g) The council has the power to:

(1) Delegate the power to invest the fund to the city manager or other city official, and require reports relating to the investment as it prescribes;

(2) Hire other persons as necessary to assist the council in the exercise of its powers; and

(3) Take whatever other actions are reasonably necessary in furtherance of the purpose of this section. (7-19-77.)

Chapter VII. Taxation.

Sec. 7.1. Taxation by ordinance.

The council shall provide in the Code for the annual assessment, levy and collection of city taxes. Council may provide for differential taxation based upon differences in kind or level of services provided within service areas established by ordinance.

Sec. 7.2. Exemptions.

The power of taxation shall never be surrendered. No exemptions from taxation shall be allowed, except such as are expressly provided by law. Private leaseholds, contracts or interests in land or property owned or held by the United States, the state or its political subdivisions, shall be taxable to the extent of the interests.

Sec. 7.3. Assessment day.

The taxable status of property shall be determined as of the first day of January, or such other date as may subsequently be required by law, which shall be the assessment day. Values on the assessment roll shall be determined according to the facts existing on the assessment day for the year for which the assessment roll is made, and no charge of the status of any property after that day shall be considered by the council when acting as a board of equalization. Standards of appraisal shall be followed by the council when established as a board of equalization.

Standards of appraisal shall be followed by the council when established by law.

Sec. 7.4. Security for taxes on real property.

The city shall have a first lien upon all real property against which taxes are assessed for the taxes and any collection charges, penalties and interest which may accumulate thereto, which lien shall continue until the taxes are paid.

SOURCE: VALDEZ city CHARTER.

Sec. 7.5. Protection of city's real property tax liens.

The city may protect its lien for taxes upon real property by sale at tax sale, or by purchasing the real property at any tax sale or other public sale, or by direct negotiation with the owner. Any such procedure shall be deemed to be for a public purpose. When the city has acquired an interest in real property to protect a tax lien thereon, the owner of any interest in such real property may redeem the same by paying the delinquent city taxes and all accrued charges, penalties and interest thereon. After the city has held any tax delinquent real property for one year, it may hold the same for public use or sell it at public auction to the highest bidder.

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

Sec. 7.6. Security for taxes on personal property.

City taxes on personal property shall be a debt to the city from the persons to whom they are assessed. If any person to whom such taxes are assessed fails or refuses to pay the taxes, or if the collecting officer resonably believes that any person will not pay such taxes, the taxes and accrued charges, penalties and interest may be collected by a personal action in the name of the city against the person to whom assessed in a court of competent jurisdiction, or by distraint and sale of any personal property of the person assessed. Neither of the remedies herein given shall be exclusive of the other at any time.

Chapter VIIA. Service Areas.

Sec. 7A.1. Purpose.

Service areas may be established to provide services not provided on an area-wide basis or to provide a higher level of service than that provided on an area-wide basis.

Sec. 7A.2. Establishment.

(a) The council by ordinance may establish, alter, consolidate or abolish service areas. The council by ordinance may add or eliminate services in a service area. The ordinance shall contain the following:

(1) Boundaries and area to be included;

(2) Service to be provided or be eliminated; and

(3) Other provisions the council includes.

(b) If a petition of protest is filed with the council before the effective date of the ordinance adopted under this section, the ordinance shall be submitted to the qualified voters residing in the service area or proposed service area and if ratified shall take effect upon certification of the election. The petition shall contain signatures of at least ten percent or 100 of the qualified voters residing in the service area or proposed service area, whichever is the greater. Each new service or each service to be eliminated shall be placed separately on the ballot and shall require ratification by a majority of the qualified voters voting on the question. There shall be no election under this subsection to eliminate a service to be provided on an area-wide basis.

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

Sec. 1.13. Severability of Charter provisions.

If any portion of this Charter is held to be invalid, such invalidity shall not affect the remainder of the Charter; and to that end, this Charter is declared to be severable.

Chapter II. Officers.

Sec. 2.1. City officers.

(a) The elective officers of the city are the seven councilmen.

(b) The appointive officers of the city are the city clerk, and the city attorney.

(c) The administration officers are all officers of the city other than elective officers and appointive officers.

Sec. 2.2. Eligibility for elective city office.

(a) To be eligible to file a nominating petition for election to a city office, a person shall be an elector of the city and shall have been a resident of the city or of territory annexed to the city, or shall have had a combination of residence in the city and in the annexed territory for a period of not less than one year immediately preceding the date of the filing of such petition.

(b) A person appointed to fill a vacancy in an elective office must have such qualifications at the time of his appointment.

(c) The council shall be the judge of the election and of the qualifications of its members.

Sec. 2.3. Persons ineligible for city office or employment.

A person who holds or has held an elective city office shall not be eligible for appointment to an office or for employment for which a salary is paid by the city until one year has elapsed following the term for which he was elected or appointed. An exception may be made with the approval of four or more members of the council.

Sec. 2.4. Notice of election or appointment.

The city clerk shall mail to each person elected or appointed, a certificate of election or appointment within five days from the time of election or appointment.

Sec. 2.5. Compensation of officers.

The compensation for the service of each city officer and employee shall be the amount fixed by the council.

Sec. 2.6. Compensation of mayor and councilmen.

The compensation of the mayor and councilmen shall be determined by ordinance. No increase in the compensation of the mayor and councilmen shall take effect until the council meeting following the first general city election after the increase is ordered.

Sec. 2.7. Oath of office.

Every officer of the city before entering upon his duties shall take the oath or affirmation required by section 5 of article XII, Constitution of the State of Alaska. The council may require designated employees to take such oath before entering upon their employment. Oaths of office shall be filed with the city clerk.

Sec. 2.8. Surety bonds.

In order to protect the city and the public, the council may require appropriate surety bonds of officers and employees. The premium of such bonds shall be paid by the city.

Sec. 2.9. Giving of surety by officers and employees forbidden.

No officer or employee shall give or furnish any bail, bond or recognizance, nor shall he be the agent of any bondsman in connection with any bond which may be required by law or by the council.

Sec. 2.10. Vacancies in office.

(a) A city office shall become vacant upon the occurrence of any of the following:

(1) The expiration of the term of office;

(2) The death of the incumbent;

(3) A resignation when approved by the council;

(4) A removal from office in the manner provided by law;

(5) Ceasing to possess at any time the qualifications or eligibility required by this Charter for election or appointment to office;

(6) Final conviction of a felony involving moral turpitude, or an offense involving a violation of an oath of office;

(7) A judicial determination that the incumbent is of unsound mind;

ichorage Daily News

ANCHORAGE, ALASKA, FRIDAY, FEBRUARY 18, 1983

PRICE 25 CENTS

Revenue department examines Valdez property tax rolls

Continued from Page A-1

residential property. The second is Alyeska Pipeline Co. property, which is assessed by the state.

The oil company property, which provides about 95 percent of the city's tax revenues, did not receive the benefit of Lewis' assessment reduction and was taxed at full assessed value. Had he not changed the city roll, Valdez residents would have paid $100,000 more during the period and the state would have received $190,000 more from its oil tax.

Alyeska pays a flat 20 mills in property taxes each year on property in Valdez. The city tax levy, 6.7 mills in 1982, is taken out of the 20-mill state levy and the remainder goes to the state.

The assessment change meant that the tax rate on the oil property had to go up to produce enough money to operate city government. When this happened Alyeska paid more to the city and, accordingly, less of the 20 mill-assessment went to the state.

Donohue said his department is investigating all aspects of the question.

He said one determination to be made is whether the resultant city roll on which taxes were levied was assessed at fair market value. This determination can be made only by the state tax assessor, who works under Lewis in the Department of Community and Regional Affairs.

"This is the first time we have been approached with this kind of a problem," Donohue said. "Our jurisdiction is to try to determine whether the state received a fair amount of money."

He said the results will be referred to the Department of Law "to see if it is actionable."

Donohue said he could not predict when his investigation might be completed. He said the review may be complicated by vagaries in the law regarding assessment procedures.

State probes property tax rolls in Valdez

By STEVE SEPLOCHA
Daily News business editor

The state Department of Revenue is investigating Valdez property tax records for 1981 and 1982 to determine whether the city owes the state $100,000 as a result of changes made in the tax roll by then-City Manager Mark Lewis.

Joe Donohue, deputy commissioner of revenue, said Thursday that if the investigation verifies press reports about the changes the matter will be referred to the Department of Law for possible collection action.

Lewis, who is now Commissioner of Community and Regional Affairs, lowered the tax assessment rolls by 15 percent in 1981 and 1982 without legal authority to do so. State statutes prohibit any individual from changing property appraisals delivered by the tax assessor. Changes can only be made by a court or by the city council sitting as the Board of Tax Equalization.

Lewis said he ordered the rolls lowered because he felt economic downturns in the community justified it. He said the assessor agreed with the changes but the assessor, Rich Randell, said he did not.

The change may have had the effect of denying the state $100,000 it was due over the two-year period from state taxes on oil property in the city.

Valdez taxes two rolls. One is the city commercial and

See Back Page, REVENUE

Valdez tax flap sparks state probe

By STEVE SEPLOCHA
Daily News business editor

2/14/83

State Commissioner of Revenue Robert Heath said Friday that he is conducting an investigation of all oil pipeline property that is taxed by municipalities in the state.

Heath said the investigation was touched off by articles in The Daily News about changes made in the Valdez property tax rolls in the past two years that may have caused the state to lose money.

Former Valdez City Manager Mark Lewis, who is now commissioner of Community and Regional Affairs, ordered the 1981 and 1982 tax rolls presented by the city's tax assessor to be lowered 15 percent without legal authority to do so. The changes meant that the state did not receive about $190,000 it would have gotten had the rolls as presented by the assessor been unchanged.

The city of Valdez has two

See Back Page, STATE

2-14-83

State starts investigation of oil pipeline property taxed by municipalities

Continued from Page A-1

tax rolls — one prepared by the city and an oil property roll prepared by the state.

The oil property did not receive the 15 percent reduction that Lewis applied to the city roll.

Alyeska Pipeline Service Co. is taxed a flat 20 mills by the state, and from the 20 mills the city tax is subtracted. By paying more to the city the pipeline company paid less to the state.

Heath said that the situation outlined in the stories might occur elsewhere and that is why he talked to Gov. Bill Sheffield about a statewide investigation and began one with Sheffield's approval.

He said he hasn't gotten to the specifics of the Valdez changes made by Lewis, but plans to pursue the investigation.

When asked if he was investigating Lewis, Heath said, "If there are state monies that are not where they should be, I will include that in my report to the Department of Law."

In a press release issued in Juneau, Heath said an article in Friday's Daily News about the investigation contained "misimpressions" about his investigations. When asked later to be specific, he said he meant that the investigation is statewide. The Daily News story centered on the Valdez investigation.

When asked what the statewide probe had to do with Lewis and the Valdez situation, he emphasized that his study was "in a very preliminary stage" and had not touched on the Valdez issue.

He said his investigators had not talked to past or present Valdez officials unless they had done so in the past day or so. Heath further said that his office had not checked with Valdez tax assessor Rich Randell but would do so.

Lewis maintains that he changed the rolls because of economic downturns in the community and that he had Randell's permission to do so. Randell said he did not give his permission and maintained "true value rolls" in his office that were higher than those Lewis had approved by the City Council.

The City Council did not become aware that changes were made until last fall, months after Lewis had left the city. An opinion by the city attorney in December concluded "that no one individual has the authority" to change the assessments presented by the assessor.

The issue may turn on a letter that Randell sent Lewis in 1981 shortly afte. the two had talked about the accuracy of the assessments presented by Randell.

Lewis' version is that Randell agreed the rolls could be off by 15 percent and agreed to write a letter to that effect. Lewis said this letter was consent to the assessment reduction as required by statute.

Randell, however, said that he did not consent. He said he told Lewis that any assessor could make a mistake and sent him a letter to that effect. He said the letter in no way agreed with lowering the rolls and that is why he kept his original cards on file.

Heath, in discussing his investigation, agreed that there were two separate issues involved: one being whether the state is receiving its fair share of taxes on a statewide basis and the other being the Valdez matter specifically.

He said his preliminary conclusion was that statewide, including Valdez, it appears the tax assessments reported to the state were fair.

He acknowledged that this information was provided by the state tax assessor, who works under Lewis, but said he "will get it independently."

He further acknowledged that the conclusion did not address the issue of whether Lewis changed the roll and whether such a change was proper. "What I need is time to finish my report," he said.

Heath said the report probably will be finished by March.

According to the Associated Press, Lewis issued a press release Friday saying he welcomes the review, "particularly those compiled" by Valdez during his tenure as city manager. In the release Lewis said the assessments were made "legally and properly."

The story quoted Lewis as saying he presented the "back-up documentation which clearly indicates the tax rolls were not improper and that the studies of assessed valuation to market value indicate Valdez assessments were in conformance with state standards."

"It is unfortunate the recent stories did not present the complete facts on the issue and have a one-sided biased interpretation."

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

TO: Representative Barbara Lacher

FROM: Staff

SUBJECT: Review of Attorney General's report on potential state claim against the City of Valdez for recovery of taxes.

DATE: May 12, 1983

According to the Department of Revenue Report and the opinion by the Department of Law, Mr. Lewis' actions were not illegal and "it is not clear that Mr. Lewis acted improperly. . . ." After detailed review of the report and of other factors, I believe the report is precisely correct in the conclusions made therein.

Should you have any remaining concerns on this subject, I would suggest that the following areas be reviewed for clarification. The line of thought is not in points of law, but in points of fact that may, in the minds of the committee, be indicative of characteristics upon which the committee may wish to base a judgment.

The central issues to be addressed are:

-Did Mr. Lewis assume the role of assessor by changing the tax valuations and, if so, was the assumption proper or improper?

-Was the City Council not informed of the tax valuation changes with the intent that the Council would assume that the tax rolls presented to it reflected the result of the contract assessor's work?

Discussion:

Re: Assumption of role of assessor.

While state law and city codes are explicit in requiring the assessor to prepare the tax valuations, they are not clear on who the assessor shall be. The City of Valdez does not have a designated assessor and thus, under the broad powers and authorities delegated to a City Manager, it can be reasonably argued that the manager can perform the acts of a de facto assessor.

The argument that Mr. Lewis is not qualified to act as an assessor cannot be completely substantiated. First, there are no legally established standards of qualifications to be an assessor and, secondly, the reduced property valuations are judged to be reasonable in relation to valuations in other municipalities. The only potentially questionable areas in the reduction of the tax rolls are procedural questions. First, not all properties were reduced equally in that the less valuable properties were not reduced from the assessor's valuation; and, secondly, a reputable assessor would have established a factual basis for an across-the-board assessment reduction. This is essentially a question of procedure, the dollar valuation of the lower valued properties being irrelevant, and no points of law are involved.

Legally, the tax rolls containing the lowered figures were certified by the assessor, Mr. Randell, as being true and correct and in accordance with law. Therefore, it is reasonable to assume that Mr. Randell agreed with the lowered figures.

There remains a "fine line" of distinction, outside of legal sufficiency, regarding Mr. Randell's agreement or disagreement with the reduced figures. Mr. Randell readily agreed that a variance of 15% to 20% in valuation opinions is reasonable, but the valuations he submitted were correct in his best judgment. He did not clearly acquiesce, at that time, to reducing the valuations, but, by his later certification, he legally agreed. While there is no indiction of implied or explicit coercion, the fact is that Mr. Lewis was solely responsible for the selection and contracting for city assessment work. It appears that Mr. Randell tried to maintain his own professional standards by refusing to personally change his valuations, and later tried to accommodate the situation by ignoring the fact that the rolls he certified were not the ones he prepared.

Conclusion: The bottom line is that it is a subjective judgment as to the propriety or impropriety of Mr. Lewis' action to alter the tax rolls after they were prepared by the assessor. There is little, if any, likelihood that any illegal acts could be proven in a court of law.

The second issue, that of not informing the Council of the alteration of the property valuations, again, clearly does not constitute a legal violation.

There does not appear to be any debate over the allegation that the City Council was not informed of the lowering of the assessed valuations. Absent such debate, and in note of public statements that substantiate the allegation, it should be assumed that the Council was not informed.

If the arguments that assert that Mr. Lewis had the right and authority to act in the role of assessor are accepted, then it follows that the assessor's valuations were presented to the Council and there was no need to inform it of any changes, because in this case, there effectively were no changes to the tax rolls that were finally prepared for the Council.

If the argument that Mr. Randell agreed to the reduction in property valuations is accepted, there still remains the "fine point" of when he agreed -- before the presentation of the rolls to the Council, or after the Board of Equalization adjustments.

Assuming that Mr. Randell did not agree to the property valuation changes prior to the presentation to the Council, and that it is believed that Mr. Lewis should not have acted in the role of assessor, the ethical question remains: Should Mr. Lewis have informed the Council of his actions regarding the changes in the property valuations?

An important consideration in the mental process of determining an answer to the question involved, is the relationship established by a City Council and the City Manager. The extent of the trust and confidence of the Council in the Manager, and the Manager's knowledge of what is and what is not of interest or concern to the Council, is developed over an extended period of time. Some councils expect and demand to be informed of virtually every activity and decision of the city administration and others are simply not interested in the details. In the latter case, it is a matter of personal judgment on the part of the manager as to what items should be brought to the attention of the council. In the case of the Valdez City Council, it is commonly accepted that the City Manager was given a fairly free hand in the administration of the City.

In view of the preceding discussion, there is probably no reason to make a harsh judgment of impropriety unless there were other motives for failing to tell the Council of the changes directed by Mr. Lewis. Following this line of reasoning, the Council would not have been informed because of the possibility that it would not have approved of Mr. Lewis' action. The basis of its disapproval could have been the arbitrary method used for reducing the rolls, or the usurpation of the role of the assessor by Mr. Lewis, or it may have simply had more confidence in the validity of the figures prepared by the contract assessor.

Regardless of the possible reasons for Council disapproval, if in fact the Council was not informed for other motives, the possible motives need review.

First, the benefit to be gained by the reduction in property tax that might accrue to Mr. Lewis is not sufficient to be significant, given the income of Mr. Lewis, and should be discared as a possible motive.

Next, a major consideration when evaluating the effectiveness of a city manager or a political figure is the ability to provide excellent public services and capital improvements while keeping tax rates at the lowest possible level. I have found no evidence of Mr. Lewis having ambition for higher office, or of criticism of his city manager activities in early 1981, when the property valuation reductions were first directed.

Another possible motive was that Mr. Lewis had become overly involved, on a deeply personal and emotional level, with trying to do everything possible in the best interest of the citizens of Valdez. If this were

the case, and this being the motive for not informing the Council of his actions for fear of disapproval, then this is an issue for which he could be faulted for judgment.

If, as Mr. Lewis has stated, the reason for his reduction in property valuations was simply that he felt that they were too high, we come back full circle to the question -- why did he not tell the Council that he had changed them? Again, the same answer -- fear of disapproval and possible alternate motives, all of which I can imagine have been examined.

Conclusion: If Mr. Lewis intentionally wanted to have the City Council assume that the property valuation rolls presented to them had been prepared by the assessor, the only logical reason was fear that they would not approve his changing the rolls.

The possible motives for intentionally deceiving the City Council have been examined and from the viewpoint of personal gain have been, in large part, found to be without substantial merit. Therefore, it can reasonably be argued that Mr. Lewis really did not feel that he had done anything irregular and was not obligated to inform the Council.

Whether or not Mr. Lewis acted improperly is probably an arguable point. Whether or not he used appropriate judgement or acted irregularly in not informing the Council is a matter for the considered evaluation of this committee.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Gilman
Member
Senate Community & Regional
Affairs Committee

DATE: 18 March 1983

FROM: McKie Campbell
Professional Assistant
Senate Community & Regional
Affairs Committee

SUBJ: 1981 Valdez
Property Tax
Values

In January of this year the Anchorage Daily News published a series of articles concerning Mark Lewis's tenure as City Manager of Valdez. Several of the articles contained the allegation that Mr. Lewis had illegally changed the tax rolls of Valdez by lowering the value of most non-oil or gas related property by 15 percent.

Based on these articles, the Department of Revenue instigated a review to determine if Mr. Lewis's actions were improper or illegal.

According to the DOR report and attached opinion by the Department of Law, Mr. Lewis's actions were not illegal and the state does not have grounds to pursue action for lost state revenues caused by the alteration of the tax roll.

I have reviewed this report thoroughly and endorse the report is accurate in its conclusion. Both the report and the newspaper articles agree that Richard Randell, the appraiser hired by Valdez under contract to act as the city assessor, certified the reduced figure as true and correct for 1982. The report states that Randell had also certified the reduced figures as true and correct for 1981. Newspaper accounts had quoted Randell as denying that he certified the reduced figures in 1981.

I contacted Mr. Randell to resolve this contradiction. Randell said that in early March, 1981, he submitted the

roll of assessed property values to the Valdez City administration. On March 23, 1981, Randell discussed the figures with Lewis. Randell states that during that conversation he acknowledged that another appraiser might come in with different figures but held that the figures he had submitted were his best estimate of full and true value. Randell followed this conversation up with a March 31, 1981 letter to Lewis which DOR has included in their report as Exhibit F. Sometime in the middle or end of March, Lewis caused the values of most non-oil or gas related properties in the city to be reduced 15 percent.

In late March 1981, the tax notices were mailed to property owners at the reduced values. Twenty appeals were filed and Randell participated on the Board of Equalization hearings on these appeals in June 1981. Randell was aware at this time that the values had been reduced and he did not protest.

In late August 1981, Randell was reminded by the city that he had not submitted a formal letter certifying the tax roll as true and correct. On September 1, 1981, Randell wrote a letter to Lewis (Revenue Exhibit A) certifying the tax roll for 1981 as true and correct. Randell said that in his own mind he was certifying his original figures as true and correct, but he acknowledges that given his knowledge that the values had been reduced and the fact that he worked with the reduced figures at the Board of Equalization without protest, it was a reasonable assumption on the part of the city to believe he was certifying the reduced figures.

After examination of the sequence of events, I believe it could reasonably be held that Randell did certify the lower figures. This concurs with the report by DOR and the opinion by the Department of Law and supports the contention that the reduction of property values as handled and administered by Mark Lewis was legal.

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

TAB 4 - VALDEZ PERSONNEL POLICY CHANGE

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: May 12, 1983

RE: Personnel Policy Change

Allegation: Four months after announcement of Mr. Lewis' departure, and two months prior to his actural departure, Mr. Lewis changed city personnel rules which resulted in his being paid an additional $6,174 in compensation for accrued sick leave.

Alaska Statute: 29.23.555. "Each home rule and general law municipality shall adopt a conflict-of-interest ordinance which, other provisions of this chapter notwithstanding, includes provision that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest. If a home rule or general law municipality fails to adopt such a conflict-of-interests ordinance within 90 days from September 10, 1972, the conflict-of-interest provision of this section is automatically applicable to and binding upon that municipality."

Discussion: Mr. Lewis followed the recommendations of a committee by changing the personnel rules. In that a 1971 ordinance requiring council approval of such an action had not been properly codified, it is understandable that Mr. Lewis believed that he was acting within his delegated authority under city code. The inclosed report by the Valdez City Attorney states that the change of personnel policy by Mr. Lewis was not in accordance with city code or state statutes.

pensation for service to the municipality. Per diem payments or reimbursements for expenses are not compensation under this section. (§ 2 ch 118 SLA 1972)

ALR and C.J.S. references.—Effect of illegality of appointment or compensation, 7 ALR 1682.

Mandamus to compel appropriation for payment of salaries of public officers, 81 ALR 1253.

Actions for compensation by de facto officers, 93 ALR 258.

62 C.J.S. Municipal Corporations §§ 522, 541.

Sec. 29.23.540. Prohibitions. (a) No person may be appointed to or removed from municipal office or in any way favored or discriminated against with respect to a municipal position because of his race, color, sex, creed, national origin or, unless otherwise contrary to law, because of his political opinions or affiliations.

(b) This section applies to home rule and general law municipalities. (§ 2 ch 118 SLA 1972)

Sec. 29.23.550. Personnel system. All appointments and promotions of municipal officers and employees are made on the basis of merit. The assembly or council may provide for a personnel system. (§ 2 ch 118 SLA 1972)

Sec. 29.23.555. Conflict of interests. Each home rule and general law municipality shall adopt a conflict-of-interests ordinance which, other provisions of this chapter notwithstanding, includes provision that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest. If a home rule or general law municipality fails to adopt such a conflict-of-interests ordinance within 90 days from September 10, 1972, the conflict-of-interests provision of this section is automatically applicable to and binding upon that municipality. (§ 1 ch 147 SLA 1972)

Effective date.—Section 11, ch. 147, SLA 1972, provides that this Act takes effect September 10, 1972.

Sec. 29.23.560. Reports. (a) Home rule and general law municipalities shall file with the Department of Community and Regional Affairs:

(1) maps and descriptions of all annexed or excluded territory;

(2) a copy of the annual audit or in the case of second class cities an audit or statement of annual income and expenditures;

(3) tax assessment figures as requested;

(4) reports relating to long-term debt as provided in AS 44.19.205.

(b) Compliance with the provisions of this section is a prerequisite to receipt of state shared-revenues under AS 43.18. The state shall withhold annual allocations under that chapter in the event of

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MEMO

City of Valdez, Alaska Box 307, 99686

To Mark Lewis

Date April 12, 1982

Subject Personel Leave vs. sick and annual leave

From P.M. Shelv

I am respectfully submitting, for your consideration, a plan that would propose the change of sick and annual leave into personal leave.

This change would effect city personnel regulations 6.1 Annual Leave, 6.102 Computing Leave Accural, 6.2 Sick Leave

The City of Valdez now accures annual leave at the following rate:

1½ days per month for less than 2 years
1 3/4 days per month for 2 years but less than 5 years
2 days per month for 5 years but less than 10 years
2½ days per month for more than 10 years
Sick leave accures at the rate of 1½ days per month.

My proposal would ask that be changed to personal leave and accure at the following rate.

2 days for under 2 years
2¼ days for 2 to 5 years of service
2½ days for 5 years but less than 10 years of service
3 ¼ 3 days for more than ten years of service

There are other things that are effected and need answers. However, I would propose that a committee of four or five people be appointed by you to spend time answering those questions and make recommendations to you. An example of other things is what to do with people who now have sick leave. One alternative would be to take 60% of the sick leave and put that into personal leave and surrender the rest. I believe that 4 or 5 people spending 1 day on this would resolve all the questions.

I am attaching the State plan for this proposal and the State Troopers plan. They are identical.

Thank you for your consideration and I would volunteer to serve on the committee if you felt that appropriate.

MEMO

City of Valdez, Alaska Box 307, 99686

To PAT SHELY, G. ZOET, ~~MARTY RUTHERFORD, SHIRLEY SCOTT, LEE SCHLITZ~~

Date April 12, 1982

Subject Personal Leave

From ~~MARK LEWIS~~ City Manager

I have reviewed Mr. Shely's proposal to change the city's leave program and believe it has a significant amount of merit.

The plan, I believe, would eliminate the misuse of sick leave, while rewarding those employees with excellent attendance records and habits.

You are to meet and review the proposed leave plan, amend it if necessary and have a final report - including implementation plan - by April 14th.

ML:ss

HUGHES THORSNESS GANTZ
POWELL & BRUNDIN
ATTORNEYS AT LAW
200 CHENEGA STREET
P.O. BOX 767
VALDEZ, ALASKA 99686
TELEPHONE (907) 835-2988

DAVID M. THORSNESS
RICHARD O. GANTZ
JAMES M. POWELL
BRIAN J. BRUNDIN
MARCUS R. CLAPP*
KENNETH P. JACOBUS
GARY W. GANTZ
JERRY E. MELCHER
JOE M. HUDDLESTON
SIGURD E. MURPHY
RICHARD D. THALER
CARL J. D. BAUMAN
FRED S. ARVIDSON
DENNIS M. BUMP*
MARY K. HUGHES
FRANK A. PFIFFNER
RALPH R. SEISTLINE*
GORDON J. TANS**
R. CRAIG MESSER
ROBERT L. MANLEY

JAMES M. GORSKI
TIMOTHY R. BYRNES
JAMES M. SEECORF
RONALD E. NOEL*
PAUL J. ERICKSON
FREDERICK J. COSEN
MICHAEL L. KESSMEIER*
STEVEN S. TERVOOREN
MATTHEW K. PETERSON
JOSEPH R. D. LOESCHER
JAMES F. KLAISEN
KENNETH D. LOUIGEE*
KENNETH F. BRITTAIN
DAVID H. MERSEREAU
CORY A. CARLSON
EARL M. SUTHERLAND
CRAIG A. CARLSON
D. RANDALL ENSMINGER*
JAMES E. RAMSEY
JOSEPH S. SLUSSER*

*FAIRBANKS OFFICE
**VALDEZ OFFICE

JOHN C. HUGHES
OF COUNSEL

505 WEST THIRD AVENUE
ANCHORAGE, ALASKA 99501
TELEPHONE (907) 274-7522
CABLE ADDRESS: DENALI
TELECOPIER: 274-7525
TELEX: 090-25367

3550 AIRPORT WAY, SUITE 265
FAIRBANKS, ALASKA 99701
TELEPHONE (907) 479-3161
CABLE ADDRESS: DENALI
TELECOPIER: 479-8478
TELEX: 090-36624

August 25, 1982

Mayor and City Council
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

RE: Personnel Rule Changes
Our File No. 00925/0001

Dear Gentlemen:

At the August 20, 1982 Special Council Meeting I was requested to report on the effect of the personnel rule changes recently instituted by the former city manager. It is apparent that the changes were not made in accordance with State and local laws.

A question was raised at the council meeting regarding whether the $2,000 limit on purchasing without council approval contained in Section 20-3 of the code applies to this situation. It does not. It only applies to contracts for the purchase of supplies, materials, equipment or contractual services. Contractual services is defined to mean "services performed for the city by persons not in the employment of the city." This limit, therefore, does not apply.

There have been several changes to the personnel regulations over the years. In 1977 a change was made in the schedule of paid holidays. In December 1981 a change was made to Section 6.103 regarding the accumulation and use of leave. And on April 14, 1982, the change in question was made which converted 60% of accumulated sick time to personal leave and eliminated entirely the categories of annual and sick leave, creating the personal leave category in their stead. None of these changes as far as I've been able to determine were brought before the council for its approval.

The City Code, as published, states that the City Manager has the power to make the rules and regulations relating to compensation and leave. Section 2.6 provides in part:

"The city manager shall have the power to make rules and regulations relating to hiring and discharge, working conditions, hours and terms of employment, retirement and insurance plans, classification, compensation, leave and the like of all the employees of the city....

These rules and regulations shall be on file and available for inspection in the office of the city clerk and shall also be available in booklet or pamphlet form entitled "City of Valdez - Personnel Regulations.""

The above language was approved by the city council in Ordinance No. 7111. A second section of Ordinance No. 7111, however, provides that "Initial adoption of the personnel rules and future amendments thereto, shall be approved by resolution of the City Council." For some reason that section of the ordinance never made it into the code book after its adoption in 1971. Although there are arguments to the contrary, it is my opinion, after a brief amount of research on the question, that the section requiring council approval was duly enacted and is the law of Valdez even though it was not published in the code.

It can readily be seen, however, that if one were unaware of the unpublished portion of Ordinance No. 7111 and looked only to the code for an answer regarding the authority of the city manager to make such amendments to the regulations, that one would come to the conclusion that the city manager did have such authority. There is a substantial question whether adequate notice is provided to the city manager regarding his powers and duties under the circumstances.

The question of whether the code provides adequate notice to the city manager, however, does not directly affect the question of whether the changes in the personnel rule are valid. The answer to that question clearly seems to be that the ordinance requiring council approval of the changes was not followed and that the changes are therefore not effective. Only the council can make the changes effective.

There is also a state statute which renders the action of the city manager in approving the personnel rule changes ineffective. Alaska Statute 29.23.555 provides:

"Each home rule and general law municipality shall adopt a conflict-of-interests ordinance which, other provisions of this chapter notwithstanding, includes provision that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest. If a home rule or general law municipality fails to adopt such a conflict-of-interests ordinance within 90 days from September 10, 1972, the conflict-of-interests provision of this section is automatically applicable to and binding upon that municipality."

The city council did not act to adopt a conflict-of-interests ordinance until 1978 at which time it adopted an ordinance currently codified as Section 2-77. That section does provide a rule relating to "an elected city official or member of an appointed commission, board or committee, "but with regard to city employees it provides only:

> "The city council by ordinance shall adopt procedures dealing with conflict of interest on the part of city employees."

However, the city has not adopted such an ordinance, so the state conflict-of-interests statute quoted above applies. In other words, state law requires "that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest." Therefore, even assuming that the Valdez City Code authorized the city manager to make personnel rule changes without council approval, the state conflict-of-interests statute would prevent the city manager from approving any change which would result in a substantial financial benefit to him.

It is my understanding based on discussions with present members of the city administrative staff that the personnel rule changes were initially suggested by a staff member and worked out in detail by a committee of staff members appointed by the city manager. It is further my understanding that the personnel rule changes are very much liked by the city staff, are substantially the same as the rules in effect for state employees, and in the opinion of the administration constitute sound management principles. If the council agrees, approving the changes effective April 14, 1982, would avoid undue hardship on all city employees who have since that time terminated and received payment for (and have probably spent) that portion of their sick leave which was converted into personal leave.

It is my recommendation that the city council take action to clarify the confusion caused by the manner in which Ordinance 7111 was codified by either repealing Section 2 of that ordinance (which would clearly give the city manager the power to make changes without council approval), or by amending the existing code section by adding language to claify that changes in the rules are subject to council approval. It is also recommended that the city consider adoption of a conflict of interests ordinance relating to city officers and employees as it directed itself to do in Code section 2-77.

Very truly yours,

HUGHES, THORSNESS, GANTZ,
POWELL & BRUNDIN

By: Gordon J Tans
Gordon J Tans

GJT/jam

Other duties imposed upon the city manager are those necessary to furnish complete executive direction of the administrative service of the city. He shall:

(a) Prepare and recommend to council an annual budget.

(b) Execute and enforce all ordinances, resolutions and motions of the city council and carry out all contracts entered into by the city.

(c) Make such recommendations to the council as he may deem expedient or necessary and once a year present a detailed statement of what he has done during the year covered by the report.

(d) Perform such other duties as may be assigned to him by council and other such duties as are set out in this Code.

(e) Serve as ex officio member without vote of all city boards and commissions. (Ord. No. 6907.)

Sec. 2-5. Temporary appointment; vacancy in office.

During the absence of the city manager, he shall appoint an acting city manager. Such appointment during an extended absence shall only be upon approval by city council. If the office of manager becomes vacant, council shall appoint without delay either a new manager or an acting manager to fill the office until a new manager is chosen. (Ord. No. 6907.)

Sec. 2-6. Regulation of personnel.

The city manager shall have the power to make rules and regulations relating to hiring and discharge, working conditions, hours and terms of employment, retirement and insurance plans, classification, compensation, leave and the like of all of the employees of the city; except, that no rule or regulation shall contravene the principles that the employment of city personnel shall be on the basis of merit and fitness and that there shall be no discrimination in any manner based on race, color, religion or national origin.

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 8248

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ ADOPTING AMENDED PERSONNEL REGULATIONS AFFECTING ALL CITY EMPLOYEES.

WHEREAS, the City of Valdez has previously adopted City of Valdez Personnel Regulations, and

WHEREAS, certain changes to the Personnel Regulations have been recommended by the city staff to the city administration which has in turn recommended the changes to the city council, and

WHEREAS, a copy of the Personnel Rules incorporating the proposed changes is attached hereto, and

WHEREAS, it appears that the proposed changes are likely to be of benefit to both the City and to the employees of the City, and

WHEREAS, city administration has been acting under the proposed rules as if they had been in force beginning on May 1, 1982, and substantial hardship and inconvenience would result if the City were now required to reverse the actions taken beginning May 1, 1982, and

WHEREAS, no useful purpose would be accomplished by not approving the Personnel Rule changes effective as of May 1, 1982,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA:

Section 1. The City of Valdez Personnel Regulations are hereby amended to read in accordance with the copy of the City of Valdez Personnel Regulations attached hereto.

Section 2. The changes to the Personnel Regulations shall be effective as of May 1, 1982.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this _____ day of September, 1982.

CITY OF VALDEZ, ALASKA

By: _____
STEPHEN A. McALPINE, Mayor

ATTEST:

_____

CITY OF VALDEZ, ALASKA

ORDINANCE NO. 8216

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING SECTION 2-6 OF THE VALDEZ CITY CODE TO PROVIDE FOR COUNCIL APPROVAL OF PERSONNEL REGULATIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1. Section 2-6 of the Valdez City Code is hereby amended to read as follows:

The city manager shall have the power, subject to council approval, to make or amend rules and regulations relating to hiring and discharge, working conditions, hours and terms of employment, retirement and insurance plans, classification, compensation, leave and the like of all of the employees of the city; except, that no rule or regulation shall contravene the principles that the employment of city personnel shall be on the basis of merit and fitness and that there shall be no discrimination in any manner based on race, color, religion or national origin.

These rules and regulations shall be on file and available for inspection in the office of the city clerk and shall also be available in booklet or pamphlet form entitled "City of Valdez--Personnel Regulations."

Section 2. This ordinance takes effect immediately upon passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA this 20th day of September, 1982.

CITY OF VALDEZ, ALASKA

By: _____
STEPHEN A. McALPINE, Mayor

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:
Hughes, Thorsness, Gantz,
Powell & Brundin
Attorneys for the City of Valdez

By: _____
GORDON J TANS

First Reading: September 7, 1982
Second Reading: September 20, 1982
Adoption: September 20, 1982
Ayes: 7
Noes: 0
Not Voting: 0

MEMO

City of Valdez, Alaska Box 307, 99686

To Fred Hanson, Acting City Manager

From Pat Shely, Police Chief

Date August 26, 1982

Subject Personal Leave Policy Information

Fred, this is information pertaining to the article in the August 25th paper regarding the City Leave Policy.

As early as 1980, Mark Lewis had asked that I and several others review the Personnel Rules, however, no changes were made at that time. In 1981, I requested one change to the existing Personnel Policy; changing sick leave to personal leave. Mark reviewed that request and took no action, but stated that if I could convince him that the City employees wanted it, he would reconsider.

I didn't get on it again until about February of 1982. I then asked Mark if he would appoint a committee from the City employees to review it. He appointed a committee of which I was a member. During the course of our meetings, Mark heard a rumor that some people believed that this whole thing was for his benefit and he told me the committee was disbanded and no Personal Leave Plan could be considered at that time. I spent about an hour of one day and an hour of the next day convincing Mark that this was a needed change. Mark decided to let the committee continue, but stated that if it was felt that this change was being made for his benefit it must not be considered until after his departure.

During the committee's deliberations, they used as examples the Valdez Highway Department and State Employees Personal Leave Plans.

We submitted our proposal to Mark for his approval. While doing so, I asked Mark if we had to go to Council for approval and he said no, that it stated in the City Code that he could make the change himself. The Committee also checked the City Code and could find nothing that stated we had to get Council's approval. I was not aware of Ordinance #7111 until after Mark left, and I believe Mark was not aware of it either.

There follows several items which I believe should be considered by the City Council while reviewing this plan. These were items considered by the review Committee while putting together their proposal:

1. The City was the only Valdez Governmental Agency without a Personal Leave Plan prior to this change.

2. The Council had stated and voted it wanted the Valdez Police Department to have the same pay and benefits as the Alaska State Troopers. I believe this was the direction set by the Council during the 1975 or 1976 Budget Sessions.

3. In the Police Department alone, the sick time loss has dropped by 80% since this plan was instated.

4. This ideas was originally presented to Mark long before he even thought of leaving and it was not his idea to begin with.

CFRA

COMMISSIONER CONFIRMATION HEARINGS

FILE 3

Alaska State Legislature

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

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

March 14, 1983

Mr. Mark Lewis, Commissioner
Department of Community and
Regional Affairs
Pouch B
Juneau, Alasla 99811

Dear Commissioner Lewis:

Pursuant to AS 39.05.080, the House Committee on Community and Regional Affairs is in receipt of communications that request the Committee to conduct hearings pertaining to your confirmation as Commissioner, Department of Community and Regional Affairs.

This is to notify you that confirmation hearings will be scheduled to begin at 3:15 p.m. on March 21 in Room 205, Capitol and on March 22, in Room 126, Capitol. Additional hearings may be scheduled, if deemed necessary. The Committee respectfully requests your presence during the hearings.

Sincerely,

Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

BL:pt

Applied in Alaska State-Operated School Sys. v. Mueller, Sup. Ct. Op. No. 1157 (File No. 2138), 536 P.2d 99 (1975).

Cited in Walker v. Alaska State Mortgage Ass'n, Sup. Ct. Op. No. 353 (File No. 669), 416 P.2d 245 (1966); Alaska State Housing Auth. v. Dixon, Sup. Ct. Op. No. 793 (File No. 1529), 496 P.2d 6 9 (1972).

Am. Jur. 2d and ALR references. — 63 Am. Jur. 2d, Public Officers and Employees, §§ 5, 38-81, 360-413.

Conclusiveness of governor's decision in removing or suspending officers, 52 ALR 7; 92 ALR 998.

Constitutionality of statute providing for direct appeal or other review of orders and rulings of governor, 66 ALR 586.

Prohibition as means of controlling action of governor, 115 ALR 14.

Legislative power to prescribe qualifications for or conditions of eligibility to constitutional office, 34 ALR2d 155.

Sec. 39.05.065. Qualifications of members of the Board of Education. (a) Each member of the Board of Education shall be a citizen of the United States and have been a resident of Alaska for at least three years.

(b) A member of the Board of Education may also be a member of a district school board. (§ 11 ch 96 SLA 1967; am § 19 ch 26 SLA 1980)

Revisor's note. — "District" as used in subsection (b) of this section apparently means a district of the state public school system as set out in AS 14.12.010.

Cross reference. — As to appointment of members of Board of Education, see AS 14.07.085.

Effect of amendment. — The 1980 amendment, added subsection (b).

Sec. 39.05.070. Purpose. It is the purpose of AS 39.05.070 — 39.05.110 to—provide procedural uniformity in the exercise of appointive powers conferred by the legislature to eliminate, insofar as possible, recess or interim appointments except in the event of death, resignation, inability to act or other removal from office and the exercise, insofar as possible, of appointive powers only when the legislature is in session. (§ 1 ch 64 SLA 1955)

Section repugnant to tacit confirmation. — The expressed intention of this section is repugnant to tacit confirmation of appointments. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

Sec. 39.05.080. Procedure for all appointments. Appointments shall be made in the following manner:

(1) The appointing authority shall, within 30 days of the convening of the legislature in regular session, present to the legislature for confirmation the names of the following persons: (A) persons appointed to a position or membership who have not previously been confirmed by the legislature or either house of it; (B) persons appointed by him subject to confirmation to fill an existing position or membership vacancy; (C) persons to be appointed subject to confirmation to fill a position or membership the term of which shall expire before July 2, following the session of the legislature. If an appointment is made after the deadline but while the legislature is in session, the appointing

authority shall, within five calendar days after the appointment is made, present to the legislature for confirmation the name of the person appointed. The deadline may be extended by the legislature by the approval of a concurrent resolution.

(2) When appointments are presented to the legislature for confirmation,

(A) the presiding officer of each house shall assign the name of each appointee to a standing committee of that house for a hearing, report and recommendation; standing committees of the two houses assigned the same person's name for consideration may meet jointly to consider the qualifications of the person appointed and may issue either a separate or a joint report and recommendation concerning that person; then

(B) the legislature shall, before the end of the session in which the appointments are presented, in joint session assembled, act on the appointments by confirming or declining to confirm by a majority vote of all of the members the appointments presented.

(3) When the legislature declines to confirm an appointment, the legislature shall notify the appointing authority of its action and a vacancy in the position or membership exists which the appointing authority shall fill by making a new appointment. The new appointment shall be presented for confirmation to the legislature within 20 calendar days following receipt by the appointing authority of the legislature's notification of its refusal to confirm the prior appointment. If the name of a person is submitted and is not confirmed, the appointing authority may not, upon resubmission of appointments, submit again the name of the person whose confirmation was refused for the same position or membership during the session of the legislature at which confirmation was refused. The person whose name is refused for appointment by the legislature may not thereafter be appointed to the position or membership during the interim between legislative sessions. Failure of the legislature to act to confirm or decline to confirm an appointment during the session in which the appointment was presented is tantamount to a declination of confirmation on the day the session adjourns.

(4) Pending confirmation or rejection of appointment by the legislature, persons appointed shall exercise the functions, and have the powers and be charged with the duties prescribed by law for the appointive positions or membership. (§ 4 ch 64 SLA 1955; am §§ 1—3 ch 1 SLA 1964; am § 1 ch 2 SLA 1967; am § 1 ch 65 SLA 1974; am § 2 ch 82 SLA 1975)

Legislative history of ch. 82, SLA 1975. — See Bradner v. Hammond, Sup. Ct. Op. No. 1297 (File No. 2802), 553 P.2d 1 (1976).

Laws requiring bilateral appointments are mandatory. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

Paragraph (2) of this section imposes a direct mandate upon the legislature to act upon the nominations of the governor. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

BIOGRAPHY

Mark E. Lewis

Born:

Place: Boston, Massachusetts

Year: June 27, 1951

Education:

Grade School - Marblehead, Massachusetts

High School - Shattuck School
Fairbault, Minnesota

Undergraduate - Washington State University
September 1971 - June 1974; Bachelor of Arts - Political Science/Public Administration; course work emphasis in community development; organization and government administration

Graduate - Washington State University
February 1977 - January 1978; course work emphasis in finance and accounting

Listings and Offices:

- President, Alaska City Managers Assoc., 1980/81
- Vice President, Alaska City Managers Assoc., 1979/80
- Board of Directors, Alaska City Managers Assoc., 1978/79
- "Who's Who" Among Students in American Universities and Colleges, 1973/74

Military:

- Graduate of United States Army
  Ranger School - 1972
  Status: Army Reserves

Work Experience:

- City of Pullman
  Pullman, Washington
  1972 - 1974

  Program Coordinator
  Worked part-time while an undergraduate student as staff assistant to a City Department Head

- City & Borough of Juneau
  Juneau, Alaska
  June 1974 - February 1977

City/Borough Administrative Assistant (Assistant to the City Manager)

The City of Juneau is a consolidated full-service "home-rule" city/borough government of the capital of the State of Alaska with a population of 22,000; net budget approximately $40 million, including $15 million capital budget. Responsibilities as the Assistant to the City Manager included: budget preparation and budget management assignments; direct responsibility for the City's insurance program and State and Federal grant programs. As staff assistant to the manager, I conducted management analysis and review of various City operations, supervised a wide variety of civic projects and aided in the development of staff policy on a broad spectrum of issues.

- City of Valdez
  Valdez, Alaska
  January 1978 - May 1978

Assistant City Manager

Managed day-to-day routine operations of the City, along with being directly responsible for financial operations. Did research; monitored, evaluated and directly supervised various programs; developed staff policy recommendations on a broad spectrum of issues.

- City of Valdez
  Valdez, Alaska
  May 1978 - July 1982

City Manager

The City of Valdez is a growing oil pipeline and port community - the terminus of the Trans-Alaska Pipeline and North America's largest oil port. The City is a full-service, "home-rule," local government encompassing 275 square miles, with a 1981 net operating budget of $29 million and a capital budget of $70 million. The Community has approximately 80 full-time City employees and a population of approximately 4,000 people.

The Community's goals, as defined and developed, are to expand and diversify the economy - building on the economic base of the pipeline terminal and utilizing the City's unusual tax base to rebuild and establish the community's long term assets while improving the quality of life for its citizens.

I, as City Manager, was able to make significant contributions to the City of Valdez while, at the same time, gaining a great wealth of management experience, especially in the fields of municipal finance and industrial development, as well as obtaining the experience of piloting major construction projects with significant environmental considerations through Federal and State permit process, on schedule and within budget.

Experience Summary

- Identified, developed and implemented comprehensive community goals with the City Council over a period of years.

- Planned and implemented a comprehensive capital improvement program which included: major port facilities, schools, roads, storm and sanitary sewers, parks, library, civic center, administration building and police and fire stations.

- Facilitated the economic development and diversification of the City.

- Developed the City as one of the major leaders in tax-exempt financing.

- Reconstructed and redirected the City's financial systems.

- Developed a capable staff who are able to follow through with the City's diversification programs.

Economic Development and Diversification

The City Administration established a sound working relationship with industry, which has been the basis for Valdez's economic development. The Administration's efforts included the development of the oil industry, port and marine industries, seafood industry, pipeline related industries, as well as small businesses.

Tax-Exempt Financing

The City of Valdez has become a leader in the field of tax-exempt financing. I was the key administrative official for the City of Valdez on the following financing:

- in the final issues of $1.35 Billion in Marine Terminal Revenue Bonds;

- $600 million developed to construct oil facilities in Valdez;

- $48 million Port Redevelopment bond issue to construct a new "interior Alaska" container port at Valdez;

- $10 million housing mortgage revenue bond (low interest8 1/2%) which provided tax-exempt housing mortgage money for Valdez residents; and

- $18 million school bond issue used to construct various school facilities

Capital Construction

Major new capital construction programs completed under my administration include the following:

- Library facilities - $2.6 million

- Administration and Police buildings - $3.0 million

- Three fire stations (2 rural and 1 central)

- City shop (heavy equipment, vehicle maintenance facility)

- Roads, storm and sanitary sewers, parks

- Airport reconstruction - $7.0 million (including Navigational Aid System)

- Port facilities - $48.0 million (cargo and container)

- Civic Center (includes theater and large convention center)

These construction projects were designed to build Valdez's infrastructure of community facilities while stimulating the economy in the midst of a temporary recession. During these years the tax millage rate was lowered from 8.9 mills to 6.3 mills.

Awards

Valdez-All America City, 1981-82 by the National League of Cities

Excellence in financial Reporting, 1982 by the Municipal Financial Officer's Association

JAN 4 1983

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

APOC - JNO
H.C.

610 C Street, Suite 211
Anchorage, AK 99501-3598
(907) 276-4176

OR

Room 302, Goldbelt Bldg
130 Sewart Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1982 to December 31, 1982 *

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 150 Third Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code 99811 Home Phone: Work Phone: (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

☐ Legislative _____ (Senator or Representative) ☐ Judicial: _____ (title)

☒ Executive Commissioner (title of position) Community and Regional Affairs (name of department)

☒ Board or Commission Alaska Housing Finance Corporation, Alaska Industrial Develop and others declared by State Statute (name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End - -

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 7, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: Mark Lewis

SUBSCRIBED AND SWORN to before me this _____ day of _____, 19 _____.

Notary Public: _____
My commission expires: _____

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject to AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME (by name; amounts need not be disclosed.)
1) Salary:	
Mark Lewis	State of Alaska
Commissioner	Community and Regional Affairs
	Office of the Commissioner
2) Rentals (include business name, if any):	(renters)
3) Dividends and Interest:	
Mark Lewis	First National Bank of Anchorage
	Foster & Marshall, Inc.
4) Self employment (business name):	(clients or customers or "retail")
N.A.	
5) Other:	
N.A.	

(Continue on blank sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Mark Lewis	Savings Account	First Nation Bank of Anch. Valdez, AK 99686
	Savings Account	Foster & Marshall, Inc. Juneau, AK 99801

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Mark Lewis	House - 324 Hanagita Valdez, AK 99686	Owner, current Rental
	Town house, Juneau Douglas Island	Purchasing house Mortgage TBA

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N.A.			

(Continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR CTHER FINANCIAL OBLIGATIONS OF $500 OR MORE

NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Mortgage on Valdez house - self mtg. w/ FWBA
Mark Lewis	Car loan self-loan w/ FWBA

(Continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

(Continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

JAN 3 1983

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

APOC JNO
P.M. H.C.

610 C Street, Suite 211
Anchorage, AK 99501-3598
(907) 276-4176

OR

Room 302, Goldstein Bldg.
130 Sewart Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1981 to December 31, 1981 *

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 2733 John Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code _____ Home Phone: Work Phone: (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

☐ Legislative _____ (Senator or Representative) ☐ Judicial: _____ (title)

☒ Executive Commissioner of the Department (title of position) of Community and Regional Affairs (name of department)

☒ Board or Commission Alaska Housing Finance Corporation and the Alaska Industrial Development Association & others by State Statute (name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End _____

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 6, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict o interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: Mark Lewis

SUBSCRIBED AND SWORN to before me this 3rd day of January, 1983

Notary Public: Linda E. English
My commission expires: 4/16/83

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject t AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME (by name; amounts need not be disclosed.)
1) Salary:	
Mark Lewis	City of Valdez
Mark Lewis	University of Alaska
Mark Lewis	State of Alaska/CRA/Commissioner
2) Rentals (include business name, if any):	(renters)
3) Dividends and Interest:	
Mark Lewis	First National Bank of Anch
	Foster & Marshall, Inc.
4) Self employment (business name):	(clients or customers or "retail")
N.A.	
5) Other:	
N.A.	

(Continue on blank sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Mark Lewis	Savings Account	Valdex, AK 99686
		Foster and Marshall, Inc.

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Mark Lewis	House - 324 Hanagita	Owner -

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N.A.			

(Continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE

NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Car loan self-loan w/FWBA

(Continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

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NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

City of Valdez

Gateway to the Interior
Terminus of the Trans-
Alaska Pipeline

RECEIVED
JAN 27 1983
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

POLICE DEPARTMENT
January, 24, 1983

Governor Bill Sheffield
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

I am writing this letter because I feel that it is important that other views be known. I have never used the news media or other public sources to air my personal opinions. However; recently after reading several stories in the Anchorage Daily News I find myself compelled to ask for a few minutes of your time.

I will not answer each point that has been made by the Anchorage Daily News as I feel this is a blatant attempt by them not only to discredit Mr. Lewis but also a cheap way to sell newspapers.

I have worked closely with Mr. Lewis and was very pleased with his appointment to the state cabinet post. I feel this appointment and others that you have made are a clear sign that we will not only have honesty in our state government but that we will have progressive government rather than business as usual.

In the time Mr Lewis spent as City Manager with the City of Valdez I found his integrity and honesty to be of the highest level. I would not hesitate to work for or with Mr. Lewis on any matters.

To allow blatant attempts by the Anchorage Daily News and others who appear to have personal grudges against Mr. Lewis to remove Mr. Lewis from office would be a serious miscarriage of justice.

I also feel that this type of political mudslinging would damage our political process if allowed to have any credibility.

Thank you for your time. Please be assured of my support and cooperation.

Sincerely,

Patrick M. Shely
Chief of Police

cc: Mark Lewis

P. O. BOX 307 . . . VALDEZ, ALASKA 99686 . . . TELEPHONE (907) 835-1313

CO—MAN SERVICES

BOX 234
DILLINGHAM, ALASKA 99576

February 24, 1983

The Honorable
Representative Barbara Lacher
Pouch V
Juneau, Alaska 99811

Dear Rep. Lacher:

I have recently met with the Department of Community and Regional Affairs Commissioner and wish to convey to you my favorable impression of him. Mr. Lewis strikes me as a person who is sensitive to municipal problems of communities of all sizes in our state.

It is my hope that you will look favorably on his confirmation. Although I have heard of certain allegations in reference to Mr. Lewis, I am not personally aware of anything substantial against him to cause me to speak against his confirmation.

With this in mind, I am in support of Mr. Lewis as Commissioner of Community and Regional Affairs and I sincerely urge you to vote in favor of his confirmation.

Thank you for your consideration.

Sincerely,

Nels A. Anderson Jr.

Nels A. Anderson, Jr.

NAA:bjb

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN RESOURCES COMMITTEE

4016 EVERGREEN
FAIRBANKS, ALASKA 99701

907-479-3550

Senate

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
OFFICE 907-465-3763
RESOURCES COMMITTEE
907-465-3834
HOME 907-789-9182

March 7, 1983

Mr. Nels A. Anderson, Jr.
Co-Man Services
Box 234
Dillingham, Alaska 99576

Dear Nels:

Thank you for your letter supporting Mark Lewis. I've had the opportunity to work with Mark and I find him to be not only very dedicated, but bright and aggressively motivated. I tend to feel as you do, I'm very impressed.

Nels, as you know, there are no assurances. But, I intend to do all that I can to see this fine young man confirmed. It's just too bad you're not here to cast your official vote. We sure do miss you in the chamber and in the lounge.

I sincerely hope all is well with you professionally and personally. Next time you are in town, don't be such a stranger.

Warm personal regards.

Sincerely,

Bettye Fahrenkamp
Alaska State Senator

BF/ab

RS FROM THE PEOPLE

people' is your space to comment on nearly any topic, siderations of good taste and libel. The shorter the it can be published; in any case the best guideline is . Prose only, please; no poems or verse. All letters d should include a daytime phone number so we can Address letters to The Daily News, Pouch 6616,

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Robert Armstrong

Support your local jazz musician

I would like to comment about the fledgling jazz opportunities in Anchorage, Alaska. I am an Alaskan since 1967 and have played in various "in town" settings as an entertainer. It seems in the late 70s (disco era), local musicians were given their walking papers by local club owners in favor of "out of towners." Do Alaskans really think "in town" acts can't be quality?

I went to a local "jam session" last Sunday at the Tiki Cove. It seems the house band members (which are composed mostly of nonlongtime Alaskan residents) seem to get all of the jazz jobs that come about. They seem to entertain themselves and could not let local musicians play alone as a group for even one song.

The purpose of "jam sessions" are to let everyone express themselves musically. People have to be able to crawl before we walk.

In the late '50s and early 60s, the "Oasis" club was a frequent stopover spot for many

our forests, and turn our lakes and streams into garbage dumps — all this in only a few years — we'd better hurry, 'cause there isn't much time left.

All that aside, Jerry, you still haven't answered my main question: how much do the oil companies write off when they find a dry hole? And why bother drilling when they know nothing is there? I say, let us put our money and intelligence to better use!

— Dave Carlson

A response from Valdez

The recent letter congratulating your reporters on spotlighting Valdez' profligate ways was not amusing to Valdezeans, nor was it accurate. As with anything that is spotlighted, much of what is really there languishes in the dark.

While we recognize that telling stories on Valdez has become great sport of late, your letter writer's gross exaggeration demands correction. The great "Big Mac Importation" was not quite as exciting a story as it apparently translated by a pilot passing on an amplified anecdote.

Political fund-raisers necessitate unique items to spur contributors and as auction coordinator, I fixed on Big Macs. While taken for granted by Anchoragites, we in the hinterlands have Big Mac Attacks that necessarily involve 350-mile ventures upcountry to satisfy. The order for 50 Big Macs was placed and arrangements were made to have them picked up and delivered to Valdez Airlines on their last evening run into Valdez so the burgers would be "fresh" for the big event. A last-minute snag in pick-up arrangements developed, however, and as zero hour approached, I prevailed upon a Valdez Airlines employee to run and get them for us and get them to the plane.

Unfortunately the run took a bit longer than anticipated and because Valdez Airlines was kind enough to accommodate my plea for help, the plane was delayed in its departure time awaiting delivery. That plane was by no means chartered; it was on a regularly scheduled flight and the accommodations were in time and energy expended by employees who responded to customer requests. We have come to expect that kind of good service by Valdez Airlines and we very much appreciate it.

It should also be pointed out that Messrs. McAlpine and Lewis steered Valdez through years of unparalleled prosperity and activity; during those years an investment plan was developed, a master plan was implemented and the community bonded and put in place new schools, a dock complex, a civic center, a senior citizens center, a softball complex, a hatchery, a new city hall, and a new library; and it increased its network of roads and water and sewer systems. It spruced up its parks and green areas, added flowers and trees and increased the overall quality of life in Valdez immeasurably.

We in Valdez are not blind to the fact that some mistakes were made along the way, but we wish the naysayers and predictors of doom would not be blind to the fact that we have accomplished an enormous amount in a very short period of time and we are well on the road to diversifying Valdez's economy. We are very much alive and well here in Valdez and we are looking forward to a continuing bright future.

— Judy Londo

Thanks for coverage on Brothers

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

CONFIRMATION HEARINGS

AGENDA

WEDNESDAY JUNE 1, 1983 3:15 P.M. ROOM 205 CAPITOL

1. CALL TO ORDER

2. ROLL CALL

3. INTRODUCTION ---CHAIRMAN

4. INVITATION TO COMMISSIONER DESIGNEE MARK LEWIS FOR STATEMENT ON BACKGROUND AND QUALIFICATIONS.

5. INVITATION FOR VALDEZ TESTIMONY BY TELECONFERENCE

6. WITNESSES:
   LT. GOVERNOR STEPHEN McALPINE
   REPRESENTATIVE BETTE CATO
   FORMER VALDEZ MAYOR BILL WALKER
   VALDEZ POLICE CHIEF PAT SHELY

7. COMMITTEE DIALOGUE WITH MARK LEWIS
   A. SUBJECTS REGARDING VALDEZ ACTIVITIES
      1. GRAIN TERMINAL
      2. FISH PROCESSING PLANT

NOTE: AGENDA ITEMS NOT COMPLETED SHALL BE CARRIED FORWARD TO THE NEXT MEETING. COMMITTEE DISCUSSIONS MAY INCLUDE SUBJECTS NOT LISTED ABOVE.

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

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

SUBJECT: Confirmation Hearings

DATE: March 18, 1983

The following comments were prepared as a result of a discussion during which legal advice was requested for the question: "What is the role of the Committee in conducting confirmation hearings?"

The question which the individual committee members must resolve in their own minds is: "Do you believe the nominee would properly fulfill the duties of the Commissioner?"

The decision is essentially a political process as opposed to a legal process. There is no requirement to apply the rule of "burden of proof;" a more appropriate description is a "burden of persuasion."

During the process, the determination of an act or acts being technically illegal is "mildly interesting" and in large part irrelevant from the perspective of the Committee. The question of impropriety is more important in the decision making process.

The rationale for the previous statement is that the commitment of an illegal act(s), even if substantially proven, may or may not be indicative of a person's qualifications to perform assigned duties and, the Committee is not in a position to prosecute for illegal acts.

On the other hand, the Committee is charged with making a judgement, based on all reasonably available information, whether or not the actions of the individual convince the Committee that the nominee will, or will not, properly fulfill the role of Commissioner.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Gilman
Member
Senate Community & Regional
Affairs Committee

DATE: 18 March 1983

FROM: McKie Campbell
Professional Assistant
Senate Community & Regional
Affairs Committee

SUBJ: 1981 Valdez
Property Tax
Values

In January of this year the Anchorage Daily News published a series of articles concerning Mark Lewis's tenure as City Manager of Valdez. Several of the articles contained the allegation that Mr. Lewis had illegally changed the tax rolls of Valdez by lowering the value of most non-oil or gas related property by 15 percent.

Based on these articles, the Department of Revenue instigated a review to determine if Mr. Lewis's actions were improper or illegal.

According to the DOR report and attached opinion by the Department of Law, Mr. Lewis's actions were not illegal and the state does not have grounds to pursue action for lost state revenues caused by the alteration of the tax roll.

I have reviewed this report thoroughly and endorse the report is accurate in its conclusion. Both the report and the newspaper articles agree that Richard Randell, the appraiser hired by Valdez under contract to act as the city assessor, certified the reduced figure as true and correct for 1982. The report states that Randell had also certified the reduced figures as true and correct for 1981. Newspaper accounts had quoted Randell as denying that he certified the reduced figures in 1981.

I contacted Mr. Randell to resolve this contradiction. Randell said that in early March, 1981, he submitted the

roll of assessed property values to the Valdez City administration. On March 23, 1981, Randell discussed the figures with Lewis. Randell states that during that conversation he acknowledged that another appraiser might come in with different figures but held that the figures he had submitted were his best estimate of full and true value. Randell followed this conversation up with a March 31, 1981 letter to Lewis which DOR has included in their report as Exhibit F. Sometime in the middle or end of March, Lewis caused the values of most non-oil or gas related properties in the city to be reduced 15 percent.

In late March 1981, the tax notices were mailed to property owners at the reduced values. Twenty appeals were filed and Randell participated on the Board of Equalization hearings on these appeals in June 1981. Randell was aware at this time that the values had been reduced and he did not protest.

In late August 1981, Randell was reminded by the city that he had not submitted a formal letter certifying the tax roll as true and correct. On September 1, 1981, Randell wrote a letter to Lewis (Revenue Exhibit A) certifying the tax roll for 1981 as true and correct. Randell said that in his own mind he was certifying his original figures as true and correct, but he acknowledges that given his knowledge that the values had been reduced and the fact that he worked with the reduced figures at the Board of Equalization without protest, it was a reasonable assumption on the part of the city to believe he was certifying the reduced figures.

After examination of the sequence of events, I believe it could reasonably be held that Randell did certify the lower figures. This concurs with the report by DOR and the opinion by the Department of Law and supports the contention that the reduction of property values as handled and administered by Mark Lewis was legal.

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

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House of Representatives
Committee on Community & Regional Affairs

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FROM: Staff

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The decision is essentially a political process as opposed to a legal process. There is no requirement to apply the rule of "burden of proof;" a more appropriate description is a "burden of persuasion."

During the process, the determination of an act or acts being technically illegal is "mildly interesting" and in large part irrelevant from the perspective of the Committee. The question of impropriety is more important in the decision making process.

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On the other hand, the Committee is charged with making a judgement, based on all reasonably available information, whether or not the actions of the individual convince the Committee that the nominee will, or will not, properly fulfill the role of Commissioner.

FEB 28 1983

RECEIVED JAN 4 1983

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

APOC - ANCH
610 C Street, Suite 211 2/23/83
Anchorage, AK 99501-3598
(907) 276-4176

OR

APOC - JNO
Room 302, Goldbelt Bldg H.C.
130 Sewart Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1982 to December 31, 1982 *

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 150 Third Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code 99811 Home Phone: Work Phone: (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

☐ Legislative _____ (Senator or Representative) ☐ Judicial: _____ (title)

☒ Executive Commissioner (title of position) Community and Regional Affairs (name of department)

☒ Board or Commission Alaska Housing Finance Corporation, Alaska Industrial Develop and others declared by State Statute (name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End -

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 7, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: Mark Lewis

SUBSCRIBED AND SWORN to before me this 24th day of February, 19 83.

Notary Public: Linda Dupree

My commission expires: 11/2/86

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject to AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME (by name; amounts need not be disclosed.)
1) Salary:	
Mark Lewis	State of Alaska
Commissioner	Community and Regional Affairs
	Office of the Commissioner
2) Rentals (include business name, if any):	(renters)
3) Dividends and Interest:	
Mark Lewis	First National Bank of Anchorage
	Foster & Marshall, Inc.
4) Self employment (business name):	(clients or customers or "retail")
N.A.	
5) Other:	
N.A.	

(Continue on blank sheet if necessary)

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NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Mark Lewis	Savings Account	First Nation Bank of Anch. Valdez, AK 99686
	Savings Account	Foster & Marshall, Inc. Juneau, AK 99801

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Mark Lewis	House - 324 Hanagita Valdez, AK 99686	Owner, current Rental
	Town house, Juneau Douglas Island	Purchasing house Mortgage TBA

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N.A.			

(Continue on blank sheet if necessary)

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NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Mortgage on Valdez house - self mtg. w/ FWBA
Mark Lewis	Car loan self-loan w/ FWBA

(Continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

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PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-~~3266~~ 4801
DEPARTMENT OF ASSESSMENT

March 22, 1983

MAR 2 6 1983

House of Representatives
Barbara Lacher, Chairman
Community and Regional Affairs Committee

Dear Representative Lacher:

This is in response to your request for me to review the packet you sent me regarding reduced assessments in Valdez for 1981 and 1982.

The packet seemed to address the legal implications of reducing the assessments and, therefore, contained very little information as to whether or not the reduction of assessments could be substantiated.

After reviewing the packet, as presented, it is my personal and professional opinion that the reduction of assessments in Valdez was not substantiated by any supporting data and the method used could be considered, by professional assessors, as improper and unethical. My opinion is based upon the following observations:

1. Property appraisal is not an exact science but an opinion of value based on facts. Mr. Randell indicated in his letter that it was his opinion that his values represented 100% market value. I believe that a small amount of research will show that these value estimates were based upon facts which Mr. Randell obtained through his market analysis.

2. The valuations were reduced "because he (Mr. Lewis) believed that local economic conditions were depressed to the extent that the market probably would not support the values used by Mr. Randell." Nowhere in the packet can I find any information to support what Mr. Lewis believed. If this strategy were used by other assessors in the State, we might all raise our assessments by 10% - 20% because we believed we were low. This could not happen because our Boards of Equalization require us to show supporting data for our value estimates.

3. Mr. Randell's statement, it is not uncommon for appraisers to differ as much as 15% to 20% in valuation, is a correct statement. However, it should be noted that both appraisers values would be based upon supporting data. The interpretation of this data usually is the reason for a difference of opinions.

MAR 26 1983

4. The statutes mandate that the assessor assess property at its full and true value, not attempt to assess at a level comparable with other municipalities.

As I stated earlier, the appraisal of real estate is not an exact science but an opinion of value based on facts or supporting data. If Mr. Lewis believed that the assessments were high, a sales ratio study should have been conducted. A sales ratio study may have shown that the assessments were high and adjustments were warranted. This would have been the proper method for an assessor to follow rather than an arbitrary percentage reduction. I would like to point out that this may have been done, however, I did not see it in the packet you sent me. If this were in fact done, then I would state that the actions taken were both ethical and proper. For your information, I have enclosed a copy of the IAAO Code of Ethics which most assessing offices use.

As to your question regarding the tax dollar amounts as reported by Gerald Heier with the Department of Revenue, I believe the figures obtained are correct with respect to the information he received.

I hope I have answered your questions and would like to point out that the opinions expressed in this letter are my personal opinions and not necessarily those of my employer.

Respectfully,

Steve Van Sant
Director of Assessments
and Land Management

cr

International Association of Assessing Officers

MAR 26 [illegible]

Code of Ethics

The functions of the assessing officer and other members of IAAO are professionals in character. This Code of Ethics is a set of dynamic principles guiding the members' conduct. Each member of IAAO agrees that he will:

1. Cooperate fully with other members in all matters affecting his offical duties.
2. Conduct his activities in a manner that will reflect credit upon himself, other members and the IAAO.
3. Cooperate with the IAAO and its officers in all matters, including, but not limited to the investigation, censure, discipline or expulsion of members who by their conduct prejudice their professional status or the reputation of the IAAO.
4. Protect the professional reputation of other members of IAAO who subscribe to and abide by this Code of Ethics.
5. Treat as confidential all information concerning persons or their property obtained in his official capacity, except for lawfully authorized uses. It is proper for members employed by different jurisdictions to exchange factual information concerning persons or their property to aid either or both in the assessment of property legally subject to taxation
6. Perform his assessment duties in a manner consistent with statutory requirements without advocacy for accommodation or any particular interests, being factual, objective, unbiased and honest in his conclusion
7. Maintain, at all times, a courteous and respectful attitude in his relations with taxpayers, public officials and the public generally, and to compel a similar attitude on the part of his subordinates.
8. Give full faith and allegiance to his oath of office, apply the law of his jurisdiction to all taxpayers alike, and obey all applicable laws and regulations
9. Conform in all respects to this Code of Ethics, The Standards of Professional Conduct and the Constitution of the IAAO as the same may be amended from time to time

Standards of Professional Conduct

In relations with assessing officers, an IAAO member will:

Cooperate within the legal and ethical boundaries of his office or profession with other members who request his cooperation in performing the functions of their offices or profession.

Treat information obtained in his professional capacity as confidential unless use of that information is authorized by law. It is proper for members employed by different jurisdictions to exchange factual information concerning property to aid either or both in the assessment of property legally subject to taxation.

Protect the professional reputation of other members who subscribe to and abide by these Standards of Professional Conduct.

Give full credit to the originator of any material he uses in his writings or speeches.

Conduct his activities in a manner that will reflect credit upon himself, other members, and the IAAO.

Cooperate with the officers of the IAAO in all matters, including but not limited to the investigation, censure, discipline, or expulsion of members whose conduct casts a shadow on their professional status or the reputation of the IAAO.

In relations with public officials, an IAAO member:

Has a duty to cooperate with public officials to improve the efficiency and economy of public administration.

Will always maintain an attitude of respect and cooperation toward public officials and governmental agencies to whom the law has assigned official duties relating to the work of the IAAO member.

In relations with the public and taxpayers, an IAAO member will:

Maintain at all times a courteous and respectful attitude in his relations with taxpayers, taxing officials, and the public generally, and will compel a similar attitude on the part of his subordinates.

Give full faith and allegiance to his oath of office.

Apply the law of his jurisdiction equitably.

Perform his duties in a manner consistent with statutory requirements without advocacy for accommodation of any particular interests; he will be factual, objective, unbiased, and honest in his conclusion.

Appraisal standards to be complied with by IAAO members:

Any appraisal by an IAAO member shall conform to the highest professional assessment/appraisal standards.

Any value estimate made for assessment purposes by an IAAO member shall be an estimate of true market value as defined by the courts having jurisdiction, regardless of the assessment percentage to be used, except when the law of his jurisdiction requires or the assessment practice in his jurisdication permits special valuation techniques.

Any value estimate made by an IAAO member shall be a true opinion of value in accordance with generally accepted appraisal practices, except when the law of his jurisdiction requires or the assessment practice in his jurisdiction permits special valuation techniques.

Any fee appraisal assignment accepted by an IAAO member shall be one in which he has no unrevealed personal interest or bias, and one which he is competent to complete without placing his personal integrity or the assessing/appraisal profession in jeopardy.

It shall be unethical for a member of IAAO to accept an engagement for which the amount of his compensation is contingent upon reporting a predetermined value or upon the amount of the value estimate; or upon reporting a predetermined opinion, conclusion, or recommendation; or upon the amount of a tax reduction obtained by a client where his services are used; or upon any result, value, or subsequent transaction.

June 1st, 1983 Confirmation Hearings

Mark Lewis -

Former Mayor Bill Walker - 1979-80. Lynn Crystal, Art Rainer, Chuck McPage, MacMacDonald, MacAlpine
List of CIP's in Valdez by Lewis. John Jagger, Ken Peacehouse
Rep. Bette Cabo - Endorses Lewis as Commissioner.
Valdez Teleconference

Ray Pittman
Dealings professional, honest, etc.

Lt. Gov MacAlpine - Sick Leave
Endorses Lewis as Commissioner. Cited Renewable accomplishments, Tourism, Port, Fisheries.

Fred Hansen - Civic Center
Endorses Lewis.

Shirley Scott - City Clerk
Endorses Lewis.

Pat Sheehy - Chief Police City of Valdez
Endorses Lewis.

Jerry ~~Tony~~ Boot - Port Director
Endorses Lewis.

Barney Mayring
Endorses Lewis.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 17, 1983

House of Representatives
Barbara Lacher, Chairman
Community & Regional Affairs Committee

Senate
Frank Ferguson, Chairman
Community & Regional Affairs Committee

Review of potential State claim against
the City of Valdez for recovery of taxes
paid under AS 43.56

In conjunction with the Department of Law, we have completed an investigation of allegations that Mark Lewis, the former City Manager of Valdez, improperly reduced assessments on local property in 1981 and 1982, thereby increasing the overall millage rate in the local tax on the petroleum properties in concomitantly reducing taxes paid to the State, and have concluded from the facts that Mr. Lewis did not act improperly or illegally. Therefore, the State should not pursue any claim against the City of Valdez for recovery of additional taxes under AS 43.56 and we view the matter as closed.

A copy of the Department of Revenue's report dated March 14, 1983 and a copy of the Department of Law's legal opinion dated March 16, 1983 are attached. The following is a brief summary of those findings.

AS 43.56.010(a) imposes a state tax of 20 mills on oil and gas property. Under AS 43.56.010(b) and AS 29.53.045 a municipality may levy a tax on petroleum properties within its jurisdiction at the rate applicable to other property tax by the municipality. The tax paid to a municipality under this subsection is then credited under AS 43.56.010(d) against the state tax due.

In 1981 and 1982, the City of Valdez hired on contract an appraiser to assess property in the city for purposes of taxation. The contractual provisions required the appraiser to perform the statutory duties of an assessor. Under state law (AS 29.53.060(a)) and the Valdez city code (25-4 (2)) the city is required to assess property at its true and full value. Both define "full and true value" in a manner which clearly allows for a determination upon which reasonable minds can differ. In addition, real estate appraising is not an exact science and does not allow for "full and true value" determinations to be precise and often appraisers differ by as much as 20 percent on valuations.

House of Representatives
Barbara Lacher, Chairman
Community & Regional Affairs Committee

Senate
Frank Ferguson, Chairman
Community & Regional Affairs Committee

The City of Valdez's contracted assessor made his real property valuations as being 100% of fair market value, however, Mr. Lewis believed the assessor's assessments were high in light of the local economic conditions and after consultation with the assessor lowered the assessments by 15%. The assessor certified the reduced assessments as true and correct for 1981 and 1982.

The Department of Revenue investigation shows that all the real property assessments ratios for the municipalities which contain petroleum property are less than 100% of valuation. The ratios for Valdez in 1981 and 1982 are 89.6% and 93.8% respectively. When comparing the Valdez assessment ratios with the assessments ratios of other municipalities having oil and gas properties which ranged from 70.0 to 93.8, it is clear that the City of Valdez appraisals were in fact high and will not support a finding of any improper or illegal action.

In conclusion, the facts do not substantiate that Mr. Lewis acted improperly or that his actions resulted in the City of Valdez making any illegal real property assessment determinations under AS 29.53.060(a) and therefore, we conclude that the State did not lose any revenue under AS 43.56.010(d) and the matter is closed.

Sincerely,

Robt D Heath

Robert D. Heath
Commissioner of Revenue

RDH:NS:mc

Attachments

MEMORANDUM State of Alaska

TO: Honorable Robert D. Heath
Commissioner
Department of Revenue

DATE: March 16, 1983

FILE NO: 366-493-83

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

By: Diane T. Colvin
Assistant Attorney General

SUBJECT: Review of potential state claim against City of Valdez for recovery of taxes paid under AS 43.56

You asked us to review a situation involving assessment and levy of taxes by the city of Valdez under AS 43.56, relating to oil and gas property taxes. Allegations have been made that the former City Manager of Valdez, Mark Lewis, improperly reduced assessments on local property in 1981 and 1982, thereby increasing the overall millage rate and the local tax on petroleum properties and concomitantly reducing taxes paid to the state. You have asked us to determine if his actions were improper, and, if found improper, to further determine whether the state has a claim against the city for recovery of excess taxes paid to the city on petroleum properties. We conclude, based upon your investigation and the facts submitted to us, that there is no clear proof that the assessments were improperly reduced and that, therefore, the chances of the state recovering on a claim against the city are poor.

The tax in question is the oil and gas property tax levied under AS 43.56.010. AS 43.56.010(a) imposes a state tax of 20 mills on oil and gas property as defined by AS 43.-56.210(6). Under AS 43.56.010(b) and AS 29.53.045 a municipality may levy a tax on petroleum properties within its jurisdiction at the rate applicable to other property taxed by the municipality. The tax paid to a municipality under this subsection is then credited under AS 43.56.010(d) against the state tax due.

The actions in question here involved assessments made in 1981 and 1982 on local property in the city of Valdez. State law and city ordinances require the city to assess property at its full and true value. (AS 29.53.060(a) and Valdez City Code 25-4(a)). Both define "full and true value" as follows:

> . . . the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a

RECEIVED
ALASKA DEPARTMENT OF REVENUE
MAR 16 1983
OFFICE OF THE COMMISSIONER

willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

It is evident from the definition itself that full and true value is a determination on which reasonable minds can differ. The factors involved -- prevailing market conditions, a willing seller, a willing buyer, prevailing general price levels -- cannot be ascertained with precision or complete accuracy.

In 1981 and 1982 the city hired on contract an appraiser to assess property in the city for purposes of taxation. The contract refers to the individual hired as appraiser; however, it is evident from the contract provisions that the appraiser was to perform the statutory duties of assessor (e.g., . . . "make a final report to the City in the manner required by law", Exhibit C of your report, clause 1(c).) In addition, the facts show that the appraiser hired, Richard G. Randell, acted as tax assessor for those two years. By letter of September 1, 1981, he certified the tax roll for the year 1981 as true and correct. (Exhibit A). By letter of March 1, 1982, he made the same certification for the year 1982. (Exhibit B).

The allegation made against Mark Lewis is that he acted improperly and without authorization by reducing the assessments made by Mr. Randell by 15%. It appears that this action was taken before issuance of the notices of assessment and any subsequent action by the Board of Equalization and prior to certification of the tax rolls. According to your report, he took this action because he believed Mr. Randell's assessments were high in consideration of local economic conditions. Mr. Lewis and Mr. Randell discussed this matter on March 23, 1981, and in a letter dated March 31, 1981 (Exhibit F), Mr. Randell defended his valuations as being 100% of fair market value. In the same letter, he pointed out that real estate appraisal is an inexact science, and that appraisers often differ by as much as 15 to 20 percent on valuations.

Subsequent to this letter, but long before final certification of the assessment roll, the assessments were lowered by Mark Lewis. This was done in consultation with Mr. Randell, as discussed above, and evidently with his acquiescence, since there is no indication in the facts that he refused to submit the new assessments to the city council or to certify the tax rolls, despite the fact that he may have disagreed in principle with them.

In light of this, I do not believe the facts show that

Mr. Lewis acted improperly. The general rule in regard to the making of assessments is that the officer or board authorized to make an assessment is usually specified by law and the assessment, to be valid, should be made by the one so designated. See, McQuillen Mun Corp (3rd Ed) § 44.102. In this case, it does not appear that this rule was violated. Although the changes were actually made by Mr. Lewis, not the assessor, they were done after consultation with the assessor. While the assessor may have disagreed with the reduced valuation, he certified the assessments as changed to the city council.

While one can argue that this situation involves an unauthorized delegation of authority to make an assessment, that argument is a weak one. In accordance with rules relating to public officers, the acts of a de facto assessor generally are recognized to be valid. Id. In addition, exact conformity with all the statutory procedures for assessment is not necessarily a condition precedent to a valid tax. Substantial compliance with statutory requirements is sufficient, unless the requirements are classified as mandatory. City of Yakutat v. Ryman, ____ P.2d ____ (Opinion No. 2581), November 5, 1982. It does not appear that any requirements deviated from here were mandatory, so strict compliance is not at issue. Thus, it is unlikely that a court would invalidate the tax levied. While the procedures used may have been irregular, they are by no means clearly improper or in violation of AS 29.53.010 -- .180, Municipal Property Tax, or Valdez City Code §§ 25-1 -- 25-15, Assessment, Levy and Collection of Taxes.

In addition, the memorandum of March 9, 1983 from Jerry Heier included in your report shows that all the real property assessment ratios for the municipalities that contain petroleum property are at less than 100% of valuation. The ratios for Valdez in 1981 and 1982 are 89.6 percent and 93.8 percent. When compared to the average ratio for each of these years (85.2 and 84.5) and the ratios for other municipalities with oil and gas properties (ranging from 70.0 to 93.8), it appears that the original appraisals of Randell were in fact high. This fact, combined with the legal principles discussed above, would make it difficult to show improper or arbitrary action.

It is also important to note that if an assessor uses any proper method of assessment uniformly throughout the taxing district, the mere fact that a different method of assessment may result in a different valuation is not grounds for invalidating the tax. Winegardner v. Greater Anchorage Area Borough, 534 P.2d 541, 548 (Alaska 1975). A municipality has discretion to appraise by whatever recognized method of valuation it chooses, so

long as there is no fraud or clear adoption of a fundamentally wrong principle of valuation. Twentieth Century Investment Company v. City of Juneau, 359 P.2d 783 (Alaska 1961); Hoblit v. Greater Anchorage Area Borough, 473 P.2d 630 (Alaska 1970). There is no evidence that either factor was present in this case.

Because it is not clear that Mr. Lewis acted improperly, I cannot recommend that the state pursue a claim against the city for recovery of the excess taxes charged. It would, in my opinion, be difficult for the state to prove that the method of assessment was improper or that there was not substantial compliance with prescribed procedures. It would be particularly difficult to prevail on these issues in light of the fact that the assessment ratio for each year in question is reasonable when compared to the ratios for other municipalities affected by oil and gas property assessments.

We hope this information is useful to you. If you have further questions, please do not hesitate to contact us.

NCG:DTC:eja

Alaska Department of Revenue

Valdez Property Tax Problem

Report by Petroleum Revenue Division

Dated: March 14, 1983

Table of Contents

Memo from Fred Boetsch to Joseph Donohue regarding Valdez property tax problem, dated March 9, 1983.

Memo from Jerry Heier to Joseph Donohue entitled "Overview of Local Assessment Practices," dated March 9, 1983.

Memo from Jerry Heier to Joseph Donohue regarding Valdez oil and gas property taxation dated February 9, 1983.

Exhibit A - September 1, 1981 letter from Richard G. Randell to Mark Lewis, City Manager of Valdez, on 1981 tax assessments.

Exhibit B - March 1, 1982 letter from Richard Randell on Valdez real estate appraisals for assessment purposes.

Exhibit C - Contract for Professional Appraisal Services between City of Valdez and Rich Randell Appraisal Company.

Exhibit D - Portions of the City of Valdez charter.

Exhibit E - City of Valdez Code.

Exhibit F - March 31, 1981 letter from Richard Randell to Mark Lewis regarding real estate values for properties located in the City of Valdez.

Exhibit G - March 9, 1983 letter from Patrick McKay, Attorney at Law, to Mark Lewis.

MEMORANDUM State of Alaska

TO: Joe Donohue
Deputy Commissioner
Department of Revenue

DATE: March 9, 1983

FILE NO.

TELEPHONE NO:

FROM: Fred Boetsch
Director
Petroleum Revenue Division
Department of Revenue

SUBJECT: Valdez Property Tax Problem

ALLEGATIONS BY ANCHORAGE DAILY NEWS

The Anchorage Daily News, in a series of stories, charged that the City of Valdez had received about $ 190,000 in property tax revenues on state assessed petroleum properties in an improper way. The stories indicated that the locally assessed property had been reduced in 1981 and 1982 by the City Manager, Mark Lewis, by 15% without folowing proper procedures. As a result of the lower assessment for local property, the overall millage rate was higher than it otherwise would have been. This caused the local tax on petroleum property to also be higher with the result that the net tax paid to the state was reduced. See the memo from Jerry Heier and me dated February 9, 1983 titled "Valdez oil and gas property taxation" for the calculations and details of how this worked.

THE FACTS

The City of Valdez hired the Rich Randall Appraisal Company to appraise local property for 1981 and 1982. Although the correspondence and the contract entered into on December 15, 1981 (for the 1982 and 1983 years) uses the term "appraiser", Mr. Randall actually certified the rolls for 1981 and 1982 as the city "assessor". In addition, the terms of the request for proposal, the correspondence, and the contract (Exhibit C), seem to indicate that the appraiser was to do all of the work ordinarily done by the assessor under the Municipal Code (Title 29, Alaska Statutes) and the local ordinances (See Exhibit E). Although no reference was made to having Mr. Randall certify the rolls as "assessor", he in fact did so in letters to Mark Lewis dated September 1, 1981 for the 1981 tax roll (Exhibit A) and to Tom Gilson dated March 1, 1982 for the 1982 tax roll (Exhibit B).

Mark Lewis, in his capacity as City Manager, and as the person who, acting in that capacity, hired Mr. Randall, then proceeded to lower Mr. Randall's assessments by 15%. He did this because he believed that local economic conditions were depressed to the extent that the market probably would not support the values used by Mr. Randall. Mr. Lewis and Mr. Randall apparently discussed this topic on March 23, 1981 and Mr. Randall subsequently defended his valuations in a letter to Mr. Lewis dated March 31,1981 (Exhibit F). In that letter, Mr. Randall also indicated that appraisers could differ in their valuations of the same piece of property by as much as 15% to 20% and that, "Therefore, it would be reasonable to apply a percentage of increase or decrease to the values I arrived at for

assessment purposes." Mr. Lewis, did, in fact, lower those assessments by 15%.

It should be noted at this point that their is substantial support for Mr. Randall's views about the variability of assessments on property. A study by Jerry Heier (see his memo to you dated February 22, 1983 attached) comparing the ratios for several Alaska municipalities as done by the State Assessor and the various practices different communities use for the year to year assessment process indicate that there is, indeed, a wide variation, not only in the values, but in the assessment process itself.

LEGAL QUESTIONS

There are really two legal questions involved here:

1) Did Mark Lewis act improperly when he lowered the local assessments?

2) Can the state recover the excess taxes charged on petroleum properties as a result of his action?

The first question is a difficult one to resolve. According to the Municipal Code and the City Ordinances of the City of Valdez, only the assessor has the authority to certify the assessment role and any changes made to the role must be made by the assessor (as a result of error or omission) or by the city council sitting as the board of equalization as recorded by the city clerk (Exhibit E, Secs. 25-4, 25-4.1, 25-6, 25-7, 25-7.1, and 25-8). It is apparent from the facts that Rich Randall acted as assessor within the meaning of this requirement. However, he was hired by, and worked under the authority of Mark Lewis, City Manager. The question is, did Lewis have the actual authority to function as assessor which he then delegated to Randall? If that is the case, then one could argue that he lowered the assessments in accordance with his authority and both questions are resolved.

If, on the other hand, only Rich Randall, by virtue of the authority given to him under the agreements he had with the City of Valdez, could make the changes that were made, then Mark Lewis failed to follow the procedures required under the local ordinances and acted improperly in changing the role.

As to the second question, it is possibly a question that could be applied to all municipalities which contain petroleum property and which assess local property at less than full and true value. Again, referring to the memo dated February 22, 1983 by Jerry Heier, it appears that all such municipalities are at less than 100%. In fact, it is further interesting to note that the City of Valdez had ratios of 89.60% in 1981 and 93.84% in 1982 which indicates that Rich Randall's original appraisals were high. Valdez is also higher than the average for all municipalities.

Even so, if the first question is answered in the affirmative and Mark Lewis did act improperly, does that impropriety give the state a cause of

action against the City of Valdez to recover the excess taxes collected on petroleum property? There is nothing in Title 43 that would give the state such authority.

CONCLUSION

Both legal questions should be referred to the Department of Law for a legal opinion and recommendations as to further action, if any. I should point out that if the state does seek to recoup the money from the City of Valdez, then Valdez would more than likely have to raise its current mill rate in order to pay us. Since that would be born primarily by petroleum property, our net would be only about $ 12,000. It is possible, however, that the Attorney General could find a way to make this assessment either retroactive to local property owners at the time of the 1981 and 1982 assessments or order a special assessment on current locally owned property only.

This memo and the attachments should be forwarded to the Attorney General for his advice on how or whether to proceed.

MEMORANDUM State of Alaska

TO: Joe Donohue
Deputy Commissioner
Department of Revenue

DATE: March 9, 1983

FILE NO:

TELEPHONE NO:

FROM: Jerry Heier JH
Petroleum Property Assessor
Petroleum Revenue Division
Department of Revenue

SUBJECT: Overview of Local Assessment Practices

Through: Fred Boetsch FB
Director

I have obtained the 1982 real property local assessment ratios for 1982 from the Department of Community and Regional Affairs that apply to the municipalities primarily affected by oil and gas property assessments.

The 1981 and 1982 ratios are as follows:

	1981	1982
Anchorage	87.24	82.05
Fairbanks-North Star	93.11	87.03
Kenai Peninsula	90.39	79.93
Matanuska-Susitna	80.84	88.18
North Slope Borough	70.00	76.00
Valdez	89.60	93.84
Average Ratio	85.20	84.51

The methodology used for determining real proprty assessment ratios and its uses and limitations are explained in "Alaska Taxable" furnished by the Department of Community and Regional Affairs, Division of Local Government Assistance.

While a 100% ratio is the ultimate goal for an assessor's office it is very rarely attainable. Property valuation can best be described as an art and not an exact science. It is very unlikely that any two appraisers will appraise a specific property at the exact same value. Too many variables are involved in the appraisal function. A difference of 10 to 15 percent is not uncommon.

The ideal situation is for a municipality to revalue, or at least recheck the value of each property annually. On the practical side this is rarely possible due to time and budget restraints. Smaller taxing jurisdictions may be able to accomplish this on a contract basis, rather than with an in-house appraisal and assessment staff.

I have contacted several of the municipalities involved with oil and gas properties to determine the time schedule used for an entire valuation of the locally assessed properties.

In 1980 the Municipality of Anchorage began an annual revaluation cycle. This is being accomplished through the utilization of a computer assisted valuation system along with an in-house field appraisal section. Approximately 20 percent of the Municipality is physically appraised by the field staff. This would include difficult to appraise, special purpose properties and areas where there have been erratic and/or rapid value changes. The remaining 80 percent of the municipality is revalued utilizing computer analysis and extension.

The Fairbanks-North Star Borough is on a three year reappraisal cycle with staff appraisers. One-third of the Borough is physically inspected and revalued each year.

The Kenai Peninsula Borough is on a two year reappraisal cycle with one-half of the Borough being physically inspected and revalued each year.

The Matanuska-Susitna Borough has just gone on an annual revaluation basis. During the last two years the land values were readjusted annually and the buildings every two years.

The North Slope Borough uses both an in-house staff and a contract appraisal firm. Industrial and commercial properties are revalued annually and residential properties are revalued every two years.

The Municipality of Valdez uses a contract appraisal firm on an annual review and revaluation basis.

During inflationary market conditions a municipality that is on a two or three year revaluation cycle will always be on the low side of a 100% ratio. Computer assisted valuation is relatively new in the state and I am not able to comment on its reliability or accuracy.

The ultimate proof of an appraisal is only evident after a sale of the property itself and assessments are not made on hindsight but only on the basis of a best estimate of current market conditions.

With due consideration given to the fact that a 100% ratio is rarely obtainable under the best of conditions and that most of the municipalities revalue on a cycle basis it is understandable that local assessment ratios will be below the ideal, 100% assessment ratio.

To my knowledge the statutes do not provide any means of forcing a municipality to achieve and maintain a relatively reasonable high ratio. Even statutory provisions would have to provide for a reasonable range to allow for local budget and time constraints.

The question of ultimate authority for an across the board reduction or increase for a portion or even all of an assessment roll, by any class of city or borough whould be referred to the Department of Law. From a practical point of view it would appear that the real property assessment ratios for the municipalities reviewed were fairly consistant and fell within a reasonable range. The average rate for 1981 was 85.20 percent and range from a low of 70 percent to a high of 93.11 percent. For 1982 the

spread is even narrower, with an average ratio of 84.51 percent with a low of 76 percent and a high of 93.84 percent.

For reasons already mentioned it is not unreasonable for the average ratio to be below 100 percent and the spread or range or ratios also appears to be within tolerable limits.

GDH:il

MEMORANDUM State of Alaska

TO: Joseph K. Donohue
Deputy Commissioner

DATE: February 9, 1983

FILE NO:

TELEPHONE NO:

SUBJECT: Valdez oil and gas property taxation

Through: FROM: Fred Boetsch, Director
Petroleum Revenue Division

From: Gerald D. Heier
Petroleum Property Assessor

I have checked into the Valdez oil and gas property tax situation and was informed by Terry Early, the State Assessor with the Department of Community and Regional Affairs that the 1981 locally taxed assessed value for Valdez was $87,412,330 and that the 1982 value was $91,811,450. These would be the 85% numbers derived from the 100% appraised values.

The original appraised values can be calculated as follows:

1981 = 87,412,330 ÷ .85 = 102,838,035

1982 = 91,811,450 ÷ .85 = 108,013,470

The differences in local taxes paid on state assessed oil and gas properties and 85% or 100% locally assessed properties can be calculated as follows:

	1981	1982
Locally Assessed, actual	87,412,330	91,811,450
State Assessed	+ 1,619,140,000	+ 1,575,389,000
Total Value	1,706,552,330	1,667,200,450
Actual local mill levy	x .006364	x .0069009
Taxes collected	10,860,499	11,505,183
Locally assessed, adjusted	102,838,035	108,013,470
State Assessed	+ 1,619,140,000	+ 1,575,389,000
Total adjusted value	1,721,978,035	1,683,402,470

An adjusted mill rate can now be determined as follows:

Taxes collected -- Total adjusted value equals adjusted mill levy.

1981

$$\frac{10,860,499}{1,721,978,035} = .006307$$

1982

$$\frac{11,505,183}{1,683,402,470} = .0068345$$

The difference between the actual local mill levy times the state assessed property value yields the additional local tax imposed on state assessed properties.

	1981	1982
Actual mill levy	.006364	.0069009
Adjusted mill levy	- .006307	- .0068345
	.000057	.0000664
State Assessed Property	1 619,140,000	1,575,389,000
	.000057	.0000664
	92,290.98	104,605.83

The above scenario assumes that the information obtained from Terry Early is the actual assessed values used by Valdez for tax purposes and that the assessed value was actually 85% of the original appraised value as determined by their contract appraisers.

I have discussed the Valdez situation with Dave LeBlond of the Attorney General's office here in Anchorage and he mentioned several points of concern.

Valdez is a Home Rule City and may or may not operate under the same rules and regulations as an organized borough. It should be assumed that the city manager has the authority to reduce the appraised values and establish the local assessment roll as he thought best. His opinion of value for the city properties may be different than the contract appraisers. It is not unusual for "appraised" values and "assessed" values to differ by 10% to 15%. Any formal investigation would be time consuming, probably involving subpoenas and interogatories. It would be difficult to prove that anyone acted in bad faith or conspired to cheat the state.

Enclosed is a copy of "Alaska Taxable" - 1981, please refer to Table III "Local Assessment Vs. Full Value" on pages 20 and 21. Valdez has a real property assessment ratio of 89.6; North Slope Borough, 70.00; Mat-Su, 80.84; Kenai Peninsula, 90.39; Fairbanks North Star, 93.11 and Anchorage 87.24. This would seem to indicate that the assessment ratio for Valdez for 1981 did fit the general pattern of ratios determined for other oil and gas related property boroughs.

appraisal associates of alaska
real estate appraisers and consultants

Exhibit A

MAR 0 1 1983
Petroleum ... Division

September 1, 1981

RE: City of Valdez
Tax Assessments
Tax Year 1981

City Manager
City of Valdez
P O Box 307
Valdez, Alaska 99686

ATTENTION: MARK LEWIS

Dear Mr. Lewis:

I hereby certify, as the Tax Assessor for the City of Valdez, that the tax roll for the year 1981 is true and correct. And that any and all appeals have been answered and rectified.

If you have any questions do not hesitate to contact me.

Yours

Very truly yours,

RICHARD G. RANDELL

RGR/km

file

five eleven west third avenue, anchorage, alaska 99501 telephone: (907)277-1005

Exhibit B

Rich Randell Appraisal Co.
P.O. Box 747
Valdez, Alaska 99686

March 1, 1982

City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Attn: Mr. Tom Gilson/Finance Director

Re: Real Estate Appraisals
for Assessment Purposes
Valdez, Alaska

Dear Tom:

I hereby certify, as the tax assessor, that the appraisals for tax purposes are completed and the tax roll for the year 1982 is true and correct as submitted. However, in the event that any appeals to this tax roll and/or the appraised values prove correct, the tax roll will be amended.

This year we were asked to value certain city owned lands and these values follow.

Legal Description	Area	Estimated Value as of 1/1/82
Lot 25, Block 1 Mineral Creek	18,863 sq.ft.	$56,600-
Lot 1, Block 20 Mineral Creek	8,800 sq.ft.	30,800-
Lot 2, Block 20 Mineral Creek	8,800 sq.ft.	30,800-
Lot 3, Block 20 Mineral Creek	8,800 sq.ft.	30,800-
Lot 4, Block 20 Mineral Creek	8,800 sq.ft.	30,800-
Lot 5, Block 20 Mineral Creek	8,856 sq.ft.	31,000-
Lot 20, Block 22 Mineral Creek	8,787 sq.ft.	30,800-
Lot 21 Block 22 Mineral Creek	8,273 sq.ft.	29,000-
Lot 2, Block 23 Mineral Creek	20,370 sq.ft.	61,100-
Lot 3, Block 23 Mineral Creek	1.997 Acres	174,000-
Lot 2, Block 25 Mineral Creek	20,160 sq.ft.	70,600-
Lot 11, Block 27 Mineral Creek	20,160 sq.ft.	70,600-
Lot 7, Block 28 Mineral Creek	10,000 sq.ft.	40,000-
Lot 2, Block 29 Mineral Creek	14,643 sq.ft.	58,600-
Lot 9, Block 31 Mineral Creek	14,897 sq.ft.	59,600-
Lot 15, Block 34 Mineral Creek	7,500 sq.ft.	22,500-
Lot 16, Block 34 Mineral Creek	7,500 sq.ft.	22,500-
Lot 17, Block 34 Mineral Creek	7,500 sq.ft.	22,500-
Lot 18, Block 34 Mineral Creek	7,500 sq.ft.	22,500-
Lot 13, Block 35 Mineral Creek	4,416 sq.ft.	13,200-
Lot 14, Block 35 Mineral Creek	4,249 sq.ft.	12,700-
Lot 23, Block 35 Mineral Creek	6,500 sq.ft.	19,500-
Lot 24, Block 35 Mineral Creek	7,500 sq.ft.	22,500-
Lot 12, Block 36 Mineral Creek	1.016 Acres	44,300-
Lot 7, Block 37 Mineral Creek	7,774 sq.ft.	23,300-

Legal Description	Area	Estimated Value as of 1/1/82
Lot 1, Block 40 Harbor	6,500 sq.ft.	19,500-
Lot 2, Block 40 Harbor	6,500 sq.ft.	19,500-
Lot 3, Block 40 Harbor	6,500 sq.ft.	19,500-
Lot 4, Block 40 Harbor	6,500 sq.ft.	19,500-
Lot 12,Block 40 Harbor	6,048 sq.ft.	24,200-
TR.C.,Block 49 Harbor	17,977 sq.ft.	44,900-
TR.D.,Block 49 Harbor	12,362 sq.ft.	30,900-
Ptn. Block 8 Black Gold #1	23,168 sq.ft.	57,900-
TR.F. USS 495 Port Valdez	17,165 sq.ft.	47,200-
USS 455	125 Acres	625,000-
USS 439	470.628 Acres	1,647,000-
Lot 11, Block 35 Min. Creek	5,625 sq.ft.	16,900-
Lot 12, Block 35 Min. Creek	4,875 sq.ft.	14,600-
Lot 22, Block 35 Min. Creek	5,500 sq.ft.	16,500-
Lot 31, Block 33 Min. Creek	7,500 sq.ft.	22,500-
Block 5, Block 20, Add. #2 Mineral Creek	3.81 Acres	415,000-
Block 6, Block 20, Add. #2 Mineral Creek	2.92 Acres	318,000-
Tr.B, Block 20, Add #2 Mineral Creek	46,000 sq.ft.	138,000-
Lot 11, Block 1 Min. Cr. Hts.	9,073 sq.ft.	31,800-
Lot 39, Block 1 Min. Cr. Hts.	10,154 sq.ft.	35,500-
ASLS 79-117(W. Min. Cr.) Tr. A.	406.46 Acres	488,000-
ASLS 79-117(Harbor) Tr.B. (Island "A")	25.63 Acres	89,700-
ASLS 79-116(Industrial Tract) TR.A.	1,657.7 Acres	1,326,000-
ASLS 79-116 TR.B.	1,488.42 Acres	1,191,000-
ASLS 79-116 TR.C.	188.67 Acres	283,000-
ASLS 79-116 TR.D.	106.81 Acres	171,000-
ASLS 79-115 TR.E.	21.66 Acres	75,800-
ASLS 79-116 TR.F.	364.21 Acres	437,000-
ASLS 79-116 TR.G.	34.56 Acres	121,000-

These values are opinions based on factors found in the Valdez real estate market while doing our assessment work. However, many of these parcels are so large and/or so untypical that no comparable sales data was available and therefore are extremely rough estimates.

Also, many of the property cards need to be updated, and in order to accomplish this, we must personally inspect each of the properties in question. The accomplishment of this will take time as it is difficult to find owners at home during day-time hours and many do not want to be bothered in the evening.

We have been, and are making, telephone calls to try and set up appointments. Those that cannot be reached by telephone will have to be canvassed.

We are also planning to take new photographs of all improved properties during the late spring and summer of 1982. We propose to have the majority of the property cards completed and have new photographs with them by December 15, 1982 and if not, we recommend that the payment of $8,400 due us on that date be held back until this requirement is met.

One other subject I would like to discuss with you is the appraisal of mobile homes as real property. Anything that is permanently affixed to the land is real property; mobile homes are personal property. There is no way to accurately keep abreast of ownership changes in the mobile home market as there is no requirement to file any sort of deed; like in a real property transaction. Also, mobile home owners move their units from one court to another without any notification to the city. The city then expends a large amount of effort, as well as money, in locating the correct owner and/or unit.

I would recommend that any mobile home that is not set up on a full (permanent style) foundation be considered personal property and removed from the real property tax roll.

If you have any questions regarding any part of this letter please contact me.

Very truly yours,

Richard A. Randell

Rich Randell

RR/mmp

CONTRACT FOR PROFESSIONAL APPRAISAL SERVICES

THIS AGREEMENT, made and entered into this 15th day of December, 1981, by and between the CITY OF VALDEZ, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as the "City," and Rich Randall Appraisal Company, hereinafter referred to as the "Appraisers".

WITNESSETH:

1. The Appraiser shall:

(a) Appraise, in accordance with standard Alaska tax practice, all taxable real property located within the existing limits of the City at true value, furnishing all necessary cards, photographs and forms required for such appraisal, for tax year 1982 and 1983.

(b) Appraise, in accordance with standard Alaska tax practice, all City, State, and Federal property located within the existing limits of the City at true value, furnishing all necessary property cards with photographs and information on acreage and dimensions as well as a description of any improvements, for tax year 1982 and 1983.

(c) Furnish all necessary equipment and labor, other than legal and/or location descriptions and ownership records of those parcels to be appraised, in connection with the appraisal required in the preceding paragraphs, and make a final report to the City in the manner required by law.

(d) Investigate, evaluate and report to the City the merits of all written complaints received by the City and forwarded to the appraisers after evaluation notices have been mailed and prior to Board of Equalization hearings. The City shall determine which compalints are to be forwarded to the Appraiser for further investigation and evaluation.

(e) Attend hearings of the Board of Equalization at such times as required by law.

(f) Complete, prior to March 1, of each year, all obligations to be performed on the part of the Appraiser with the exception of investigation of complaints and attendance at the Board of Equalization hearings.

2. The City shall:

(a) In consideration of the performance of the obligations undertaken under paragraph 1, Sections (a), (b), (c) and (f), by the Appraiser, pay to the Appraiser the sum of twenty-five thousand two hundred dollars ($25,200) for the 1982 tax year and the sum of twenty-five thousand ($25,000) for the 1983 tax year. Eight thousand four hundred dollars ($8,400) shall be paid not later than December 15th of each year with the remainder to be paid within thirty days of delivery to the City of the tax roll and satisfaction of all contract requirements for that year.

(b) In consideration of the obligations undertaken by the Appraiser under Paragraph 1, Sections (d) and (e) herein pay to the Appraiser amount of FIFTY DOLLARS ($50.00) per hour for the time spent performing these services, except that no additional fee shall be paid for appeals caused by Appraiser negligence, such as appraising non-existent property or misidentifying property.

(c) Provide the Appraiser, prior to commencement of field work in Valdez, with legal or location descriptions, ownership records, owners' addresses, and the existing property cards with photographs from the previous tax year. The property cards and city records shall be returned to the City as soon as possible after use by the Appraiser.

(d) Provide the Appraiser with copies of existing City maps, plats and zoning maps covering the properties to be appraised.

3. The parties agree that the Appraiser shall have no responsibility for the appraisal of either the Pipeline-oriented property which has been appraised by the State or any property, the location and description of which, the City has not provided to the Appraiser.

4. The parties agree that all existing property cards and tax records, as well as those cards and records which may be created by the Appraiser while performing this contract, are and shall remain the property of the City.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

CITY OF VALDEZ, ALASKA

By: _____
Mark Lewis, City Manager

Rich Randall Appraisal Company

By: _____
Richard G. Randell

By: _____
Ralph Ellinger

APPROVED AS TO FORM:

HUGHES, THORSNESS, GANTZ,
POWELL & BRUNDIN, Attorneys
for the City of Valdez

By: _____
Kenneth P. Jacobus

(g) The council has the power to:

(1) Delegate the power to invest the fund to the city manager or other city official, and require reports relating to the investment as it prescribes;

(2) Hire other persons as necessary to assist the council in the exercise of its powers; and

(3) Take whatever other actions are reasonably necessary in furtherance of the purpose of this section. (7-19-77.)

Chapter VII. Taxation.

Sec. 7.1. Taxation by ordinance.

The council shall provide in the Code for the annual assessment, levy and collection of city taxes. Council may provide for differential taxation based upon differences in kind or level of services provided within service areas established by ordinance.

Sec. 7.2. Exemptions.

The power of taxation shall never be surrendered. No exemptions from taxation shall be allowed, except such as are expressly provided by law. Private leaseholds, contracts or interests in land or property owned or held by the United States, the state or its political subdivisions, shall be taxable to the extent of the interests.

Sec. 7.3. Assessment day.

The taxable status of property shall be determined as of the first day of January, or such other date as may subsequently be required by law, which shall be the assessment day. Values on the assessment roll shall be determined according to the facts existing on the assessment day for the year for which the assessment roll is made, and no charge of the status of any property after that day shall be considered by the council when acting as a board of equalization. Standards of appraisal shall be followed by the council when established as a board of equalization.

Standards of appraisal shall be followed by the council when established by law.

Sec. 7.4. Security for taxes on real property.

The city shall have a first lien upon all real property against which taxes are assessed for the taxes and any collection charges, penalties and interest which may accumulate thereto, which lien shall continue until the taxes are paid.

Sec. 7.5. Protection of city's real property tax liens.

The city may protect its lien for taxes upon real property by sale at tax sale, or by purchasing the real property at any tax sale or other public sale, or by direct negotiation with the owner. Any such procedure shall be deemed to be for a public purpose. When the city has acquired an interest in real property to protect a tax lien thereon, the owner of any interest in such real property may redeem the same by paying the delinquent city taxes and all accrued charges, penalties and interest thereon. After the city has held any tax delinquent real property for one year, it may hold the same for public use or sell it at public auction to the highest bidder.

Sec. 7.6. Security for taxes on personal property.

City taxes on personal property shall be a debt to the city from the persons to whom they are assessed. If any person to whom such taxes are assessed fails or refuses to pay the taxes, or if the collecting officer resonably believes that any person will not pay such taxes, the taxes and accrued charges, penalties and interest may be collected by a personal action in the name of the city against the person to whom assessed in a court of competent jurisdiction, or by distraint and sale of any personal property of the person assessed. Neither of the remedies herein given shall be exclusive of the other at any time.

Chapter VIIA. Service Areas.

Sec. 7A.1. Purpose.

Service areas may be established to provide services not provided on an area-wide basis or to provide a higher level of service than that provided on an area-wide basis.

Sec. 7A.2. Establishment.

(a) The council by ordinance may establish, alter, consolidate or abolish service areas. The council by ordinance may add or eliminate services to a service area. The ordinance shall contain the following:

(1) Boundaries and area to be included;

(2) Service to be provided or be eliminated; and

(3) Other provisions the council includes.

(b) If a petition of protest is filed with the council before the effective date of the ordinance adopted under this section, the ordinance shall be submitted to the qualified voters residing in the service area or proposed service area and if ratified shall take effect upon certification of the election. The petition shall contain signatures of at least ten percent or 100 of the qualified voters residing in the service area or proposed service area, whichever is the lesser. Each new service or each service to be eliminated shall be placed separately on the ballot and shall require ratification by a majority of the qualified voters voting on the question. There shall be no election under this subsection to eliminate a service to be provided on an area-wide basis.

CHAPTER 25.

TAXATION.[1]

Article I. Assessment, Levy and Collection of Taxes.

Division 1. Generally.

§ 25-1. Property subject to taxation generally.
§ 25-2. Exemption of personal property from taxation; mobile homes classified as real property.
§ 25-2.1. Exemptions required by state law.
§ 25-2.2. Additional exemptions.
§ 25-3. Determination of annual levy, due dates, etc.; limitation on amount of levy.

Division 2. Assessments.

§ 25-4. Assessment procedure generally; preparation of assessment roll.
§ 25-4.1. Reevaluation.
§ 25-5. Contents of assessment roll.
§ 25-6. Notices of assessment to be given; corrections in assessment roll by assessor.
§ 25-7. Appeals to board of equalization.
§ 25-7.1. Hearing.
§ 25-8. Completion of assessment roll; records of board of equalization; certification of assessment roll.
§ 25-9. Appeals to superior court.
§ 25-10. Supplementary assessment rolls.
§ 25-11. Delivery of assessment roll to city council; validity of assessment rolls.

Division 3. Levy and Collection.

§ 25-12. Determination of tax rate and delinquent date; tax statements; penalties for delinquent payment.
§ 25-12.1. Deadlines for rate of levy determinations and tax statement mailing.
§ 25-13. Delinquent tax roll; foreclosure lists; payment of taxes prior to sale; giving of notices.
§ 25-14. Foreclosure and sale of real property for delinquent taxes; redemption.
§ 25-15. Foreclosure on personal property.

Article II. Sales Tax.

§§ 25-16 to 25-33. Repealed.

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1. As to finance generally, see ch. 9 of this Code.

§§ 25-34 to 25-99. (Blank.)

Article III. Special Assessments.

§ 25-100. Authorized improvements.
§ 25-100.1. General limitations.
§ 25-101. Property to be assessed.
§ 25-102. Property owner.
§ 25-103. Amount to be assessed.
§ 25-104. Costs of improvement.
§ 25-105. Council initiated improvement districts--Authorized.
§ 25-106. Same--Procedures for creation.
§ 25-107. Same--Objections and hearings.
§ 25-108. Petition initiated improvement districts--Authorized.
§ 25-109. Same--Public hearings and notice thereof.
§ 25-110. Same--Maximum assessment.
§ 25-111. Computation of assessments.
§ 25-112. Levy of assessments; notice of hearing on objections.
§ 25-113. Hearing on objections; signing of assessment roll.
§ 25-114. Notice to owner of assessment.
§ 25-115. Assessments to be lien on property.
§ 25-116. Assessments to be binding.
§ 25-117. Appeal.
§ 25-118. Reassessment--To be made where original assessment invalidated.
§ 25-119. Same--Valid notwithstanding irregularities.
§ 25-120. Foreclosure of liens for unpaid assessments.

Article IV. Municipal Service Areas.

§ 25-121. Created.
§ 25-122. Boundaries designated.
§ 25-123. Differential tax levied.

Article V. Tax on Pipeline Property.

§ 25-124. Levied on "taxable property."
§ 25-125. Levied on "construction equipment."

Article VI. Hotel-Motel Room Tax.

§ 25-126. Definitions.
§ 25-127. Levied; responsibility for payment; collection.
§ 25-128. Certificate of registration.
§ 25-129. Receipts--Segregation.
§ 25-130. Same--Transmittal; due date; penalty.
§ 25-131. Returns to be confidential.
§ 25-132. Records--Maintenance and inspection.
§ 25-133. Same--Investigation by city.
§ 25-134. Suits for collection.
§ 25-135. Prohibited acts.
§ 25-136. Civil penalties for violations.
§ 25-137. Use of funds generated; creation of advisory board.

Article I. Assessment, Levy and Collection of Taxes.

Division 1. Generally.

Sec. 25-1. Property subject to taxation generally.

All property not expressly exempt by the city, or exempted from taxation by the city under federal or state constitutional provisions, shall be subject to annual taxation at its full and true value based upon the actual value of the property assessed. (Ord. No. 6803, § 1.)

Sec. 25-2. Exemption of personal property from taxation; mobile homes classified as real property.

(a) Effective January 1, 1968, all personal property located within or owned by residents of the city shall be exempt from the Valdez personal property tax. This exemption includes, but is not limited to, household furniture and effects, intangibles, inventories and goods in process, and boats and vessels of all types.

(b) For the purposes of this chapter, real property includes, among other things, trailers and mobile homes, and lean-tos and similar structures attached or contiguous thereto. The words "trailers and mobile homes" include all forms of housing adaptable to being moved by a power connected thereto, and which are or can be used for residential, business, commercial or office purposes. Provided, however, that those trailers which are (1) used for camping or recreational purposes only, or (2) not affixed to the site and not con-

nected with utilities, shall be considered to be personal property and exempt from taxation. A trailer or mobile home is conclusively presumed to be affixed to the land and real property for the purposes of taxation when it has remained at a fixed site for more than ninety days. When the ownership of a trailer or mobile home and attachments and appurtenances is different from the land upon which it rests, the city may, in its discretion, assess and tax the ownerships separately. (Ord. No. 6803, § 2.)

Sec. 25-2.1. Exemptions required by state law.

(a) The following property is exempt from general taxation:

(1) Municipal, state or federally owned property; except, that private leaseholds, contracts or other interest in the property shall be taxable to the extent of those interests.

(2) Household furniture of the head of a family or a householder not exceeding five hundred dollars in value.

(3) Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes. "Property used exclusively for religious purposes" includes the following property owned by a religious organization:

a. The residence of the pastor, priest, rabbi, minister or religious order of a recognized religious organization;

b. A structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious education or a nonprofit hospital;

c. Lots supporting and adjacent to a structure or residence mentioned in subparagraphs a. or b. of this subsection which are necessary to convenient use; and

d. Lots required by local ordinance for parking near a structure defined in subparagraph b. of this subsection.

(4) Property of a nonbusiness organization composed entirely of persons with ninety days or more of active service in the armed forces of the United States whose conditions of service and separation where other than dishonorable, or the property of the auxiliary of such organization.

(5) Money on deposit.

(6) After January 1, 1973, the real property owned and occupied as a permanent place of abode by a resident sixty-five 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 per-

sons 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 Alaska Statutes, sections 44.62.560--44.62.570.

(b) Property described in subsection (a) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable or hospital groups or by educational groups for classroom space.

(c) 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 assess-

ment 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. 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. (Ord. No. 7538, § 1.)

Sec. 25-2.2. Additional exemptions.

Thirty percent of the assessed value, up to a maximum of ten thousand dollars, of a principal residence owned and occupied by the taxpayer is exempt from taxation. (Ord. No. 7611, § 1.)

Sec. 25-3. Determination of annual levy, due dates, etc.; limitation on amount of levy.

The rate of levy of tax, the date of equalization of the tax and the date when taxes shall become delinquent shall be fixed by resolution of the city council, and the levy for school and municipal purposes shall be separately made and fixed, but the aggregate thereof shall not exceed three per cent of the assessed value of the property assessed. (Ord. No. 218, § 1.)

Division 2. Assessments.

Sec. 25-4. Assessment procedure generally; preparation of assessment roll.

(a) All taxable property shall be assessed at its true and full value and all assessments shall be uniform and equal and based upon the actual value of the property assessed. 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.

(b) The city assessor shall annually assess and list on a tax roll all real property in the name of the person by whom it is owned on the first day of January. If no owner or claimant to the property can be discovered, the property shall be assessed to the unknown owner.

(c) The assessor shall complete the listings for the annual assessment roll of all real property within the city before March 1, or other such date as may be established by the city council each year. The listing of all taxable property may be made upon permanent separate ledger cards which will be the combined assessment roll and tax ledger. Real property shall be assessed to the owner of record as shown in the records of the recorder of the district; provided, that any other person having an interest in the property may be listed on the assessment records with the owner. The person in whose name any property is listed as owner thereof shall be conclusively presumed to be the legal owner of record. If the owner of land is unknown, such land may be assessed to an "Unknown Owner" or "Unknown Owners." No assessment shall be invalidated by a mistake, omission or error in the name of the owner of the real property assessed, if the property is correctly described.

(d) The assessor may list real property located in any subdivision by lot and block or tract description, and unsubdivided property according to the land office section and township survey description, or by giving the boundaries thereof, or by reference to the book and page of the records of the recorder where the description may be found or by designation of tax lot number, referring to a public record kept by the assessor of descriptions of real property, or in such other manner as to cause the description to be capable of being made certain. Initial letters, abbreviations, fractions and exponents to designate the township, range, section or part of a section, or the number of any lot or block or part thereof, or any distance, course, bearing or direction, may be employed in any such description of real property.

(e) The assessor personally, or by any designated assistant, shall, after identifying themselves, have the right to enter upon and inspect the premises of any person at reasonable times for the purpose of making an examination, valuation, or assessment of real property. He shall have access to and may examine all property records involved, and any person shall, upon request, furnish to the assessor or his assistant every facility and assistance for the purposes of such examination, valuation or assessment. (Ord. No. 6803, § 3; Ord. No. 7539, § 1.)

Sec. 25-4.1. Reevaluation.

A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the city council directing a systematic reevaluation of all taxable property within the city over the shortest period of time practicable, as determined by the city council and fixed in the resolution or other act of the council. (Ord. No. 7539, § 2.)

Sec. 25-5. Contents of assessment roll.

The assessor shall prepare an annual assessment roll, in duplicate, upon which he shall enter the following particulars:

(a) The names and last known addresses of all persons with property liable to assessment and taxation.

(b) A description of all taxable property.

(c) The assessed value, quantity or amount of such property.

(d) The arrears of taxes, if any, owed by any person. (Ord. No. 218, § 4.)

Sec. 25-6. Notices of assessment to be given; corrections in assessment roll by assessor.

(a) The assessor shall give to every person named in the assessment roll a notice of assessment, showing the assessed value of his property, at least

thirty days before the equalization hearings. On the back of each assessment notice shall be printed a brief summary, for the information of the taxpayer, of the dates when the taxes are payable, delinquent and subject to interest and penalty, dates when the board will sit for equalization purposes and any other particulars specified by the city council. The assessment notice shall be directed to the person to whom it is to be given, and shall be sufficiently given if it is mailed by first class mail addressed to, or is delivered at, his address as last known to the assessor; or if the address is not known to the assessor, the notice may be addressed to the post office nearest to the place where the property is situated. The date on which the notice is mailed, or if delivered by a city official or employee then on the date of such delivery, shall be deemed to be the date on which the notice is given.

(b) When valuation notices have been mailed, the assessor shall cause notice that the assessment rolls have been completed to be published in a newspaper of general circulation once each week for two successive weeks. In the event no newspaper of general circulation is published in the city, the assessor shall cause such notices to be posted at two public places for a period of two weeks. Such notice shall also state when and where the equalization hearings shall be held, and that an appeal may be taken to the board of equalization upon the filing of notice, in writing, with the board specifying the grounds for the appeal.

(c) The assessor may correct any error or supply any omission made or arising in the preparation of the assessment roll at any time before the sitting of the board of equalization. It shall be the duty of every person receiving a notice of assessment to advise the assessor of any error or omission he may have observed in the assessment of his property, in order that the assessor may correct the same.

If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing thirty days for appeal to the board. (Ord. No. 218, § 5; Ord. No. 7539, §§ 3, 4.)

Sec. 25-7. Appeals to board of equalization.

(a) Any person who receives notice or whose name appears on the assessment roll may appear to the board of equalization with respect to any alleged error in the valuation, overcharge, omission or neglect of the assessor not adjusted to the taxpayer's satisfaction. Whenever it appears to the board that there are overcharges or errors or invalidities in the assessment roll, or in any of the proceedings leading up to or subsequent to the preparation of the roll, and there is no appeal before the board by which the same may be dealt with, or where the name of any person is ordered by the board to be entered on the assessment roll, by way of addition or substitution, for the purpose of assessment, the board shall cause notice of assessment to be mailed by the assessor to that person or his agent giving him at least thirty days from the date of such mailing within which to appeal to the board against the assessment.

(b) Notice of appeal, in writing, specifying the grounds for the appeal, shall be filed with the board of equalization within thirty days after the date on which the assessor's notice of assessment was given to the person appealing. Such notice shall contain a certification that a true copy thereof was mailed or delivered to the assessor. If notice of appeal is not given within that period, the right of appeal shall cease as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board that the taxpayer was unable to appeal within the time so limited. A copy of the notice of appeal shall be sent to the assessor as above indicated.

(c) Upon receipt of the notice of appeal, the assessor shall make a record of the same in such form as the city council may direct, which record shall contain all the information shown on the assessment roll in respect of the subject matter of the appeal, and the assessor shall place the same before the board of equalization from time to time as may be required by the board. The board shall cause a notice of the sitting at which the appeal is to be heard to be mailed by the assessor to the person by whom the notice of appeal was given, and to every other person in respect of whom the appeal is taken, to their respective addresses last known to the assessor.

(d) The city may appeal an assessment to the board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city. (Ord. No. 218, § 6; Ord. No. 7539, § 5.)

Sec. 25-7.1. Hearing.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in his absence.

(b) The appellant bears the burden of proof.

(c) The only grounds for adjustment is proof of unequal, excessive or improper valuation based on facts which are stated in a valid written appeal timely filed or proved at the hearing.

(d) The board shall certify its actions to the assessor within seven days.

(e) The assessor shall enter the changes and certify the final assessment roll by June 1.

(f) An appellant may appeal to the superior court for, and is entitled to, trial de novo of the board's action. Either party to the appeal may demand a jury trial. (Ord. No. 7539, § 6.)

Sec. 25-8. Completion of assessment roll; records of board of equalization; certification of assessment roll.[9]

(a) The assessor shall enter the changes, so certified upon his records, and no assessed valuations shall thereafter be changed. After the hearings held by the board of equalization are concluded, the assessor shall complete the annual assessment roll, at a time to be determined by the city council, which shall be based on values as of January 1 immediately preceding, and he shall certify the same. Such supplementary assessment rolls shall be prepared and certified as may be expedient or necessary.

(b) The city clerk shall be ex officio clerk of the board of equalization and shall record in the minutes of the meeting all proceedings before the board and the names of all persons protesting assessments. All changes, revisions, corrections and orders relating to claims or adjustments and all final decisions shall be recorded in a record to be kept by the city clerk and to be known as the appeal record. Within three days following the final hearings of the board, the city clerk shall transmit to the assessor all corrections, revisions or changes authorized and approved by the board and shall certify that the changes so reported are as approved by the board of equalization.

(c) All taxes to be levied or collected, except as otherwise provided, shall be calculated, levied and collected upon the assessed values entered in the assessment roll and certified by the assessor as correct, subject to the taxpayer's right of appeal and to the corrections and amendments made in the rolls pursuant to this article. (Ord. No. 218, § 7.)

Sec. 25-9. Appeals to superior court.[1]

Any person feeling aggrieved by any order of the board of equalization shall have the right of appeal on a de novo basis to the superior court; provided, that the person has first taken his appeal to the board of equalization. (Ord. No 218, § 8.)

Sec. 25-10. Supplementary assessment rolls.[2]

All the duties imposed upon the assessor and the city clerk with respect to the annual assessment roll and all the provisions of this article relating to assessment rolls shall, as far as applicable, apply to supplementary assessment rolls. The delinquent date when taxes shall become delinquent, as determined by the city council, shall also apply to property listed on the supplementary assessment rolls. (Ord. No. 218, § 9.)

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9. For similar state law, see A.S., §§ 29.10.432, 29.10.435, 29.10.429, 29.10.438.
1. For similar state law, see A.S., § 29.10.426.
2. For similar state law, see A.S., § 29.10.441.

Sec. 25-11. Delivery of assessment roll to city council; validity of assessment rolls.[3]

(a) When the final assessment records have been completed by the assessor as provided in this division, the assessor shall deliver to the city council a statement of the total assessed valuation of all real property within the city.

(b) Every assessment roll as completed and certified by the assessor, and as corrected and amended by him from time to time in conformity with this article and the decisions of the board of equalization, shall, except insofar as the same may be further amended as a result of an appeal to the court, as provided by this article, be valid and binding on all persons, notwithstanding any defect, error, omission or invalidity existing in the assessment roll or any part thereof, and notwithstanding any proceedings pertaining thereto. (Ord. No. 6803, § 4.)

Division 3. Levy and Collection.[4]

Sec. 25-12. Determination of tax rate and delinquent date; tax statements; penalties for delinquent payment.[5]

The city council shall thereupon, by resolution, fix the rate of tax levy and designate the number of mills upon each dollar of assessed real and personal property that shall be levied, and shall levy such tax in accordance therewith and shall determine the date when taxes shall become delinquent. If the total tax assessed to any owner is less than one dollar, then the administration may delete such tax obligation from the tax roll.

The assessor shall then prepare and mail tax statements to the persons listed as the owners on the tax rolls. If the total tax assessed against the taxpayer is in excess of ten dollars, the taxpayer shall be given the right to pay such taxes in two installments. If the first half tax is not paid when due, the entire tax becomes delinquent and penalty and interest accrue as provided in this article. If the first half is paid when due, the second half of such taxes shall be payable on the date fixed by the city council for such second half, and if not paid shall be delinquent after such date.

A penalty not to exceed eight per cent shall be added to all taxes delinquent until the due date fixed for the payment of the second half, and interest at the rate of eight per cent a year shall be charged on the whole of the unpaid taxes, not including the

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3. For similar state law, see A.S., §§ 29.10.444, 29.10.-447.
4. For state law authorizing city to enforce tax liens by foreclosure and sale, see A.S., § 29.10.456.
5. For similar state law, see A.S., §§ 29.10.447, 29.10.-450, 29.10.453.

penalty, from the due date until paid in full. After the due date for the payment of the second half, a total penalty of ten per cent shall be added to all delinquent taxes, and interest at the rate of eight per cent per annum shall accrue as provided in this section upon all unpaid taxes, not including the penalty, from the due date until paid in full. (Ord. No. 218, § 11; Ord. No. 6521, § 1.)

Sec. 25-12.1. Deadlines for rate of levy determinations and tax statement mailing.

The city council shall annually determine the rate of levy before June 15. By July 1, the city shall mail tax statements setting out the levy, dates when taxes are payable and delinquent, and penalties and interest. (Ord. No. 7539, § 7.)

Sec. 25-13. Delinquent tax roll; foreclosure lists; payment of taxes prior to sale; giving of notices.

(a) The city clerk shall, within such time as the city council may direct, after such taxes have become delinquent and due, make up a roll in duplicate of all real property then subject to foreclosure. Such roll shall show therein the names of the persons appearing in the latest tax roll as the respective owners of the tax delinquent properties, a description of each such property as it appears on the latest tax roll, the years for which taxes are delinquent, the amount of delinquent taxes for each year and penalty and interest thereon, and thereon shall be endorsed under the hand of the city clerk and the corporate seal, a certificate to the effect that such roll is a true and correct roll of the delinquent taxes of the city for the years there shown. Such roll so made up shall be known as the foreclosure list of the city for the year in which the same is made up, the original of which shall be filed with the city clerk and remain open to inspection of the public. After the completion of the foreclosure list, the city clerk shall cause to be published in a newspaper of general circulation in the city, to be designated by the city council, or posted, a notice under the hand of the city clerk setting forth that the foreclosure list of real property for the year, naming it, has been completed and is open for public inspection at the office of the city clerk and that on a certain day not less than thirty days after publication or posting of such notice, the foreclosure list will be presented to the superior court for judgment and order of sale.

(b) On the day designated in the publication, a certified copy of the foreclosure list, together with a petition for judgment, shall be presented to the superior court. Notice of such foreclosure proceeding shall be given by four weekly publications of the foreclosure list in a newspaper to be designated by the city council. The first such publication shall commence on the day of the filing of the list and petition, and it shall not be necessary to mail a copy of any notice to the owner or to any other person interested in the property. If no newspaper is published, the city council may, in lieu of publication in a newspaper, cause the thirty days notice that the foreclosure list will be presented to the superior court for judgment and order of sale, and also the foreclosure

list filed with the court, to be posted at the front door of the post office and in three other conspicuous public places in the city. The posting of the foreclosure list shall be sufficient service on each person interested in any of the properties; provided, that when the foreclosure list is not published in a newspaper but notice thereof is given by posting, the city clerk shall, within ten days after such posting, mail to each person to whom a tract is assessed, at his last known address, a notice describing the tract and the amount due as stated on the foreclosure list. All persons owning or claiming to own, or having or claiming to have, any interest in any property included in the foreclosure list are charged with notice of such proceeding and of all steps thereunder.

(c) During the time of the publication or posting of the foreclosure list and up to the time of sale, any person may make payment on any piece or tract set forth therein, together with the penalty and interest, and proportionate share of the costs of publication and foreclosure; and the city clerk shall make proper notation of such payment on both the original delinquent tax roll and foreclosure list. On receipt of the delinquent tax payments as to a particular property any time one week prior to the filing of the foreclosure list and petition, the city clerk shall remove the property from both the list and the petition.

(d) A mortgagee or other holder of a recorded lien on real property may file with the city clerk a written request that notice of any foreclosure list including such real property be given to such mortgagee or other lien holder. The request shall contain the name and address of the person filing it, the description of the property and the name of the owner or reputed owner thereof, and the date of expiration of the mortgage or lien. Notice need not be given after the expiration of the mortgage or lien, unless a further request therefor is filed. If the mortgagee or lien holder furnishes a duplicate form of request for the notice, the city clerk shall certify thereon to the filing and return the duplicate to the person making the request. Whenever any property described in the request for notice is included in a foreclosure list, the city clerk shall send by registered mail, written notice thereof to the mortgagee or other lien holder. At the time of mailing the notice, the city clerk shall note that fact in ink in the latest tax roll. The notation in the tax roll is prima facie evidence that the notice was mailed. Where the same mortgagee or lien holder has filed requests for notices on two or more properties included in a foreclosure list, one notice may be issued covering all such properties. (Ord. No. 218, § 12.)

Sec. 25-14. Foreclosure and sale of real property for delinquent taxes: redemption.

(a) One general proceeding shall be brought on the part of the city to foreclose the tax liens against each of the properties included in the foreclosure list. Foreclosure proceedings shall be in accordance with state law. A certified copy of the judgment of the district court shall constitute a certificate of sale to the city of the several properties described in the judgment and decree.

(b) All real property sold to the city pursuant to law shall be held by the city for the period of one year from and after date of the judgment and decree of

foreclosure, unless sooner redeemed. During the one year period, any person having an interest in the property at the date of the judgment and decree of foreclosure, or any heir or devisee of such person, or any person holding a lien of record on the property, or any independent school district or public utility district having a lien on the property, may redeem the property by payment of the full amount applicable to the property under the judgment and decree, with interest thereon as provided by law, and the costs charged against such property. Property so redeemed shall be subject to assessment for taxation during the period of redemption, as though it had continued in private ownership. Any person holding a mortgage or other lien of record covering a part only of a particular parcel of real property included in the judgment and decree of foreclosure may redeem such part by payment of the proportionate amount applicable thereto under the judgment and decree.

(c) Not earlier than thirty days before the expiration of the redemption period the clerk shall publish a redemption period expiration notice. The notice shall contain the date of judgment, the date of expiration of the period of redemption and a warning to the effect that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the city immediately on expiration of the period of redemption and that every right or interest of any person in the properties will be forfeited forever to the city. The notice shall be published once a week for four consecutive weeks in a newspaper of general circulation distributed within the city. If there is no newspaper of general circulation distributed within the city, the notice shall be posted in three public places for at least four consecutive weeks. The clerk shall send a copy of the published notice by certified mail to each record owner of property against whom a judgment of foreclosure has been taken. The notice shall be mailed within five days of the first publication. The mailing shall be sufficient if mailed to the property owner at the last address of record. The right of redemption shall expire thirty days after the date of the first publication notice.

(d) Upon filing proof of publication of notice of expiration of the redemption period as a part of the foreclosure proceedings, the properties not redeemed within the one-year period prescribed shall be deeded to the city by the clerk of the court. All rights of redemption, with respect to the real properties therein described, shall terminate on the execution of the deed to the city. No return or confirmation of the sale or deed to the city is required.

(e) When the city acquires real property under foreclosure procedures, the conveyance vests in the city title to the property, free from all liens and encumbrances except unpaid taxes and assessments duly levied for local improvements to the property, and liens of the United States and the state.

(f) No deed is invalid for irregularities, omissions or defects, unless the former owner has been misled to his injury. After two years from the date of the deed, its validity is conclusively presumed and any claim of the former owner is forever barred. (Ord. No. 218, § 13; Ord. No. 7539, §§ 8, 9.)

Sec. 25-15. Foreclosure on personal property.

(a) Owners of personal property assessed shall be personally liable for the amount of taxes assessed against their personal property and such tax, together with penalty and interest, may be collected after the same becomes due by a personal action brought in the name of the city against such owner in the courts of the state.

(b) In addition to the remedy given by the preceding subsection, which shall not be construed as exclusive, the lien of personal property taxes may be enforced by distraint and sale of the personal property of the person assessed. The city clerk shall first make demand of the person assessed for the amount of the tax, penalty and interest, and the sale shall be made at public auction after at least ten days' notice given by posting or publication. The city clerk shall issue a warrant directing the chief of police or any other officer of the city to forthwith seize, levy upon, distrain and sell such personal property of the person assessed as the tax may have been levied upon; and if the same is not sufficient to satisfy the tax, penalty and interest, and costs and expenses of such sale, such warrant may authorize the seizure, levy, distraint and sale of such other property of the person against whom the tax was assessed as may be sufficient to satisfy the tax, penalty, interest and cost of sale. The costs and expenses of such proceedings may be satisfied out of the proceeds of the property sold. The cost and expenses of such proceeding that may be satisfied from the proceeds of the property sold shall in no event exceed twenty per cent of the proceeds received from such sale.

(c) The lien of real property taxes on trailers and mobile homes which are about to be removed or have been removed from the city or which, subsequent to the accrual of the real property tax lien, become personal property within the meaning of this chapter, may be foreclosed by distraint and sales as set forth in subsection (b) of this section. (Ord. No. 218, § 14; Ord. No. 7008, § 1.)

Article II. Sales Tax.

Secs. 25-16 to 25-33. Repealed by Ordinance No. 7608, § 1.

Secs. 25-34 to 25-99. (Blank.)

Article III. Special Assessments.[1]

Sec. 25-100. Authorized improvements.

A special assessment district may be initiated either by council or by petition for any public improvements including but not limited to the following:

(1) Streets, alleys, curbs and gutters, driveways, curbcuts and sidewalks;

(2) Storm sewers or drains;

(3) Sanitary sewers.

(4) Parks or playgrounds;

(5) Off-street parking facilities;

(6) Changes in channels of streams or watercourses;

(7) Bridges, culverts, bulkheads, embankments or dikes for streams or watercourses;

(8) Water supply system including water mains, water connections and fire hydrants; or

(9) Fallout or disaster shelters;

(10) Windbreaks. (Ord. No. 6705, § 1.)

Sec. 25-100.1. General limitations.

Notwithstanding any other provision of this article, the city may:

(a) Refuse to proceed with the construction of any improvements or the creation of any district, if deemed not in the public interest, whether council or petition initiated; and

(b) Advance or delay the construction of any improvements or the creation of any district based on city priorities, available funding, need to coordinate with other projects or any other reason whatsoever. (Ord. No. 8003, § 1.)

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1. For state law as to local improvements and assessments, see A.S., § 29.63.010 et seq.

Sec. 25-101. Property to be assessed.

The council may assess for an improvement any real property, or any interest in real property, and the property specially benefitted may include abutting, adjoining, adjacent, contiguous, noncontiguous or other property or interest in property benefitted directly or indirectly by the improvement. The property to be assessed may include any property which is otherwise, for any reason, exempt from taxation by law. A benefitted property may be included in whole or in part in more than one special assessment district. (Ord. No. 6705, § 1.)

Sec. 25-102. Property owner.

The person whose name is listed on the latest city tax roll as the owner of the property to be assessed is presumed to be the legal owner of the property. If the property owner is unknown, the property may be assessed in the name of the "unknown owner." No assessment is invalidated by a mistake, omission or error in the name of the owner if the property is correctly described. (Ord. No. 6705, § 1.)

Sec. 25-103. Amount to be assessed.

The council may assess one hundred percent of any or all costs of a public improvement against each parcel of property benefitted by the improvement. Unless a specific method of computation of the benefit to the property is expressly provided for ascertaining the amount to be assessed against the property benefitted by a particular improvement, the council shall assess each parcel of property in a special assessment district in proportion to the value of the benefit received from the improvement using any reasonable method of apportionment.

Unless the council determines otherwise, the following general standards are applicable for assessments for public improvements:

(a) The city shall pay one hundred percent of the cost of the following improvements:

(1) Reconstruction and maintenance of existing improvements;

(2) Sewer interceptor and collector improvements;

(3) Water transmission mains, supply and storage;

(4) Storm sewer collectors and regional drainage improvements;

(5) Collector roads; and

(6) Sidewalks.

(b) The city shall pay fifty percent and the property owners shall be assessed for fifty percent of the cost of the following improvements:

(1) Local sewer service improvements;

(2) Local water service improvements;

(3) Local road improvements; and

(4) Local drainage improvements.

(c) The property owners shall be assessed one hundred percent of the costs of the following improvements:

(1) All improvements to new subdivision; and

(2) All improvements to which the council cannot or does not desire to contribute city funds.

The city may deviate from these general guidelines at any time for any reason whatsoever. (Ord. No. 6705, § 1; Ord. No. 8003, § 2.)

Sec. 25-104. Costs of improvements.

The costs of an improvement shall be the actual costs of the improvement, including acquisition of interests in land for the improvement, design, engineering, administration, overhead, professional services, bond costs and interest incurred as a result of the improvement and all other costs resulting from the construction of the improvement. Unless otherwise provided in the resolution confirming the assessment roll, the actual bond interest costs shall be considered to be four percent per annum of the costs, less bond interest, of the improvement calculated from the date of completion of the construction of the improvement until the special assessment is scheduled to be paid in full. (Ord. No. 6705, § 1.)

Sec. 25-105. Council initiated improvement districts--Authorized.

Council planning to make a public improvement shall establish local special improvement districts and the cost of the improvement shall be assessed against the property in any such local special assessment district. Council may determine upon and use any method for spreading the assessment among the properties within the district, which bears a reasonable relationship to the benefit received by the properties, including but not limited to assessments measured by the front foot and by the number of square feet in the property benefitted. The cost per unit of assessment need not be the same for all parcels

within the district, but insofar as is reasonable, properties similarly situated shall bear the same cost per assessment unit. Council shall also have power to enlarge or decrease the area of an improvement district and to change and revise the boundaries thereof from time to time. (Ord. No. 6705, § 1.)

Sec. 25-106. Same--Procedures for creation.

The council planning to make a public improvement at the expense in whole or in part of the owners of the properties benefitted shall order prepared the preliminary plans for the work and estimates of the cost of the same, and then before proceeding with the work, publish a notice of such fact at least once a week for two consecutive weeks in a newspaper of general circulation within the city and shall further post such notice in three public places within the city.

The notice shall state the nature, extent and approximate cost of such improvement and give the boundaries of the local special assessment district to which the costs of the improvements will be assessed. The notice shall contain a date not less than thirty days from the beginning of such publication on or before which time the owners of the properties affected may file their objections in writing with the city clerk to the work.

The council shall cause a plat of the improvement district to be made showing thereon the boundaries of the proposed improvement district with the various lots, tracts and parcels of land that will be included therein and affected thereby; together with a list of such various lots, tracts and parcels of land; a statement of the general method of assessment to be used, and a statement of the estimated cost of the improvement that will be assessed against each such lot, tract or parcel. The plat, method of assessment and list of parcels with estimated costs shall be available for public inspection during normal working hours of each working day during the period of publication of notice of the proposed assessment.

Five days or more after the termination of the thirty day publication period above described, council may proceed with the proposed improvement unless objection be filed either severally or by petition by the owners of property affected. (Ord. No. 6705, § 1.)

Sec. 25-107. Same--Objections and hearings.

(a) In the event objection is filed by the owner or owners of property affected, the council shall proceed to hold a public hearing. Notice shall be given of such hearing by one publication in a newspaper of general circulation in the city and by posting in three places within the city. The notice shall set forth the time and place of the hearing and that the council will consider the establishment of the improvement districts. Such notice shall be given at least one week prior to the time set for hearing.

(b) At the hearing, all of those appearing for or against the establishment of the improvement district may be heard, including any officer or employee of the city. After the hearing, the council may, if it determines that the improvement district is in the public interest and necessary, order the work to proceed, or may modify the plans of the improvement district or may order further proceedings suspended or terminated. However, if protests in writing as to the necessity of of the local improvement are made by owners of property who will bear fifty per

cent or more of the estimated cost of the improvement, council shall not proceed with the improvement until the protests have been reduced to less than fifty per cent, except upon the approval of at least five members of the council.

(c) After the public hearing is closed, council shall adopt a resolution determining either to proceed or not to proceed with the proposed improvement. The resolution to proceed shall find that the improvement is necessary and will benefit the properties within the district. The findings of the council are conclusive. The resolution shall require an account to be kept of all costs of the improvements and direct the proper city official to prepare the assessment roll. The council, in the resolution, shall assess the authorized percentage or rate of the cost of the improvement against the property within the district. (Ord. No. 6705, § 1.)

Sec. 25-108. Petition initiated improvement districts--Authorized.

In addition to improvement districts initiated by council, improvement districts and assessments may be initiated by petition in a form prescribed by the city administrator which shall include a description of the improvement sought by the petition. The original or copies of the petition shall be signed by the owners of property which will bear at least fifty per cent of the estimated cost of the improvement sought by the petition. The petition, when signed, shall be filed with the city clerk. No property owner may withdraw his signature of approval after the petition has been filed with the city clerk unless authorized so to do by council.

Upon receipt by the city administrator of the petition from the city clerk, the city administrator shall cause a survey and report to council to be made concerning the needs for and the estimated cost of the district. The report shall contain a plan defining the district, outlining the properties to be assessed and showing the desirable extent of the proposed improvement. The district may be defined by any convenient means, whether by a designation of the property to be assessed or by a boundary description. The survey and report of the city administrator may be made either before or at the time of a public hearing on the necessity for the proposed improvement. (Ord. No. 6705, § 1.)

Sec. 25-109. Same--Public hearings and notice thereof.

Before council shall take action on a proposed petition initiated improvement district, a public hearing shall be held at a time and place set by council or the city administrator, which public hearing may be continued from time to time as council may decide. After hearing the interested persons favoring or opposing the proposed improvement, council may decrease the extent or value of the improvement or may delete from the district properties not benefitted in whole or in part by the improvement. No change may be made resulting in an improvement district containing petitioners owning properties bearing less than fifty per cent of the estimated costs, unless other sufficient property owners are added to the petition.

Notice of the public hearing shall be published in a newspaper of general circulation in the city at least once a week for two consecutive weeks prior to the time fixed for the hearing. The city clerk shall send a written notice by first class mail at least fifteen days prior to the time of hearing to each owner of property to be assessed. The notice to be published shall include a summary of the improvement, the designation of the properties to be assessed in the special improvement district, the purpose of the public hearing and the time and place fixed for the public hearing. The notice by mail shall include a summary of the improvement, the designation of the addressee's property to be assessed, the purpose of the public hearing, the amount of the estimated or actual assessment against the property and the time and place for the public hearing. Each notice shall generally inform the property owner of the manner and method of protesting or objecting to the action to be taken at the public hearing.

After the public hearing is closed, council shall proceed to adopt a resolution determining to proceed or not to proceed with the proposed improvement. The council resolution to proceed shall find that the improvement is necessary and of benefit to the properties to be assessed and that the petition for the improvement has been signed by sufficient and proper petitioners. The findings of the council are conclusive. The resolution shall require an account to be kept of all the costs of the improvement and direct the proper city officials to prepare the assessment roll. The council, in its resolution, shall assess the authorized percentage or rate of the cost of the improvement against the properties within the district. Thereafter, the improvement shall proceed and the cost thereof be assessed in the same manner as assessments are levied for special improvement districts initiated by council action. (Ord. No. 6705, § 1.)

Sec. 25-110. Same--Maximum assessment.

No parcel of property within a special improvement district initiated by petition shall be assessed in an amount greater than its proportionate share of two-thirds of the cost of the improvement unless the petition shall be signed by the owners of the properties which will bear at least seventy-five per cent of the cost of the improvement and unless such petition requests an assessment in an amount greater than two-thirds of the cost of the improvement. (Ord. No. 6705, § 1.)

Sec. 25-111. Computation of assessments.

Except in cases otherwise specifically provided for, and unless otherwise provided in the resolution ordering such improvement, the improvement district shall include all of the property within the boundaries established by city council. All property included within such limits of the district shall be considered and held to be the property and to be all the property specially benefitted by such public improvement and shall be the property to be assessed to pay the cost and expense thereof or such part thereof as may be chargeable, which cost and expense shall be assessed upon all such properties to be benefitted in accordance with the special benefits conferred on such property in the proportion determined by the assessments method adopted by the city council for the particular public improvement.

Property may be included in more than one assessment district; provided, it is benefitted by the public improvements for which such districts are created. (Ord. No. 6705, § 1.)

Sec. 25-112. Levy of assessments; notice of hearing on objections.

(a) When it has been decided to make such public improvement and to levy such assessments, correct account shall be kept of all expense of such improvement and as soon as the latter shall be completed, the city council shall apportion such percentage of the cost as was previously determined upon and shall assess the same against the various tracts of real property in proportion to and consistent with the apportionment method set forth in the resolution authorizing the improvement.

(b) Such apportionment of costs shall be designated the assessment roll and shall contain a brief description or designation of each tract or parcel of property, the name of the owner or reputed owner thereof and the amount of the assessment. When the same is completed, the council shall fix a time at which to hear objections to such assessment. The city clerk shall then send a written notice by mail to each owner of a tract against which an assessment is made, which notice shall state the amount of the assessment against any particular tract, and the time fixed by the council for hearing objections. Such notice shall be mailed at least fifteen days before the date of the hearing. (Ord. No. 6705, § 1.)

Sec. 25-113. Hearing on objections; signing of assessment roll.

At the time of such hearing, all persons concerned shall have a right to present their objections to the assessment or any part thereof and to point out errors and inequalities and submit such reasons for amendments and corrections as they may have and such hearings may be continued from time to time as council shall decide. Council shall have power to vary the assessments made according to the formula set forth for the particular improvement in individual cases where, because of peculiar circumstances, the property assessed is not benefitted commensurate with the amount of the assessment. After the council has heard all objections and suggestions, it shall correct all errors, if any, which it finds to exist in the assessment roll as originally made, and when the same is finally settled, the mayor shall sign the assessment roll and provide for the terms of payment of the assessments contained therein. (Ord. No. 6705, § 1.)

Sec. 25-114. Notice to owner of assessment.

Within ten days after final passage of the ordinance levying the assessment, the city clerk shall mail, postage prepaid, a notice to the owner of each property assessed which notice shall designate the property, the amount of the assessment, the time of delinquency and the amount of penalty, if any. Within five days after the notices have been mailed, the clerk shall file his affidavit setting forth such mailing, which affidavit shall be conclusive as to the facts therein set forth. (Ord. No. 6705, § 1.)

Sec. 25-115. Assessments to be lien on property.

Such assessments shall be a lien upon the property assessed from the time the assessment is levied, which lien shall be paramount and superior to any other lien heretofore or hereafter created whether by mortgage or otherwise, except a lien for prior assessments and for general taxes, and shall be payable at such time and when delinquent, shall bear such interest and penalty as city council may prescribe and may be enforced in the same manner provided for the collection and enforcement of general taxes. (Ord. No. 6705, § 1.)

Sec. 25-116. Assessments to be binding.

The regularity or validity of assessments as provided herein may not in any manner be contested or questioned by any proceeding whatsoever by any person not filing objections to such assessment roll prior to the confirmation thereof. (Ord. No. 6705, § 1.)

Sec. 25-117. Appeal.

The decision of council upon any objection may be reviewed by the state superior court in the manner prescribed by law. (Ord. No. 6705, § 1.)

Sec. 25-118. Reassessment--To be made where original assessment invalidated.

Whenever an assessment provided for in this article is set aside, annulled or declared void, or its enforcement refused by a court of the state or the United States, whether directly or by virtue of a decision of a court, the council may, by ordinance or resolution, make a new assessment or reassessment upon the lots, blocks, or parcels of land benefitted by the improvement, not to exceed, however, two-thirds of the cost of the improvement. The reassessment shall be based on the special and peculiar benefit of the improvement to the respective parcels of land assessed at the time it was originally made. (Ord. No. 6705, § 1.)

Sec. 25-119. Same--Valid notwithstanding irregularities.

The proceedings required by law to be taken before the making of an original assessment are not required to be taken in connection with a reassessment under this article. The reassessment shall be made and become a charge upon the property notwithstanding the omission, failure or neglect of an officer, body or person to comply with the provisions of law relating to improvement and assessment, and whether or not the proceedings of the council or a person connected with the work may have been irregular or defective and whether or not an irregularity was jurisdictional. (Ord. No. 6705, § 1.)

Sec. 25-120. Foreclosure of liens for unpaid assessments.

Liens for unpaid assessments shall be foreclosed and the property sold in the same manner as provided for foreclosure of property for taxes. (Ord. No. 6705, § 1.)

Article IV. Municipal Service Areas.

Sec. 25-121. Created.

There is hereby created two service areas within the city denominated Zone One and Zone Two. Zone One shall receive all municipal services. (Ord. No. 7011, § 1; Ord. No. 7810, § 1.)

Sec. 25-122. Boundaries designated.

These zones are described as follows:

(1) Zone One shall be that area included within the boundary described as follows:

Beginning at the northeast corner of Section 29, Township 8 South, Range 6 West, Copper River Meridian; thence West 39.78 chains to a point on the South boundary of Section 20, Township 8 South, Range 6 West, Copper River Meridian; thence North 80.0 chains more or less to a point on the North boundary of Section 20, Township 8 South, Range 6 West, Copper River Meridian; thence West 80 chains more or less to the intersection point of the North-South centerline and the North boundary of Section 19, Township 8 South, Range 6 West, Copper River Meridian; thence South along the North-South centerline of Sections 19, 30 and 31, Township 8 South, Range 6 West, Copper River Meridian to the point of intersection with the West boundary of U. S. Survey No. 639; thence on a bearing South 45° 57' West, along the West boundary of said U. S. Survey 639, a distance of 29.4 chains, more or less, to the Southwest Corner of U. S. Survey 639; thence on a bearing South 80° 55' East, along the South boundary of said U. S. Survey 639, a distance of 23.0 chains, more or less, to the Southeast Corner of U. S. Survey 639, also being a point of angulation on the westerly boundary of Black Gold No. 2 Subdivision as per plat, recorded in the Valdez Recording District, Valdez Reception No. 74-661, Plat 74-5, thence on a bearing South 0° 48' 56" East, along said westerly boundary a distance of 110.00 feet to the Southwest Corner of said Black Gold No. 2, thence on a bearing South 89° 11' 04" East along the South boundary of said Black Gold No. 2 Subdivision, a distance of 102.42 feet; thence in a southerly direction, a distance of 14.88 chains, more or less, along a line of intersection with the Northwest Corner of the Standard Oil Company of California parcel of land, Tract "A," common with the Northeast Corner of the Standard Oil Company of California parcel of land, Tract "B," and identified on the ground by a brass disc embedded in a concrete pillar, flush with the ground, and marked NW COR STD OIL; thence on a bearing North 79° 55' West, along the North boundary of the Standard Oil Company of California parcel of land, Tract "B," a distance of 7.378 chains, more or less, to the Northwest Corner of Tract "B." Tract "B" is defined by Deed dated November 14th, 1967, and recorded in the Valdez Recording District in Book 60, page 18, Reception No. 67-578; thence on a bearing South along the West boundary of Standard Oil Company of California Tract "B," a distance of 6.95 chains, more or less, to the Southwest Corner of Tract "B"; thence on a bearing

South 80° 55' East, along the South boundary of Tract "B," a distance of 7.36 chains, more or less, to the Southeast Corner of Tract "B," identified on the ground by a brass disc embedded in a concrete pillar, flush with the ground, and marked on the west side of the disc SE COR STD OIL TRACT B, and on the east side of the disc STD OIL CO, TRACT A; thence in a southerly direction a distance of 21.21 chains, more or less, to the point of intersection with the line of mean low, low water of Valdez Bay; thence easterly, along the line of mean low, low water of Valdez Bay to the point of intersection with the North-South centerline of Section 33, Township 8 South, Range 6 West, Copper River Meridian; thence North along the North-South centerline of Sections 33 and 28, Township 8 South, Range 6 West, Copper River Meridian, to the point of intersection with the East-West centerline of Section 28, Township 8 South, Range 6 West, Copper River Meridian; thence West along the East-West centerline of Section 28, Township 8 South, Range 6 West, Copper River Meridian to the point of intersection with the East Boundary of Section 29, Township 8 South, Range 6 West, Copper River Meridian; thence North along the East boundary of Section 29, Township 8 South, Range 6 West, Copper River Meridian to the Northeast corner of Section 29, Township 8 South, Range 6 West, Copper River Meridian, the point of beginning.

This area may also be described as all of that portion of the city located within its boundary, as that boundary existed subsequent to the deannexation of May 5, 1969, and prior to the annexation of March 8, 1970, and also located to the West of the North-South centerline of Sections 33, 28 and 21, Township , South, Range 6 West, Copper River Meridian.

(2) Zone Two shall be all of that portion of the city that is not located within Zone One. (Ord. No. 7011, § 2; Ord. No. 7609, § 1; Ord. No. 7810, § 2.)

Sec. 25-123. Differential tax levied.

There shall be a differential tax rate levied in each zone, and that rate shall be related to the estimated cost of services provided in that zone. (Ord. No. 7011, § 3.)

Article V. Tax on Pipeline Property.

Sec. 25-124. Levied on "taxable property."

There is hereby levied a tax on all pipeline and terminal property as defined in House Bill No. 1 as "taxable property." (Ord. No. 7316, § 1.)

Sec. 25-125. Levied on "construction equipment."

There is hereby levied a tax on all "equipment used in the construction of the pipeline" as described in item 4 of the Free Conference Committee report on Free Conference CS for Senate CS for CS for House Bill No. 1. (Ord. No. 7316, § 2.)

Township 8 South, Range 7 West, Copper River Meridian, to the point of intersection with the line of mean low, low water of Valdez Bay; thence in a generally easterly and southerly direction along the line of mean low, low water of Valdez Bay to the point of intersection with the thread of the main channel of the Lowe River; thence in an easterly direction along the thread of the main channel of the Lowe River to the point of intersection with the north-south centerline of Section 20, Township 9 South, Range 5 West, Copper River Meridian; thence north along the centerline of Sections 20, 17, 8 and 5, Township 9 South, Range 5 West, Copper River Meridian, to the point of intersection with the south boundary of Section 32, Township 8 South, Range 5 West, Copper River Meridian; thence east along the south boundary of Section 32, Township 8 South, Range 5 West, Copper River Meridian, to the southeast corner of Section 32, Township 8 South, Range 5 West, Copper River Meridian; thence north along the east boundary of Sections 32 and 29, Township 8 South, Range 5 West, Copper River Meridian to the northeast corner of Section 29, Township 8 South, Range 5 West, Copper River Meridian; thence west along the north boundary of Sections 29 and 30, Township 8 South, Range 5 West, Copper River Meridian, and Sections 25 and 26, Township 8 South, Range 6 West, Copper River Meridian, to the northeast corner of Section 27, Township 8 South, Range 6 West, Copper River Meridian; thence south along the east boundary of Section 27, Township 8 South, Range 6 West, Copper River Meridian to the point of intersection with the east-west centerline of Section 27, Township 8 South, Range 6 West, Copper River Meridian; thence west along the east-west centerline of Sections 27 and 28 to the point of intersection with the east boundary of Section 29, Township 8 South, Range 6 West, Copper River Meridian; thence north along the east boundary of Section 29, Township 8 South, Range 6 West, Copper River Meridian, to the northeast corner of Section 29, Township 8 South, Range 6 West, Copper River Meridian, to the point of beginning.

(3) Zone Three shall be all of that portion of the city that is not located within Zone One or Zone Two. (Ord. No. 7011, § 2; Ord. No. 7609, § 1.)

Sec. 25-123. Differential tax levied.

There shall be a differential tax rate levied in each zone, and that rate shall be related to the estimated cost of services provided in that zone. (Ord. No. 7011, § 3.)

Article V. Tax on Pipeline Property.

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There is hereby levied a tax on all "equipment used in the construction of the pipeline" as described in item 4 of the Free Conference Committee report on Free Conference CS for Senate CS for CS for House Bill No. 1. (Ord. No. 7316, § 2.)

Article VI. Hotel-Motel Room Tax.

Sec. 25-126. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Contractor. A person or organization who undertakes to construct, alter, repair, move or demolish a building, highway, road, railroad or any type of fixed structure, including excavation, site development and erection of scaffolding.

Guest. An individual, corporation, partnership or association paying or agreeing to pay monetary consideration for the use of a room or rooms in a hotel-motel.

Hotel-motel. A structure or portion of a structure which is occupied or intended and designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any construction camp, hotel, motel, inn or similar structure.

Operator. A person who furnishes, offers for rent or otherwise makes rooms available in a hotel-motel in the city for monetary consideration, whether acting directly or through an agent or employee.

Person. An individual and entities recognized by law.

Quarter. Computed by use of the calendar year beginning with January and shall consist of a three-month period.

Rents. The amount paid as monetary consideration for the use of a room or rooms in a hotel-motel or other place of public accommodation by a transient.

Transient. A person who occupies or has available for occupancy a suite, room or rooms in a hotel-motel for fewer than thirty consecutive days. An employee who occupies or has available for fewer than thirty days a suite, room or rooms rented or leased for more than thirty consecutive days by an employer for use on a rotating basis by employees is not a transient. (Ord. No. 8112, § 1; Ord. No. 8126, § 1.)

Sec. 25-127. Levied; responsibility for payment; collection.

(a) The city hereby levies a tax on transient hotel-motel room rentals within the city equal to six percent of the room rental, effective October 1, 1981. The tax shall be applicable to all transient room rentals unless the rental is specifically exempted from taxation, as follows:

(1) The rent paid for a hotel-motel room by a federal, state or municipal officer or employee who is on official business is exempt from taxation.

(2) The rent paid for a hotel-motel room by an officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty is exempt from taxation.

(3) The rent paid for a hotel-motel room by a contractor or employees of a contractor who are occupying or using the room while engaged in the actual construction of a project in the city is exempt from taxation.

No exemption shall be granted except upon a claim therefor made at the time rent is collected. Applications for exemptions under this subsection shall be made under penalty of perjury upon a form prescribed by the city.

(b) Each transient guest is responsible for the room rental tax imposed by this article, and the tax shall be due and payable at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due when the transient guest ceases to occupy or use space in the hotel-motel.

(c) Every operator renting rooms subject to taxation under this article shall collect the taxes imposed by this article from the transient guest at the time of collection of the room rental and shall transmit the same quarterly to the city. The tax imposed shall be shown on the billing to the guest as a separate and distinct item. (Ord. No. 8112, § 1; Ord. No. 8126, § 2.)

Sec. 25-128. Certificate of registration.

(a) Operators shall apply to the city for a certificate of registration not later than ten days from the effective date of the ordinance codified in this article, the date of commencement of business or the opening of additional places of business. Upon receipt of a properly executed application, the city may issue without charge a certificate of registration to the operator authorizing the operator to collect the tax at the business address stated on the certificate.

(b) The certificate must be displayed prominently at the registered place of business.

(c) The certificate of registration is nonassignable and nontransferable and must be surrendered to the city by the operator to whom it was issued upon the operator's cessation of business at the location stated in the certificate. If the business is continued at the same location but the form of business organization is changed, the operator shall surrender his old certificate to the city for cancellation. The new operator shall file a new application for the certificate of registration and, upon receipt of a properly executed application, a new certificate will be issued. If there is a change of address for the operator's place of business, a new certificate of registration is required showing the new location or address. (Ord. No. 8112, § 1.)

Sec. 25-129. Receipts--Segregation.

Title to the taxes collected pursuant to this article shall vest in the city upon collection. Such taxes shall be segregated by the operator from the funds of the operator or the hotel-motel and safeguarded until transmitted to the city as hereinafter provided. A separate account shall be maintained for all taxes collected. (Ord. No. 8112, § 1.)

Sec. 25-130. Same--Transmittal; due date; penalty.

(a) On or before thirty days after the end of each quarter, each operator shall prepare and submit to the city a return for the preceding quarter upon forms furnished by the city setting forth the amount received for:

(1) Rentals within the city;

(2) The amount received from nontaxable rents;

(3) The amount received from all taxable rentals; and

(4) The taxes collected.

In addition, the operator shall submit such other information and supporting papers as may be required by the city.

(b) The operator shall sign the return and transmit it together with the taxes collected to the city on or before the due date. A return shall be filed even if none of the reported rentals were taxable.

(c) Taxes collected by an operator as provided by this article shall be due thirty days after the end of each quarter. If taxes collected by an operator have not been received by the city on or before the due date, the operator shall incur a penalty equal to ten and one-half percent of the taxes which are due and shall be charged interest at the rate of ten and one-half percent per annum for each day the tax is delinquent.

(d) Where the city has reasonable grounds to believe that taxes due were not collected or taxes collected were not transmitted on or before the due date, or if the operator of a hotel-motel has failed to file a return as required by this article, the city shall prepare a notice of delinquency and shall deliver such notice to the operator. Payment of delinquent tax under a notice of delinquency shall include penalty and interest which shall be calculated as provided above. (Ord. No. 8112, § 1.)

Sec. 25-131. Returns to be confidential.

All returns filed with the city pursuant to the provisions of this article and all data obtained from such returns are confidential and may not be released for inspection by the public, except upon court order. (Ord. No. 8112, § 1.)

Sec. 25-132. Records--Maintenance and inspection.

Every operator of a hotel-motel engaged in business within the city shall keep and preserve suitable records of all rentals made and such other books or accounts as may be necessary to determine the amount of tax required to be collected. All books, invoices and other necessary records shall be maintained by the operator for a period of two years and shall be available for examination at reasonable times by the city for the purpose of ascertaining the correctness of a return or for the purpose of determining the amount of tax collected or levied. (Ord. No. 8112, § 1.)

Sec. 25-133. Same--Investigation by city.

The city may conduct investigations and hearings concerning any matters covered by this article, may examine relevant books, papers, records or memoranda of any operator and may require the attendance of the operator, his officers or employees. The city shall have the power to administer oaths to persons testifying, and may issue formal subpoenas to compel attendance or to require production of relevant books, papers, records of memoranda. All subpoenas issued under the terms of this article may be served on any person of legal age. The fees paid to witnesses for attendance at the hearings shall be the same as the fees paid to witnesses before the superior court, and such fees shall be paid when the witness is excused from further attendance. When a witness is subpoenaed at the insistence of any party to the proceeding, the cost of service of the subpoena and the fee of the witness shall be borne by the party at whose request the witness is summoned. A subpoena shall be served in the same manner as a subpoena issued by a superior court. The city or any party to an investigation or hearing before the city may cause the deposition of witnesses residing within or without the state to be taken in a manner prescribed by law for depositions in civil actions in the courts of this state and to that end may compel the attendance of witnesses andproduction of relevant books, papers, records or memoranda. (Ord. No. 8112, § 1.)

Sec. 25-134. Suits for collection.

Taxes due but not paid or taxes collected but not transmitted may be recovered in an action at law against the transient guest or the hotel-motel operator. Tax returns shall be prima facie proof of taxes collected but not transmitted. (Ord. No. 8112, § 1.)

Sec. 25-135. Prohibited acts.

(a) No person may fail or refuse to pay the tax imposed by this article when it is due and payable to an operator authorized to collect the tax.

(b) An operator may not advertise or state to the public or to any guest or renter directly or indirectly that the tax or any part of it will be assumed or absorbed by the operator, or that the tax will not be added to the rental, or that it will be refunded. An operator may not absorb or fail to add the tax or any part of it or refund any tax or fail to state the tax separately to the renter or guest. (Ord. No. 8112, § 1.)

Sec. 25-136. Civil penalties for violations.

An operator who rents accommodations in the city and who thereafter fails to file a tax return as required by this article shall incur civil penalty equal to ten percent of the taxes due to the city for each quarter for which a return was not filed as required by this article. An operator who, in the course of his business, rents accommodations upon which a tax is levied hereunder and who fails to collect such tax shall incur a civil penalty of double the tax which should have been collected. In addition, a violator of this article is subject to criminal penalties as set forth in section 1-7. (Ord. No. 8112, § 1.)

Sec. 25-137. Use of funds generated; creation of advisory board.

The funds generated by the hotel-motel tax, less costs of collection, shall be used only for promotion of tourism and tourist-related activities. Any person or organization which receives an appropriation of any of these funds from the city shall use the funds only for those purposes and under the limitations set forth by the city, and shall provide an accounting and records of the use of the funds in a form satisfactory to the city.

An advisory board is hereby created for the purpose of making recommendations to the council regarding the use of the proceeds of the hotel-motel room tax. This board shall consist of seven members who are appointed and serve at the pleasure of the council. At least three board members shall be connected with the hotel-motel business in the city, at least one board member shall be connected with the transportation industry in the city, and at least two board members shall be from the general business community of the city. (Ord. No. 8112, § 1.)

P.O. BOX 1928
VALDEZ, ALASKA 99686
PH: 835-2717

Exhibit F

March 31, 1981

Re: Real Estate Values
for Properties Located
in the City of Valdez

City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Attention: Mr. Mark Lewis

Dear Mr. Lewis,

In reference to our conversation of March 23, 1981 pertaining to assessed values for tax purposes in the city of Valdez, I feel that the valuations I arrived at are 100% of fair market value. However, it is not uncommon for appraisers to be as much as 15% to 20% apart in valuation and two appraisers could arrive at two different values on the same piece of property. Therefore, it would be reasonable to apply a percentage of increase or decrease to the values I arrived at for assessment purposes.

Real estate appraising is not a science, it is an estimation based on knowledge and analysis of the real estate market. The analyses utilized in arriving at an estimation is uniform throughout the appraisal field, but because of the many different variables involved in these processes different appraisers do arrive at different estimations of value.

I hope this satisfactorily answers your questions and if any others should arise please contact me.

Very truly yours,

Richard G. Randell

Exhibit G

Patrick J. McKay
ATTORNEY AT LAW

716 W. 4th Avenue, Suite 400, Anchorage, Alaska 99501
(907) 276-5541

March 9, 1983

Mark Lewis
2733 John Street
Juneau, Alaska 99810

Re: Valdez Tax Assessments

Dear Mark:

Pursuant to our recent telephone conversation, I have obtained copies of the Valdez ordinances concerning the real estate tax assessment process in the City of Valdez, and have reviewed the State's statutes, as well. Unfortunately, under the factual situation as described by both yourself and my conversation with Mr. Randell, it appears that there is no clear answer to your question as to "precertified tax roll changes vs. certified tax roll changes." The reason this is unclear is because according to the Valdez City ordinances, section 25-8, the tax rolls are not certified until after the board of equalization has met and heard all appeals. Therefore, it is my opinion that "certified tax rolls" can only be changed by the Superior Court, since all the municipal remedies would have been exhausted by that time.

However, as I understand your factual circumstances, the question really should be "who has the authority to change or suggest changes to tax rolls before the original submission to the City Council?" It appears that in this case the tax rolls were changed even prior to the first submission to the City Council. If my understanding is correct, the tax rolls were changed after a meeting with yourself and the city assessor, Richard Randell, a meeting that was reflected in Mr. Randell's letter of March 31, 1981 to yourself. At this point, the city tax rolls had not even been originally submitted to the City Council.

The original submission of the tax rolls to the City Council is not called for by ordinance, however, is the initial notification to council members that the tax rolls have been completed. Certification is not necessary prior to this original sumission and as discussed above, is only necessary after the board of equalization meets.

Therefore, it appears that Mr. Randell, in his role as an expert appraiser as well as a city tax assessor, could receive input from any person he chooses, whether it be from the city administration or the citizenry in order to make determinations necessary as to the "full and true value" of the realty located in the city. Since Mr. Randell was present at the time the City Council received the tax rolls originally, it would appear that he assented to the change. Nothing in the city ordinances nor in the Alaska Statutes prohibit either yourself, other members of the administration, or even the citizenry, from making suggestions to Mr.

Randell. The tax roll was submitted originally to the City Council after consultation with the city assessor and after his professional review, and on the bottom line, that's what really counts.

Upon review of your actions, it is my opinion that you did not violate any statutes or ordinances applicable to the situation.

I believe there might be a problem if changes had occurred after the original submission to the City Council. I believe there is a problem if changes would have occurred unilaterally after the rolls were submitted to the board of equalization. Clearly there would be a problem if changes occurred after the review by the board of equalization and prior to the certification by Mr. Randell of the tax rolls. Just as clearly, there would be a problem if any changes were made after certification.

I hope this letter has answered your questions. I also hope this letter finds you in the best of health, and next time you are in Anchorage, give me a call.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Patrick J. McKay

PJM/jm

HB

31

COMMITTEE REPORT

HOUSE

(7)
1/17/83

FURTHER: BINAMON

Date: _____

Mr. Speaker:

The Committee on C & PA has had HB 31

Providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes; and providing for an effective date.

under consideration and reports it back as follows:

[ ] 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
[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

AMENDED TITLE: SCSCSHB 31(FIN)
AN ACT RELATING TO CERTAIN TAX BENEFITS FOR DISABLED VETERANS AND SENIOR RESIDENTS;
AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS: $300,000 (F. NOTE)

PRIME SPONSOR: FURNACE.

OTHER DOLLARS: $0

CO-SPONSORS: BARNES, GRUSSENDORF, KOPONEN, PHILLIPS, LINDAUER, ABOOD, LISKA, LARSON, FRITZ.

CURRENT STATUS: 4/27/84 CHAPTER 0040 SLA 84

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/17/83	01	0025	FIRST READING -- COMMITTEE REPORTS
02/15/83	02	0259	C&RA -- CS03, NR04
02/15/83	03	0259	F/NOTE HSE SUPPL #9
03/02/83	04	0380	FIN -- C&RA CS11
03/02/83	05	0384	SECOND READING
03/02/83	06	0385	C&RA CS ADOPTED BY UNAN CONSENT
03/02/83	07	0385	AM01 ADOPTED BY UNAN CONSENT
03/02/83	08	0385	ADVANCED TO 3RD READING BY UNAN CONSENT
03/18/83	20	0549	AM05 ADOPTED BY UNAN CONSENT
03/18/83	21	0000	ADVANCED TO 3RD READING BY UNAN CONSENT
03/02/83	09	0385	THIRD READING
03/02/83	10	0386	PASSED BY DIV 36-04-00
03/02/83	11	0387	EFFECTIVE DATE VOTE SAME AS PASSAGE
03/02/83	12	0387	NOTICE OF RECONSIDERATION GIVEN
03/04/83	13	0405	POSTPONED UNTIL 03/09/83 BY UNAN CONSENT
03/09/83	14	0438	POSTPONED UNTIL 03/14/83 BY UNAN CONSENT
03/14/83	15	0493	POSTPONED UNTIL 03/16/83 BY UNAN CONSENT
03/16/83	16	0513	POSTPONED UNTIL 03/18/83 BY UNAN CONSENT
03/18/83	17	0545	FAILD TO RETN 2ND READNG BY DIV 04-33-03
03/18/83	18	0546	FAILD TO RETN 2ND READNG BY DIV 04-31-05

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/18/83	19	0549	RETURNED TO 2ND READING BY UNAN CONSENT
03/18/83	22	0549	PASSED ON RECONSIDERATN BY DIV 34-01-05
03/18/83	23	0550	EFFECTIVE DATE VOTE SAME AS PASSAGE
04/09/84	36	3255	CONCURRED IN SENATE AMS BY DIV 37-02-01
04/09/84	37	3255	EFFECTIVE DATE VOTE SAME UNAN CONSENT
04/10/84	38	3270	TRANSMITTED TO GOVERNOR
04/27/84	39	3505	SIGNED BY GOVERNOR-CH0040, EFF 01/01/85
****	**	**	**** **** ****

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/21/83	24	0446	FIRST READING -- COMMITTEE REPORTS
04/20/83	25	0760	C&RA -- CS02, NR01
04/20/83	26	0760	C&RA F/NOTE SEN SUPPL #21
03/01/84	27	2223	FIN -- CS03, NR03
03/01/84	28	2238	FIN F/NOTE SEN SUPPL #59
04/04/84	29	2634	RLS -- FIN CS05, OTHER05 TAKEN UP IMMEDIATELY
04/04/84	30	2635	SECOND READING
04/04/84	31	2636	FIN CS ADOPTED BY UNAN CONSENT
04/04/84	32	2636	ADVANCED TO 3RD READING BY UNAN CONSENT
04/04/84	33	2636	THIRD READING
04/04/84	34	2636	PASSED BY DIV 20-00-00
04/04/84	35	2636	EFFECTIVE DATE VOTE SAME AS PASSAGE

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST

Bill/Resolution No.: HB 031 CS(C&RA)
Title: Residence Exemption/Disabled Veterans Rec ID 364
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		3.0	3.3	3.6	4.0	4.4
300 CONTRACTUAL						
400 SUPPLIES		2.0	2.2	2.4	2.6	2.9
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		214.0	235.5	259.0	285.0	313.5
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	219.0	241.0	265.0	291.6	320.8
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND		219.0	241.0	265.0	291.6	320.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Phone: 465-4750
Division: Municipal and Regional Assistance
Date: 12/29/83

Approved by Commissioner:
Date: 12/29/83
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 031 CS
Title: Residence Exemption/Disabled Veterans
Rec ID 364

ANALYSIS:

Assumptions:

See Attachment A.

Positions:

Negligible impact.

Other Expenditures:

Funding:

General Fund.

Section Cost Analysis:

Computations:

See Attachment A.

Economic Impact:

None.

Impact on Local Government:

Negligible

Attachments

Attachment A - assumptions & computations.

ATTACHMENT A

Assumptions:

1. Of the 75% disabled veterans in Alaska whose disability ratings are 50% or higher, we assume 1.5% to be over 65 years of age, and therefore, already exempt under Senior Citizen programs.

2. The percentage of disabled veterans who rent is similar to those who own their homes.

3. The average exemption for homeowners is $427 per year. The average rebate for renters is $295 per year.

4. The annual increase is 10%. This allows for inflation, increasing participation and increased property taxes.

Computations:

Homeowners

% Disability	Number	Total Payment to Municipalities
50%	150	$ 32,025
60%	149	38,174
70%	92	27,499
80%	46	15,714
90%	2	769
100%	162	69,174
TOTAL	601	$ 183,355

Renters Property

% Disability	Number	Total Rebate to Renters
50%	38	$ 5,605
60%	37	6,549
70%	17	3,511
80%	11	2,596
90%	1	266
100%	41	12,095
TOTAL	145	$ 30,622

Administration

Forms Design & Printing	$ 2,000
Travel (Outreach)	3,000
	$ 5,000

GRAND TOTAL		$ 218,977
	CALL:	$ 219,000

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

TO: House C & R A Committee

FROM: Staff

DATE: February 14, 1983

SUBJECT: CSHB 31

CSHB 31 adds a provision for disabled veterans who are renters to receive a rebate on the portion of rent that is estimated to be equal to the tax payment.

It makes property tax exemption and rental rebate applicable to disabled veterans with a minimum of 50 percent disability.

The committee substitute incorporates requests of committee members which require verification of disability and provides for exceptions to the deadline for applications.

To: Representatives Barbara Lacher, Chairperson
House Committee on Community and Regional Affairs

Through: Representative Walt Furnace

From: Steven C. Levi, Staff

Date: January 20, 1982

RE: HB 31

This bill, when enacted, will allow a property tax exemption for a disabled Alaska veterans in the percentage of his or her disability on his or her residential, permanent abode. Thus, an Alaskan veteran who is 75% disabled would have a 75% reduction in his or her property taxes. A disabled veterans may be required to show evidence of disability. Disability shall be defined as that percentage of physical damage which has been rated by the branch of the service in which the person served or by the Veterans Administration. Such veteran must have been honorably discharged.

Staff notes that Alaskans 65 years or older pay no property assessments and that only one exemption may be granted for any piece of property -- even if two or more eligible Alaskans reside at the same address.

Regional Office
235 East 8th Avenue
Anchorage AK 99501

Veterans Administration

January 25, 1983

In Reply Refer To: 363/27

Representative Barbara Lacher
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mrs. Lacher,

We do not have a precise breakdown of disabled veterans by state and percentage of disability.

We do, however, know the exact number of Alaska veterans receiving service connected disability payments, and that figure is 3,436.

Also, we do have a breakdown by percentage of disability on a national basis. That is as follows:

DISABILITY	PERCENT OF TOTAL
10%	39.5
20%	15.9
30%	14.1
40%	8.3
50%	5.1
60%	5.5
70%	3.4
80%	1.7
90%	0.1
100%	6.0

You can see from this chart that, for example, 39.5% of the veterans nationally are receiving 10% disability compensation. If you apply the same percentage (39.5) to the total number of Alaska veterans (3436) you will arrive at a good approximation of the number of veterans in Alaska receiving 10% compensation.

Representative Barbara Lacher

Attached you will find a copy of our current compensation rates. Historically, the rates have been adjusted on October 1st to reflect increases in cost-of-living.

Sincerely,

WILLIAM R. HARRELL
Staff Assistant/Veterans Services Officer

38 U.S.C. 314

BASIC RATES

Entitlement Codes
11, 21, 31, 41, 51,
61, 71 and 91

PL 97-
Effective 10-1-82

DEP CODE		(a) 10%	(b) 20%
00	Veteran	$62	$114

DEP. CODE	38 USC 314 Percent	30%	40%	50%	60%	70%	80%	90%	100%	38 USC Percent	DEP. CODE
00	Veteran	$173	249	352	443	559	648	729	1213	Veteran	00
10	V-W	195	278	389	487	610	707	795	1287	V-W	10
11	V-W-1C	210	298	414	517	645	747	840	1337	V-W-1C	11
12	V-W-2C	222	314	434	541	673	779	876	1377	V-W-2C	12
13	V-W-3C	234	330	454	565	701	811	912	1417	V-W-3C	13
14	V-W-4C	246	346	474	589	729	843	948	1457	V-W-4C	14
15	V-W-5C	258	362	494	613	757	875	984	1497	V-W-5C	15
16	V-W-6C	270	378	514	637	785	907	1020	1537	V-W-6C	16
17	V-W-7C	282	394	534	661	813	939	1056	1577	V-W-7C	17
18	V-W-8C	294	410	554	685	841	971	1092	1617	V-W-8C	18
19	V-W-9C	306	426	574	709	869	1003	1128	1657	V-W-9C	19
Ea. Add'l Child		12	16	20	24	28	32	36	40	Ea. Add'l Child	
Ea. School Child		33	44	56	67	78	89	100	112	Ea. School Child	
81	V-1C	188	269	377	473	594	686	774	1263	V-1C	81
82	V-2C	200	285	397	497	622	720	810	1303	V-2C	82
83	V-3C	212	301	417	521	650	752	846	1343	V-3C	83
84	V-4C	224	317	437	545	678	784	882	1383	V-4C	84
20/30	V-W-1P	213	302	419	523	652	755	849	1347	V-W-1P	20/30
21/31	V-W-1P-1C	228	322	444	553	687	795	894	1397	V-W-1P-1C	21/31
22/32	V-W-1P-2C	240	338	464	577	715	827	930	1437	V-W-1P-2C	22/32
23/33	V-W-1P-3C	252	354	484	601	743	859	966	1477	V-W-1P-3C	23/33
24/34	V-W-1P-4C	264	370	504	625	771	891	1002	1517	V-W-1P-4C	24/34
40	V-W-2P	231	326	449	559	694	803	903	1407	V-W-2P	40
41	V-W-2P-1C	246	346	474	589	729	843	948	1457	V-W-2P-1C	41
42	V-W-2P-2C	258	362	494	613	757	875	984	1497	V-W-2P-2C	42
43	V-W-2P-3C	270	378	514	637	785	907	1020	1537	V-W-2P-3C	43
44	V-W-2P-4C	282	394	534	661	813	939	1056	1577	V-W-2P-4C	44
50/60	V-1P	191	273	382	479	601	696	783	1273	V-1P	50/60
51/61	V-1P-1C	206	293	407	509	636	736	828	1323	V-1P-1C	51/61
52/62	V-1P-2C	218	309	427	533	664	768	864	1363	V-1P-2C	52/62
53/63	V-1P-3C	230	325	447	557	692	800	900	1403	V-1P-3C	53/63
54/64	V-1P-4C	242	341	467	581	720	832	936	1443	V-1P-4C	54/64
70	V-2P	209	297	412	515	643	744	837	1333	V-2P	70
71	V-2P-1C	224	317	437	545	678	784	882	1383	V-2P-1C	71
72	V-2P-2C	236	333	457	569	706	816	918	1423	V-2P-2C	72
73	V-2P-3C	248	349	477	593	734	848	954	1463	V-2P-3C	73
74	V-2P-4C	260	365	497	617	762	880	990	1503	V-2P-4C	74
Additional For A/A Spouse Add		18	24	30	36	42	48	54	60	Additional For A/A Spouse Add	

M21-1
Change 4
Appendix

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 24, 1983

TO: Representative Barbara Lacher

FROM: Staff

SUBJECT: HB 31 Summary

This proposed amendment provides tax exemption of real property (permanent place of abode) for disabled veterans. The amount of the exemption is the same percentage as the percentage of disability as established by the service disability rating of the veteran.

The taxes lost to a municipality as a result of this amendment shall be paid to the municipality by the State (29.53.020g). The manner for the veteran to receive the exemption and for the municipality be reimbursed is the same as exising law for persons 65 years of age or older.

TO: HB 31 files

FROM: Staff

According to Bill Harrell of the Veterans Administration in Anchorage there are 3436 veterans who are drawing disability compensation. Of these

39.5%	10% disability	1,357
15.9%	20%	
14.1	30%	
8.3%	40%	
5.1	50%	
5.5	60%	
3.4%	70%	
1.7	80%	
.1%	90%	(4)
6.0	100%	(206)

The above figures are close approximations and thus do not come out exactly at 100%

In addition to the above disability rating, there are special letter ratings from A-R. The loss of one eye for example is a K rating and entitles the veteran to an additional amount of money.

The % of disability rating is based on the "average man's income loss" For example, it is determined that the average man would lose a certain percentage of his earning power for a particular injury and so anyone, be they a concert pianist or a truck driver will receive the same amount of compensation for a particular disability. The rate scale is updated annually.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For HB 31 (C&RA)
Title "...providing for the exemption of the residence of a disabled veteran..."
Requested by House Community & Regional Affairs Date 2/8/83

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected
BRU, Program, Or Subprogram(s) Affected State Assessor - 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		289.7	315.8	344.2		

FUNDING (Thousands of Dollars)

GENERAL FUND		289.7	315.8	344.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See Attached

RECEIVED
FEB 9 1983
LEGISLATIVE FINANCE

IV. DATE 2/8/83 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. 12/82) OMB Reviewed by: David Gentry

FISCAL NOTE

"...providing for exemption of the residence of disabled veterans..."

The following tables show estimated number of veterans by percent of disability and is based on average payments made to senior citizens under current statutes.

HOMEOWNERS

% Disabili[illegible]	Number	Total
10%	1070	$63,828
20%	430	$51,301
30%	382	$68,361
40%	225	$53,687
50%	150	$44,739
60%	149	$53,329
70%	92	$38,416
80%	46	$21,952
90%	2	$1,074
100%	162	$96,636
	2,708	$493,323

RENTERS

10	268	$8,920
20	108	$7,190
30	95	$9,486
40	56	$7,456
50	38	$6,324
60	37	$7,389
70	17	$5,658
80	11	$226
90	1	$300
100	41	$13,647
	672	$66,596

Grand Total $559,919

Assumptions

1. There are 3,436 eligible disabled veterans in the state.
2. Census statistics show the over 65 male population of the state to comprise 1.4% and this percentage also applies to disabled veterans. Therefore, that 1.4% of the disabled veterans are presently exempt by virtue of age.
3. The percentage of disabled veterans who rent is similar to senior citizens who rent.

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FEB 2 1983

LEGISLATIVE FINANCE

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For HB 31 (C&RA)
Title "...providing for exemption of the residence of a disabled veteran..."
Requested by House Community & Regional Affairs Date 1/28/83

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected
BRU, Program, Or Subprogram(s) Affected State Assessor - 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		559.9	610.3	665.2		

FUNDING (Thousands of Dollars)

GENERAL FUND		559.9	610.3	665.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See Attached

IV. DATE 1/28/83 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. 12/82)

OMB Reviewed by: David Gentry

RECEIVED

FEB 2 1983

LEGISLATIVE FINANCE

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For HB 31 (C&RA)
Title "...providing for exemption of the residence of a disabled veteran..."
Requested by House Community & Regional Affairs Date 1/28/83

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected
BRU, Program, Or Subprogram(s) Affected State Assessor - 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		559.9	610.3	665.2		

FUNDING (Thousands of Dollars)

GENERAL FUND		559.9	610.3	665.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See Attached

IV. DATE 1/28/83 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. 12/82)

OMB Reviewed by: David Gentry D. Gentry

M E M O R A N D U M

TO: House C & RA Committee Members

FROM: Staff

SUBJECT: HB 31

Message from Mr. Dave Barrett, Alaska Director of Veterans Administration, as relayed by Mr. Pete Everingham, Juneau VA representative.

The Veterans Administration can provide to state agencies the necessary data to implement HB 31 as presently written, that is, exemptions and payments based on a percentage of disability as rated by the Veterans Administration.

The Veterans Administration cannot provide the necessary information should tax exemptions and payments be based on income or need because they do not and cannot maintain this data.

TO: Representative Barbara Lacher

FROM: Staff

SUBJECT: CS HB 31

The proposed CSHB 31 retains the same provisions as HB 31 but provides for property tax equivalency payments for disabled veterans who are renters of an abode in the same manner as is presently provided for citizens 65 years of age or older who are renters. (AS 29.73.060)

The disabled veteran will be eligible for payment of that portion of his rent that approximates the property tax of his abode, but the amount of payment made will be the same percentage as the percentage of the veterans' disability rating.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

Position Paper

Re: HB 31

Sponsor: Furnace

Program Effects of Bill

A property tax exemption for the homeowners of a given segment of the population may prompt companion legislation to provide for property tax rebates for renters within that same segment of taxpayers (see AS 29.73.060. Property tax equivalency payments). Additional legislation could extend into areas such as sewer and water assessment exemptions (see AS 29.63.065.) and motor vehicle tax exemptions [see AS 28.10.411(d)].

As a result of the adoption of those programs, additional administrative costs may be incurred by this department, and similar impacts could occur in numerous taxing municipalities across the State.

Comments

The Department does not oppose veterans benefits in concept. However, there are ramifications to be considered. Although this specific bill might not have a significant financial impact on the State, it could set a precedent which we believe could have such an impact.

The Department is also concerned with the deterioration of the property tax base through the passage of such bills. As more tax exemptions are passed, the net result is that fewer property owners are required to pay more in local tax dollars to maintain the existing level of municipal services.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1983

TO: Representative Don Clocksin

FROM: Bob Harris
House C ¢ RA Staff

Subject: HB 31, Disabled Veterans Tax Exemption

The attached draft reflects the corrections and revisions requested during our hearing on the bill on January 26.

Please review and let me know if there are any other concerns to address before we bring it back to the Committee.

Alaska State Legislature

House of Representatives

JAN 31 1983

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: January 29, 1983

TO: Rep. Barbara Lacher
Chairman
House Community and
Regional Affairs
Committee

FROM: Mike Szymanski
Representative

SUBJECT: HB 31 Exempting Disabled Veterans from Paying Real Property Tax

Before we move on this legislation I would recommend the following questions be either addressed by the sponsor or researched by committee staff:

1. If we restrict eligibility to "special disabled" (30% or more), what will the fiscal note be?

2. Can a needs survey be initiated which would support the funding of disabled veterans as proposed in the legislation.

3. Is is possible to tie the amount of tax exemption to the true income of the disabled veteran?

Finally, I would aslo request identification of where in the existing operating budget of the State the sponsor or supporter of this legislation would reduce funding to accommodate this new program so as not to increase the already bulging and inflated operating budget.

If you have any questions concerning this request, please feel free to contact me.

H. C&RA

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

RECEIVED
FEB 7 1983
LEGISLATIVE FINANCE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 31
Title An Act providing for exemption of the residence of a disabled veteran ....
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Commerce and Economic Development
Program Category Affected Economic Development
BRU, Program, Or Subprogram(s) Affected Loans and Veterans Affairs
(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill will provide a benefit to disabled veterans but will have no major effect on this division.

IV. DATE January 21, 1983 PREPARED BY Greg Ulmer FOR D. A. Hostak, Director
AGENCY Commerce & Economic Development
PHONE 465-2555 Division of Loans & Veterans Affairs

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

33-001 (Rev. 12/82)

OMB review by Guy Bell

Sec. 29.68.390. Election on charter.

NOTES TO DECISIONS

Cited in Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (File Nos. 3050, 3104), 568 P.2d 3 (1977).

Chapter 73. Miscellaneous Provisions.

Section	Section
60. Property tax equivalency payments	80. Emergency services communications centers
70. Taxpayer notice	

Sec. 29.73.020. Eminent domain.

NOTES TO DECISIONS

Quoted in Tunley v. Municipality of Anchorage School Dist., Sup. Ct. Op. No. 2160 (File Nos. 4796, 4797, 4826), 617 P.2d 490 (1980).

Sec. 29.73.060. Property tax equivalency payments. (a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

(b) For purposes of determining payments to eligible persons, the department shall calculate a property tax equivalent percentage for each home rule or general law municipality which levies a general property tax at the rate of one percent per mil. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment. (§ 2 ch 217 SLA 1976; am § 1 ch 124 SLA 1980)

Effect of amend
amendment, retroac
1980, inserted a com
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Sec. 29.73.07(
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(1) the residence of a bishop, pastor, priest, rabbi, minister or religious order of a recognized religious organization;

(2) a structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious administrative offices, religious education or a nonprofit hospital;

(3) lots supporting and adjacent to a structure or residence mentioned in (1) or (2) of this subsection which are necessary to convenient use;

(4) lots required by local ordinance for parking near a structure defined in (2) of this subsection.

(c) Property described in (a) or (b) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital, or educational groups for classroom space.

(d) Laws exempting certain property from execution under the Code of Civil Procedure (AS 09) do not exempt the property from taxes levied and collected by municipalities.

(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. 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.

(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 and amount of an exemption claimed under this section.

(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).

(h) Except as provided in (g) of this section, nothing in (e)—(i) of 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(a).

(i) In (e) — (i) of this section the term "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

(j) Two percent of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 18.70.081, in operating condition, and 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 the fire protection system is a fixture of the structure on January 1, 1981; or

(2) an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981. (§ 2 ch 118 SLA 1972; am §§ 1, 2 ch 60 SLA 1973; am § 1 ch 65 SLA 1975; am § 1 ch 191 SLA 1976; am § 1 ch 217 SLA 1976; am §§ 1, 2 ch 229 SLA 1976; am § 1 ch 97 SLA 1977; am §§ 2, 3 ch 45 SLA 1980; am § 2 ch 95 SLA 1980)

Effect of amendments. — The 1973 amendment deleted "whose gross annual income totals less than $10,000" preceding "is exempt" in the first sentence of subsection (e), deleted the language beginning "however" from the end of the present second sentence of that subsection, and deleted the language following "exemption claimed under this section" from the end of the fourth sentence of subsection (f).

The 1975 amendment, in subsection (f), divided the former second sentence into the present second and third sentences by substituting "The claimant" for "and" at the beginning of the present third sentence, added the language beginning "but during the same year" to the end of the second sentence, and added the present fifth sentence.

The first 1976 amendment, in subsection (b), substituted "a bishop, pastor" for "the pastor" in paragraph (1) and inserted "religious administrative offices" in paragraph (2).

The second 1976 amendment, in subsection (e), deleted "After January 1, 1973" from the beginning of the first sentence, added the language beginning "up to and including an assessed value limit" to the end of that sentence, and added the former second sentence.

The third 1976 amendment added the second sentence of subsection (g), added "Except as provided in (g) of this section," to the beginning of subsection (h), and deleted the former second sentence of subsection (h), which read "However, under (e) — (i) of this section only the amount of

revenue lost to the
of the exemption au
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The 1977 amend
deleted "up to and
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Regional Affairs"
sentence and dele

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Anchorage Area
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Op. No. 1299 (Fil
(1976).

Burden of
exemption. —
exemption has t
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Greater Anchor
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Sup. Ct. Op. No
P.2d 467 (1976)

Exclusive u
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exclusive use
charitable, cen
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Borough v. Sis
Providence, Su
2445), 553 P.2
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exemption. G
ough v. Siste

Sec. 29.
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(b) Mun
(1) clas
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registered
valuation
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than five

HB 31

HB 31 Vic Pete Everingham

Proof for exemptions.
Kept on percentage basis - ok
okay to provide.

From State Director * Reimburse on * Annual Account
of Affairs via Dave Barrett from VA by Veteran - rights are
because (loans, divorce, court cases)

Service rates £100-
No data avail on Rentals

55-60,000 vets in AK
20,000 Vietnam era

Dept of Labor
> 30 % "Special" disabled Employment offices -

Job Service office - No of Vets going to -

To Clocksin

Need ~~Estimate~~ assessment - Vietnam Veterans sponsored by HESS

? - Double Check - any way to double dip
esp Renters Vet & over 65

Sykanski -
definition of land ?

— See Clocksin for clean up language

- Tell Committee refer to each other formally during meetings, not Mike

- Committee members - address the Chair, not each other.

~~Speaker~~ ✓
~~Clerk~~ ✓
~~Members~~ ✓
~~Witness~~

HB 37 Hearing

Page 4 Line 14 may to "shall"

Farmers Hgts. ~~Air Force~~ -

~~Cunningham~~ V.A. 10% = $62.00 per mo from VA
100% = $100 per mo VA

How many (checks) of the 3436 in the state are farmers?

McBride - How many are Combat & Non Combat rated.
- What is the point - at which a disability rating really affects earning power.

- Disability (definition) "other than dishonorable"

Clocksin - How many are renters?

(Disability Retirement awarded by Services (Army) etc do not come thru V.A.
How many.? (Cunningham estimates 200)

Terry Early - Dead Line for Renters filing 15 Jan
need to allow 6 mos of deadline (Mc Cride)

29.73.060 (c) McBride also

HB

41

COMMITTEE REPORT

HOUSE

(7)
2/17/83

FURTHER: TRANSPORTATION
FINANCE

Date: 2/17/83

Mr. Speaker:

The Committee on S & RA has had HB 41

Relating to state aid to municipalities for roads; and providing for an effective date.

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

notti

March 21, 1983

Emil Notti
Legislative Liaison
Governor Sheffield's Office
State Capital

Dear Mr. Notti,

Enclosed is a copy of a letter from Mr. Snell, acting Deputy Commissioner of Transportation, to Gary Thurlow, Borough Manager of Mat-Su. You will note that the Capital budget does not include Pittman Road. It was my understanding that this would be considered a top priority item in the Capital budget.

Sincerely,

Barbara Lacher
Representative
District 16

BL/sr

file HB41

STATE OF ALASKA

Bill Sheffield, Governor

MAR 13 1983

DEPARTMENT OF TRANSPORTATION and PUBLIC FACILITIES

4111 AVIATION AVENUE, POUCH 6900
ANCHORAGE 99502 (TELEX 25-188)

March 9, 1983

Gary Thurlow
Borough Manager
Matanuska-Susitna Borough
Box B
Palmer, AK 99645

Dear Mr. Thurlow:

RE: State Maintained Roads

This letter is in response to your inquiry regarding the Department's position on including in the Governor's budget improvements to State maintained collector roads in the Matanuska-Susitna Borough. Improvements to these collector roads were recommended by the Department's Central Region Planning and Programming Division in their Transportation Improvement Program (TIP), which was submitted to the Governor for use in preparing his budget. More specifically you have inquired about the following State maintained collector roads:

1. Pittman Road
2. Trunk Road
3. Big Lake Road
4. Church Road
5. Hatcher Pass Road
6. Hyer Road

Of the roads listed above, the Fishhook-Willow Road (Hatcher Pass Road) was included as a road which could be considered for preliminary engineering funding under the "Highways Preliminary Engineering" item of the Governor's budget. None of the other roads identified above were included in the Governor's FY'84 capital budget.

Unfortunately not all Statewide Transportation projects can be met due to the limited amount of funds available for yearly capital projects. The Department and the Governor realize the need to improve the State collector roads which serve the rapidly developing rural residential area of the Matanuska-Susitna Borough. Although none of the road you have mentioned above are included in the Governor's capital budget, the Governor is currently developing a supplemental budget for submission to the Legislature. As the supplemental budget is developed, careful consideration will be given to funding for the improvement of State roads in the Borough which serve a collector function.

Thank you for bringing your concerns to my attention. I am hopeful that funding will be made available this session to meet some of the recognized transportation needs which were identified in your letter. If you have any questions please call.

Sincerely,

William R. Snell

William R. Snell
Acting Deputy Commissioner
Central Region

cc: Senator Jay Kerttula
Representative Barbara Lacher
Representative Ronald L. Larson

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

February 1, 1983

to: House CRA Committee

from: Ginny Chitwood (Ginny

re: HB 41 - State Aid to Municipalities for Roads

The Alaska Municipal League supports the adoption of HB 41, increasing state aid to municipalities for roads from $2,500 a mile to $3,500 a mile if the revenue sharing appropriation is increased to cover the increased entitlement. If the total appropriation is not increased, then municipalities will receive decreased funding in the other revenue sharing categories to make up for the road increases.

It has been three years since the allocation per mile has been increased. Needless to say, the cost of road maintenance has gone up considerably since then. At that time, it was estimated that the actual costs of maintaining a mile of road were between $4,000 and $8,000.

Looks ok 3732 Mary

HB 41 =

why was word "municipality" used rather than "local govt"

Tamara
Cook

W/D
13-0314

~~It's~~ local govt is term being phased out of statutes because municipality is term used most freqly in municipal code.

Also in first title of code, trying to get in definitions of commonly used terms; municipality is one word they're trying to get in Title 29 revision. Being done for consistency; words can actually be used ~~the~~ inter-changeably. Doing it for sake of uniformity. Trying to

13- 0311

Municipal aid request establishing pgm of municipal aid.

Remind Barbara - it's still on hold.

Tamara Cook

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

Position Paper

Re: HB 41

Sponsor: Representative Lacher

Programs Effects

This Bill would increase the per mile amount distributed for road maintenance under the Municipal Revenue Sharing program. It would raise it from $2500 per mile to $3500 per mile.

Comments

The Department supports the intent of this bill to increase aid to communities. The Department would suggest an increase to the appropriation to the Municipal Revenue Sharing Fund if this bill were passed. For the current year Chapter 89 Revenue Sharing funds are prorated at 81% of the total each community is eligible for; if this bill were in place that proration factor would be approximately 75%. That would mean that Municipal Revenue sharing for other areas (Health Care, Volunteer Fire Departments, and Unincorporated Communities.) would be reduced to pay for increased assistance for roads if the appropriation were not increased.

Additionally, increasing the amount per mile of road could weight the formula disproportionately in favor of Municipalities located on the road system.

The bill should also be reviewed in light of other proposed changes in the Municipal Revenue Sharing program and projected funding over the next few years.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House C & RA Committee Members

FROM: Staff

SUBJECT: House Bill 41

AS 29.89.020 provides $2,500 per road mile to municipalities that maintain roads excluding the official state highway system (state maintained) and roads maintained under the local service roads and trails program.

The amount of $2,500 per road mile of maintainance was established by the Legislature in 1980. There has been no increase in the amount authorized in recognition of inflation in the cost of maintaining roads.

According to figures provided by the Department of Transportation and Public Facilities, they requested an average of $9,300 per mile for maintenance of state roads in FY 83.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

January 31, 1983

MEMORANDUM

TO: Representative Barbara Lacher
Attention: Bob Harris

FROM: Christine Johnson and Jonathan Sherwood
Research Staff

RE: Road Maintenance Costs
Research Requests 83-33

Bob Harris of your staff has requested the following information for hearings scheduled on HB 41. This bill would increase the amount municipalities receive from the State for road maintenance from $2,500 to $3,500 per road mile.

(1) How would HB 41 affect the amount of money received for road maintenance in each election district?

(2) How much did the State Department of Transportation and Public Facilities receive for road maintenance in FY 83?

(3) What is the average cost of maintenance per road mile on roads maintained by the State?

Increase in Revenues by Election District

Table 1 on the following page shows the amount of money which would be received in each House district in FY 84 at $2,500 per mile and at $3,500 per mile. As the table indicates, municipalities would receive approximately $11.1 million for road maintenance in FY 84 under HB 41. This compares to $7.9 million which they could receive under the current program in FY 84, given full funding. The amounts shown on the table include a cost-of-living adjustment computed by the Department of Administration. State law (AS 29.89.070) currently requires that payments to municipalities under this program reflect area cost-of-living differentials.

Please note that where a municipality encompasses more than one House district we have combined those districts.

State Expenditures for Road Maintenance

According to Paul Harris, with the Department of Transportation and Public Facilities Maintenance and Operation Division in Anchorage,

the approximate cost of State road maintenance can be obtained by adding the FY 83 appropriation for each region in the Maintenance and Operation Budget Request Unit of DOT/PF's budget (see FY 84 Executive Budget, page 481). The total for all regions, including the Dalton Highway is about $56 million. According to Mr. Harris, the State is responsible for maintaining approximately 6,000 road miles. Based on this estimate, the average cost per road mile of maintaining State roads is $9,300.

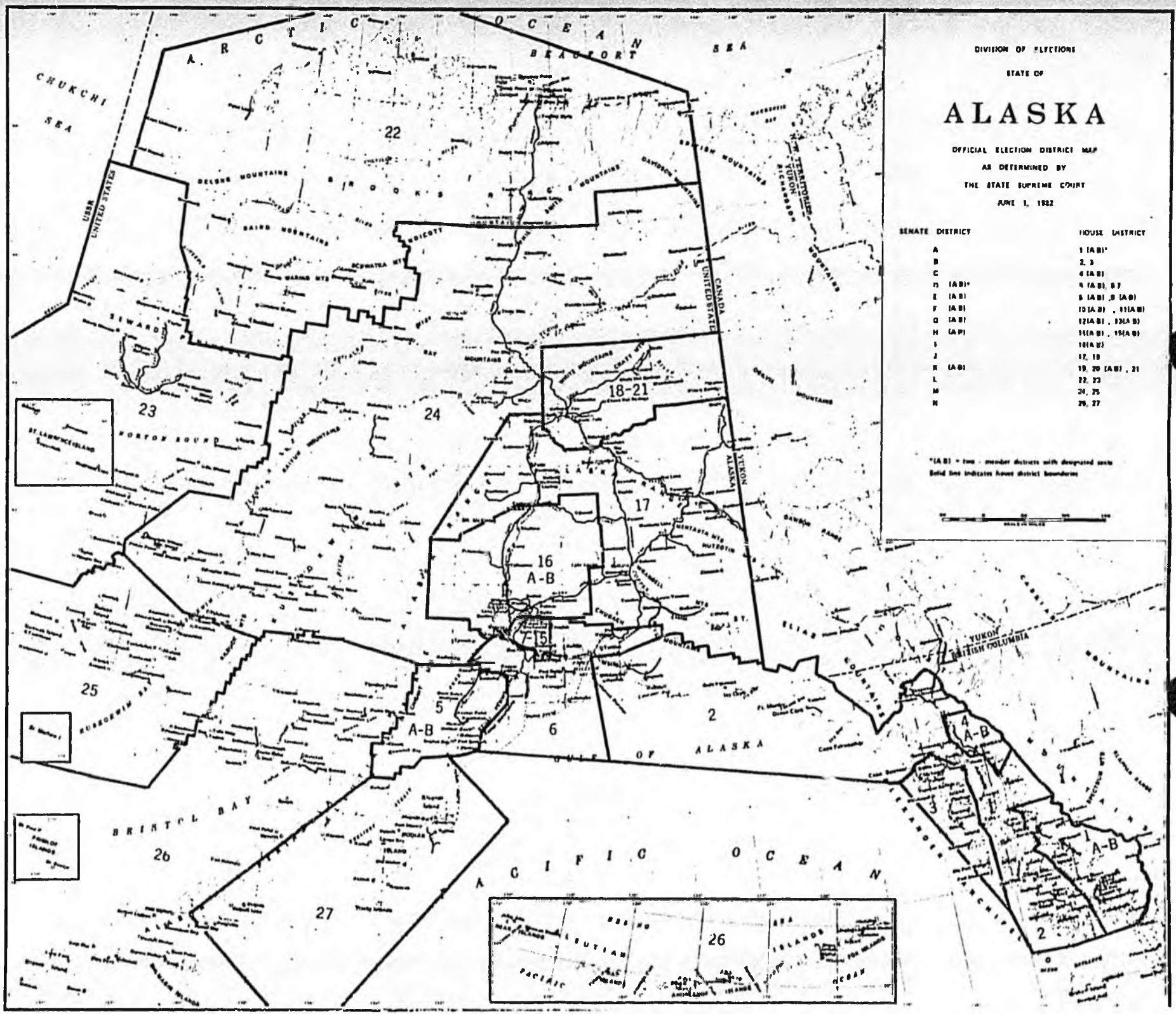
If you would like any additional information on this topic, please don't hesitate to contact us.

CJ:JS

TABLE I
Amount Which Would Be Received in Each Election District
for Road Maintenance in FY 84
at $2,500 Per Mile and $3,500 Per Mile
(Cost-of-Living Adjustment Included)

	Election District	Miles of Road	$2,500 Per Mile	$3,500 Per Mile	Difference in Revenues
1	Ketchikan-Wrangell-Petersburg	39.28	$ 99,795	$ 139,712	$ 39,917
2	Inside Passage-Cordova	53.85	143,671	201,134	57,463
3	Baranof-Chichagof	23.46	61,346	85,884	24,538
4	Juneau	59.44	148,600	208,040	59,440
5 & 6	Kenai Peninsula	590.35	1,596,029	2,234,436	638,407
7-15	Anchorage	590.91	1,477,275	2,068,185	590,910
16	Matanuska-Susitna	766.99	1,989,382	2,785,133	795,751
17	Interior Highways	32.81	104,637	146,488	41,851
18-21	Fairbanks Area	223.75	648,150	907,406	259,256
22	North Slope-Kotzebue	87.75	305,549	427,765	122,216
23	Norton Sound	52.47	180,806	253,125	72,319
24	Interior Rivers	152.24	526,712	737,396	210,684
25	Lower Kuskokwim	17.97	60,315	84,438	24,123
26	Bristol Bay-Aleutian Islands	147.46	477,002	667,798	190,796
27	Kodiak-East Alaska Peninsula	44.62	120,074	168,102	48,028
	TOTAL ALL HOUSE DISTRICTS	2883.35	$7,939,343	$11,115,042	$3,175,699

Source: House Research Agency, 1/83.


DIVISION OF ELECTIONS
STATE OF
ALASKA
OFFICIAL ELECTION DISTRICT MAP
AS DETERMINED BY
THE STATE SUPREME COURT
JUNE 1, 1982
SENATE DISTRICT
HOUSE DISTRICT
A
1 (A B)*
B
2, 3
C
4 (A B)
D (A B)*
5 (A B), 6 7
E (A B)
8 (A B), 9 (A B)
F (A B)
10 (A B), 11 (A B)
G (A B)
12 (A B), 13 (A B)
H (A B)
14 (A B), 15 (A B)
I
16 (A B)
J
17, 18
K (A B)
19, 20 (A B), 21
L
22, 23
M
24, 25
N
26, 27
*(A B) = two - member districts with designated seats
Solid line indicates house district boundaries
ARCTIC OCEAN
BEAUFORT SEA
CHUKCHI SEA
BROOKS RANGE
DELONG MOUNTAINS
BAIRD MOUNTAINS
SCHWATKA MTS
ENDICOTT MOUNTAINS
DAVIDSON MOUNTAINS
BRITISH MOUNTAINS
N.W.T. TERRITORIES
YUKON
RICHARDSON MOUNTAINS
USSR
UNITED STATES
CANADA
UNITED STATES
SEWARD PENINSULA
NORTON SOUND
WHITE MOUNTAINS
CRAZY MTS
KAIYUH MOUNTAINS
YUKON
ALASKA
DAVIDSON RANGE
KUSKOKWIM MTS
MENTASTA MTS
NUTZOTIN MTS
WRANGELL MTS
ST. ELIAS MOUNTAINS
YUKON
BRITISH COLUMBIA
BRISTOL BAY
GULF OF ALASKA
PACIFIC OCEAN
ALEUTIAN ISLANDS
BERING SEA
PACIFIC OCEAN
22
23
24
25
26
27
18-21
17
16 A-B
15
5 A-B
6
2
4 A-B
3
1 A-B
2
26

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

TO: The Honorable Barbara Lacher
Chairman
House Committee on Community
and Regional Affairs

FROM: Karen Perdue KP by RP
Legislative Liaison, DCRA

31 Jan

SUBJECT: Fiscal Notes

A Fiscal Note for HB 41 has been forwarded by the Department of Community & Regional Affairs to the Office of Management and Budget.

Any questions regarding the status of these Fiscal Notes should be referred to the Office of Management & Budget.

1-P1LH

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 41
Title " State aid to municipalities for roads..."
Requested by Representative Lacher Date 1/31/83

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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		$3,185.8	3,345.1	3,512.4		

FUNDING (Thousands of Dollars)

GENERAL FUND		3,185.8	3,345.1	3,512.4		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would increase the amount Municipalities receive from State Aid (AS 29.89) for road maintainence.

The above projections are based on the currently approved 2883.35 road miles and incorporates the COLA for all the areas. They reflect the difference between the current $2500 per mile and the proposed $3500 per mile.

IV. DATE 1/31/83 PREPARED BY T. Earley
AGENCY Community & Regional Affairs
PHONE 465-4730

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

33-001 (Rev. 12/82)

OMB Reviewed by: Sana Efird

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 December 20, 1982

SUBJECT: State aid to municipalities for roads (Work Order No. 13-0314)

TO: Representative-elect Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

Here is a draft of the bill you requested that would increase the amount of state aid to municipalities for roads. As you may be aware, an effort was made during the Twelfth Legislative Session to revise all of the municipal code. A similar revision bill may be introduced again this coming session. I have attempted to draft this legislation so that the increase in state aid will be effective even if a bill revising the municipal code is enacted. Section 1 of this draft amends existing law. Section 2 amends the relevant provision as it may exist under a revision bill, but that section is effective only upon the enactment of the municipal code revision. Additional changes to this legislation may be necessary to reconcile it with a municipal code revision bill if one is introduced.

Please let me know if you would like changes made to this draft or if you would like it to be prefiled.

TBC:lmb

Enclosure

(2) to a Native village government under AS 29.89.050. (§ 3 ch 155 SLA 1980)

Sec. 29.89.020. State aid to municipalities for roads. (a) The department shall pay to a municipality which has power to provide for road maintenance and exercises that power, $2,500 a mile for each mile of road, street or highway maintained by the local government, excluding (1) the official state highway system, (2) roads, streets or highways not dedicated to public use, (3) roads, streets or highways maintained under the local service road program (AS 19.30.111 — 19.30.251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road which is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway which may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for a payment of $1,500 per mile if the waterway and connection are maintained during the period of use by a municipality or combination of municipalities. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection, unless the municipalities involved have agreed in writing to a particular distribution. (§ 3 ch 155 SLA 1980)

Sec. 29.89.030. State aid to municipalities and other eligible recipients for health facilities and hospitals. (a) The department shall pay

(1) to a municipality which has the power to provide hospital facilities and services and which exercises that power, $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 $250,000 a hospital for those hospitals with 10 or more beds, or $50,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals which have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the

The Borough's experience has been that $2,500 per road mile will cover the cost of about six snowplowing, plus a late Spring grading and a late Fall grading. Very little is left for other road maintenance such as ditching and culverts. A series of heavy Winter snowfalls puts all Summer maintenance in jaopardy. State maintenance costs average well over $4,000 per road mile, even though many state roads are paved or are otherwise built to a high standard with respect to surface, width and drainage.

HB

119

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

1/26/83

Date: 2/14/83

Mr. Speaker:

The Committee on C & RA has had HB 119

An Act making a special appropriation for payment as a grant to the community of Tok for a rescue/ambulance apparatus; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB 119 [ ] same title [ ] new title

and recommends _____

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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 119 CS
Title: SP Approp/Rescue Approp/ Grant/Tok Rec ID 64
Sponsor: CRA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Phone: 465-4750
Division: Municipal & Regional Assistance
Date: 12/29/83

Approved by Commissioner:
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 119 CS (CRA)
Title: SP Approp/Rescue Approp/Grant/Tok
Rec ID 64

ANALYSIS:

Assumptions:

AS 37.05.315 - .319 programs are administered by the Department of Administration. As a result DCRA would not be fiscally impacted though the legislation could be helpful to the municipality.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CS HB 119 Date on Bill:
Title: Special appropriation to the Tok Volunteer Fire Dept for rescue/ambulance apparatus
Sponsor: Representative Shultz
Requestor: House Community & Regional Affirs Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

The sponsor did not identify the source of funds to offset the cost of this bill.

3. Assumptions:

A single Legislative grant as set up by this bill would not add significant administrative costs to the Department. Large numbers of new grants would, however, add to the administrative responsibilities and costs of the Department.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date: 3/7/83

Approved by Commissioner: Date: 3/7/83
Department: Community and Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

March 3, 1983

BILL ANALYSIS

RE: HB 119

SPONSOR: Representative Shultz

Program Effects Of The Bill

This bill would provide $203,787 to the Community of Tok for their volunteer fire department to purchase rescue/ambulance apparatus.

Comments

Governor Sheffield has set up a process for review and prioritization of Capital Grants on a statewide basis. This Grant has been included in that review process. With this process in place, the Department believes that an alternative to individual capital appropriation bills exists and should be considered by the Legislature.

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 119 Date on Bill: January 26, 1983
Title: Special appropriation..to the Community of Tok for rescue/ambulance/
Sponsor: Representative Shultz apparatus
Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

The sponsor did not identify the source of funds to offset the cost of this bill.

3. Assumptions:

A single Legislative grant as set up by this bill would not add significant administrative costs to the Department. Large numbers of new grants would, however, add to the administrative responsibilities and costs of the Department.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Terry Earley Phone: 465-4730
Division: Local Government Assistance Date: 3/3/83

Approved by Commissioner: Date: 3/3/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

Rep Shultz #

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

907 - 895 - 4656

The North End of the Alaska Highway

March 3, 1983

Representative Richard Shultz
Pouch V
Juneau, Alaska 99811

Dear Representative Shultz:

The City Council of Delta Junction reviewed pending legislation at their March 1, 1983 meeting. They voted unanimously to endorse and provide their support on the following bills:

HB42	An Act relating to the determination of population for purposes of calculating amounts of state aid; and providing for an effective date.
HB100	An Act relating to an avalanche and fire weather forecasting system; and providing for an effective date.
HB119	An Act making a special appropriation for payment as a grant to the community of TOK for a rescue ambulance apparatus; and providing for an effective date.
HB136	An Act making an appropriation to the Department of Revenue for financial assistance to municipalities; and providing for an effective date.
HB153	An Act making a supplemental appropriation to the Department of Revenue for financial assistance to municipalities; and providing for an effective date.
HB162	An Act authorizing general law municipalities to limit the number of consecutive full terms certain municipal officials may serve.
HB172	An Act relating to municipal government; and providing for an effective date. (Title 29 rewrite).

House Bill 164 was also reviewed by the Council and they voted four to two against endorsing and supporting this legislation.

Sincerely,

Lou Heinbockel

Louis E. Heinbockel, Mayor
City of Delta Junction

they are reluctant to face the Community "hassel" on deciding what to do with the money.

STATE OF ALASKA
OFFICE OF THE GOVERNOR

MAR 2 - 1983

BILL ANALYSIS

Department	Sponsor (Principal)	Bill Number
Natural Resources	Lacher and Larson	HB 148

Department Position

DNR supports the concept embodied in this legislation.

Division Director	Date	Commissioner's Signature	Date
Bill Heim	3-1-83	[signature] Deputy	3-1-83

GOVERNOR'S OFFICE USE

Comments:

☐ Position Noted	By	Date

SUMMARY

1. a) Related Bills (Similar or Conflicting	1. b) Other Agencies Affected by Bill
SJR 3	
2. a) Organizational Support for Bill	**2. b) Organizational Opposition to Bill**
not researched by DNR	not researched by DNR

3. Program Effects of Bill

Implementation of this program would require the Division of Agriculture to prepare documents, arrange appraisals, handle public meetings and follow up on verification of compliance with land use requirements. Benefit to the State would be preservation of present privately owned agricultural lands from further non-agricultural development. Could be implemented on a very select basis.

4. Fiscal Impact: ☐ None ☒ Fiscal Note Attached

5. Amendments Proposed:

6. Comments:

Tok Emergency Medical Technicians
P.O. Box 5
Tok, Alaska 99780

Assoc.

FEB 14 1983

file
HB 119

February 8, 1983

Jeanne Ostness
Executive Director
IREMSC, Inc.
PO Box 2120
Fairbanks AK 99701

Dear Jeanne:

We want it to be known that the Tok EMTs are not in opposition to the activities of the Tok Fire Department. Furthermore, we are not opposed to the passage of House Bill No. 119 entitled: "An Act making a special appropriation to the community of Tok for a rescue/ambulance apparatus; and providing for an effective date" providing that passage of the bill:

1. Does not jeopardize future EMS expenditures in the Tok area.

2. Does not jeopardize the purchase of the ambulance that the Tok Clinic Board is currently applying for.

From the amount of information that we have recieved concerning this proposed vehicle, we feel that it might be a piece of equipment that any EMT group would be happy to use. But, we were not involved in drawing up this proposal and are not very well informed about the specifics of the vehicle itself. Due to our lack of knowlege, we cannot make any informed comments concerning it either in support or opposition.

Thank you.

Sincerely,

Patricia Matthews EMT
EMT
EMT

Jerry Taylor, EMT
Carolyn Hoffman EMT
EMT
P.A.C. Medical Advisor
Tok EMTs meeting on this date

cc: Representative Dick Schultz
Tony Conrad, Chief of Tok Volunteer Fire Dep't.
Larry Weisz, Chairman of Tok Clinic Board
Mark Johnson, Director of Alaska EMS
Governor Bill Sheffield
Rep. Barbara Lacker, Chairperson-House Comm. & Reg. Affairs Committee
Senator Frank Fergeson, Chairman-Senate Comm. & Reg. Affairs Committee
Rep. Al Adams, Chairman - House Finance Committee
Senator John Sackett, Co-Chairman - Senate Finance Committee
Senator Don Bennet, Co-Chairman - Senate Finance Committee
Senator Pappy Moss

POSITION PAPER/Department of Health and Social Services

POSITION PAPER

House Bill No. 119

"An Act making a special appropriation for payment as a grant to the community of Tok for a rescue/ambulance apparatus; and providing for an effective date."

This bill would appropriate the sum of $203,787 to the community of Tok for the Tok volunteer fire department to purchase a rescue ambulance apparatus.

The Emergency Medical Services Section of the Division of Public Health, Department of Health and Social Services cannot endorse this bill at the present time for the following reasons:

1) The Tok Ambulance Service currently operates independently from the fire department. Therefore, we are concerned that this appropriation may create a duplication of services.

2) We only endorse EMS expenditures which are approved by local EMS or health councils, endorsed by a physician, and approved by a Regional EMS Council.

3) Interior Region EMS Council, Inc. has initiated a fund, with donations from other communities, to purchase a new ambulance for Tok. This fund currently has abut $42,000 which is approximately $10,000 to $15,000 short of the amount needed for a new four wheel drive ambulance.

4) The amount of money to be appropriated by this bill seems excessive unless it will purchase some type of fire apparatus.

Recommended by: E.S. Rabeau M.D.

E.S. Rabeau, M.D., Director
Division of Public Health

Date: Jan. 31, 1983

Approved by: Robert London Smith

Robert London Smith
Commissioner

Date: 2/2/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: House Bill No. 119 Date on Bill: January 26, 1983
Title: An Act making a special appropriation for payment as a grant to the community of Tok...
Sponsor: Schultz
Requestor:

1. Estimated fiscal impacts on: Emergency Medical Services

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue				-0-	-0-	-0-		

2. Source of funds to offset fiscal impact of bill:

Responsibility for identification of funding is that of the author of the bill.

3. Assumptions:

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fisca impact.

Prepared By: Mark S. Johnson Phone: 465-3027
Division: Emergency Medical Services, Div. of Public Health, DHSS Date: Jan. 28, 1983

Approved by Commissioner: Robert London Smith Date: 2/15/83
Department: ~~Health & Social Services~~

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF STATE TROOPERS

WILLIAM SHEFFIELD
~~WILLIAM SHEFFIELD~~, *GOVERNOR*

Phone: 907-883-5111

Box 335
Tok, Alaska 99780

February 1, 1983

Tony Conrad, Chief
Tok Volunteer Fire Department
P. O. Box 204
Tok, Alaska 99780

Dear Mr. Conrad:

I am in receipt of your letter and attachments concerning your need for a rescue unit to be stationed in the Tok area. You have provided considerable information as to the proposed construction and use of the desired unit and your letter establishes the need for such a vehicle in the Tok area.

I have been in contact with Sgt. Dowd and other Troopers assigned to the Tok area and they concur with your finding of need due to the extensive areas you cover and the current lack of a quick response-type rescue unit to handle both rescue and fire on a limited basis. I understand that oftentimes victim transportation is provided by private vehicle to medical facilities in Fairbanks due to the availability of only one ambulance in Tok. The services you have provided to the public, as well as the Department of Public Safety in the past, are greatly appreciated and have been valuable to us in the overall objective of saving lives.

It is my understanding that you are applying for either grant funds or legislative funds to purchase the proposed rescue unit, and I would offer the support of this Detachment by way of this letter to verify the need.

In the past, the Tok Volunteer Fire Department has coordinated its efforts with the Alaska State Troopers providing freely of its resources and volunteer manpower. I am looking forward to a continuation of this working relationship and I hope that this letter provides some assistance in establishing the need for implementing your proposal.

If I can be of any further assistance to you, please feel free to contact me.

Sincerely,

Captain Donald Lawrence
Commander
"E" Detachment

DL/vp

DEPARTMENT OF TRANSPORTATION

UNITED STATES COAST GUARD

Commanding Officer
USCG LORAN-C Station
P. O. Box 479
Tok, AK 99780

08 February 1983

To Whom It May Concern,

After viewing the proposal offered by Mr. Tony Conrad, it is my opinion as a resident of the Tok community, that a vehicle of this type would be an asset to this geographic area.

To the best of my knowledge, to date, Tok has been ineffectual in its efforts to provide an effective RESCUE/EMERGENCY vehicle for use in this enormous service area. Severe Artic type weather conditions, long distances to emergency scenes, and the potential for mass casualties have to be considered when planning for the acquisition of an emergency vehicle. Mr. Conrad's idea meets these and many more requirements peculiar to the Tok environment.

The operation or housing of this vehicle, as I view the problem, is secondary to the prime need---to get an adequate emergency vehicle into our area. If we let our personal feelings influence our judgement in this case, we may very well never have an opportunity to acquire a vehicle of this quality again.

Mr. Conrad should be congratulated for his initiative and concern for this community's well-being in his efforts to organize this fine proposal. An asset, which when operational, will help not one or two groups---but all people in this vast wilderness we call home.

H. Kevin Madigan

H. KEVIN MADIGAN, CWO2, USCG
COMMANDING OFFICER

SPEED LIMIT 55
It's a law we can live with.

ALASKA GATEWAY SCHOOL DISTRICT

P.O. Box 226
907-883-4541
Tok, Alaska 99780

February 9, 1983

TO WHOM IT MAY CONCERN:

SUBJECT. TOK AREA RESCUE TRUCK

The Tok Community and specifically Tok School, could be well served by the existence of a rescue unit. A rescue unit, in association with the fire department, would be a great assistance should we have a bus wreck, an emergency with a crowd situation, fire in an occupied building, or building damage due to unforeseen events.

The spin-off benefits would include insurance advantages and the general safety and welfare of our employees.

Such a unit would also be available for use in large scale bush evacuation emergencies and accidents along the Alaska Highway.

This recommendation is in no way meant to supersede the need for an effective and efficient ambulance service in the Tok area.

Sincerely,

Spike Jorgensen
Superintendent of Schools

sf/sh

February 7, 1983

We, the undersigned members of Tanacross Village Council, by our signatures below, support the Tok Volunteer Fire Dept. in obtaining funds to purchase a new rescue unit on our behalf. The Tok Fire Dept. has served Tanacross since 1977:

Jerry Isaac
President

Roy G. Kenny

Betty Thomas, Sec.

Robert F. Paul, council member

Community Members:

Edmond Brien

Enoch Thomas Sr.

Ellen Thomas

Thomas Jr.

Anna Northway

Brady Henry

Mary Lou Paul

Dollie Jonathan

Bella K. Paul

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE COMMISSIONER

POUCH N
JUNEAU, ALASKA 99811
PHONE: 465-4322

February 1, 1983

Mr. Anthony J. Conrad, Jr.
Chief, Tok Volunteer Fire
Department
P.O. Box 204
Tok, AK 99780

Dear Chief Conrad:

The Governor forwarded your request for an Emergency Rescue Unit to this office.

Your summation for the need of that type of vehicle in the Tok area is straight forward and reflects the need of such a vehicle.

This Department is not in a position to financially assist you. Capital Budget requests of State agencies have already been submitted, by the Governor, to the Legislature, for Fiscal Year 1984.

The process, as has been utilized in the past, was for the Legislature to appropriate funds for ambulance, fire equipment and rescue units for various areas and communities in the State. That money would be placed in this Department's Highway Safety Planning Agency budget unit. The Agency would then, with the coordination and cooperation of the various local entities for which funds were allotted for specific equipment, handle the procurement.

The current administration is utilizing the Department of Community and Regional Affairs as the focal point for community projects, and, I have taken the liberty of forwarding your request there.

The Legislature has not, in the past, provided the amount of funds you have requested for any one piece of rescue equipment. Past allotments have ranged from fifty to seventy thousand dollars.

This Department concurs that a rescue unit in the Tok area would be beneficial. We wish you success.

Sincerely,

Robert J. Sundberg
Commissioner

cc: Commissioner Mark Lewis
Community & Regional Affairs

12-L2LH

United States Department of the Interior

IN REPLY REFER TO
1120(270)

BUREAU OF LAND MANAGEMENT
Fairbanks District Office
Fortymile Resource Area
P. O. Box 307
Tok, Alaska 99780

February 15, 1983

Mr. Tony Conrad
Fire Chief
Tok Volunteer Fire Department
Tok, Alaska 99780

Dear ~~Mr. Conrad:~~ Tony,

In response to your telephone conversation with Mr. John Kato of this office on February 4, I would like to add my concurrence to those of the other community agencies, in support of the purchase of an emergency rescue vehicle for the Tok Fire Department. A vehicle such as this, available to the EMT's and Tok Clinic, would provide a valuable service to the people of this area.

Sincerely,

Michael T. Green
Fortymile Area Manager

Box 204
Tok, Alaska 99780
Feb 14, 198

Representative Dick Schultz

Dear Sir,

This is a program the Tok Vol Fire Dept. has put together for a new rescue unit. The Tok Vol Fire Dept. is asking for your support. Enclosed is a list of signatures of people who support the unit. I have personally contacted each of these people and no one said "No" on this issue. There are several letters of reccommendation, from Public Safety, US Coast Guard, Tetlin Village, Tanacross Village, Alaska Gateway School District. We will also send one from the Bureau of Land Management.

We would like you to look it all over carefully. We know this is a large sum of money. But Tok is a sort of "centering agent" for 6 surrounding villages plus all the tourists who go in and out of Tok. This rescue unit can serve as a full medical facility on an accident scene until a victim, or victims is transported to the hospital. Our present, smaller ambulance can serve as a back up unit for the 1026 people of the Tok area while the rescue unit is out on duty.

Sincerely,

Anthony J. Conrad, Jr.
Tok Vol Fire Chief

ACCURACY® JEWEL LEGAL PAD No. 59270 8½ IN. x 11¾ IN. • 50 SHEETS The Mead Corporation Dayton, Ohio 45463

We approve of Tok Vol Fire Dept acquiring a new rescue unit.

Bertha Allington	Box 446	Tok	
Steve Niland	Box 137	Tok	
Richard Katt	Box 282	Tok	
Ray Chayne	PO Box 92	Tok AK	99780
Tony Thomas	Po Box 75	Tok AK	99780
Dorothy Bridges	P.O. Box 433	Tok.	99780
Ruth Woods	P.O. Box 334	Tok.	99780
Maureen Welch	P.O. Box 145	Tok	99780
Janis Revis	PO Box 97	Tok	99780
James O'Robinson	Box 97	Tok	99780
Robert E. Foley	Box 476	Tok	99780
Nancy Rivers	Box-97	Tok	99780
[illegible]	Box 97	Tok	99780
Marsha Hauer	Box 546	Tok	99780
Arlene Demit	Gen. Del	Tanacross	99776
Patty Roberts	Box 365	Tok	99780
Jerry Isaac	Gen. Del	Tanacross, Ak.	99776
Betty Thomas	PO Box 284	Tok, Ak.	99780
Vera Tinlayson	PoB 229	Tok, AK	99780
Janice H. Conrad	Box 204	Tok, AK	99780
Matthew J. Conrad II	Box 204	Tok, AK.	99780
Eloise Howard	Box 105	Tok, Ak.	99780
Tom Denny	Box 243	Tok, Ak	99780
Elizabeth L. Zabulaki	Box 453	Tok, AK	99780
Mona Lee Mann	Box 115	Tok AK	99780

Ida M. Joe	Box 519	Tok,
Christine Zimlick	Box 11	Tok
[illegible]	Box 519	Tok
Donald Adams	Tetlin Gen Del	Tetlin
Rebecca Welch	Box 276	Tok
Howard E Johnson	Box 392	Tok
Florence B. Johnson	Box 392	Tok
Norman T. Sanford	Box 145	Tok AK.
Edward L Sanford		"
Marilyn A. Paul	Gen Del	Tanacross,
[illegible]	Box 145	Tok, AK 997
Elizabeth Sanford	Box 145	Tok, AK 997
Dale Paul	Gen. Del.	Tanacross, AK. 99
Jerad Sanford	Box 145	Tok, AK
Mary F. Ladue	Box 438	Tok, Alaska
[illegible]	Box 368	Tok, [illegible] 99
Ted Roach	Box 202	Tok, Ak. 9978
Willie Northington	Box 446	Tok Ak 9978
Homer R. Nash	Box 514	Tok, AK. 99780
[illegible]	Box 271	Tok, AK 99780
Gary C Gilbert	Box 53	Tok AK 99780
D. Paul Kelly	Box 234	Tok AK 99780
Calvin Landreth	Box 495	Tok AK 99780
[illegible]	Box 96	Tok, Ak. 99780
[illegible] Bell	Box 46	Tok AK 99780
Dan Boden	General Del	Tok, AK 99780
Alan Reed	Box 362	Tok AK 9978

David Schutt	Box 456	Tok, Ak.
Carol Thurman	Box 41	Tok, Alaska
Merlene Dolchok	Box 205	Tok, Ak.
Eleanor Culver	Box 515	" "
Ingrid Forsmark	Box 405	Tok Alaska
Gayle Nienhuser	Box 373	Tok, Alaska
Joyce Schutt	Box 456	Tok, AK
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Harold Tyler	Box 84	Tok, Ak
Michael Field	Box 276	Tok, Ak.
N. B. Wallis	Box 439	Tok, AK
Paul W Brunner	Box 463	Tok. AK.
Mack Dolchok	Box 205	Tok Ak
Lynn Miller	Box 86	Tok, Ak.
Jim Miller	Box 86	Tok AK.
Ron Caldwell	Box 165	Tok Ak
Wm. Mingin	Box 555	Tok Ak
Douglas A. Dike	Box 436	Tok AK.
[illegible] Fales	Box 93.6	TOK AK.
[illegible] Hall	Box 436	Tok Ak.
T. Hegenbart	430 Tobe Dr.	Anchorage, Ak.
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	207	Tok AK
[illegible]	207	Tok Ak
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Tok A.K.
Dan Dimick	207	Tok AK.
[illegible]	[illegible]	[illegible]
Karen A. Stinnett	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Rev. Wm. T. Burkey	Box 1369	Tok, AK
Howard G Beinhaman	Box 127	Tok AK
Ted C Hansen	Box 15	Tok, AK
R P. Hunt	Box 3	Tok AK
[illegible]	Box 262	Tok AK.
Ralph Ruber	Box 331	Tok AK.
Grant Robb	Box 97	Tok AK.
Rev Joe Estes	Box 312	Tok, AK.
Ben Hansen	Box 385	Tok AK.
[illegible]	Box 97	Tok, AK
[illegible]	Box 214	Tok AK
[illegible]	Box 393	Tok AK.
[illegible]	[illegible]	[illegible]
[illegible]	Box 331	Tok
[illegible]	Box 331	Tok
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Tok AK 99780
[illegible]	Box 394	Tok AK
[illegible]	Box 524	Tok AK 99780
[illegible]	Box 126	Tok AK 99780
[illegible]	Box 92	Tok AK 99780
[illegible]	Box 541	Tok, AK. 99780
[illegible]	Box 548	Tok AK 99780

THEODORE R DOTSON	PO 479	TOK AK 99780
Gerald W. Taylor	USCG P.O Box 479	TOK AK 99780
Tom Gehrke	USCG P.O. Box 479	TOK AK 99780
[illegible]	USCG P.O. Box 479	~~TOK~~ AK 99780
[illegible] LT MACCOM	USCG P.C. BOX 479	TOK AK 99780
[illegible]	USCG P.O. BOX 479	TOK, AK 99780
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	Box 212	Tok
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	Box [illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	PO Box [illegible]	[illegible]

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF EDUCATION
OFFICE OF ADULT AND CONTINUING EDUCATION

POUCH F
STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
PHONE:

January 31, 1983

Anthony J. Conrad, Jr., Chief
Tok Volunteer Fire Department
P.O. Box 204
Tok, Alaska 99780

Dear Tony:

I have reviewed the specifications for your proposed ambulance/heavy rescue unit. I am impressed.

Other than the items we discussed on the telephone, I am at a loss to find any serious discrepencies in the specifications. There were minor items, i.e. on page 4 of 80-11, Apparatus Production Sheet, I noted that the outside doors were to be hung vertically on "piano hinges bolted on 4" centers". Throughout the rest of the specs the requirement is for 14 guage continuous (piano) hinge, stainless steel with 1/4" stainless steel pins. This is much better and you will not be stuck with common light weight "piano" hinge. The specs also called for plated hinge bolts. It would seem to me that it would be better to use marine quality stainless bolts. The cost is minimal by comparison with the cost of the hinges themselves.

I am not familiar with "Cleveland Hardware" type door holders. At least not by that name. I do favor the double spring holders such as are used on Emergency One apparatus. They are very reliable and can be operated by one person who may even have both hands full of equipment.

I note there is no reference to Ziebart or other rustproofing. Perhaps that is not a problem in your area. We have had both our pumpers rustproofed by the Ziebart method. There is always somewhere for the water to lay and cause trouble.

With reference to a portable pump, we recommend a Hale Model 25FB-B25 which is rated at 250 gpm. It is set up for either electric or manual start and is exceptionally reliable.

This is not much of a critique, but your specifications really look good to me and any differences of opinion would be based on simple individual preferences rather than justifiable concerns.

I am sending you a set of guides for writing apparatus specifications published by the U.S. Fire Administration. There may be something of interest for you. If not, "chuck 'em out".

I understand that Representative Shultz introduced the bill for your truck today. I have not seen the text yet so I can't tell you what it says.

Keep in touch and let me know if we can be of further assistance.

Sincerely,

Bill

William A. Hagevig, Supervisor
Fire Service Training Program

Enclosure

cc: Bill Hagevig

SANFORD FIRE APPARATUS CORP
MANLIUS CENTER ROAD / BOX 430 / EAST SYRACUSE, NEW YORK 13057 TEL: 315 • 437-2516

RESCUE/AMBULANCE APPARATUS--"ALASKAN"

The following listing of equipment is included in quotation #601 and does become part of the apparatus.

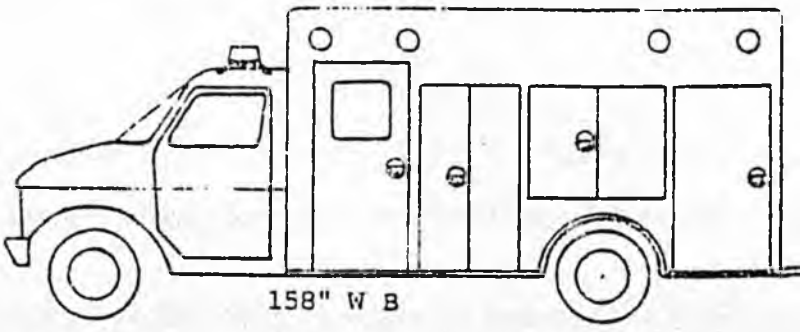
1. Electro Hydraulic rear Lift
2. Intercom System
3. Portable oxygen unit
4. 102 unit Full Trauma Kit
5. Viking Rescue Tool, complete
6. 8,000# Electric Winch
7. Electric Clock
8. Tretcher Chair
9. Traction Splint
10. Electric Suction, installed
11. Blackhawk Rescue Set
12. Air Bag System, complete
13. Stokes Basket
14. Portable Pump with reel and hose, and nozzle
15. Cardiac Monitor/Defibiltor
16. Electonic Blood Pressure Monitor
17. ECG Recorder
18. O2 System with outlets and cys.
19. Battery Conditioner
20. Plasma Hangers
21. Backboards
22. Light Bar over Rear Doors

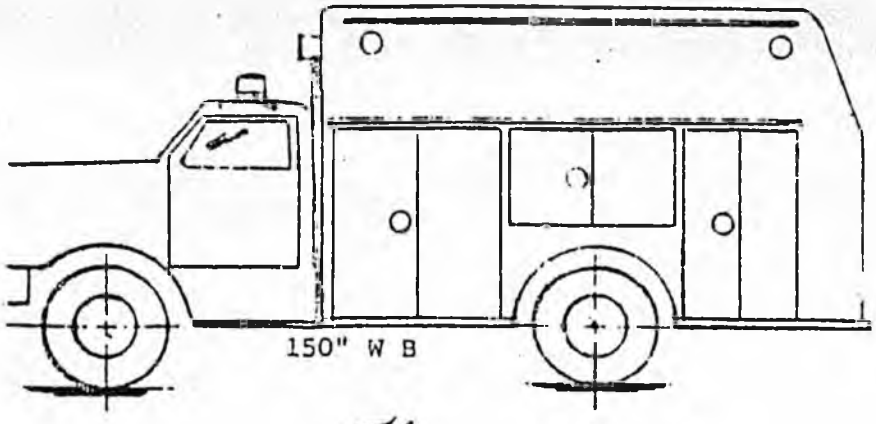
Above equipment is additional to the equipment originally mentioned in the body of the specification.

THE MARION BODY FULL LINE OF CRASH RESCUE VEHICLES (CRV's)

ALL-ALUMINUM BODY CONSTRUCTION

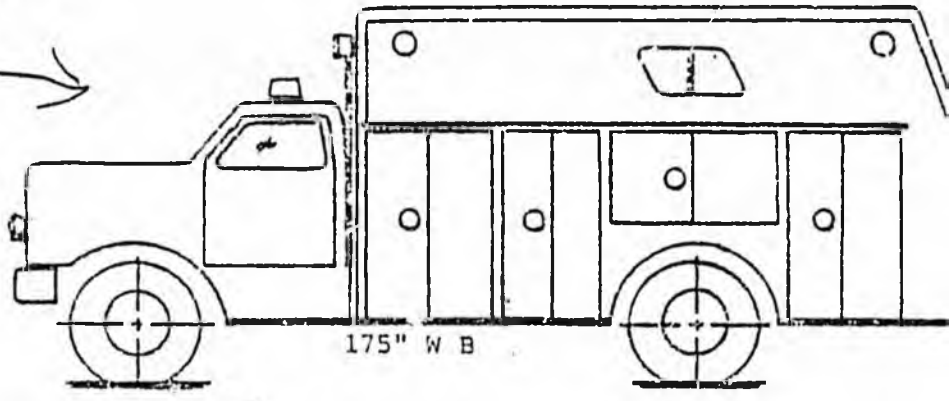
13' WALK-IN CRV ——————→
ANOTHER POPULAR MODEL SEATING 5 MEN. 165 CU..T. OF EXTERIOR STORAGE SPACE. MATCHES A FORD E-350 CHASSIS. PAYLOAD APPROX. 3000 LBS.

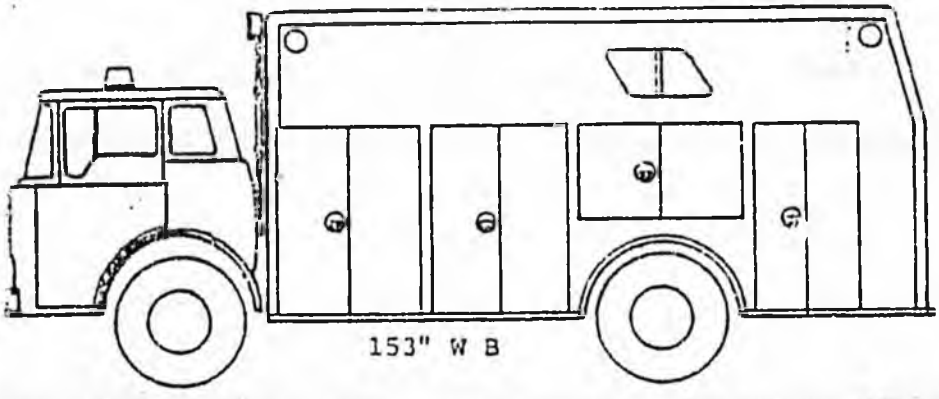




←——14' WALK-IN CRV
SEATS 4 MEN. 275 CU.FT. OF EXTERIOR STORAGE SPACE ON A 25,000 LB. GVW CHASSIS. PAYLOAD UP TO 12,000 LBS.

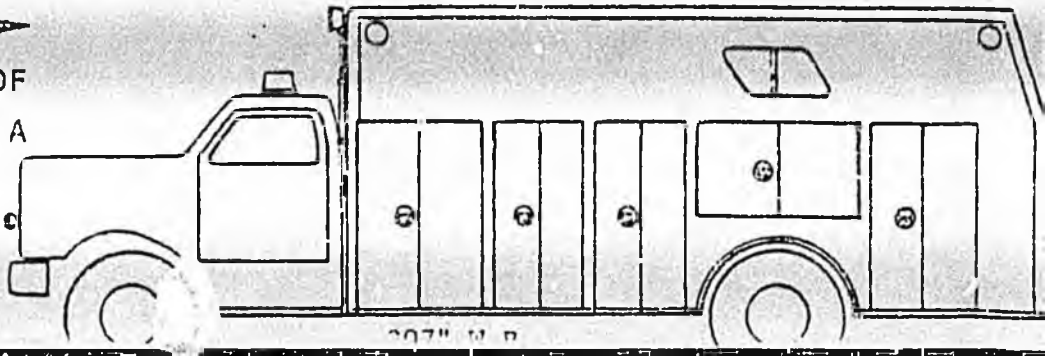
16' WALK-IN CRV This unit →
SEATS 4 MEN. 320 CU.FT. OF EXTERIOR STORAGE SPACE ON A 27,500 LB. GVW CHASSIS. PAYLOAD UP TO 12,000 LBS.





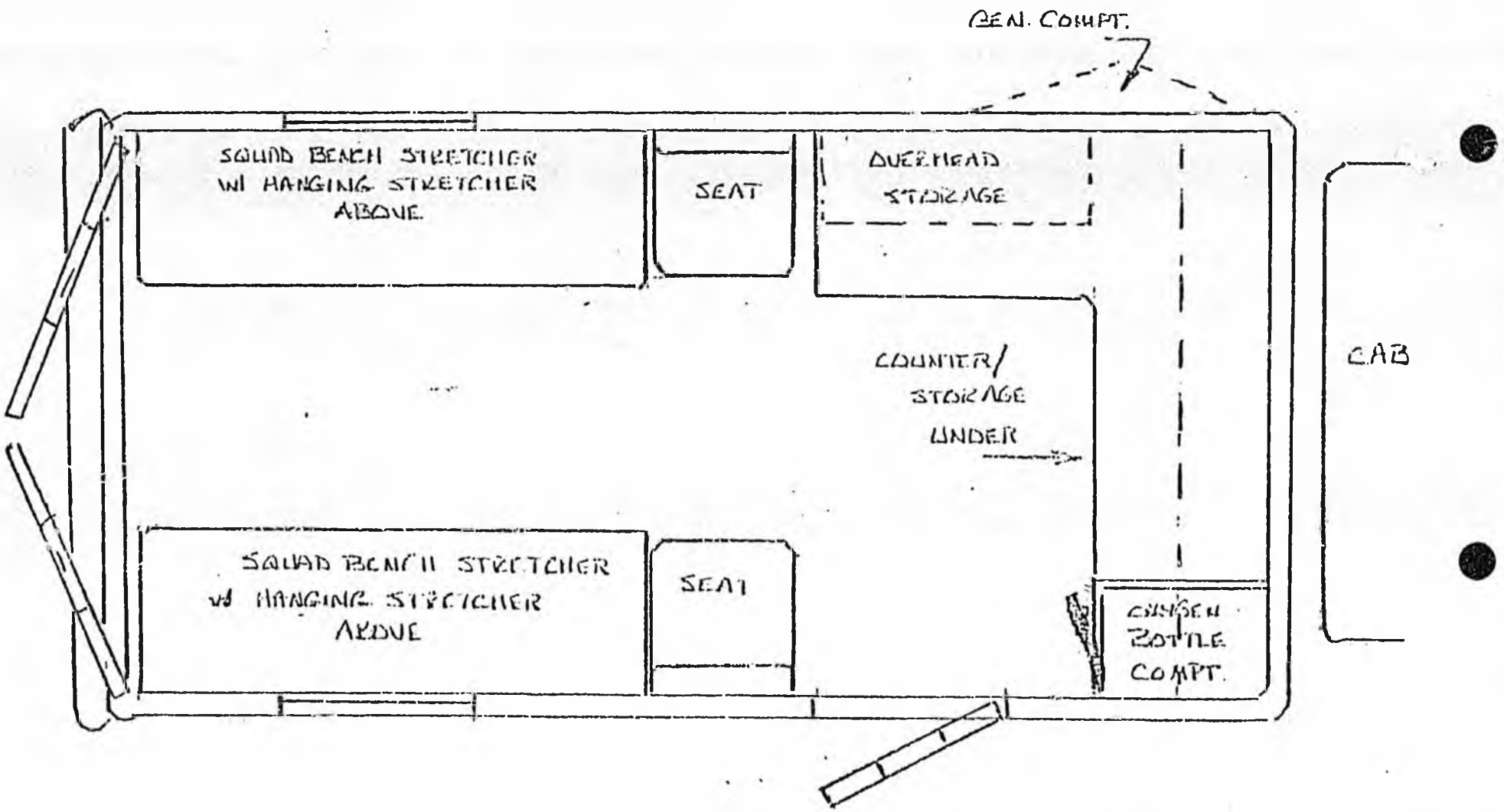
←—— 17' WALK-IN CRV
SEATS 4 MEN. 350 CU.FT. OF EXTERIOR STORAGE SPACE ON A 30,500 LB. GVW CHASSIS. PAYLOAD UP TO 14,000 LBS.

18' WALK-IN CRV ——————→
SEATS 4 MEN. 375 CU.FT. OF EXTERIOR STORAGE SPACE ON A 30,500 LB. GVW CHASSIS. PAYLOAD UP TO 14,000 LBS.



RESCUE

"ALASKAN"


GEN. COMPT.
SQUAD BENCH STRETCHER W/ HANGING STRETCHER ABOVE
SEAT
OVERHEAD STORAGE
COUNTER/ STORAGE UNDER
CAB
SQUAD BENCH STRETCHER W/ HANGING STRETCHER ABOVE
SEAT
OXYGEN BOTTLE COMPT.

PRICE QUOTATION

SANFORD FIRE APPARATUS CORP.

Manlius Center Rd. Corner Fisher Rd. BOX 430 E. SYRACUSE, N. Y. 13057

TEL. (315) 437-2516

601

PLEASE INDICATE THIS NUMBER WHEN ORDERING

Tok Volunteer Fire Department
P.O. Box 204
Attn: Chief A. Conrad
Tok, Alaska 99780

DATE	December 10, 1982
YOUR INQUIRY DATED	November 18, 1982
PROPOSED SHIPPING DATE	As Required
TERMS	Net 30 days
FOB	Syracuse, N.Y.
SALESMAN	Hammerle
TO BE SHIPPED VIA	Our Delivery
PPD OR COLL	X

Here is our quotation on the goods named, subject to the conditions noted:

CONDITIONS: *The prices and terms on this quotation are not subject to verbal changes or other agreements unless approved in writing by the Home Office of the Seller. All quotations and agreements are contingent upon strikes, accidents, fires, availability of materials and all other causes beyond our control. Prices are based on costs and conditions existing on date of quotation and are subject to change by the Seller before final acceptance.*

Typographical and stenographic errors subject to correction. Purchaser agrees to accept either overage or shortage not in excess of ten percent to be charged for pro-rata. Purchaser assumes liability for patent and copyright infringement when goods are made to Purchaser's specifications. When quotation specifies material to be furnished by the purchaser, ample allowance must be made for reasonable spoilage and material must be of suitable quality to facilitate efficient production.

Conditions not specifically stated herein shall be governed by established trade customs. Terms inconsistent with those stated herein which may appear on Purchaser's formal order will not be binding on the Seller.

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	Custom Sanford Rescue Apparatus/ambulance per the enclosed specifications and listing of equipment This unit comes fully equipped and ready to use. (see attached listing of acessory equipment)		$203,786.35

Richard T. Hammerle

QUOTE VALID FOR 67 DAYS.

BY Richard T. Hammerle, V.P.

DATE ACCEPTED_____ BY_____

CUSTOMER

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: House Bill No. 119 Date on Bill: January 26, 1983
Title: An Act making a special appropriation for payment as a grant to the community of Tok....
Sponsor: Schultz
Requestor:

1. Estimated fiscal impacts on: Emergency Medical Services

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue				-0-	-0-	-0-		

2. Source of funds to offset fiscal impact of bill:

Responsibility for identification of funding is that of the author of the bill.

3. Assumptions:

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fisc impact.

Prepared By: Mark S. Johnson Phone: 465-3027
Division: Emergency Medical Services, Div. of Public Health, DHSS Date: Jan. 28, 1983

Approved by Commissioner: Robert London Smith Date: 2/15/83
Department: ~~Health & Social Services~~

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

POSITION PAPER/Department of Health and Social Services

POSITION PAPER

House Bill No. 119

"An Act making a special appropriation for payment as a grant to the community of Tok for a rescue/ambulance apparatus; and providing for an effective date."

This bill would appropriate the sum of $203,787 to the community of Tok for the Tok volunteer fire department to purchase a rescue ambulance apparatus.

The Emergency Medical Services Section of the Division of Public Health, Department of Health and Social Services cannot endorse this bill at the present time for the following reasons:

1) The Tok Ambulance Service currently operates independently from the fire department. Therefore, we are concerned that this appropriation may create a duplication of services.

2) We only endorse EMS expenditures which are approved by local EMS or health councils, endorsed by a physician, and approved by a Regional EMS Council.

3) Interior Region EMS Council, Inc. has initiated a fund, with donations from other communities, to purchase a new ambulance for Tok. This fund currently has abut $42,000 which is approximately $10,000 to $15,000 short of the amount needed for a new four wheel drive ambulance.

4) The amount of money to be appropriated by this bill seems excessive unless it will purchase some type of fire apparatus.

Recommended by: E.S. Rabeau M.D.

E.S. Rabeau, M.D., Director
Division of Public Health

Date: Jan. 31, 1983

Approved by: Robert London Smith

Robert London Smith
Commissioner

Date: 2/2/83

JAN 20 1983

Box 204
Tok, Alaska 99780

January 10, 1983

State Legislative
Representative Dick Schultz
Dear Sir,

I am writing about our need for a rescue unit in the Tok Vol. Fire Dept. We have a great fire dept. and we have a very good staff to work in it. We have just one ambulance in Tok; if we had 2 ambulances we would still need a rescue unit and we need it as soon as possible. I will try to explain the reasons why we need a rescue unit.

If you look at a map of Alaska and put a pencil on Tok you will see we are surrounded by 6 native villages. We have the Hartsell Airstrip, state owned and operated. We have the 10½ Mi. Tanacross Airstrip which is used by 40 Mile Air and BLM and private pilots. We have an airstrip 2 miles south of Tok, called the Tok Lodge Airstrip. We have 4 bulk fuel plants and 5 miles west of town is the US Army Petroleum Station. We provide 24 hour emergency service to them and Blm. We provide fire protection and emergency services for Tanacross, Dot Lake, Ment-asta, Mineral Lakes, Tetlin Jct. We provide ambulance service only to Northway but we make ambulance runs all the way to the Canadian border. Accident victims in the Yukon Territory are brought to the border(if they are U.S. citizens) or the Beaver Creek ambulance will travel until they meet our ambulance. Then the accident victim is brought in to the Tok Clinic. There are many accidents between Tok and Northway. Vehicles go over the large banks and hang up on trees or rocks with people trapped in them. If the trees were cut down and then vehicles go over the banks then the people may get pinned and hurt worse on the then exposed rocks and boulders. With a rescue unit on the scene we could

put a wench line on to hold the unit. Or we could pull a small car out from under a truck that is jackknifed across the road on a hill or a curve.

When an accident occurs the ambulance is always called. If AST is available they promptly respond. Sometimes if the fire dept. was called at the same time it would save lives (when there are fuel oil or gasoline spills). If we had a rescue unit we would have all needed equipment right there on hand. This would be the most practical unit to have. With a built in water storage and foam system we would have adequate fire protection for about 90% of our accidents. This unit would save us gas and other expenses since it would save taking out 2 or 3 separate units. It would also save time; accident victims could be rescued within minutes of our arrival.

I have put together a "first picture" of this rescue unit along with my fire staff. The Ford truck will be designed to serve Tok and surrounding villages and 50-60 miles down highways around Tok. The unit will have a full rescue and ambulance combined. Outside compartments will hold the rescue equipment. The front compartment will have a portable pump with a 2½" suction hose and high pressure discharge of 150 lbs. PSI. It will have a 1" automatic electric hose reel and an inductor system. It will have an insulated water storage tank of 150-200 gal., with the chemical Fire-out in the tank and an inductor system for foam.

We will be able to handle 4 patients at one time. Our present ambulance can handle only one. Any other victims have to wait until the ambulance returns for them. This is a truck our fire dept. needs, it is also something the local clinic and EMT's need. This past year the ambulance responded with the fire dept. 4 times. Prior to that the ambulance did not respond with the fire dept. The ambulance should go with the fire dept. every time it responds to a fire call and return to the firehall with the fire units.

This is not fair to our firemen. This is a volunteer fire dept. and when we have a man injured we want immediate care for him.

1982 statistics figures show we had 52038 people come into Alaska for that year. 1981 statistics show we had 40692 people traveling into Alaska. 1980 statistics show?8751 people. This is a very substantial increase over a 3 year period. It also shows we can expect many more people for 1983.

We cannot ask for mutual aid from Delta or Glenallen because they are too far away. This is also why we cannot refuse help to the AST or to the public outside our 5 mile radius. Tok is an unincorporated village, therefore we have to work together as much as possible. We do not refuse help and assistance to anyone simply because we are so remote. In larger villages or cities they can tell people to look elsewhere for help because there is other help available.

Our fire dept. was started in 1972 when the state highway dept. turned it over to us. We have managed to operate our fire dept. only on our head count funds which is astronomical.

With ever increasing tourist numbers the people are constantly for more and more extensive emergency services. We want to be prepared. We are 220 miles southwest of Fairbanks, 145 miles from the Glenallen Hospital. We are 328 miles from aid and assistance in Anchorage.

We hope you will thoroughly study and consider our request for aid in acquiring the rescue unit we want and need. The new unit will serve as ambulance and rescue combined. It will be a 4 wheel drive vehicle with a hydraulic or manual tailgate platform for loading and unloading. It will have a compartment that will hold as many as 28 oxygen bottles, 6 hooked up at all times. It will have all the cabinetry, sink, hot water, medical supplies and cardiac machine and medical supplies.

I will personally go to the factory and supervise building of this unit so when it arrives here we can be sure it is everything we are asking for. I have had sufficient experience with fire and rescue equipment that I know what to look for behind the paint. I have been in the Tok Volunteer Fire Dept. since it started. I was Captain for several years and now I have been Chief for 6 years. June 21, 1981 I was given an Honorable Award from the 12 member of Alaska State Legislature for my work in the fire dept.

We hope to hear from you soon on this subject.

Tok Vol Fire Dept.

Anthony J. Conrad Jr. Chief

SANFORD FIRE APPARATUS CORP
MANLIUS CENTER ROAD / BOX 430 / EAST SYRACUSE, NEW YORK 13057 TEL: 315 • 437-2516

RESCUE/AMBULANCE APPARATUS--"ALASKAN"

The following listing of equipment is included in quotation #601 and does become part of the apparatus.

1. Electro Hydraulic rear Lift
2. Intercom System
3. Portable oxygen unit
4. 102 unit Full Trauma Kit
5. Viking Rescue Tool, complete
6. 8,000# Electric Winch
7. Electric Clock
8. Tretcher Chair
9. Traction Splint
10. Electric Suction, installed
11. Blackhawk Rescue Set
12. Air Bag System, complete
13. Stokes Basket
14. Portable Pump with reel and hose, and nozzle
15. Cardiac Monitor/Defibiltor
16. Electonic Blood Pressure Monitor
17. ECG Recorder
18. O2 System with outlets and cys.
19. Battery Conditioner
20. Plasma Hangers
21. Backboards
22. Light Bar over Rear Doors

Above equipment is additional to the equipment originally mentioned in tne body of the specification.

TO: Barbara/Bob

FROM: Paula

SUBJECT: HB 119

I spoke with Jeanne Ostnes, Director of the Interior Region Emergency Medical Services Council about this bill inasmuch as she had requested to be kept informed and notified of the scheduling. I asked her to submit her testimony by telecopy but she said that she would be in town on Monday, March 7 and could she give her testimony with the committee. Rep. Shultz' office (I spoke with Jack) and they see no problem with having the bill scheduled for both tomorrow and again on Monday to let Jeanne present her testimony.

Basically, the following are some of the facts, as told to me by Jean:

1. The Tok Umbrella Corp. is the organization in Tok set up to receive funds, such as SB 168 per capita monies. Requests for funds are usually funneled thru them so that they can coordinate and avoid duplication etc.

2. The EMS council is, by statute (18.08.080) set up as a watchdog for the setting up of emergency rescue programs - in other words, they see that equipment is properly certified and only used by certified personnel.

3. The Tok Clinic Board has already been approved for an ambulance. Last year they were given 10.0 from the Legislature for an ambulance and this was out of an original request of 60.0. The EMS interior office had funds and other communities donated a portion of their share to help Tok. Mcgrath, for example donated $7,200 . The EMS office then went to the Tok Community UImbrella Corp and requested 25.0 from their 168 monies. This was approved and added to the 42.0 they had raised, they now have 67.0 for their ambulance. Approval for the 25.0 was granted by the Tok Umbrella Corp. on 1/15/83.

4. Jeanne indicated that this same apparatus was ordered by the city of N.Y. and then returned because it turned out to be too expensive to maintain and operate.

5. There is no 24 hour dispatch in Tok (Jack in Shultz' office said that this is now in place).

6. The Fire Dept. request did not go thru the umbrella corp. the fire chief, Tony Conrad, indicated to Jeanne that he was unaware of the need to do this.

7. The $200,000 apparatus has equipment which will require upgrading of EMT and certification. It is all equipment, OTHER THAN FOR FIRE, which can be used by any ambulance.

Tok - 10.0. FY83 - needed

60.0 —

now 42.0 -

Needs to talk ~~to~~ Tok - to clinic.

+ community

Jeannie ① stones - Back

3/3 - 3/5

Nur.

~~Work~~ .

Tok Clinic Bd

Community Umbrella

Corp.

EMS ⇒ TOK comm. ambulance Capital $$168 - to receive
+ requested $.0 - from Highway Safety Previously awarded
+ to add $ 72.0 - Appropriated, TOK Unfunded
$ 7.0 - Unfunded - must become Federal + scanned.
Vehicle to be on Federal - must be
last for yr. receive ambul. Highway Safety Planning - Turned it down
60.0 - were expecting for ambulance
10.0 - from legislature
EMS interim got $$ - + people donated part of their grants
McGrath 72.00 + restricted donations
Now 42.000
15 + to F. Chena identified EMS must be sound medical control
18.08.080 EMS 1 will be regs - regulations promulgated
+ so must get approved
EMT # EMS. 2 EMT # 2.7 Mi. 11 on staff as of

Tony Conrad – didn't go thru channels – sent ltr in can accelerate

Poor communication between

[should be 24 hr. dispatch + This doesn't exist]

Mcgrath - use FAA station ~~Trooper station~~ + waystation
Could do it in tok
but moved to commerce + can't use frequency.

Alt. State Trooper 30.0
2 positions -

(A) should filter thru duplication -

[24

VYC - turned it down because of expense.

EMS - cuts will affect their being a watchdog + so will cut out training + certification -

---

EMT Assoc. of certified people

Fire Dept + Tok Clinic Bd - the vehicle may get them to coordinate.

No 24 hr. dispatch.

Approved specs.

Have an old ambulance:

Tok fire has engines ⇒ 4 patient capability.

8 EMT.

~~S.B. #6~~ HB 119 - ** 3 March 1983

1) Sponser amendment - Re recipient of grant - clarification

TOK Umbrella Corporation

HB

144

(7)

COMMITTEE REPORT

HOUSE

FURTHER: TRANSPORTATION
FINANCE

1/26/83 Date: 3-9-83

Mr. Speaker:

The Committee on C & RA has had HB 144

An Act relating to erosion control in waterfront areas.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 144 [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 144 CS
Title: Erosion Control in Waterfront Rec ID 77
Sponsor: CRA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Division: Municipal & Regional Assistance
Phone: 465-4750
Date: 12/29/83

Approved by Commissioner: Jeff Smith
Agency: Community and Regional Affairs
Date: 12/29/83

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 144 CS (CRA)
Title: Erosion Control in Waterfront
Rec ID 77

ANALYSIS:

Assumptions:
AS 30.15 programs are administered by the Department of Transportation and Public Facilities. As a result, DCRA would not be fiscally impacted though the legislation could be helpful to municipalities.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

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

TO: House C & R A Committee

FROM: Staff

SUBJECT: HB 144

DATE: March 7, 1983

AS 30.15 provides for legislative appropriations or proceeds from the sale of bonds to the State to make grants to municipalities for the construction of port facilities.

HB 144 expands the use of grant funds to allow for performing feasibility for erosion control at port facilities.

The proposed legislation also increases the limits of the state portion of project costs from 90% to 95%.

AS 41.10 pertains to the Soil Conservation District Law. HB 144 adds waterfronts to the list of basic assets to the state and empowers the Commissioner of Natural Resources to conduct investigations of waterfronts, including necessary preventative and control measures.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 144 Date on Bill: 1/28/83
Title: Erosion Control in Waterfront Areas
Sponsor: Vaska and Koponen
Requestor: House C&RA Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total								

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

Since funds will be appropriated, by the legislature or by the sale of bonds, on an individual project by project basis, this bill will not of itself increase the number of state employees or the state's operating budget. The bill does provide that a feasibility study for each project may be funded by project funds where before the study usually had to be conducted by the community at its own expense. This bill also reduces the communities percentage participation in project costs for those municipalities with a population under 5,000. It is unkonwn how many communities may have delayed requesting grants because of their inability to fund a feasibility study or to provide the 10% matching funds for the grant.

(Contunued next page)

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Warren Sparks Phone: 364-4324
Division: Planning & Programming Date:

Approved by Commissioner: Date: 3-1-83
Department: Transportation & Public Facilities

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

While the number of feasibility studies cannot be anticipated at this time, the cost of a typical study ranges between $80,000 and $100,000. The total costs to the state for feasibility studies will be determined by the legislature on a project by project basis, as will construction costs.

Erosion control can generally be divided into two types: beach erosion in coastal locations, and bank erosion at river locations. Beach erosion is a routine consideration in the design and development of coastal ports. The costs of beach erosion control are usually incorporated in the costs of port facilities such as breakwaters, jetties, docks, etc. Beach erosion control practices normally need to be applied only in the immediate vicinity of port facilities.

River bank erosion control is frequently needed for significant distances upstream and downstream in order to protect river ports. River bank erosion control is generally expensive; estimates for Bethel, for example, are as high as $100.00 per foot of protected riverbank. Complete stabilization of the Kuskokwim river to protect the port of Bethel could cost as high as $200 million. Erosion control along river banks frequently transfers and exacerbates erosive forces elsewhere, leading to the need for additional speed along "protected" reaches of a river, port operations are often made more difficult and dangerous, as well.

REPRESENTATIVE TONY VASKA
Alaska State Legislature
House of Representatives

HOME
P.O. BOX 1495
BETHEL, ALASKA 99559

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

(907) 465-4914
(907) 465-3071

DISTRICT 25
AKIACHAK
AKIAK
ATMAUTHLUAK
BETHEL
CHEFORNAK
EEK
GOODNEWS BAY
KASIGLUK
KIPNUK
KONGIGANAK
KWIGILLINGOK
KWETHLUK
MEKORYUK
NAPAKIAK
NAPASKIAK
NEWTOK
NIGHTMUTE
NUNAPITCHUK
NYAC
OSCARVILLE
PLATINUM
QUINHAGAK
TOKSOOK BAY
TUNTUTULIAK
TUNUNAK

February 21, 1983

Gary Gross
Executive Director
AVCP Housing Authority
P.O. Box
Bethel, Alaska
99559

Dear Gary:

I have received a letter from the City of Tununak requesting aid from the legislature for the construction of a sea wall to cut down on the erosion of the beach fronting Tununak. City officials assert the problem is the result of the removal of gravel from the beach and blasting of sea cliffs for gravel for various projects, including an AVCP Housing Authority project. In their report proposal they state:

> "In 1979, the Association of Village Council Presidents Housing Authority (AVCP/HA) contracted with Northwest Construction to build 23 HUD housing units in Tununak. Gravel used for the foundation pads was obtained from the beach east of the mouth of the Tanunak River and from the cliffs northeast of the community. The latter was obtained by blasting the cliffs. During the course of this project, concerns were raised over blasting the cliffs and removal of gravel from the beach and a community meeting was held with Northwest Construction and AVCP/HA representatives. At that meeting, AVCP/HA informed the City Council that if they did not agree to let Northwest Construction obtain gravel from the cliffs, the project would be delayed for at least one year. To reassure the community representatives from AVCP/HA stated that erosion will always be present and this project will not accelerate the rate of erosion."

I would ask your help in trying to deal with this situation. I have introduced a bill for an appropriation to construct a sea-wall in Tununak to cut down on this erosion. In order to be successful in my efforts, I need as much background information on this as possible.

I have the following questions which you may be able to help me with:

1. Are you aware of this project? Who was involved from AVCP/HA?

2. What are normal procedures under circumstances involving the use of local resources as done here, i.e. gravel from the beaches and blasting of nearby cliffs.

3. What precautions were taken to insure the erosion rate would not be affected by these activities?

4. Are you aware of the meeting in Tununak referred to where AVCP/HA people would have made the statements referred to?

5. Do you know who would have made such statements and the basis for such statements?

I am not concerned at this point with placing the blame on anyone, but I do need the information to help justify the bill. Thank you for your cooperation, I look forward to your reply.

Sincerely,

Tony

Representative Tony Vaska

xc: City of Tununak

TV/jhp

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
DEPUTY COMMISSIONER – PLANNING AND PROGRAMMING

POUCH Z
JUNEAU, ALASKA 99811
PHONE: (907) 465-3900

February 1, 1983

The Honorable Tony Vaska
Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Vaska:

This letter is in response to your request for information on the availability of Ports and Harbors monies as a grant to the Village of Tununak for erosion control.

The Department currently does not have any Ports and Harbors or discretionary monies available for an erosion control structure at Tununak. However, the Department of Transportation and Public Facilities (DOT/PF) and the Department of Community and Regional Affairs do provide limited technical assistance to define the scope of the erosion problem and alternate solutions.

It is our understanding that the village of Tununak has already had a study completed, recommending a solution. Unfortunately, until funds are made available, DOT/PF will be unable to assist Tununak with construction.

If you need additional information, please call.

Sincerely,

John C. Bates
Deputy Commissioner

cc: Emil Notti
Office of the Governor

The Association of
Village Council Presidents
Housing Authority
Box 767
Bethel, Alaska 99559
(907) 543-3121 or 543-3122

Rep. Tony Vaska
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

March 3, 1983

Hello Tony,

I received your letter regarding the Tununak beach erosion on February 24. The concerns you expressed in the letter were first brought to the Housing Authority's attention during a phone conversation with Jim Plasman, earlier in February. As I mentioned to Jim at the time, his phone call was the first time I had heard of the erosion problem resulting from gravel extraction done by the Housing Authority.

Since that phone call from Jim, I have talked to Bob Angaiak, Development Director for the Housing Authority, who is from Tununak and was living there at the time, John Deladder, who was a teacher living in Tununak at the time and Bill Jones, President of Northwest Construction. I've also gone through all the Tununak files and have enclosed copies of all relevant reports for your review.

I have numbered each of the letters of correspondence, so I can address each one separately and you can, follow the chain of events more easily. Since I did not work on the project directly and it happened almost four years ago I will substitute some speculation for veracity.

#1-Outlines a conversation between Contractor and Architect on 8/1/79. States that the area specified by the Housing Authority for gravel extraction had been exhausted, and specifically acknowledges that no gravel should be taken from in front of the village.

#2-Architects interpretation of same phone conversation 8/1/79. Specifically states that taking of gravel from the beach is unacceptable, and mentions that only gravel source is by blasting cliff.

#3-Outlines a conversation between Contractor and Architect regarding alternative sources. 8/3/79
Northwest Superintendent advised architect that the cliff area gravel had been exhausted and that there was gravel on the other side of the river from town and that the Housing Authority said it was okay to extract gravel from the other side of the river. However, village residents opposed the idea of removing gravel from the other side of the river. The Contractor then began getting gravel from a beach/cliff site south of the village (an area that DOT/PF had been using for a Local Service Roads & Trails project

*We do not have any correspondence on record until a trip was made on August 14, 1979 by Marlin Knight, Peter Phillip (AVCP-Housing Authority), Steve Crosby (Architect Agent), and John Chambers (Soils Engineer).

#4-Trip Report of Peter Phillip-Housing Counselor.
States that all possible gravel sources were investigated. The site that DOT/PF could not be used because the State had exclusive rights to the area. Peter then highlights a meeting that was held in the village with the Council and Marlin Knight. At this meeting, apparently, Marlin said the entire project would be stopped unless a gravel source could be found. According to Peter's report, the Council agreed to allow the Contractor to haul gravel from an area Northeast of the village; however it doesn't specify whether the Council approved to the blasting of the cliff or the area of erosion.

#5-Architects Trip Report.
Briefly mentioned that the Housing Authority did get the Council to approve a gravel source.

#6-Soil Engineers Trip Report.
This report specifically states that Marlin had received approval of the Council to extract gravel from a site South of the cliff, i.e. the site that has eroded.

In addition to these reports, Bob Angaiak, today, found photographs he had taken of the beach front before and after Housing Authority involvement. These photograps clearly show, significant erosion after a spring storm in late April or May; at least two months prior to any Housing Authority excavation. Erosion occurred along the entire beach front, with up to two to three feet of gravel washed away by a single storm.

We're not sure why this erosion occurred, although we know P.H.S. had been extracting gravel in the area during the summer of 1978 for a new pumphouse foundation and access road. The P.H.S. engineer working on the project is out of town for three weeks so we haven't been able to determine the exact location of the extraction. We believe it was in the area to the Northeast of the village. The excavation work done by the Housing Authority in the summer of 1979 may have heightened the erosion problem.

That is all I have been able to find out about the project.

Since that time, precautions have been taken to make sure we have an approved gravel source. The normal procedure for the Housing Authority when using a local gravel source is to get a letter of "non-objection" from both the local village corporation and Calista, and to arrange for a royalty payment. In addition, all housing projects go through the State-Federal A-95 Review, and simultaneously the States, Alaska Coastal Management Program Review to solicit comments from appropriate agencies. Since we became aware of Corps of Engineers wetlands regulations, we have been applying for Section 404 Wetlands Permits, whenever we need to extract gravel or place fill in wetlands areas.

That's about all I have for now. If you have any specific questions, please call me. I'm sorry about the delay in answering you, but I've tried to be as thorough as possible. Tua-i.

Keep up the good work.

Sincerely,

Jim

James P. Duffy
Planner

DEPARTMENT OF THE ARMY
ALASKA DISTRICT, CORPS OF ENGINEERS
P.O. BOX 7002
ANCHORAGE, ALASKA 99510

REPLY TO
ATTENTION OF:

Flood Plain Management Services

Mr. Tom Middendorf
Department of Transportation
and Public Facilities
Pouch 6900
Anchorage, Alaska 99502

Dear Mr. Middendorf:

This is in response to your telephone conversation on January 26, 1983 with Mr. Allen Churchill with regard to erosion problems at Tununak, Alaska.

Enclosed is a trip report that was made in September, 1981 by one of our engineering technicians. Item six of the report stated that the village was going to request a reconnaissance study; however, we have not received such a request to date. Tununak would qualify under Section 103 of 1962 Rivers and Harbors Act, as amended for a small beach erosion control study. Federal funding limits on this type of project cannot exceed $. million including study costs.

A brochure entitled Low Cost Shore Protection is also enclosed at your request. More detailed manuals are available by submitting the card on the back cover. Because this brochure addresses the coastal erosion process, we are also enclosing a spare copy of the Final Report to Congress that pertains to the Streambank Erosion Control Evaluation and Demonstration Act of 1974. Appendices A through H, involving 11 additional volumes, are available by writing to the U.S. Army Engineer Waterways Experiment Station, ATTN: WES-HP, P.O. Box 631, Vicksburg, Mississippi 39180. We would be glad to accommodate you or others on the staff that would like to meet and discuss some of the erosion problem areas around the State and the types of solutions that have been recommended.

If you would like to set up such a meeting or have any further questions, please contact Mr. Allen Churchill of our Planning Branch at (907) 552-3246.

Sincerely,

Harlan E. Moore
Chief, Engineering Division

Enclosures

LEXITRONED TO JUNEAU ON JANUARY 27, 1983

FEB 1 8 1983

ATTN: Paula Ramsey

January , 1983

The Honorable Tony Vaska
Representative
Alaska State House
Pouch V
Juneau, Alaska 99811

Dear Representative Vaska:

This letter is in response to your request for information on the availability of Ports and Harbors monies as a grant to the Village of Tununak for erosion control.

The Department currently does not have any Ports and Harbors or discretionary monies available for either an erosion control structure or study at Tununak. However, the Department of Transportation and Public Facilities (DOT/PF) and Community and Regional Affairs do provide limited technical assistance to define the scope of the erosion problem and alternate solutions.

Assistance provided by DOT/PF usually includes a site visit by an area planner, identification of the problem with residents, identification of affected structures, and review of alternate solutions and their relative costs.

Assistance provided by Community and Regional Affairs includes an Erosion Control Manual that helps the community assess the problem and alternate solutions and/or a site visit by a community planner. The site visit would be similar to that described above for DOT/PF with an optional slide presentation that describes common causes of erosion and potential solutions that have worked elsewhere.

The Army Corps of Engineers provides self-help brochures and more detailed technical assistance to communities. The Corps has investigated the erosion problem in Tununak and I have requested a copy of their report and will forward a copy to you when I receive it.

If you need additional information please call.

Sincerely,

John C. Bates
Deputy Commissioner

NPAEN-PL-FP 24 September 1981

MEMORANDUM FOR RECORD

SUBJECT: Field Trip Report
VILLAGE: Tununak, Alaska

1. At the request of the Village Council, we traveled to Tununak, arriving at 11:30 a.m. 21 September 1981.

2. I, Ken Eisses and John Angaiak proceeded to the problem area along seaward side of village.

3. The fuel tanks shown in slides B-6 and B-10 are of most concern to the village along with several homes located approximately 25-30 feet from the present bank. The 1979 storm was the most severe, with approximately 30-40 feet of beach and bank eroded.

4. After some lengthy conversation the point was brought up that after the State had removed several thousand cubic yards of gravel from the beach paralleling the village that the erosion problem was greatly increased. Several of the Town Council people informed us that they had minimum erosion ~~gravel~~ from the beach fronting the village.

5. The village was informed that the Corps of Engineers could give them technical assistance if a project was undertaken.

6. The Village Council is going to request in writing that the Corps of Engineers do a Reconnaissance Report for their village erosion problem.

7. Recommendations:

a. That all fuel tanks be moved further back on higher ground. There is high ground available approximately 200 yards to the northeast. This is the most economical solution.

The fuel tanks are setting on skids and could be pulled to another location.

Several of the buildings are setting on skids and could be pulled by a tractor further to the northeast on higher ground.

Tuc11

b. Gabion Revetment would be the second most economical method because there is plenty of available large stones less than one-fourth mile from the erosion area.

8. If rocks are to be used there is an area approximately one-fourth mile from the village that could be used as shown in slides B-7 and B-8. The village has a small bulldozer, front end loader and dump truck, however, all three are not in running condition.

9. There are three pickup trucks in the village.

Larry Boyles

LARRY BOYLES
Engineering Technician

Copy for Tununak files

(4)

M E M O R A N D U M

TO: Files

FROM: Peter C. Phillip, Housing Counselor I

DATE: August 15, 1979

SUBJECT: FIELD TRIP REPORT - Tununak, 8/14/79.

I accompanied Marlin Knight, Stephen Crosby and John Chambers to Tununak for the purpose of meeting with the Tununak Council to settle the gravel - hauling problem for the A.V.C.P. Housing foundation being constructed.

When we got to Tununak, the site location where gravel was being hauled from was looked at, on both ends of the village: Northeast and Southwest. The main purpose for stoppage of hauling gravel from the Southwest, which is approximately 1½ miles from the village, was that the area had been applied for by the Corps of Engineers through Bureau of Land Management for riprap material on the river bridge, where some of the stone wall has been washed by tide action. The only other place was to be from the Northeast of the village along the beach. When we held the Council meeting, the Council were told by Marlin Knight, of the problem of getting gravel to finish the foundation of the houses. If this was not resolved, the project would have had to be stopped until gravel could be obtained to complete the housing foundation. The Council were told of the problem and after discussion, the problem was resolved and gravel could be hauled from the Northeast end of the village. There are 12 foundations completed and six more, with gravel, are needed for the foundations. The gravel padding is approximately three feet thick and in an area depending on the size of the house to be built.

Marlin, Stephen, and John stopped in Eek to look into the progress of the housing project on the return trip from Tununak.

akl

Tununak Erosion Control Project

City of Tununak
P. O. Box 69
Tununak, Aloska 99681
Phone No. (907) 652-6626

December 16, 1982

Honorable Anthony Vaska
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Reference: Tununak Erosion Control Project

Dear Representative Vaska:

Enclosed is a design and cost assessment for an erosion control project for Tununak, Alaska. In this work I have selected a design concept that utilizes to the fullest possible extent, locally available materials, equipment, and manpower.

I am looking forward to your comments. Please contact me at your convenience.

Respectfully,

Mark Earnest

Mark Earnest
Project Manager

City of Tununak
P. O. Box 69
Tununak, Alaska 99681
Phone No. (907) 652-6626

December 16, 1982

Honorable Anthony Vaska
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Reference: Tununak Erosion Control Project

Dear Representative Vaska:

Tununak is faced with a serious erosion problem. If measures are not taken to correct this problem, the community will lose subsistence herring fish processing facilities, historic and cultural sites, and other valuable property.

The erosion problem in Tununak appears to have resulted directly from the removal of gravel from the beach fronting Tununak and blasting the sea cliffs to obtain gravel in order to cut costs for construction projects sponsored by state and federal governments. This was done in spite of objections raised by residents and the City Council.

The Tununak City Council, on behalf of the residents of Tununak, Alaska, submits this project proposal requesting funding from the State of Alaska for the purpose of constructing a sea wall. This project has the full support of both the Tununak IRA Council and Tununrmiut Rinit Corporation (Tununak village corporation) Board, and it was selected as the most important priority project by a vote of the residents of Tununak

Respectfully,

Frank J. Flynn
Frank Flynn, Mayor

Thomas P. Oscar
Thomas Oscar, Sr.

Resigned 7.1.7 - Mayor
George Usugan

Paul Sunny
Paul Sunny

Andy P. Patrick
Andy Patrick

Resigned 7.1.7-Mayor
Peter D. Angaiak

Phillip Kusayak
Phillip Kusayak

Acknowledgements

The City of Tununak is grateful to Imagen Corporation of Mountain View, California for typesetting and to Stanford University for printing the master copy of this report.

The City also wishes to acknowledge the contributions to this proposal of Harry Lincoln, Mike Albert and Mark D. Charlie.

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1. PROJECT OVERVIEW

The City of Tununak requests $904,891 from the State of Alaska for the purpose of constructing a sea wall to protect the community from further destruction caused by storm-wave action. The City proposes that a seven-foot high, 3,800 foot long sea wall be built.

2. STATEMENT OF PROBLEM

The City of Tununak is faced with a serious erosion problem. This situation has intensified in recent years because of a sudden acceleration in the erosion rate begining in 1978. Since that time, at least 30 feet of land has been lost through erosion along hundreds of feet of waterfront. At present, the beach head is less than 10 feet from the bulk fuel storage tanks. Also in immediate jeopardy are the village corporation office building, ANICA native store warehouse, and many private residences. A substantial amount of community reserve lands has already been lost.

In 1976-1977, the Alaska Department of Transportation constructed a one-half mile gravel road and bridge over the mouth of the Tanunak River. The DOT obtained gravel from the mouth of the river, along the beach, and from the base of the cliffs northeast of the community. All the large boulders along the base of the cliffs were removed for this project. This exposed the cliffs to the full impact of the ocean waves during high tide and storm surges.

In 1979, the Association of Village Council Presidents Housing Authority (AVCP/HA) contracted with Northwest Construction to build 23 HUD housing units in Tununak. Gravel used for the foundation pads was obtained from the beach east of the mouth of the Tanunak River and from the cliffs northeast of the community. The latter was obtained by blasting the cliffs. During the course of this project, concerns were raised over blasting the cliffs and removal of gravel from the beach and a community meeting was held with Northwest Construction and AVCP/HA representatives. At that meeting AVCP/HA informed the City Council that if they did not agree to let Northwest Construction obtain gravel from the cliffs, the project would be delayed for at least one year. To reassure the community representatives from AVCP/HA stated that erosion will always be present and this project will not accelerate the rate of erosion.

3. COMMUNITY PROFILE

3.1 Location and Setting

Tununak is a Yup'ik Eskimo village located on the northwest coast of Nelson Island, 120 miles west of Bethel on the Yukon-Kuskokwim delta. The village is sited on a narrow spit that extends from the flank of Ugchirnak Mountain (elevation 998 feet) southwest across the mouth of Tanunak River. The spit, approximately 4,000 feet in length, rises about 10 feet above the beach and is approximately 400 feet wide at its widest point.

The residents of Tununak depend heavily on subsistence hunting and gathering for food. Wildfowl, ptarmigan, herring, salmon, trout, halibut, flounder, seal, clams, mussels, blackfish, needlefish, and wild plants and berries are the foods primarily utilized by the villagers. Musk ox and reindeer (the latter obtained from nearby Nunivak Island) are the only game taken in the area. Mink, fox, beaver, and muskrat are hunted and trapped for their fur. Many women make grass baskets and garments made from musk ox hair (qiviut) for sale outside the village. Some residents are skilled ivory carvers. The school is the major employer, with other employment in government and commercial sectors.

Tununak is located in the Transition climatic zone. Weather conditions have a maritime influence and are highly variable and often unpredictable. Rain, drizzle, clouds, and fog are common in the summer and fall. Annual precipitation in the form of rain and snow amounts to 16 inches and 60 inches respectively. Surface winds are strong and come predominantly from the northeast and south. Climatic conditions are modified by the Bering Sea waters. Estimated temperature extremes at Tununak range from -48°F to 76°F. The mean total heating degree days for Tununak is 13,000. Freezing and thawing degree day values are 2,750 and 1,750 respectively. The estimated mean total number of days below 0°F is 46.

Sea ice formation in Tanunak Bay normally begins in December, and by February the waters are "closed" with 80 to 90% ice coverage. Waters are generally open by June.

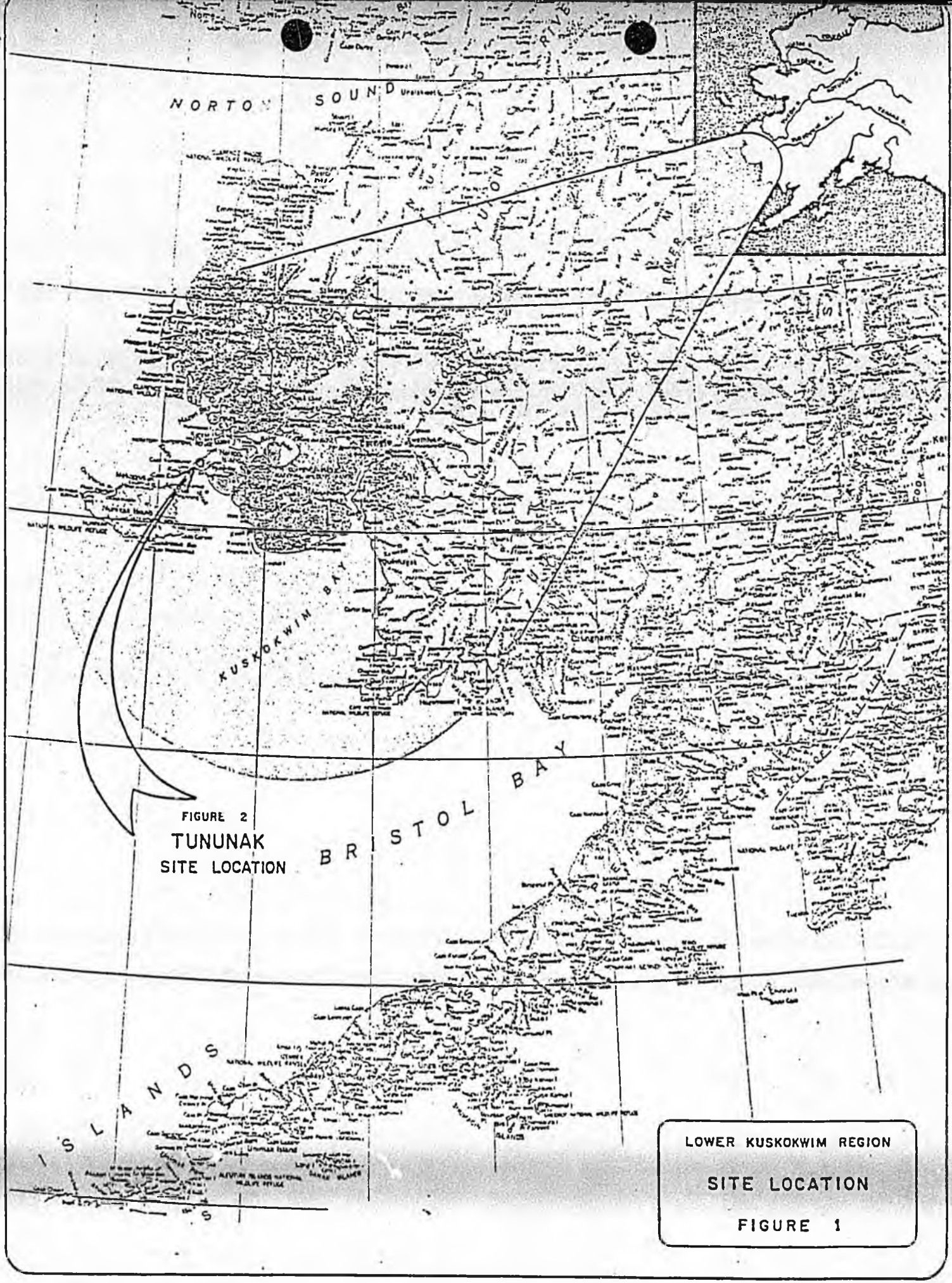
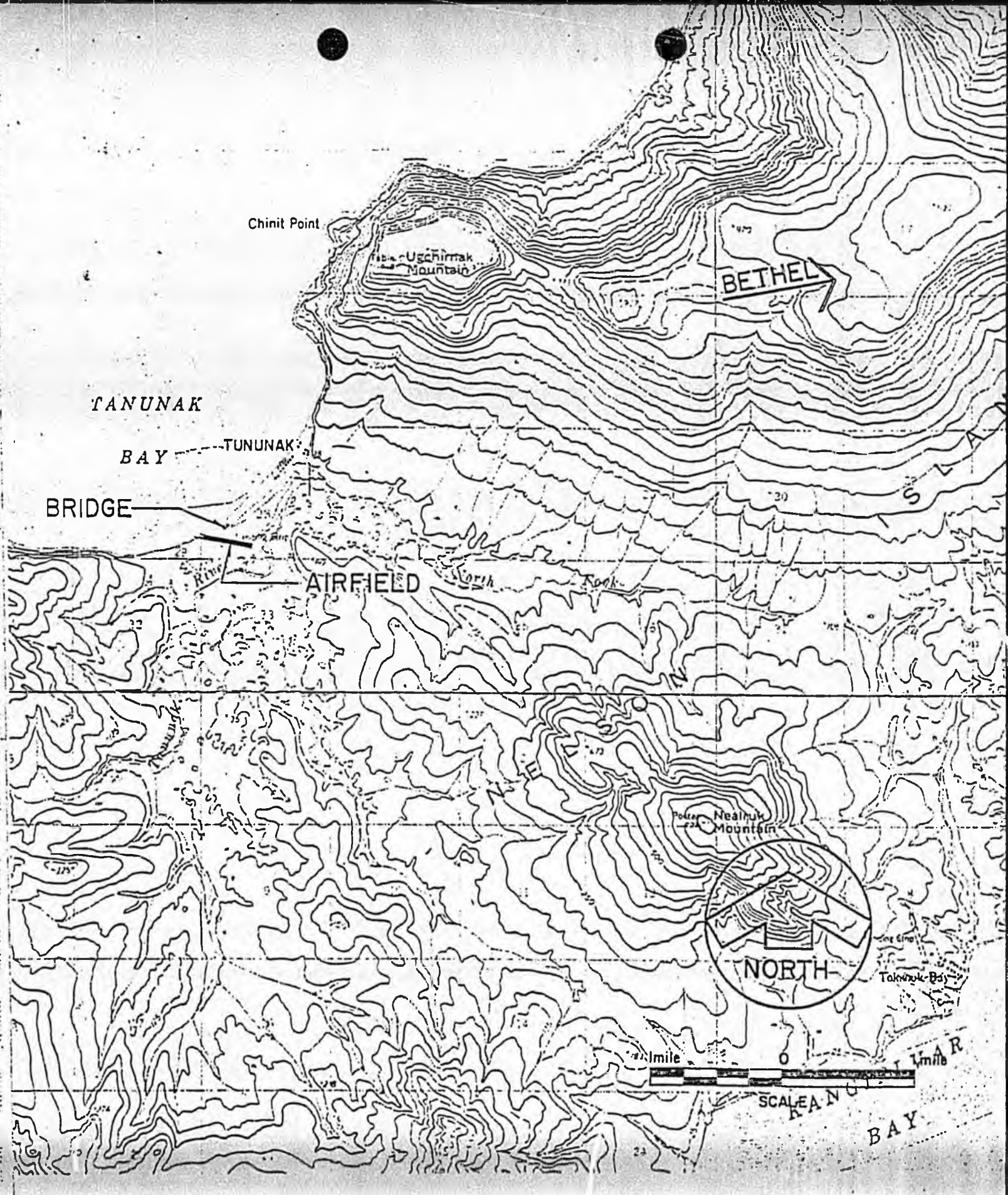


FIGURE 2
TUNUNAK
SITE LOCATION

LOWER KUSKOKWIM REGION

SITE LOCATION

FIGURE 1



VICINITY MAP

TUNUNAK, ALASKA

FIGURE 2

3.2 Population

Population data for Tununak is sporadic, but available data shows a consistent upward trend since at least 1939.

Year	Population
1939	65
1950	112
1960	183
1970	274
1978	291
1980	299
1981	301
1982	315

4. EROSION CONTROL PROJECT

4.1 Project Description

Tununak is sited on a narrow sand and gravel spit that extends southwest between the Tanunak River and Tanunak Bay (Figure 2; Appendix A). The spit, approximately 4,000 feet in length, rises about ten feet above the beach line and is approximately 400 feet wide at its widest point.

The spit is eroding at a rapidly accelerating rate. The Tununak erosion control project is desperately needed to protect the community from further destruction. To control the erosion, a seven foot high sea wall should be constructed from the cliffs located northeast of the community to a point approximately 3,800 feet to the southwest (Appendix A).

4.2 Engineering and Construction

Two gravel and boulder borrow sites for the erosion control project have been selected (Appendix A). These materials will be obtained from a large landslide area located approximately 4,000 feet northeast of the project site. The rock will be extracted from ten feet above the base of the slide to prevent erosion problems in that area. An alternative borrow site, located about 3,500 feet northeast of the project site, is comprised of a highly unstable 45-foot thick sandstone unit. Both sites were selected on the basis of socio-economic and engineering considerations.

Rock materials in the landslide area are composed primarily of non-vesicular and vesicular basalt, with lesser amounts of well-cemented medium- to course-grained sandstone. The sandstone comprising the alternative site is highly compacted and indurated. Rock materials in both sites will be suitable for this project.

The construction season in Tununak typically extends from May through November. Daylight and twilight hours are about the same as in Anchorage. Construction hours will have to be flexible because hauling cannot be conducted during high tide. Extracting and emplacing rock materials as well as constructing support facilities will not be affected by the the tides.

Construction of the sea wall will utilize front-end loaders for extracting rock, dump trucks for hauling, and a crawler bulldozer for emplacing and grading. The City of Tununak already owns the necessary heavy equipment, which consists of the following:

- 95000 series GMC dump truck
- 700 series 1975 Ford dump truck
- 545 Allison-Chalmer front-end loader
- JD 350-B John Deere front-end loader

- JD 350-C John Deere crawler bulldozer/backhoe

The sea wall will be approximately seven feet high. The project will require approximately 5,300 cubic yards of rock and 45 cubic yards of concrete (see Appendix B for sea wall design sketches).

Construction of the sea wall will proceed in the following steps:

1. Grading the beach sand adjacent to the beach head to a small angle inclined downward to the southeast.
2. Extracting, hauling, emplacing, and compacting gravel to form the inner portion of the sea wall.
3. Extracting, hauling, and emplacing boulders to form the outer portion of the sea wall, building the sea wall to an angle of about 33°.
4. Forming and pouring concrete access steps and ramps.

The project will start at the northeast end and progress to the southwest. As the rock materials are emplaced, construction of the concrete access steps can begin.

The first step in constructing the sea wall will involve grading a 6 foot wide strip of beach sand adjacent to the beach head. The sand will be graded to an angle between 3° and 5°, inclined downward to the southeast.

The next step will involve emplacing and compacting gravel to form the inner portion of the sea wall. Boulders will then be emplaced over the gravel to form the outer portion of the sea wall. The largest and most competent (non-vesicular basalt) boulders will be placed along the base of the sea wall. These boulders will absorb most of the wave energy generated during storm surges and prevent continued erosion of the beach head. The sea wall will be built to an angle of about 33° from the horizontal. This is the "angle of repose;" that is, the maximum angle rocks can be piled while maintaining stability.

The final step in the sea wall project will be the construction of concrete vehicle ramps and pedestrian steps to provide access between the community and beach. The pedestrian steps will be six feet wide, thus permitting residents to haul herring fish buckets from the beach to the herring pits and drying racks on top of the beach head. The individual steps will be 8 inches high and 12.3 inches wide. There will be six pedestrian access structures along the sea wall, each requiring about 2.5 cubic yards of concrete, for a total of 15 cubic yards of concrete.

There will be two vehicle ramps ten feet wide and one foot thick, each requiring about 15 cubic yards of concrete. Construction of access structures will utilize plywood forms. Concrete will be mixed on the beach head and poured into the forms.

A 12' x 16' plywood emergency shelter will be constructed at the rock extraction site. The shelter will contain first-aid supplies, a space heater, work table and benches, spare parts, and a 3700 watt, 120/240 volt generator. A 1500 watt tungsten halogen quartz floodlight will be used to illuminate the rock extraction site during the autumn months.

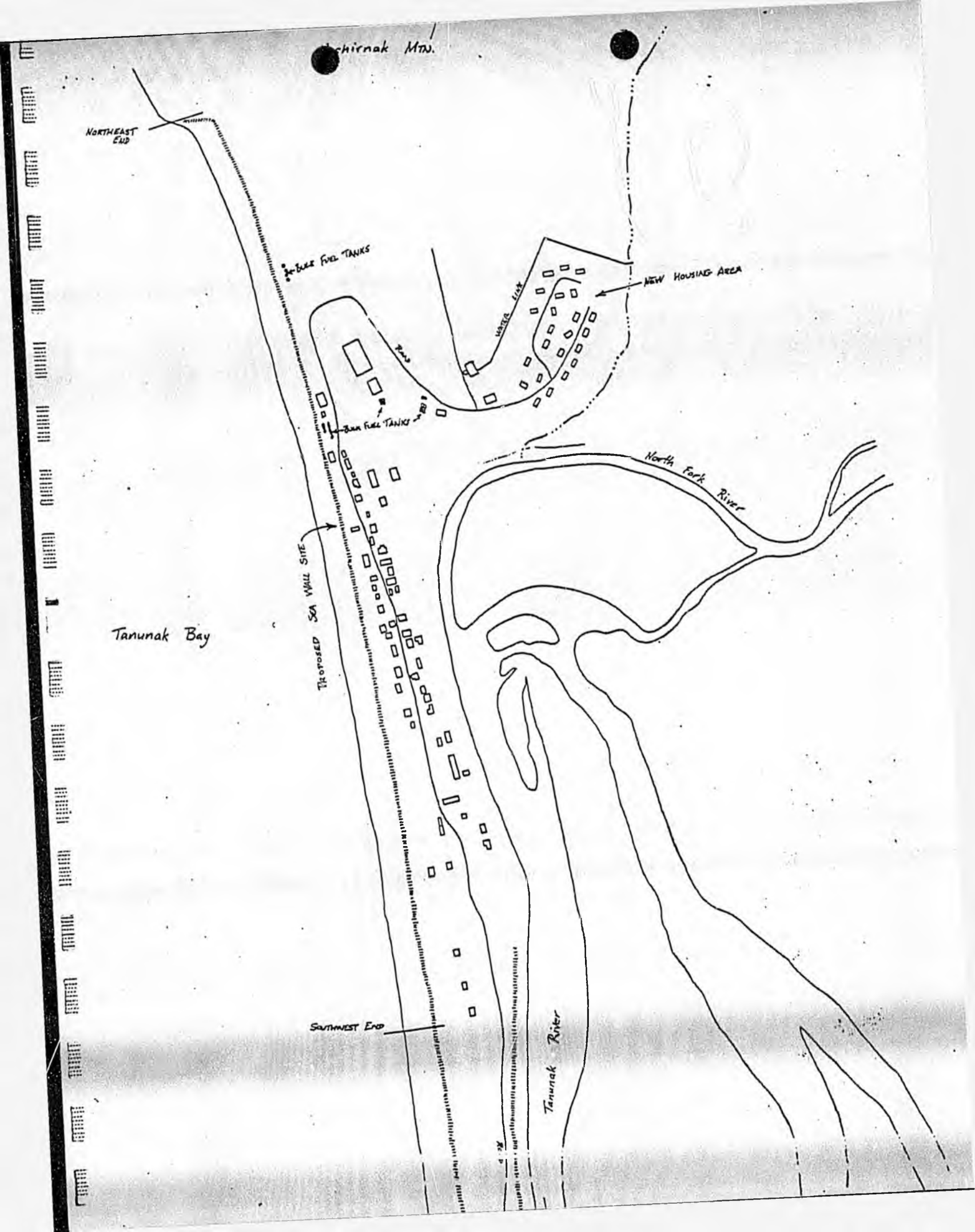
5. CONCLUSIONS

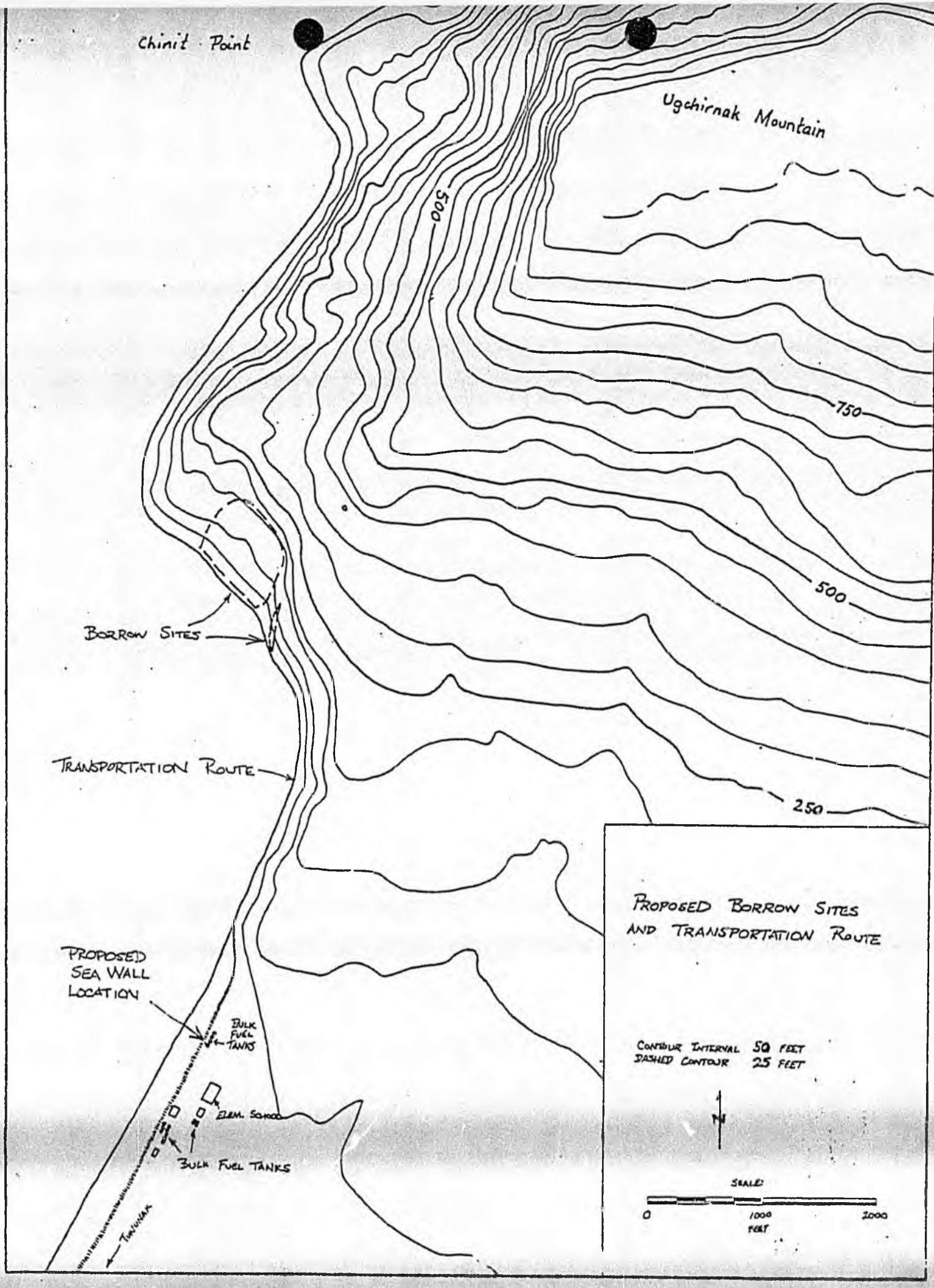
The coastal shoreline fronting Tununak is eroding at a rapid and accelerating rate. Since 1978, more than 30 feet of shoreline public reserve lands have been lost. At present, less than 10 feet separate the Corporation bulk fuel storage tanks and the beach head. Many private residences are threatened as are several public and commercial structures. If precautionary measures are not taken immediately, continued loss of private and commercial property will occur.

Immediately after the sea cliffs were blasted and gravel was removed from the beach fronting the community, beachfront erosion increased dramatically. It appears that these actions were the direct cause of the increase in erosion. It is ironic that projects intended to improve the standard of living in Tununak may have inadvertently created a situation that could result in the destruction of the original village site.

The proposed Tununak erosion control project consists of a seven foot high, 3,800 foot long rock sea wall composed of locally obtained rock materials. These materials will be extracted, transported, and emplaced utilizing local manpower and heavy equipment. The sea wall will have concrete pedestrian steps and vehicle ramps to provide access between the community and beach. Project engineering and management will be the responsibility of the City of Tununak.

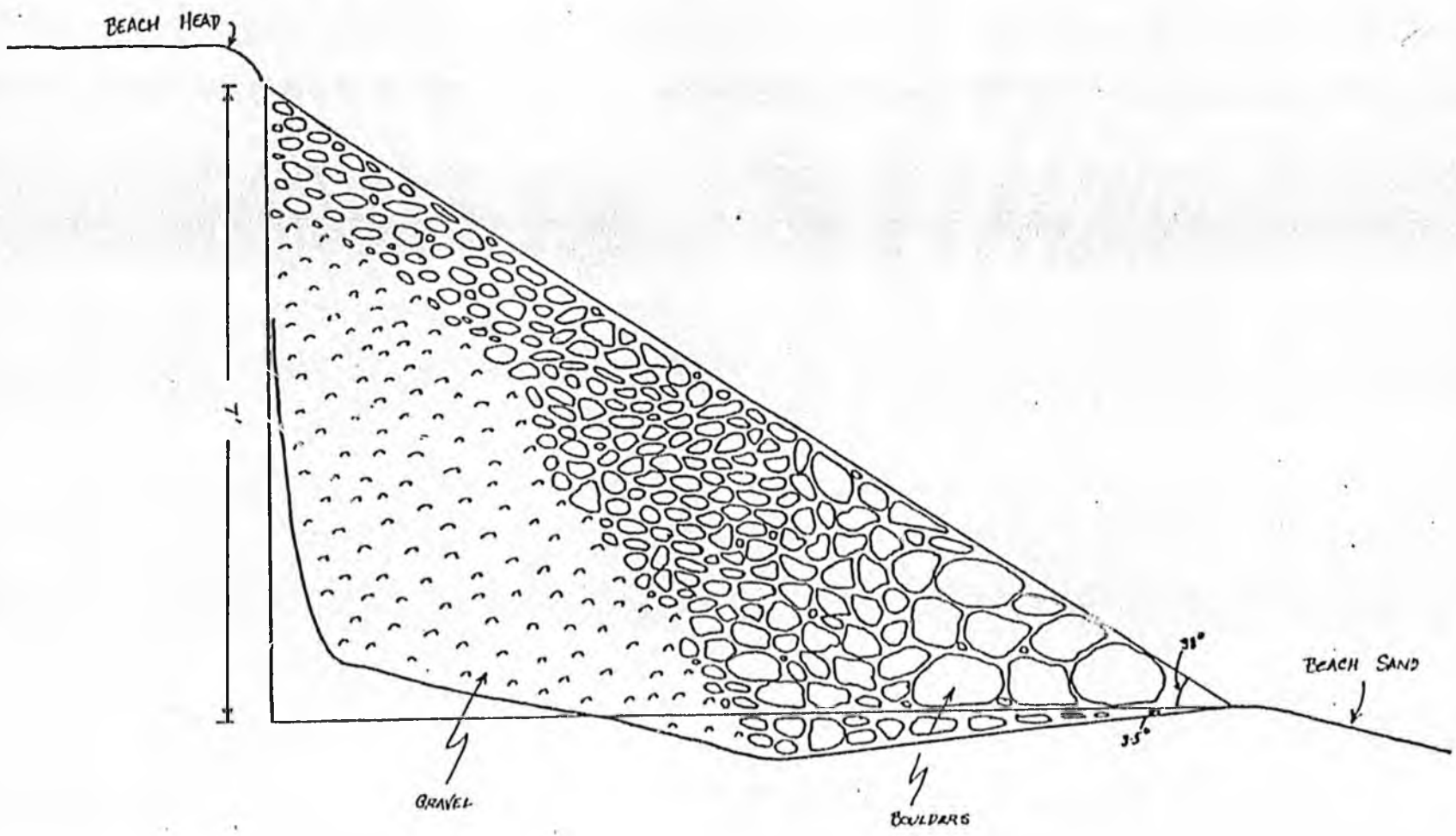
APPENDIX A.
Maps of Project Area


chirnak MTN.
NORTHEAST END
BULK FUEL TANKS
BULK FUEL TANKS
ROAD
WATER LINE
NEW HOUSING AREA
North Fork River
PROPOSED SEA WALL SITE
Tanunak Bay
SOUTHWEST END
Tanunak River

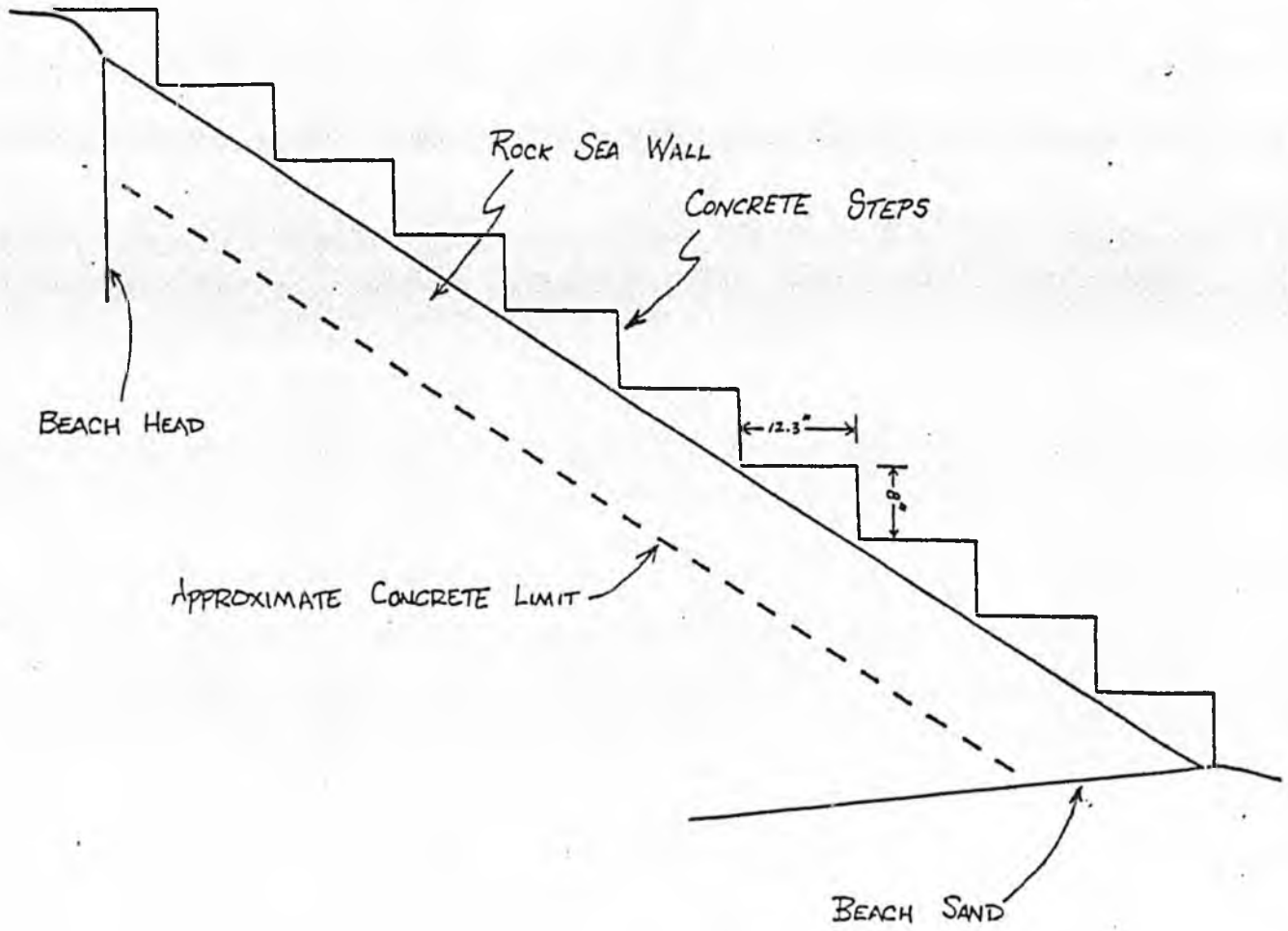

Chinit Point
Ugchirnak Mountain
500
750
500
250
BORROW SITES
TRANSPORTATION ROUTE
PROPOSED SEA WALL LOCATION
BULK FUEL TANKS
ELEM. SCHOOL
BULK FUEL TANKS
TAKSUKAK
PROPOSED BORROW SITES AND TRANSPORTATION ROUTE
CONTOUR INTERVAL 50 FEET
DASHED CONTOUR 25 FEET
N
SCALE:
0
1000
2000
FEET

APPENDIX B.
Sea Wall Design

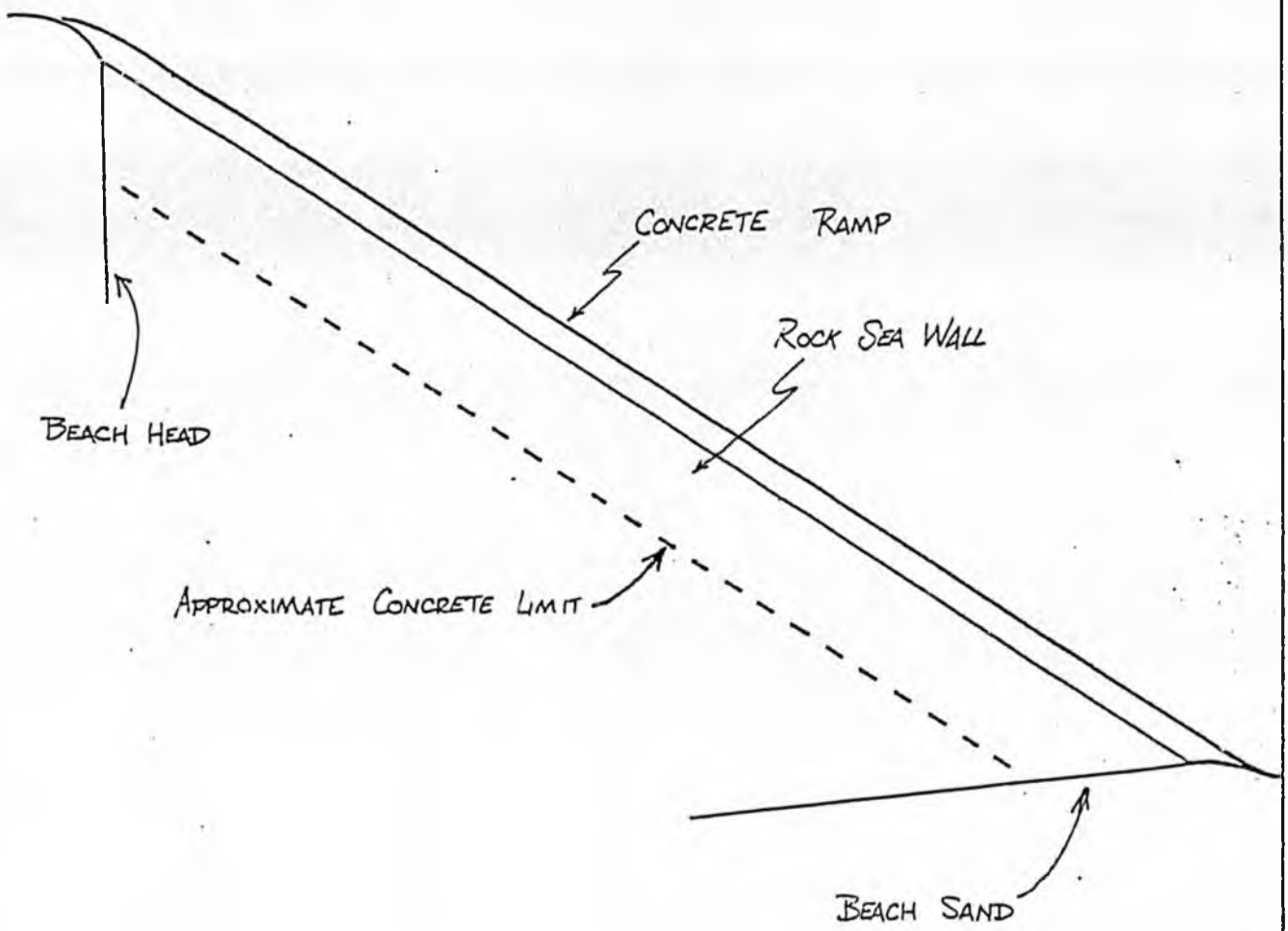
TUNUNAK ROCK SEA WALL



CONCRETE PEDESTRIAN STEPS



CONCRETE VEHICLE RAMPS



APPENDIX C.
Project Budget

Wages

LABORERS (5)		
RT $24.47/hr x 40 hr/wk	979	
OT $33.88/hr x 32 hr/wk	1,084	
Total/wk	2,063	
x 5 Laborers		10,315
OPERATOR (1) – DUMP TRUCK (<10 yd)		
RT $26.69/hr x 40 hr/wk	1,068	
OT $36.59/hr x 32 hr/wk	1,171	
Total/wk		2,239
OPERATOR (1) – DUMP TRUCK (10-20 yd)		
RT $27.09/hr x 40 hr/wk	1,084	
OT $37.19/hr x 32 hr/wk	1,190	
Total/wk		2,274
OPERATORS (3) – FRONT-END LOADER & BULLDOZER		
RT $27.90/hr x 40 hr/wk	1,116	
OT $39.12/hr x 32 hr/wk	1,252	
Total/wk	2,368	
x 3 Operators		7,104
FOREMAN (1)		
RT $30.00/hr x 40 hr/wk	1,200	
OT $45.00/hr x 32 hr/wk	1,440	
Total/wk		2,640
Total weekly payroll		24,572
x 24 weeks		589,728
Total Wages		589,728

Materials	
Heavy equipment parts	43,000
Fuel	86,400
Cement and mixer	18,900
Emergency shelter	6,600
Miscellaneous equipment	8,300
Total Materials	163,200
Project Management	
Project manager	30,700
Engineering and design	15,000
Surveying	24,000
Total Materials	69,700
Contingency	
Project contingency, 10%	82,263
Total Project cost	$904,891

FEB 21 1983

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 144 Date on Bill: 1/28/83
Title: Erosion control in waterfront areas
Sponsor: Vaska
Requestor: House Community & Regional Affairs

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

This program is administered by the Department of Transportation and Public Facilities. This Department will not be fiscally impacted.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date: 2/15/83

Approved By Commissioner: [signature] Date: 2/18/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

February 7, 1983

POSITION PAPER

RE: HB 144

SPONSORS: Representatives Vaska and Kopohen

Program Effects of Bill

Includes erosion control measures as eligible for State grants for port facility construction under A.S.31.15.020-030.

Comments

This legislation would simply and logically expand eligibility criteria for port facility construction grant funds to include erosion control measures. This revision would be consistent with the cooperative Federal/State Flood Plain Management Program administered by this Department.

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 144 Date on Bill: 1/28/83
Title: Erosion control in waterfront areas
Sponsor: Vaska
Requestor: House Community & Regional Affairs

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

This program is administered by the Department of Transportation and Public Facilities. This Department will not be fiscally impacted.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date: 2/15/83
Approved by Commissioner: [signature] Date: 2/18/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

Editor's note. — Section 9, Executive Order No. 39 (1977), effective July 1, 1977, provides: "(a) The Department of Transportation and Public Facilities is vested with the duties and powers formerly held by the Department of Public Works relating to planning, construction, maintenance and operation of transportation facilities, including state ferries, airports and water and harbor facilities, and for design and construction of buildings and appurtenant structures, and specifically including all powers and duties formerly held by the Department of Public Works under AS 02, AS 30.05, AS 30.15, AS 35, As 41.20 and AS 44.65.

"(b) The Department of Transportation and Public Facilities is vested with the duties and power formerly held by the Department of Highways relating to planning, construction, maintenance and operation of state transportation facilities including state highways, roads, bridges, traffic signs and signals, the supervision and maintenance of state automotive and mechancial equipment, the control of outdoor advertising visible from state highways and all other duties and powers of the Department of Highways, and specifically including powers and duties formerly held by the Department of Highways under AS 19, AS 28.01, AS 28.05, and AS 44.57."

Sec. 30.15.010. State grants for port facilities construction. To the extent funds are appropriated by the legislature, or from the proceeds from the sale of bonds, the state may make grants to municipalities to finance a portion of the cost of construction local, regional or state port facilities. The state shall participate only in those projects approved by the governor on recommendation of the commissioner of transportation and public facilities.(§ 1 ch 85 SLA 1974; am Executive Order No. 39, § 11 (1977)).

Effect of amendment. — Pursuant to Executive Order No. 39 (1977), a reference to the commissioner of transportation and public facilities has been substituted for a reference to the commissioner of public works at the end of the section.

Sec. 30.15.020. Criteria for establishing eligibility. (a) Before a grant may be awarded under this chapter, the commissioner of public works shall determine that

(1) the grant is for a feasible project;

(2) the project is endorsed by resolution of the governing body of the sponsoring municipality on its own behalf, or on behalf of a service area in an organized borough if a service area is established to finance and construct port facilities and operate and maintain them once constructed; and

(3) the municipality can clearly demonstrate its ability to finance the local share of project costs.

(b) No grant may be awarded under this chapter for a port facility development project until a study of its feasibility is conducted and submitted with the application for the grant. The project also must be justifiable on the basis of public convenience and necessity. The study shall be conducted by consultants, engineers or other technical experts, who may be officers or employees of the municipality in making application for a grant. (§ 1 ch 85 SLA 1974)

laska -HI-1-32-7887

Sec. 30.15.030. Limitation on grants. Grants for the development of port facilities may not exceed

(1) 90 per cent of project costs for municipalities under 5,000 population;

(2) 80 per cent of project costs for municipalities 5,000 population and over. (§ 1 ch 85 SLA 1974)

Sec. 30.15.040. Disposition of state land for port facilities development projects. The division of lands in the Department of Natural Resources, subject to the applicable provisions of AS 38.05 and 38.10, may convey title or other interests in state land, provide for the exchange of state land, or make other arrangements with respect to state land that may be necessary to complete a project for which a state grant is approved under this chapter. (§ 1 ch 85 SLA 1974)

Sec. 30.15.050. Combined port and ferry terminal facilities. A grant may be awarded under this chapter for a port facilities development project that includes, or combines, state ferry terminal facilities as a part of the project. However, the state shall pay the proportionate projects costs attributable to the ferry terminal including but not limited to vehicle staging areas, transfer spans and aprons, passenger terminal facilities and offices, docks and other docking facilities for ferry vessels. (§ 1 ch 85 SLA 1974)

Sec. 30.15.060. Regulations. The commissioner of public works shall promulgate regulations under the Administrative Procedure Act (AS 44.62) that he considers necessary to carry out the provisions of this chapter. (§ 1 ch 85 SLA 1974)

Sec. 30.15.070. Definitions. In this chapter

(1) "commissioner" means commissioner of public works;

(2) "department" means Department of Public Works;

(3) "municipality" means a home rule or general law borough or city including but not limited to a unified municipality organized under AS 29.68;

(4) "port facilities" means docks, wharves, bulkheads, seawalls, landfills, warehouses, staging areas, transfer spans and aprons, lifting equipment and similar structures together with the necessary equipment and facilities required to accomodate waterborne commerce and shipping, including but not limited to combined port and ferry terminal facilities;

(5) "project costs" means the cost of financing or borrowing, site acquisition and rights-of-way, planning, engineering and designing, construction, equipment acquisition and installation, but does not include the cost of operation or maintenance of the port facilities once constructed or the cost of feasibility studies required in making application for a grant under this chapter. (§ 1 ch 85 SLA 1974)

to and providing for the systematic collection, recording, and distribution of data on the water of the state. (§ 3 ch 41 SLA 1977)

Sec. 41.08.040. Cooperation with other agencies. The state geologist, with the consent of the commissioner, may enter into cooperative agreements with federal, state, and local governmental agencies to perform geological and geophysical surveys, studies, investigations, and services. (§ 1 ch 93 SLA 1972)

Chapter 10. Soil Conservation District Law.

Section		Section	
10.	Declaration of policy	100.	Duty of board to advise commissioner of natural resources
20.	Creation and boundaries of soil conservation district	110.	Powers of commissioner of natural resources relating to soil conservation
30.	Purpose of district	120	Land occupier shall approve plans, etc.
40.	Soil conservation board	130.	Creation of subdistricts
50.	Appointment	140.	"Land occupier" defined
60.	Qualifications of board members	150.	Short title
70.	Term of office		
80.	Vacancies		
90.	Compensation and per diem		

Sec. 41.10.010. Declaration of policy. The farm, forest and grazing lands of the state are basic assets of the state. It is the policy of this chapter, in the interest of the health, safety, and general welfare of the people of the state, to provide for the development, use and conservation of these lands in accordance with their capabilities. (§ 47-4-2 ACLA 1949)

Am. Jur. and C.J.S. references. — 2 Am. Jur., Agriculture, §§ 12, 19, 50, 217; 11 Am. Jur., Constitutional Law, § 276; 12 Am. Jur., Constitutional Law, §§ 424, 701; 37 Am. Jur., Municipal Corporations, § 6. 3 C.J.S. Agriculture §§ 7 to 10.

Sec. 41.10.020. Creation and boundaries of soil conservation district. The Soil Conservation District of Alaska is created. The district is composed of the area of the state. (§ 47-4-3 ACLA 1949)

Sec. 41.10.030. Purpose of district. The purpose of the district is to provide for the orderly development of lands, for guiding settlement, and for conserving soil and soil resources and controlling and preventing soil erosion. (§ 47-4-3 ACLA 1949)

Sec. 41.10.040. Soil conservation board. The district is governed by the Alaska Soil Conservation Board composed of three members. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.050. Appointment. The governor shall appoint members of the board subject to confirmation by a majority of the members of the legislature in joint session. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.060. Qualifications of board members. Members of the

board shall be resident bona fide farmers selected from the major farming areas of the state. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.070. Term of office. The term of office of members is three years, except that initial appointments shall be for terms of one, two, and three years, respectively. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.080. Vacancies. The governor shall fill vacancies by appointment for the unexpired term. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.090. Compensation and per diem. Members receive no salary but receive the same per diem and travel expenses authorized for members of state boards. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.100. Duty of board to advise commissioner of natural resources. At the request of the commissioner of natural resources, the board shall meet and advise him in the exercise of his powers, duties, and functions. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.110. Powers of commissioner of natural resources relating to soil conservation. The commissioner of natural resources has the power to

(1) conduct land capability surveys and investigations of potential agricultural areas and of soil conservation and erosion control, including necessary preventative and control measures, in the state; to publish the results of these surveys and investigations and to disseminate information concerning the results of the surveys and investigations to prospective settlers and the general public;

(2) make technical guidance and other assistance available to settlers of new land to assure the development of the land in a manner that will permit it to be used in accordance with its capabilities and treated in accordance with its needs;

(3) carry out measures for soil conservation and erosion control within the district, including engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, with the consent and cooperation of the land occupier or agency having jurisdiction of the land;

(4) cooperate with, furnish assistance to, and enter into agreements with, an occupier of land or agency within the district, subject to the conditions as the board considers necessary to advance the purposes of this chapter;

(5) construct, improve, and maintain soil erosion control and conservation structures as are necessary and practical for carrying out the purposes of this chapter;

(6) develop comprehensive plans for the conservation of soil and control of soil erosion within the district, cropping programs, tillage

HB
145

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 145 CS
Title: Palmer Sewage Treatment
Plan/Sp Approp Rec ID 257
Sponsor: CRA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar[illegible]inedar Phone: 465-4750
Division: Municipal & Regional Assistance Date: 12/29/83

Approved by Commissioner: [signature] Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 145 CS (CRA)
Title: Palmer Sewage Treatment Plant
SP Appropriation Rec ID 257

ANALYSIS:

Assumptions:

AS 37.05.315 - .319 programs are administered by the Department of Administration. As a result DCRA would not be fiscally impacted though the legislation could be helpful to the municipality.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

HB

146

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/23/83

Date: 2-11-83

Mr. Speaker:

The Committee on C & RA has had HB 146

An Act making special appropriations for payment as grants to the City of Wasilla for a sewage system and septic treatment plant; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB 146 [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60

Introduced: 1/28/
Referred: Community & Regional Affairs and Finance

Funding Information
General Fund $1,138,500
Other Funds -0-
$1,138,500

IN THE HOUSE BY LACHER AND LARSON

HOUSE BILL NO. 146

IN THE LEGISLATURE OF THE STATE CF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making special appropriations for payment as grants to the City of Wasilla for a sewage system and septic treatment plant; and providing for an effective date."

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

* Section 1. The sum of ~~$978,500~~ $1,178,500 is appropriated from the general fund for payment as a grant to the City of Wasilla for the construction of a sewage system and acquisition of easements necessary for the sewage system.

[* Sec. 2. The sum of ~~$160,000~~ $185,786 is appropriated from the general fund for payment as a grant to the City of Wasilla for the construction of an innovative alternative septic treatment plant as a demonstration project for innovative alternative methods of septic treatment.]

* Sec. 3. The appropriations made by this Act shall be disbursed in accordance with AS 37.05.315 - 37.05.319.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

May 2, 1983

Gene Rehfield
Division of Municipal Grants
Department of Environmental Conservation
Mail Stop 1800
Juneau, AK 99811

Dear Mr. Rehfield,

Enclosed is a copy of a cost breakdown for HB 146 which was heard in the Community and Regional Affairs Committee last month. If I can be of any further assistance, please feel free to contact my office again.

Sincerely,

Barbara Lacher
Representative
District 16

BL/sr

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

TO: House C & R A Committee

FROM: Representative Barbara Lacher

SUBJECT: HB 146

DATE: March 7, 1983

The City of Wasilla has been working with the Department of Environmental Conservation and federal environmental protection agencies since 1978 in planning a city wastewater treatment facilities system. The preliminary planning is completed and public hearings have been conducted. Final design is to be completed by July 1983, and the project ready for bid by October, 1983.

Total project costs which are eligible for grant participation are $8,000,115. Funding sources are as follows:

	FEDERAL E.P.A.	STATE D.E.C.	CITY ASSESSMENTS	TOTALS
Laterals	0 (0%)	1,338,975 (50%)	1,338,975 (50%)	2,677,950 (100%)
Collector	3,078,080 (75%)	513,180 (12.5%)	513,180 (12.5%)	4,105,440 (100%)
Small Diam.	719,950 (85%)	63,525 (7.5%)	63,525 (7.5%)	847,000 (100%)
Sewage Treatment Plant	314,265 (85%)	27,730 (7.5%)	27,730 (7.5%)	369,725 (100%)
TOTALS	4,113,295 (51.6%)	1,943,410 (24.2%)	1,943,410 (24.2%)	8,000,115 (100%)

The cost to owners of property adjacent to the sewer system will be assessed, on the average, about $1,153,100 per 50 feet of property frontage and monthly service charges will be less then $20 per month.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Bill would help Wasilla

JUNEAU—A bill to increase the state's share of payments to communities for water supply, sewage and solid waste facilities to 75 percent is in the finance committee of the legislature.

Sponsoring the bill is Sen. Jay Kerttula, D-Palmer; Frank Ferguson, D-Kotzebue, and Joe Josephson, D-Anchorage.

The bill ups the state participation in funding from 50 percent, as funds are available, of costs not financed by the federal government on projects started after July 1, 1983.

Where federal funds are involved, state grants cannot exceed the difference between federal input and 87.5 percent of the eligible costs.

If the project is a solid waste facility to be used for resource recovery, the state can grant a municipality up to 85 percent of eligible costs.

Locally, the bill might prove beneficial for two sewage projects in the works for Wasilla. That city is developing plans for an innovative waste water treatment project as well as a sewage treatment facility.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 146 CS
Title: Wasilla Sewage System/ SP Appropriation Rec ID 291
Sponsor: CRA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Phone: 465-4750
Division: Municipal & Regional Assistance
Date: 12/29/83

Approved by Commissioner: Jeff Sharp
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 146 CS (CRA)
Title: Wasilla Sewage System/SP
Appropriation Rec ID 291

ANALYSIS:

Assumptions:

AS 37.05.315 - .319 programs are administered by the Department of Administration. As a result DCRA would not be fiscally impacted though the legislation could be helpful to the municipality.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

March 11, 1983

POSITION PAPER

RE: CSHB 146

SPONSOR: Representatives Lacher and Larson

Program Effects of Bill

This bill would provide special appropriations of $1,178,000 or a sewage system and $185,786 for a septic treatment plant as grants to the City of Wasilla.

Comments

Governor Sheffield has established a process for review and assignment of priorities for capital grants on a statewide basis. Requests from the City of Wasilla for $987,500 for sewers and $80,000 for septic treatment have been included in that process. With this process in place, the Department believes that an alternative to individual appropriations bills exists and should be considered by the Legislature.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 146
Title: Grant to Wasilla for sewers
Sponsor: Rep. Lacker & Larson
Requestor: House C&RA

II. FISCAL DETAIL

Agency Affected: Dept. of Administration
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING		-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-		
CAPITAL		-0-	-0-	-0-		
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:

Sponsor does not indicate

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Richard Rainery RR
Division: Commissioner's Office
Phone: 465-4703
Date: 3/11/83

Approved by Commissioner:
Department: Community & Regional Affairs
Date: 3/11/83

Distribution:
Original to Legislative Finance
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Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

FISCAL NOTE CS HB 146

The Department of Administration would administer this grant. No fiscal impact on this Department.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

March 8, 1983

POSITION PAPER

RE: HB 146

SPONSOR: Representatives Lacher and Larson

Program Effects of Bill

This bill would provide special appropriations of $978,500 for a sewage system and $160,000 for a septic treatment plant as grants to the City of Wasilla.

Comments

Governor Sheffield has established a process for review and assignment of priorities for capital grants on a statewide basis. Requests from the City of Wasilla for $987,500 for sewers and $80,000 for septic treatment have been included in that process. With this process in place, the Department believes that an alternative to individual appropriations bills exists and should be considered by the Legislature.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 146 Date on Bill: 1/28/83
Title: Special appropriations for grants to City of Wasilla for sewage system
Sponsor: Representatives Lacher and Larson
Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

Sponsor does not indicate

3. Assumptions:

The Department of Administration would administer this grant. No fiscal impact on this Department.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date: 3/8/83

Approved by Commissioner: Date: 3/9/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
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2/15/83

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

TO: House C & R A Committee

FROM: Representative Barbara Lacher

SUBJECT: HB 146

DATE: March 7, 1983

The City of Wasilla has been working with the Department of Environmental Conservation and federal environmental protection agencies since 1978 in planning a city wastewater treatment facilities system. The preliminary planning is completed and public hearings have been conducted. Final design is to be completed by July 1983, and the project ready for bid by October, 1983.

Total project costs which are eligible for grant participation are $8,000,115. Funding sources are as follows:

	FEDERAL E.P.A.	STATE D.E.C.	CITY ASSESSMENTS	TOTALS
Laterals	0 (0%)	1,338,975 (50%)	1,338,975 (50%)	2,677,950 (100%)
Collector	3,078,080 (75%)	513,180 (12.5%)	513,180 (12.5%)	4,105,440 (100%)
Small Diam.	719,950 (85%)	63,525 (7.5%)	63,525 (7.5%)	847,000 (100%)
Sewage Treatment Plant	314,265 (85%)	27,730 (7.5%)	27,730 (7.5%)	369,725 (100%)
TOTALS	4,113,295 (51.6%)	1,943,410 (24.2%)	1,943,410 (24.2%)	8,000,115 (100%)

The cost to owners of property adjacent to the sewer system will be assessed, on the average, about $1,153,100 per 50 feet of property frontage and monthly service charges will be less then $20 per month.

In addition to project costs which are eligible for grant participation, the City of Wasilla is confronted with a requirement for $1,178,500 of non-grant- eligible cost, funding for which must be firmly identified prior to state and federal committment of grant funds. These non-grant eligible costs are as follows:

Purchase of treatment plant site	
Right-of-way for trunt and collector construction	
Construction across Parks Highway	
Engineering and Administration	
Topography mapping	$ 200.000
	$ 1,178,500

For the past four years, the City of Wasilla has committed a considerable amount of scarce resources to this project and public hearings have indicated strong public support; however, the requirement for $1,178,500 "up front" funding is beyond the capability of the City. For this reason, the City of Wasilla respectfully requests the assistance of the Alaska State Legislature.

COVER SHEET

FEB 17 1983

12 PAGES & 1 COVER SHEET

FROM CITY OF WASILLA

TO

SEN KERTTULA — 465-3771

COPIES TO

REP. [redacted] 465-4894

REP. LARSON 465-3727

MAT-SU LIO

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

CITY OF WASILLA, ALASKA, LEGISLATIVE PRIORITIES

CAPITAL IMPROVEMENT PROJECTS 1983

WASILLA SEPTIC TREATMENT FACILITY

PRIORITY # 2

PROJECT DESCRIPTION:

As an intermediate and immediate measure to provide a short term solution to the problems created by (1) a population increase and (2) its resulting impacts, and (3) on-site septage treatment facility to serve its community. The Houston septage treatment facility, when it is on-line, will not have the capacity to serve Wasilla in addition to the rest of the Borough.

There are no septage treatment facilities in the Mat-Su Borough in use at the present time. Septage is hauled to Anchorage for disposal. During late 1982, the two active sewage pumping services were contacted to determine the present quantities of septage produced in the Borough. Approximately 2.9 million gallons of sewage was produced this year within the Borough with a substantial quantity increase occurring in the immediate future. The proposed septage treatment facility at Houston has a design capacity of 2.5 million gallons.

The City of Wasilla must include a septage treatment facility in its capital improvements plan programming since the Houston facility will not be able to accept the increased load anticipated from the regularly pumped septic tanks within the Wasilla area.

TIME TABLING FOR PROJECTS COMPLETION.

Attached is a time line schedule for the project. Estimated project commencement will begin during the first of the 1984 year.

BUDGET AND COSTS:

Legislative or other State assisted funding in the amount of $185,786.00 is required to cover those costs as attached.

OPERATION AND MAINTENANCE COSTS:

It shall be necessary for the City of Wasilla to establish a user fee for the operation and maintenance of the project. Additionally, this project shall "dovetail" with Priority #1-Wasilla Sewage Collection and Treatment Facility with its overall intent to act as an interim measure and serve the immediate needs of the community.

IMPACT ON THE ECONOMIC DEVELOPMENT OF THE COMMUNITY:

There will be a positive impact on the economic development of the community. The cost of residential, commercial, and industrial property development shall be lower due to lack of need for sewage pumping and hauling ro Anchorage.

LOCAL EMPLOYMENT EFFECTS:

Local employment will be created for this project during the planning, design and construction phases as well as after the system goes on line in the form of operation and maintenance. The real benefits of this type of development as the State readily sees is its provision of needed infrastructure for the stable and productive growth of private sector employment security.

IMPACT ON THE MAINTENANCE OF LIFE, HEALTH AND SAFETY:

The City of Wasilla is experiencing a growth rate of 15% to 30% annually. With this, housing development has brought an increase of on-site sewage disposal systems. The City's water is taken from wells and provided to part of the community through a distribution network. This combined with a high water table has created a sensitive environment, including two lakes, which will be negatively impacte through the potential pollution emanating from on-site sewage disposal in a high water table.

SUPPORTING DOCUMENTATION:

Attached to this narrative is the Matanuska-Susitna Borough's statement of support. The project has also been cited as supported and needed by other Borough, State and Federal reports and findings.

CONTACT:

Michael John Tavolaro, Administrative Officer,
P.O. Box 430, Wasilla, AK 99687
(907) 376-5727/ 376-3893

PLAN OF STUDY

PROPOSED SEPTAGE TREATMENT FIELD DEMONSTRATION PROJECT

On July 2, 1982, the existing EPA Facilities Planning Grant for the City of Wasilla was increased to provide for an additional planning effort in order to produce an acceptable facilities plan. A copy of the Plan of Study for that effort is attached hereto (Appendix A). Items A, B, C, E and F in that Plan of Study which are required for a POS have not changed and will be incorporated into this POS by reference. This POS will address items D, G and H as required by the EPA Construction Grants Program.

D. An amendment to the previous grants for Facilities Planning for the study area is necessary for the following reasons:

The additional planning effort funded by the July 2, 1982 increase will emphasize the use of Innovative/Alternative solutions. It is anticipated that the result will include a number of septic tanks which must be pumped and maintained on a regular schedule. The purpose of I/A solutions is to provide facilities that can be operated and maintained at a cost the community can afford. The facilities plan, therefore, must address the problem of septage treatment and disposal. There are no septage treatment facilities in the Mat-Su Borough at the present time. Septage is hauled to Anchorage for disposal. Two pumpers are active in the Borough at the present time. They were each contacted to determine the present quantities of septage produced in the Borough. A-1 Cesspool Service, the largest, estimates that, on an average, they pump 10,000 gallons per day, five days a week, or 2.6 million gallons per year. P&B Septic Services have pumped 180,000 gallons from January 1st to August 15th of this year. They anticipate that the rate will probably increase during the balance of the year. This translates to approximately 0.22 million gallons per year. The total amount of septage currently produced in the borough, therefore, is approximately 2.9 million gallons per year. That quantity can be expected to increase over the next ten years.

APPENDIX 1

A proposed septage treatment facility is scheduled to be built in the Big Lake area. It is anticipated that that facility will be completed during the summer of 1983. It will have a design capacity of 2.5 million gallons. The estimated cost of the facility is $521,000 for a cost of $208,400 per million gallon capacity. The designers estimate the O&M costs to be $16.10 per thousand gallons for the first year of operation.

The Wasilla facilities plan must include septage treatment facilities since the proposed plant at Big Lake will not be able to accept the increased load anticipated from the regularly pumped septic tanks within the Wasilla facility plan boundaries. The proposed plant to be funded by this grant increase employs an Innovative/Alternative solution. The 1981 changes in Public Law 92-500 allow for a field demonstration project for an I/A solution during the planning stage to develop the design parameters and to insure that a full scale project will be economically designed or will not be built if the innovative process does not function as intended. If approved, the increased grant will be used to pay for constructing a facility designed for a target capacity of 2,000 gallons per day or .73 million gallons per year. The 2,000 GPD design target was selected for two reasons. The pumper supplying the septage normally carries 2,000 gallons making it more reliable to expect a 2,000 gallon load per delivery. Also, this size project will be necessary to prevent scale up uncertainties when the full scale project is built. This project will be designed to permit it to be incorporated into the full scale project if practical. The projected capital costs for the facility are estimated to be $152,000 per million gallons capacity as compared to $208,400 per million gallon capacity for the Big Lake plant. The estimated operation and maintenance costs will be $10.74 per 1,000 gallons as compared to $16.10 per thousand gallons for the Big Lake plant. These costs are for a completely self-contained small facility. Both the capital costs per million gallons and the O&M costs per 1,000 gallons can be expected to be lower for a full size plant since the relationship is not linear.

By combining the septage treatment facility with a sewage treatment plant, such as an aerated lagoon, it is probable that the second stage fluidized bed, the building housing it, and the subsurface disposal system

can be eliminated. The effluent from the first stage solid separation phase would be discharged directly into the sewage treatment plant. This will drastically reduce both the first cost and the O&M costs for pretreating septage since all that will be required will be a series of concrete tanks to settle out the settleable solids.

The proposed plant will consist of a six compartment concrete tank heated and insulated and buried with the top 8" above ground level. The top will serve as the foundation and floor of the building housing the second stage fluidized bed. The tank will have a total capacity of 20,000 gallons. Compartment #1 will act as a flow equalization tank with a capacity of 5,000 gallons. The contents will be pumped at a uniform rate into tanks #2, 3, and 4 which will serve as three septic tanks in series. The effluent from tank 4 will be collected in tank 5 and will be pumped from tank 5 through the second stage fluidized bed reactor. The effluent from the second stage will go into tank 6. Tank 6 will have a dosing siphon chamber which will discharge into a subsurface soil absorption field. Sludge collected in tanks 2, 3 and 4 will be pumped as necessary to a sludge drying bed. The sludge drying bed will have four compartments for flexibility and the dried sludge will be picked-up with a front-end loader and buried in a landfill at the site. The second stage anaerobic fluidized bed has been investigated by EPA. EPA publication 600/2-82-001, dated February, 1982, entitled "Technology Assessment of Anaerobic Systems for Municipal Waste Water Treatment" reports on an EPA sponsored study of the use of an anaerobic fluidized bed to provide secondary treatment for domestic wastes. The anaerobic fluidized bed consists of a vertical tube, in this case two feet in diameter, containing finely divided media, for example ion exchange media, and a pump. The pump is sized to maintain a vertical velocity such that the particles are suspended continuously but the velocity is too low for wash-out. The anaerobic bacteria collect on the surface of the media. The gases produced in this case will be flared. The process is extremely simple and maintenance free since the only piece of equipment is a pump. The anaerobic fluidized bed we propose to use in the study was developed by the Ecolotrol Corporation of New York. The chief of research for Ecolotrol, Roger Olson, advises that Ecolotrol has conducted pilot studies on a number of very strong wastes but never on

septage. The most closely comparable waste was a food processing waste with BOD, suspended solids and COD comparable to those reported for settled septage in the literature. The pilot study was successful for the food processing waste. The reactor will be built by Ecolotrol and shipped to Wasilla for installation in the building. Ecolotrol has offered technical support for the study at no cost. The research engineer from the EPA Research Lab in Cincinnati who was the project engineer for the EPA study described above, Robert Bowker, has also offered technical support. Finally, Dr. Tim Tillsworth, Professor of Sanitary Engineering at the University of Alaska, who has investigated extensively the physical and chemical characteristics of septage in Alaska, has offered technical support.

The demonstration project will be built on land owned by the City of Wasilla and located approximately 1.5 miles southwest of the City center adjacent to the Knik-Goosebay Highway. A site plan with test hole data is attached (Appendix B). The surrounding area is undeveloped and owned by the State.

The success of this system will also be beneficial to the Mat-Su Borough since they will be responsible for funding and operating future septage treatment facilities. They have authorized $8,000 to partially fund the study. For their $8,000, they will receive a copy of the report and be kept up-to-date technically on the study. A copy of the agreement is enclosed with this application.

Sampling and testing will be accomplished by subcontract with Mat-Su Test Lab.

Among the objectives of this study are the following:

1) The literature contains no reference to septage studies conducted to determine the settlability of the solids over a relatively long period of time. The results reported generally are from Imhoff cone tests of sixty minutes. The material in a septic tank before it is pumped typically includes a settled sludge

layer on the bottom, a scum layer on the top, and a liquid fraction between the two which is the material discharged to the subsurface disposal system in the typical ST-SAS home system. An important part of the study will be to measure the BOD, COD and suspended solids in each of the compartments of the solids separation phase to determine the rate at which solids separation occurs. The concrete tank will be equipped with thermostatically controlled heating pads so that the effect of temperature on settlability can be determined. Finally, a retention time at temperatures in the mesophilic range is expected to enable the solids separation phase to function as an inefficient anaerobic digester. Results of this analysis will impact on the capacity of the second stage reactor.

2) Efforts to utilize Municipal aerated lagoons for treatment of septage have failed because of the heavy build-up of solids at the point where septage enters the lagoon. If the settlable solids are removed during the initial solids separation phase, it would be reasonable to believe that the effluent from the solids separation phase could be introduced into a lagoon or other treatment facility without creating a problem. The elimination of the second phase fluidized bed, the building housing it and the subsurface absorption system will drastically reduce the first cost and the O/M costs.

3) The study above will also permit the determination of the pattern of settlable solids build-up in the solids separation phase. For example, a five to eight day retention time for the solids seperation phase may not be necessary.

4) The usefulness of using an anaerobic fluidized bed for the second stage treatment will be determined. For a self-contained facility where the effluent is disposed of in a subsurface soil absorption system, the important parameter is suspended solids. The ability of an anaerobic fluidized bed to reduce suspended solids will be critical. Also, in most of the studies

accomplished to-date by Ecolotrol, they have observed a two to three month period after start-up until the methane formers in the column have reached the necessary concentration. If the methane formers can begin to be established in the heated and insulated solids separation tank, it would appear that this start-up period could be reduced.

5) Finally, the subsurface absorption system will be divided in four parts in an effort to determine the suspended solids levels which can be discharged to the drains without damaging the bed.

G. The schedule for completion of each specific task necessary to complete the study has been prepared. Table 1 lists the major tasks, shows their sequencing and the approximate amount of time to complete each one.

H. Table 2 lists the estimated costs for each major task and the total estimated costs.

A recap of the costs for the project is as follows:

Design (12%)		$ 11,140.00
Soils Investigation		2,200.00
Construction		110,056.00
Construction Management (5%)		4,633.00
Study		46,000.00
O&M during Study		
Power	$ 1,657.00	
*Septage Hauling	6,500.00	
Total O&M		$ 8,157.00
Legal and Administrative (2%)		3,540.00
TOTAL		185,786.00

It is proposed that the city will let six separate contracts for the construction phase which will be prepared by Pohl and Associates. They will be:

CONTRACT NO.	WORK TO BE DONE	ESTIMATED COST
1	Clearing & Site-work	$ 12,477.00
2	Concrete Tank	13,009.00
3	Building	21,493.00
4	6" Cased Well	1,152.00
5	Fluidized Bed Unit	44,941.00
6	Fencing (6' Chain Link)	6,977.00
	TOTAL	$ 100,051.00
Contingency (10%)		10,005.00
		$ 110,056.00

Construction Management will be by Pohl and Associates.

POHL & ASSOCIATES
4240 BUSINESS PARK BLVD.
ANCHORAGE, ALASKA 99503

DRAWN BY
CHECKED BY E.F.
SCALE

WASILLA

SEPTAGE TREATMENT DEMONSTRATION PROJECT
SITE PLAN AND SOIL TEST HOLES

Page 11 of 16 - Addendum to 1
At Closure

POHL & ASSOCIATES
ANCHORAGE, ALASKA

WASILLA, ALASKA
SEPTAGE DISPOSAL
SITE PLAN AND SOIL LOG

TABLE 1

SCHEDULE OF TASKS

TASKS	WEEKS									
	4	8	12	16	20	24	28	32	36	40
A. Program Management & Administration	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXX
B. Obtain Soils Data	X									
C. Design Facility	XXX									
D. Let Construction Contracts	X	X								
E. Construction		XXXX		X						
F. Construction Management										
G. Purchase Lab Equipment	X									
H. Conduct				XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	
I. Prepare Report									X	XXX

X - Anticipated Work Weeks

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

Statement made by Guy Wooding, Chairman, Matanuska-Susitna Borough Planning Commission to City of Wasilla, City Council at public hearing on January 13, 1983.

STATEMENT ON ROLE OF CITY OF WASILLA
SEWER SYSTEM WITHIN MATANUSKA-SUSITNA BOROUGH
COMPREHENSIVE PLAN

We understand that the City of Wasilla is considering adoption of A PLAN intended to result in a sewer system for the City of Wasilla.

You should know that a sewer system within the City of Wasilla is a critical and necessary element of the Wasilla Comprehensive Plan approved by the Wasilla City Council and the Matanuska-Susitna Borough Assembly in November, 1982.

The Matanuska-Susitna Borough Planning Department and its consultants DOWL Engineers and Howard, Needles, Tammen, Bergendoff (HNTB), are also very nearly completed with their work on a proposed Borough comprehensive plan and the Planning Commission has had an opportunity to review various portions of the plan.

In our comprehensive planning we have striven for the best of two different worlds:

First, a community with a rural and open aspect which preserves many of the features that make this area look and feel like a part of Alaska, rather than a suburb, and

Second, a community where there are the retail and distribution jobs for local residents, local shopping and local services convenient for everyone. You shouldn't have to go to Anchorage for a day of shopping.

The Comprehensive Plans call for most of the Borough being unsewered, which means larger lot subdivisions, with minimum lot sizes of one acre to a dwelling. Where there is tree cover this large lot type of residential development will result

The City of Wasilla is fortunate in that it is located close to two attractive water bodies--Wasilla Lake and Lake Lucille, but these features which result in a very fine setting also create an immediate probability of water pollution if discharge of sewage is handled on-site.

The fathers of the City of Wasilla recognize that sewers will be necessary if the City of Wasilla is to house substantially more residences and commercial establishments than it does today.

We expect that the Matanuska-Susitna Borough population will triple in next two decades and cannot visualize the mid-Valley portion of the Borough functioning successfully without further filling in and development of the City of Wasilla. We know that this plan is the plan that the City of Wasilla relied upon when the City Council approved a city plan for the City of Wasilla and we know that this is the plan that the Matanuska-Susitna Borough Planning Commission and the Borough Assembly assumed to exist when the plan for the City of Wasilla was adopted by both the City and Borough.

17.44.045 Delegations.

The City Council of the City of Wasilla shall carry out the planning and zoning functions set forth in this chapter within the City. The City Council shall establish by ordinance a City Planning Commission and may delegate to it or other city officials duties and authorities delegated by this chapter.

II. LAND USE MAP AND DISTRICTS

17.44.100 Districts Established.

The City of Wasilla is divided into the following land use districts:

A. Core District.

(a) corresponds to first phase of water system

(b) will receive initial sewer service.

(c) reflects the sector of the community that is the most accessible, has the greatest intensity of development, and is the focus of primary commercial and civic activities

(d) the boundary of the core district will expand as new sewer or water assessment districts adjacent to the existing core district are approved.

B. Intermediate District

(a) corresponds to area between the core district and city limits

(b) planned for eventual public water and sewer service.

(c) reflects sectors of the community that are served by arterials, have a moderate intensity of development, and contain some commercial, industrial, and community activities

(d) the boundary of the intermediate district shall expand with annexations to the City of Wasilla.

C. Creekside Estates Special Use District Excluded.

The Creekside Estates Special Land Use District described as the NW¼NE¼ Section 15, Township 17 North, Range 1 West, Seward Meridian is excluded from the provisions of this chapter.

17.44.105 Land Use District Map.

The districts described are bounded and defined on an official map dealing with the district areas of Wasilla entitled "Land Use District Map of the City of Wasilla, Alaska." Copies of the map are on file in the offices of the City of Wasilla and the Matanuska-Susitna Borough Planning Department. This map is incorporated as a part of this ordinance as if the districts were described in detail according to written descriptions in the ordinance.

Department of Transportation and Public Facilities. All bids with the names of the bidders and the amounts of the bids, together with all documents pertaining to the award of a contract, shall be made a part of a file or record and retained by the department for three years, unless reproduced by microfilming and these files or records are open to public inspection at all reasonable times. An aggrieved bidder may within five days after an award of contract appeal to the department for hearing, with notice to interested parties, for redetermination and final award in accordance with law.

(b) A contract for professional services shall be awarded in accordance with AS 24.23 or AS 36.98. (§ 4 art IV ch 82 SLA 1955; am § 1 ch 64 SLA 1976; am Executive Order No. 39, § 11 (1977); am § 9 ch 144 SLA 1982)

Effect of amendments. — The 1982 amendment, effective July 22, 1982, designated the former provisions of this section as subsection (a), and in that subsection, added "Except as otherwise provided in AS 37.05.230" to the beginning, deleted "taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids" from the end of the first sentence, and substituted the present second, third, and fourth sentences for those set out in the main pamphlet. The amendment also added subsection (b).

Article 5. General Provisions.

Section
315. Grants to municipalities
316. Grants to named recipients
317. Grants to unincorporated communities
318. Exemption from regulations
319. Definitions

Sec. 37.05.300. Interpretation of AS 37.05.010 — 37.05.330.

Opinions of attorney general. — As to applicability of the chapter to the University of Alaska, see notes under this catchline following chapter heading.

Sec. 37.05.315. Grants to municipalities. (a) When an amount is appropriated or allocated as a grant to a municipality, the Department of Administration shall promptly notify the municipality of the availability of the grant. When the Department of Administration receives an agreement executed by the municipality which provides that the municipality (1) will spend the grant for the purposes specified in the appropriation or allocation; (2) will allow, on request, an audit by the state of the uses made of the grant; and (3) assures that, to the extent consistent with the purpose of the appropriation or allocation, the facilities and services provided with the grant will be available for the use of the general public, the Department of Administration shall pay the grant directly to the municipality. The agreement executed by a municipality under this section shall be on a form furnished by the Department of Administration and shall be executed within 60 days after the effective date of the appropriation or allocation.

(b) An appropriation or allocation for a grant to a municipality for construction of a public facility lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

(c) In accepting a grant of money for construction of a public facility, a municipality covenants with the state that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the state to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant of money for repair or improvement of an existing facility operated or maintained by the state at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the state.

(d) Not less than 20 percent of a grant shall be paid to a municipality within 10 days of the effective date of the agreement under (a) of this section. The remainder of the grant shall be paid either in monthly installments equal to the amount of grant money the municipality expended in the previous month or in a lump sum as determined by the Department of Administration. (§ 1 ch 156 SLA 1980; am § 1 ch 4 SLA 1982)

Effect of amendments. — The 1982 amendment, effective January 16, 1982, in subsection (a), substituted "amount is appropriated or allocated" for "appropriation is made" in the first sentence, inserted "or allocation" in items (1) and (3) in the second sentence, and added "and shall be executed within 60 days after the effective date of the appropriation or allocation" to the end of the third sentence; redesignated the former fourth and fifth sentences of subsection (a) as subsection (d); inserted "or allocation" in two places in subsection (b); substituted "a" for "each" preceding "municipality covenants" and "the practical life of the facility and that the municipality" for "its practical life and that it" in subsection (c); added the second sentence of subsection (c); deleted the provisions of former subsections (d), (f), and (g), which may now be found in AS 37.05.316, 37.05.317, and 37.05.318, respectively; and in present subsection (d), added "under (a) of this section" to the end of the first sentence. The substance of the provisions of former subsection (e) may now be found at the end of the third sentence of subsection (a).

Sec. 37.05.316. Grants to named recipients. When an amount is appropriated or allocated to a department as a grant for a named recipient which is not a municipality, the department to which the appropriation or allocation is made shall promptly notify the named recipient of the availability of the grant and request the named recipient to submit a proposal to provide the goods or services specified in the appropriation act, or both, for which the appropriation or allocation is made. At the same time, the department may issue a request for proposals from other qualified persons to provide the same goods or services, or both, in the same area. The department shall contract with the named recipient unless the Office of the Governor, with due regard for any local expertise or experience among those making proposals, determines that an award of the contract to a different party would

better serve the public interest. If the contract is awarded to another party than that named by the legislature, the basis of that action shall be stated in writing at the time the grant is issued and a copy of the written statement shall be sent to the Legislative Budget and Audit Committee. A contract shall be executed within 60 days after the effective date of the appropriation or allocation. The purchase of the goods or services, or both, shall be in accordance with AS 37.05.230(1)(C). (§ 2 ch 4 SLA 1982)

Effective dates. — Section 3, ch. 4, SLA 1982, provides that this section take effect January 16, 1982, in accordance with AS 01.10.07(c).

Editor's notes. — The provisions of this section were formerly contained in AS 37.05.315(d) as it existed prior to the 1982 amendment of that section.

Sec. 37.05.317. Grants to unincorporated communities. When an amount is appropriated or allocated as a grant under this section to an unincorporated community, it shall be disbursed as follows:

(1) Within 45 days after the effective date of the appropriation or allocation, the Department of Community and Regional Affairs shall notify the governing body of the unincorporated community, if any, that a grant is available.

(2) The Department of Community and Regional Affairs shall determine if there is a qualified incorporated entity in the community area that will agree to receive the grant and administer it, subject to terms generally applicable to private grantees. If there is more than one such entity, the Department of Community and Regional Affairs shall select the most qualified and the grant shall be awarded to that incorporated entity for the purposes specified in the appropriation act. However, the Department of Community and Regional Affairs shall give preference to a nonprofit corporation organized by a community for receipt of the grant.

(3) If there is no incorporated entity qualified to receive the grant, the Department of Community and Regional Affairs shall administer the program as specified in the appropriation act directly or through agents or contractors with whom it may contract in the community area. (§ 2 ch 4 SLA 1982)

Effective dates. — Section 3, ch. 4, SLA 1982, provides that this section take effect January 16, 1982, in accordance with AS 01.10.07(c).

Editor's notes. — The provisions of this section were formerly contained in AS 37.05.315(f), which was deleted by the 1982 amendment.

Sec. 37.05.318. Exemption from regulations. Notwithstanding the Administrative Procedure Act (AS 44.62), the Fiscal Procedures Act (AS 37.05), and the Executive Budget Act (AS 37.07), a state agency may not adopt regulations or impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the provisions of AS 37.05.315 — 37.05.317 unless required

HB

148

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

Fouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

APR26 '84

M E M O R A N D U M

TO: Representative Al Adams
House Finance Committee Chairperson

FROM: Representative Barbara Lacher
House Community and Regional Affairs Committee Chairperson

DATE: May 29, 1983

RE: CS HB 148, "An Act relating to the preservation of agricultural land."

The intent of this legislation is to provide a mechanism to preserve and protect existing, productive agricultural lands in Alaska. Several other states in the Union have enacted legislation similar to this with effective and economically beneficial results. This particular legislation is patterned from one of the most successful: King County, Washington State.

It has been the policy of the Legislature and the Administration to encourage the development of agriculture in Alaska, but little attention has been given to the protection of existing agricultural lands from the pressures of subdivision and development. Our existing farm land is a nonrenewable resource; once the land is converted to subdivisions, this important resource is lost permanently to the people of Alaska.

In the Matanuska-Susitna Valley, for example, glacial geologic history has resulted in two main types of lands that run parallel to each other the entire length of the valley. Extremely rich agricultural soils, over a foot thick, lie next to glacial gravels. Existing agricultural lands on this rich soil can not be developed on glacial gravels. Subdivisions and industrial development, on the other hand, can be built on either sedimentological deposit. Furthermore, development on a gravel deposit is, in the long run, more economically prudent due to the drainage that is more effective for sewage in a predominantly gravel deposit. The long range merits of this legislation outweigh the short term profits of development on lands with existing access roads and utilities. Sufficient lands are available in the Matanuska-Susitna Valley and in other regions of the state to permit subdivision and development along with agricultural land preservation.

The fact that the state is investing millions of dollars every year for the development of new agricultural lands, makes it difficult for some legislators and administrators to imagine the need for protection of existing agricultural lands. The land use patterns in this state, unfortunately, have resulted in urban settlement on some of the best agricultural lands in the state. Once shopping malls and subdivisions are in place, these rich agricultural lands will never be recovered. It is only through intelligent planning now that we can invest in the future economic stability of this vital industry.

The intent of CS HB 148 is to permit the Director of the Department of Natural Resources to very selectively purchase the agricultural rights of only those lands which are of high quality farm value and are being threatened by urban sprawl such as we are presently experiencing in some parts of the state. The protection of these productive farm lands will result in developing the necessary security to encourage the growth of a healthy private sector infrastructure for the agricultural industry.

I urge your support of this important legislation.

HB 148

Will Alaskan Farmers Sell the Development Rights to their Land?

by William G. Workman*, Edward L. Arobio**, and Anthony F. Gasbarro***

INTRODUCTION

In Alaska, as in many other parts of the country, market forces are producing a change in land-use patterns that is resulting in the conversion of highly productive agricultural lands to nonagricultural uses. Property on the urban fringes of Anchorage and Fairbanks that once produced vegetables and grains or supported dairy farms appears most vulnerable to this conversion to residential or industrial sites. Within the last three years alone, for example, 27 farms have been subdivided in the Palmer-Butte area of the Matanuska Valley. Many of the subdivisions along the Parks Highway between Willow and Talkeetna are located on lands with high agricultural potential.

This displacement of farms by subdivisions, roads, shopping centers, and other nonagricultural enterprises is viewed by some Alaskans as not being in the state's best interest. Those concerned about the loss of agricultural lands argue that the areas most likely to be converted represent some of the best agricultural lands in the state and are vital to the maintenance and further development of an agricultural economy in Alaska. In addition, it is suggested that the preservation of these areas will help to maintain a much-desired way of life and to provide needed open space and other environmental amenities at the urban fringe. These concerns have resulted in actions by the

* Associate Professor of Economics, Agricultural Experiment Station, Fairbanks.
** Research Associate in Economics, Agricultural Experiment Station, Fairbanks.
*** Forester, Agricultural Experiment Station, Fairbanks.

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

School of Agriculture and Land Resources Management
Agricultural Experiment Station

August 14, 1978

Dear

The Agricultural Experiment Station at the University of Alaska is conducting a survey of Alaskan farmers. This survey is part of a study concerning the future use of agricultural lands near population centers of Alaska. We need your assistance to make this study a success.

Agricultural lands are rapidly being converted to other uses such as residential lots, airports, and shopping centers. Land is becoming more expensive and some farmland owners are convinced that it makes more sense to develop agricultural land than to farm it. Other people are concerned that we are converting too much of the farmland near cities to nonagricultural uses and that it would be wise to preserve these lands so that food can be grown close to large population centers and so that there will continue to be open space near urban areas.

Many ways are being tried to preserve agricultural lands in other areas of the United States. Some of these include tax incentives, zoning and the trading of land. Another way is for a state or municipality to purchase from the farmland owner his right to develop his land for anything but farming. For a price, the farmer would give up his option to use his land for nonagricultural purposes; the land would still be his, but he could do nothing that would impair its agricultural potential.

The principal objective of our study is to determine (1) farmers' interest in selling development rights and (2) what it might cost the State of Alaska to purchase these rights. A short questionnaire is enclosed and we would be grateful if you will fill it out and return it to us in the enclosed postage paid envelope before September 1, 1978. All information will be kept confidential. If you desire we will be happy to send you a final report at the completion of the study.

Thank you for your cooperation,

William G. Workman

Dr. William G. Workman
Resource Economist

WGW:ss
Enclosures

A division of the University of Alaska statewide system of higher education

Figure 1

ALASKA AGRICULTURAL LANDS SURVEY

1. How many acres do you currently farm or ranch?
   Your own land _____
   Land rented or leased _____
   From other landowners _____
   From the government _____
   Total acres _____

2. What crops or livestock do you produce?

Crops	Acres: Your own	Rented from others	Leased from government
Vegetables or potatoes			
Small grains			
Hay or silage			
Planted Pasture			
Native Pasture			

Livestock	Number of Head	Livestock	Number of Head
Dairy cattle		Swine	
Beef cattle		Poultry	
Sheep		Other (specify)	

3. What do you estimate is the per acre market value of agricultural land:
   Your own land: Cleared _____$/acre Uncleared _____$/acre.
   That you rent (exclude government leases): Cleared _____$/acre.

4. Would you be interested in selling development rights to your agricultural land? Selling such rights would mean that your land could be used for agricultural or forestry purposes only.

Degree of interest	Cleared	Uncleared
Not interested		
Slightly interested		
Moderately interested		
Highly interested		

5. At what price would you sell the development rights to your agricultural land: _____$/acre.

6. Please describe the location of your farm or ranch.
   Nearest town _____ Distance from town _____
   Direction from town _____
   Thank you for your cooperation. A summary of the results of this survey will be available to you on request

Figure 2

state and municipal governments in Alaska to intervene in the land market to slow down or stop the loss of agricultural land. Methods employed include tax incentives (use-value assessment of farmland) and the sale of only the agricultural rights on state and municipal lands.

Recently, some state government officials have developed an interest in a new method of agricultural land preservation that is being adopted in some of the eastern states. This method involves the public purchase of nonagricultural development rights on agriculture lands currently held in the private sector. Usual development rights associated with a parcel of real property permit the landowner to develop his land beyond its current agricultural use, and because those rights can be separated from the total bundle of rights, they can be sold, thus transferring from the landowner the right to develop his land. This, then, is the concept behind the purchase of development rights as an agricultural land control device. In order that land remain in agriculture use in areas being converted to other uses, governments might purchase the development rights from agricultural lands. These lands could then be used only for agricultural purposes.

In June of 1978, the Agricultural Experiment Station at Fairbanks was asked by the Alaska Department of Natural Resources to evaluate such a program for Alaska. As a part of this assessment, a survey of Alaska farmers and ranchers was conducted primarily to determine their interest in such a program and to obtain estimates of the costs of purchasing these development rights. The results of this survey are reported here.

SURVEY RESULTS

During August of 1978, a questionnaire, with a brief explanation of the development rights concept in the cover letter (Figure 1 and 2), was mailed to 263 agricultural landowners in the most important farming or livestock areas of the state. Since there is no statewide, farmers' organization in Alaska, the names of landowners were obtained from the mailing lists of state and federal agencies that distribute agricultural information. Undoubtedly these lists did not include all of the people who consider themselves farmers. Of the questionnaires mailed, 18 were returned as undeliverable, leaving 245 that actually reached their destination, of which 112 (46%) were returned completed (Table 1).

Questionnaire recipients were asked to indicate their degree of interest in selling the development rights to their cleared and uncleared agricultural lands. Specifically they were asked to indicate whether they were highly, moderately, slightly, or not interested in selling these rights. Approximately 94%, 106 of 112 respondents, answered this question. The distribution of these expressions of interest can be seen in Table 2.

Most of the respondents in all regions except the Matanuska-Susitna area expressed little or no interest in selling develop-

Table 1: Questionnaire Response by Region

Region	No. Questionnaires Delivered	No. Questionnaires Returned (%)
Fairbanks	52	24 (46)
Delta	34	10 (29)
Copper River Basin	15	10 (67)
Matanuska-Susitna	106	41 (39)
Kenai-Kodiak	38	27 (71)
TOTAL	245	112 (46)

Table 2: Degree of Interest in Selling Development Rights to Agricultural Land

	Number of Respondents (%)			
	No Interest	Slight Interest	Moderate Interest	High Interest
Fairbanks	14	2	4	4
Delta	7	2	0	0
Copper River Basin	6	1	2	1
Matanuska-Susitna	13	6	7	12
Kenai-Kodiak	13	4	3	4
Statewide	54 (51%)	15 (14%)	16 (15%)	21 (20%)

Table 3: Perceived Market Value of Cleared and Uncleared Land by Number and Percentage of Respondents in Dollars per Acre

Per Acre Value	Number of Respondents (%)	
	Cleared Land	Uncleared Land
0-999	18 (26)	24 (39)
1,000-1,999	11 (16)	5 (8)
2,000-2,999	10 (14)	11 (18)
3,000-3,999	8 (12)	4 (6)
4,000-4,999	6 (9)	4 (6)
5,000-5,999	4 (6)	4 (6)
6,000-6,999	3 (4)	3 (3)
7,000-7,999	3 (4)	3 (5)
8,000-8,999	1 (1)	–0–
9,000-9,999	–0–	–0–
10,000	5 (5)	4 (6)
TOTAL	69	62

ment rights. Those respondents living in the Matanuska-Susitna region were evenly divided on the question: half indicated little or no interest and half expressed moderate to high interest. On a statewide basis, 65% expressed little or no interest and 35% indicated moderate to high interest. Over half of all those moderately or highly interested in selling development rights were from the Matanuska-Susitna region.

Questionnaire respondents were also asked to estimate the value of their farmland. Sixty-nine of the 112 respondents indicated what they perceived as the market value of their cleared land and 62 answered the same question about uncleared land. The distributions of these values are shown in Table 3. On a statewide basis, most of the respondents perceived the market values of both uncleared and cleared land to be less than $5,000 per acre. Uncleared land was valued at less than $5,000 per acre by 77% of the respondents and at less than $3,000 per acre by 65% of the respondents. Correspondingly, for cleared land 77% of the respondents valued their land at less than $5,000 per acre while 56% indicated a value of less than $3,000 per acre.

Average market values for cleared and uncleared land as perceived by the respondents were calculated for each region. These data are summarized in Table 4. Average values for cleared land ranged from $1,500 per acre in Delta to $3,900 per

Table 4: Average Perceived Market Values of Land by Region (Dollars per Acre)

Region	Cleared Value	Number Respond.	Uncleared Value	Number Respond.
Fairbanks	$3,900	13	$2,900	11
Delta	1,500	9	1,300	8
Copper River Basin	1,900	6	900	6
Matanuska-Susitna	3,800	28	3,600	24
Kenai-Kodiak	3,700	13	3,100	13
TOTALS		69		62
WEIGHTED AVE.	$3,300		$2,800	

Table 5: Value of Development Rights (Dollars per Acre)

Value	Number of Respondents (%)	Value	Number of Respondents (%)
0-999	6 (15)	5,000-5,999	3 (8)
1,000-1,999	8 (21)	6,000-6,999	2 (5)
2,000-2,999	7 (18)	7,000-8,999	–0–
3,000-3,999	6 (15)	9,000-9,999	1 (3)
4,000-4,999	2 (5)	10,000	4 (10)

Table 6: Average Development Rights Values (Dollars per Acre)

Region	Value	No. of Respondents
Fairbanks	$3,200	5
Matanuska-Susitna	3,600	21
Kenai-Kodiak	3,100	8
TOTAL		34
WEIGHTED AVERAGE	$3,400	

acre in the Fairbanks region. Three of the regions (Fairbanks, Matanuska-Susitna, Kenai-Kodiak), accounting for nearly 80% of the respondents, differed by only $200 per acre in the perceived average value of cleared land with values ranging between $3,700 and $3,900 per acre. The weighted-average, cleared-land value for the five regions was $3,300 per acre.

Uncleared land values averaged slightly lower than cleared land values and ranged from $900 per acre in the Copper River region to $3,600 per acre in the Matanuska-Susitna region. As with cleared land, the Fairbanks, Matanuska-Susitna, and Kenai-Kodiak regions accounted for nearly 80% of the survey respondents and showed a relatively narrow range of perceived land values. Average land values for uncleared land in these regions were between $2,900 and $3,600 per acre. The weighted average for all five regions was $2,800 per acre.

Questionnaire recipients were asked to assess the value of the development rights associated with their farmland. A value of development rights was reported by 39 of the 112 respondents (35%). Thirty-four of these responses were from the Fairbanks, Matanuska-Susitna, and Kenai-Kodiak areas. Nearly 70% of the respondents valued their development rights at less than $4,000 per acre. The distribution of development rights values can be seen in Table 5.

Average development rights values as perceived by the respondents were calculated for the Fairbanks, Matanuska-Susitna, and Kenai-Kodiak regions. These values are shown in Table 6. Average values were not calculated for the Copper River and the Delta regions because so few of these contacted in these areas responded to this part of the questionnaire. Average development rights values in the three areas mentioned ranged between $3,100 per acre and $3,600 per acre. Values were highest in the Matanuska-Susitna region.

Table 7: Farm Distance from Nearest Community Related to Degree of Interest

Distance Category	Percentage of Respondents Reporting	Moderate to High Interest	Little or No Interest
0-5	41	39	43
6-10	24	29	21
11-15	16	12	19
16-20	7	5	9
21+	12	15	9

[a]Based on 111 farmers reporting.

Average development rights values were also calculated by degree of interest, again using data from the Fairbanks, Matanuska-Susitna, and Kenai-Kodiak regions. Calculations showed that those with a moderate or high interest in a development rights program on the average valued these rights at $2,145 per acre. Those not interested in the program put a much higher value on these rights, $4,662 per acre. Respondents in the moderate-to-high interest categories accounted for 63% of the total acreage represented in the survey responses.

Additional analysis of the survey data was undertaken to determine whether or not a landowner's interest in a development rights purchase program and/or his perceived value of these rights were related to the distance between his farm and the nearest population center. Table 7 presents a summary of the data relating to the interest/distance question. One can observe that the distributions of responses are similar between the moderate-or-high and low-or-no interest categories and are, therefore, similar to the pattern shown for all responses.[1] This close relationship suggests that farmers' interest in selling development rights is not significantly influenced by the location of his farm relative to a population center. When data for just those farm owners living near Palmer and Wasilla were broken out and analyzed in the same way, the identical conclusion was drawn.

We also addressed the issue of whether a landowner's perception of the value of the development rights to his property was influenced by the location of the farm relative to a population center. The expectation was that the closer the farm was to a town or city, the more attractive would be that land for development purposes and that this relative attractiveness would be reflected in the perceived value of the development rights. Unfortunately the quality of the data obtained through the survey did not allow a rigorous test of this proposition on either a local or statewide basis.

The data in Table 8 are presented to show the nature of the relationship or lack thereof between distance and development rights value as perceived by farmers near Palmer. No clear pattern emerges but, again, this conclusion must be qualified by recognizing that the data are not taken from a random sample. The fact that the expected relationship did not occur may perhaps also be explained by the existence of unrealistic expectations on the part of some landowners regarding the development value of their property. Consequently, these perceived values may not represent the minimum payments that these landowners might be willing to accept to forego their development options.

[1]Using the chi square test for independence with the data on which Table 7 is based, we were not able to reject the hypothesis of independence of interest and distance at any reasonable level of significance. One must recognize, however, that these data were not obtained through random sampling. Thus, any inferences about the views of farmers in Alaska must be regarded with caution.

Table 8: Relationship Between Development Rights Value and Distance from Palmer

Distance (Miles)	Stated Values
0-1	$10,000
	7,700
1	3,000
2	10,000
	3,500
	1,500
3	3,500
	1,000
	5,500
4	2,000
5	600
6	–
7	3,000
8	500
9	–
10	850
11	1,000

CONCLUDING REMARKS

The survey described here was designed to assess Alaska farmers' interests in participating in a development rights acquisition program for preserving agricultural lands and to provide an estimate of the cost to the state of purchasing these rights. While agricultural landowners in the Matanuska-Susitna Valley areas appeared the most receptive to this land use control concept, farmers surveyed statewide were generally not interested in selling the development rights to their farmland. When faced with the hypothetical proposition of selling these rights, nonetheless, farmers on the average valued the development options at $3,400 per acre.

While it would be difficult to state confidently why farmers lack enthusiasm for the development rights purchase concept, several explanations appear plausible. First, as reflected in written comments on the returned questionnaires, some landowners may feel this approach to be just another invasion in their lives by "big government." Also, questionnaire respondents may have felt it to be a wise strategy, considering possible future price negotiations, to appear initially uninterested in disposing of their development rights.

Another possible explanation is that agricultural landowners might not be interested in selling development rights now since they anticipate that these rights will be worth more at some later date. This explanation, however, is not entirely satisfactory, since land prices and, therefore, development rights values presumably reflect the discounted value of future development benefits. Thus, in order for this reasoning to offer any promise, one must also argue that these farmers view the market as presently failing to accurately anticipate future development patterns.

The results obtained in this survey should be viewed with caution. Although a high percentage (46%) of delivered questionnaires was completed and returned, the sampling technique and the fact that some respondents did not answer all questions may have biased the results. Also, the concept of purchase of development rights was new to many farmers and this lack of familiarity may account for some of the negative interest shown by farmers. Still, the conclusion that must be drawn from this survey, keeping in mind the preceding caveats, is that Alaskan farmers at this time show little enthusiasm for the idea of selling their farmland development rights and place a significant value on these rights *vis-a-vis* the total market value of their agricultural land.□

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 12, 1983

SUBJECT: Preservation of agricultural land (CSHB 148 (C&RA))

TO: Representative Barbara Lacher

FROM: Richard A. Bradley
Legislative Counsel

You have requested a sectional analysis of the above described bill. You have also asked that I comment on a particular set of circumstances.

As a preliminary matter, I must advise you that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill; the bill itself is the best statement of its contents. For a full explanation of any point, please consult the bill itself.

I. Sectional Analysis.

Sec. 1 of the bill establishes a new chapter at AS 03.07 relating to "preservation of agricultural land.

Sec. 10(a) provides that the director [of agriculture] may acquire an "agricultural preservation easement" in certain privately owned agricultural land.

Sec. 10(b) requires the privately owned agricultural land to meet the requirements of AS 03.07.020. It also requires the state land to be exchanged to be classified for a purpose consistent with the exchange.

Sec. 10(c) requires the land offered to have the same monetary value as the land to be exchanged; an exchange with the transfer of money to equal the difference in value is permitted.

Sec. 10(d) provides that the director may not acquire an easement or exchange state land "except to preserve the agricultural use of the land."

Sec. 10(e) establishes public notice requirements for the acquisition of an easement or exchange. It also provides that the basic documents involved in the acquisition of the easement or the exchange remain public documents.

Sec. 10(f) provides that the operation of the chapter is "voluntary." A parcel may be considered for exchange only on the application of the owner of the land. And after the exchange or acquisition, the owner may not be required to carry out affirmative "agricultural activities" so long as the land is not subdivided or used for "residential, commercial, or industrial purposes or activities which are not related to agricultural uses."

Sec. 10(g) provides that the director may not use funds appropriated from the general fund of the state for the purpose of implementing AS 03.07 unless the appropriation is "specifically stated to be for that purpose." Funds from other sources may be used.

Sec. 20 describes the land eligible for agricultural preservation. It must be privately owned. The soil under no less than 40 percent of the surface of the parcel must meet stated standards established by the U. S. Soil Conservation Service. It is also required to be either (1) a parcel not less than 40 acres in cultivation or farm use; or (2) a parcel not less than 20 acres in cultivation or farm use which is adjacent to an established farm or farms totalling no less than 40 acres that has been in operation as a farm for no less than 10 years.

Sec. 30 establishes priority districts for the situation where the director does not have adequate funds to purchase easements in all offered land. Five levels of priority are established.

Sec. 40 establishes criteria for the selection of land within a single priority district. Five levels of criteria are offered.

Sec. 50 relates to agricultural land within a municipality. It requires the director to consider "any comprehensive plan or ordinances of the municipality on municipal farmland

preservation priorities adopted by the municipality" before making an allocation of "easement money" to a farmland preservation priority district within the municipality. Before making the allocation, the director shall also consider recommendations from the municipality regarding priorities.

Sec. 60 relates to the acquisition of the easement or the exchange. Sec. 60(a) requires that an offer from a private land owner for participation under this chapter be in writing.

Sec. 60(b) requires the owner to specify the price at which the owner will agree to the sale. Also required is a complete description of land and an appraisal in support of the price.

Sec. 60(c) requires the director to respond within 30 days on the "sufficiency of the offer." This apparently relates to the the extent to which an offerer has fully complied with the specific requirements of sec. 60(b). If insufficient, the director must specify the area of the insufficiency and give 30 days for compliance. If the compliance is made within the 30 days after notification by the director, the "land is determined to qualify as land that meets the requirements of AS 03.07.020." Note an unstated requirement: that the land also meets acreage requirements.

Sec. 60(d) requires notification to a municipality of the determination made under (c). The municipality may request reconsideration. If reconsideration is requested, the director shall hold a public hearing in the municipality before an offer to sell or exchange is given to the owner. The municipality may appeal an adverse decision to the commissioner.

Sec. 70 provides that the director may accept the offer to buy or exchange land or make a counter-offer. The section appears to contain some awkward language; it provides that "The director may accept the offer . . . or may make a counter offer . . . within 90 days after approval of the landowner's offer to sell or exchange an agricultural preservation easement." I suspect that the emphasized phrase should rather read: "a determination of eligibility for exchange or sale of an easement under AS 03.07.060." Another unstated requirement is likely to be that the priority districts have been established; an eager owner may

move too fast for the time threshold established in the bill.

The section gives an owner of land 30 days for a response to the offer or counter offer of the director.

Sec. 80(a) provides that the maximum valuation of an easement acquired under this chapter is either (1) the asking price or (2) the difference between the fair market value of the land and the agricultural value of the land, -- whichever is less.

Sec. 80(b) requires the director to use appraisals by qualified appraisers, a defined term.

Sec. 90(a) outlines uses of the land under an agricultural preservation easement. Five broad uses are permitted.

Sec. 90(b) provides that the establishment of an agricultural preservation easement does not grant a member of the public access to the property or affect existing easements, rights-of-way, or rights of access that did not exist before. And "residential subdivision and the removal from the land of minerals or materials [which usually means gravel] for commercial purposes are not permitted."

Sec. 100 establishes definitions. While they are somewhat technical, they do not require review in this analysis. Among the terms defined are "agricultural operations", "agricultural preservation easement", "agricultural use", "agricultural value", "development rights", "fair market value", "qualified appraiser", and "residential subdivision". As suggested at the beginning of this memorandum, "director" means the director of agriculture in the Department of Natural Resources.

Sec. 2 amends AS 29.53.035(a); the amendment specifically provides that

> The owner of farm land subject to this subsection who grants an agricultural preservation easement under AS 03.07 may not be required to reimburse the state under this subsection for revenue lo s.

The section amended generally permits land not subject to an agricultural preservation easement to receive tax protection so long as it is used for farm purposes. The section

requires a certain reimbursement to the state for its payments of municipal taxes if it is subdivided.

Sec. 3 amends AS 29.53 to provide that land receiving protection under AS 03.07 shall be assessed on the basis of value as farm land.

Sec. 4 conforms AS 38.05.345 to the amendments to the amendments made in this section; sec. 345 relates to notice to the public on the disposition of state land.

Sec. 5 requires a report by the commissioner of natural resources on six aspects of the implementation of AS 03.07.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: CSHB 148 (Fi
Title: Preservation of agri-cultural lands
Sponsor: Lacher, Larson, Zharoff
Requestor:
Date of Request: 2-22-84

FISCAL DETAIL
Agency Affected: Natural Resources
Program Category Affected:
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

The zero fiscal note assumes that an appropriation would be made to cover both administrative and easement purchase costs specific to any implementation of the program.

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon Barton
Division: Commissioner's Office
Phone: 465-2400
Date: 2-22-84

MH Approved by Commissioner: Norman D Ahmaogak, Deputy
Date: 2-22-84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

M E M O R A N D U M

TO: HOUSE RESOURCES COMMITTEE

FROM: REPRESENTATIVE LACHER

SUBJECT: HB 148

DATE: April 9, 1983

Several questions were raised in regard to the intent of HB 148 in its first hearing in the House Resources Committee on March 30, 1983. I would like to take this time to address these issues in turn.

Concern was expressed as to the extent to which this bill effects areas of the state other than the Mat-Su valley. In other words, is this a Mat-Su bill? Agricultural lands are endangered throughout the state. Farmer's Loop Road in Fairbanks was mostly farms, and is now predominantly subdivided. A 160 acre dairy farm, also in Fairbanks, is subdivided and partially developed. The Bench area in Homer was originally all farmland, while today there are but a few small farm acres left due to subdivisions. Several farmers from the Bench area testified in the teleconference held on this bill in the C&RA Committee, earlier this session. The rate of subdivision is best documented for the Mat-Su area, where about 1,000 acres per year are being subdivided. The Department of Agriculture has not been keeping records for other regions of the state, but the absence of these records should not be interpreted as an indication that this is only a Mat-Su phenomena.

The $77,000.00 fiscal note attached to this bill has been questioned for its reasonableness. On this note, Sharon Barton of the DNR testified, in the 3/30/83 hearing, that "...were HB 148 to pass it would not be a Department priority and that the funds provided in the bill would be spent for staff work on other priority projects." It should be pointed out that the legislative intent and direction of this bill is quite clear. The DNR should be reminded of the consequences of intentional failure to comply with legislative direction. The $77,000 fiscal note, provided by the DNR, is quite reasonable. It is intended to cover the costs of administrating the enabling legislation of HB 148. The administration of HB 148 will not require two full time staff positions. Most assessment valuations conducted under this program would be contracted to private assessors or use present state employee assessors.

These expenses would probably not total the $77,000 provided in the fiscal note. HB 148 is enabling legislation and therefore the fiscal note does not provide funds for the acquisition of any agricultural preservation easements. These funds must be specifically designated and appropriated by the legislature.

HB 148 does not mandate that the DNR, Division of Agriculture purchase all property submitted for purchase by the program; nor does this legislation mandate that the Director or Commissioner purchase at any price. The State's liability in regard to questionable land valuations is guarded on two counts. First, the bill requires the use of an assessor (member of the organizations or a state employed assessor). Secondly there is no obligation stipulated in the bill that the Department purchase all submitted purchase applications.

Some members of this legislative body have raised questions as to the status of agriculture in Alaska and its overall value to the state as a whole. One could equally ask if Alaska is a forestry state, a fishing state, a trapping state, a mining state, a tourism state, and so on. The answer to all of these questions is an obvious yes. Alaska is a diverse state with multiuse lands and many growing and developing industries. The relevant question here is what does and will Alaskan agriculture do for Alaskans. Quite simply, farmland in Homer, Delta, Fairbanks, and Mat-Su is capable of providing employment and food for many thousands of Alaskans at a lower price than the same commodity shipped up from the lower 48.

The Workman, Arobio and Gasbarro report [An Examination of A Development Rights Purchase Program For Alaskan Agricultural Lands; January, 1979, DNR] noted that some small Alaskan farms are currently underproductive due to the impending threat of development. The report argued that these farmers were holding off from necessary investments into more productive equipment, etc., in the anticipation that they will be driven out of business and are therefore keeping their losses at a minimum. The effects of passage of HB 148 on this trend would be an obvious reversal. A second factor which has been a drawback for smaller Alaskan farms has been the absence of a well-developed transportation and marketing infrastructure. As the Workman, Arobio and Gasbarro report indicates, were state support of this industry given to the smaller produce, dairy and potatoe farmers then the inducement to develop this industry and the necessary infrastructure would follow within the private sector.

It is ironic that the state is currently spending millions of dollars to develop new agricultural lands while we're building subdivisions on existing farmlands that happen to be the best in the state. Most of these farms have been productive for years (see attached statistics); but the pressure of high prices offered by developers is causing a loss of these lands at the same historical moment that the state is investing in the clearing and development of new agricultural lands and grain terminals for the storage and export of the anticipated production.

An identical bill has been sponsored on the Senate side by Representative Moss; this is SB 237.

TABLE 1

TOTAL VALUE OF AGRICULTURAL PRODUCTION AND SALES
(In Thousands of Dollars)
1959-1977

Year	Value of Production	Sales	Used on Farm	Percent of Production Sold
1959	$4,978	$3,443	$1,535	69
1960	5,517	4,004	1,513	73
1961	5,651	4,426	1,225	78
1962	5,781	4,394	1,387	76
1963	5,451	4,056	1,395	74
1964	5,860	4,453	1,407	76
1965	5,518	4,283	1,235	78
1966	5,560	4,315	1,245	78
1967	5,524	4,023	1,501	73
1968	5,353	4,070	1,283	76
1969	4,574	3,505	1,069	77
1970	5,476	3,975	1,501	73
1971	5,474	3,927	1,547	72
1972	5,997	4,257	1,700	72
1973	6,987	5,142	1,845	74
1974	8,080	5,588	2,492	69
1975	9,226	6,937	2,289	75
1976	8,802	6,882	1,920	78
1977	9,777	6,914	2,863	71

SOURCES: Alaska Crop and Livestock Reporting Service, Alaska Agricultural Statistics, (Palmer: Alaska Crop and Livestock Reporting Service, 1978); Alaska Department of Economic Development, Alaska Statistical Review, (Juneau: Alaska Department of Economic Development, 1972), pp. 181-190.

TABLE 2

ESTIMATED VALUE OF PRODUCT BY AREA
(In Thousands of Dollars)
1960-1977

Year	Matanuska Valley		Tanana Valley		Kenai Peninsula		Southeast		Southwest	
	Value	%	Value	%	Value	%	Value	%	Value	%
1960	$3,663	67	$ 907	16	$ 278	5	$ 264	4	$ 272	5
1961	3,945	69	842	14	326	5	219	3	319	5
1962	3,939	68	938	16	334	5	217	3	348	6
1963	3,721	68	781	14	383	7	174	3	357	6
1964	4,017	68	872	14	333	5	156	2	458	7
1965	3,406	63	950	17	481	8	134	2	414	7
1966	3,793	69	847	12	453	8	33	1	559	10
1967	3,876	70	673	12	397	7	30	1	548	10
1968	3,021	74	399	10	159	4	8	-	483	12
1969	3,260	71	448	10	305	7	29	1	532	12
1970	4,003	73	634	12	263	5	37	1	541	10
1971	4,102	75	676	12	206	4	22	-	467	9
1972	4,615	77	917	15	219	4	14	-	231	4
1973	5,116	73	1,246	18	274	4	1	-	345	5
1974	6,181	76	1,060	13	405	5	17	-	416	5
1975	6,602	72	1,791	19	506	5	10	-	317	3
1976	6,488	74	1,532	17	407	5	9	-	365	4
1977	7,282	74	1,601	16	597	6	12	-	284	3

SOURCE: Alaska Crop and Livestock Reporting Service, Alaska Agricultural Statistics, (Palmer: Alaska Crop and Livestock Reporting Service, 1978); Alaska Department of Economic Development, Alaska Statistical Review, (Juneau: Alaska Department of Economic Development, 1972). pp. 181-190.

TABLE 1

AGRICULTURAL COMMODITIES PRODUCED - ALASKA (Selected Years)

Commodity		1960	1965	1970	1975	1979	1980
		- - - - - - - - - - thousand units - - - - - - - - - -					
				CROP PRODUCTION			
OATS FOR GRAIN	Bu.	79.8	42.0	22.5	16.8	15.6	26.1
BARLEY FOR GRAIN	Bu.	87.4	67.2	46.5	70.0	287.0	339.0
ALL SILAGE	Tons	20.2	21.7	13.6	15.2	12.4	12.4
GRAIN SILAGE	Tons	15.8	17.7	7.4	4.8	4.2	4.7
GRASS SILAGE	Tons	4.4	4.0	6.2	10.4	8.2	7.7
ALL HAY	Tons	10.5	8.8	9.4	21.4	15.8	15.0
GRAIN HAY	Tons	2.5	2.2	1.5	7.1	1.6	2.7
GRASS HAY	Tons	8.0	6.6	7.9	14.3	14.2	12.3
POTATOES	Cwt.	131.4	131.0	106.8	108.7	85.0	77.0
CABBAGE	Cwt.	3.6	3.0	3.5	3.0	4.0	4.1
LETTUCE	Cwt.	6.2	6.5	7.9	9.5	13.6	11.3
CARROTS	Cwt.	7.6	2.9	1.5	2.0	2.4	3.3
OTHER VEGETABLES	Cwt.	2.8	2.1	3.0	1.8	3.5	4.6
				LIVESTOCK AND POULTRY PRODUCTS			
EGGS	Doz.	529.8	766.7	408.0	417.0	558.0	367.0
POULTRY	Lbs.	55.0	89.0	73.0	167.0	170.0	172.0
BEEF	Lbs.	357.0	824.0	963.0	664.0	748.0	767.0
PORK	Lbs.	151.0	205.0	135.0	150.0	221.0	232.0
MUTTON	Lbs.	12.0	28.0	52.0	30.0	24.0	18.0
WOOL	Lbs.	125.0	209.0	239.0	67.0	32.0	38.0
REINDEER	Lbs.	450.0	637.0	615.0	345.0	NA	NA
		- - - - - - - - - - million units - - - - - - - - - -					
MILK	Lbs.	20.4	20.7	18.6	16.8	13.0	12.5

Source: Alaska Crop and Livestock Reporting Service 6/81.

TABLE 2

ESTIMATED VALUE OF PRODUCT BY AREA
(In Thousands of Dollars)
1960-1977

Year	Matanuska Valley		Tanana Valley		Kenai Peninsula		Southeast		Southwest	
	Value	%	Value	%	Value	%	Value	%	Value	%
1960	$3,663	67	$ 907	16	$ 278	5	$ 264	4	$ 272	5
1961	3,945	69	842	14	326	5	219	3	319	5
1962	3,939	68	938	16	334	5	217	3	348	6
1963	3,721	68	781	14	383	7	174	3	357	6
1964	4,017	68	872	14	333	5	156	2	458	7
1965	3,406	63	950	17	481	8	134	2	414	7
1966	3,793	69	847	12	453	8	33	1	559	10
1967	3,876	70	673	12	397	7	30	1	548	10
1968	3,021	74	399	10	159	4	8	-	483	12
1969	3,260	71	448	10	305	7	29	1	532	12
1970	4,003	73	634	12	263	5	37	1	541	10
1971	4,102	75	676	12	206	4	22	-	467	9
1972	4,615	77	917	15	219	4	14	-	231	4
1973	5,116	73	1,246	18	274	4	1	-	345	5
1974	6,181	76	1,060	13	405	5	17	-	416	5
1975	6,602	72	1,791	19	506	5	10	-	317	3
1976	6,488	74	1,532	17	407	5	9	-	365	4
1977	7,282	74	1,601	16	597	6	12	-	284	3

SOURCE: Alaska Crop and Livestock Reporting Service, Alaska Agricultural Statistics, (Palmer: Alaska Crop and Livestock Reporting Service, 1978); Alaska Department of Economic Development, Alaska Statistical Review, (Juneau: Alaska Department of Economic Development, 1972). pp. 181-190.

AGRICULTURAL COMMODITIES PRODUCED: 1960-72

		1960	1965	1970	1972
		thousand units			
		CROPS			
OATS FOR GRAIN	Cwt.	25.5	13.4	7.2	4.8
BARLEY FOR GRAIN	Cwt.	42.0	32.3	22.3	24.9
GRAIN SILAGE	Tons	15.8	17.7	7.4	10.7
GRASS SILAGE	Tons	4.4	4.0	6.2	8.6
GRAIN HAY	Tons	2.5	2.2	1.5	3.0
GRASS HAY	Tons	8.0	6.6	7.9	11.5
POTATOES	Cwt.	131.4	131.0	106.8	99.0
CABBAGE	Cwt.	3.6	3.0	3.5	3.4
CARROTS	Cwt.	7.6	2.9	1.5	1.8
LETTUCE	Cwt.	6.2	6.5	7.9	6.3
OTHER VEGETABLES	Cwt.	2.8	2.1	3.0	2.2
		LIVESTOCK AND POULTRY PRODUCTS			
EGGS	Doz.	529.8	766.7	417.0	583.0
POULTRY	Lbs.	55.0	89.0	73.0	76.0
BEEF	Lbs.	357.0	824.0	963.0	691.0
PORK	Lbs.	151.0	205.0	135.0	135.0
MUTTON	Lbs.	12.0	28.0	52.0	30.0
WOOL	Lbs.	125.0	209.0	239.0	145.0
		million pounds			
MILK	Lbs.	20.4	20.7	18.6	17.6

Source: Alaska's Agriculture Potential 1974

BARLEY - ALASKA 1975-80

District	Year	Area Planted	Area Harvested for Grain				
				Yield	Production		
		Acres	Acres	Bu.	Bu. (000)	Cwt.	Value (000)
Tanana Valley	1975	300	250	21.7	5.4	2,600	23.4
	1976	157	175	34.3	6.0	2,900	26.0
	1977	1,350	1,300	47.6	61.9	29,700	240.0
	1978	2,500	2,450	33.9	83.1	39,900	310.0
	1979	4,400	4,080	45.6	186.0	89,300	536.0
	1980	12,500	10,600	29.2	309.6	148,600	904.0
Matanuska Valley	1975	1,200	1,200	52.4	62.9	30,200	255.0
	1976	1,175	1,125	54.2	61.0	29,300	235.0
	1977	1,720	1,300	49.3	64.1	30,800	239.0
	1978	1,710	1,550	43.2	66.9	32,100	260.0
	1979	2,050	1,720	58.7	101.0	48,500	325.0
	1980	1,400	900	32.7	29.4	14,100	113.0
Kenai Peninsula	1975	100	50	33.3	1.7	800	8.6
	1976	50	-	-	-	-	-
	1977	30	-	-	-	-	-
	1978	90	-	-	-	-	-
	1979	50	-	-	-	-	-
	1980	100	-	-	-	-	-
State Total	1975	1,600	1,500	47.0	70.0	33,600	287.0
	1976	1,400	1,300	51.5	67.0	32,200	261.0
	1977	3,100	2,600	48.5	126.0	60,500	479.0
	1978	4,300	4,000	37.5	150.0	72,000	570.0
	1979	6,500	5,800	49.5	287.0	137,800	861.0
	1980	14,000	11,500	29.5	339.0	162,700	1,017.0

SOURCE: Crop & Livestock Reporting Service, Alaska Agricultural Statistics

KING COUNTY, WASHINGTON

PROPOSITION ONE: FARM AND OPEN SPACE BONDS

Shall King County, for the purpose of acquiring and preserving voluntarily offered farm and open space lands in the county, issue its general obligation bonds in the principal amount not to exceed $50,000,000 in one or more series over a period of up to 6 years, to mature serially commencing in from two to five years and maturing in not to exceed 30 years from date of issue of each series and to be paid by annual tax levies upon all the taxable property within King County in excess of constitutional and statutory limitations, all as more specifically provided in King County Ordinance No. _____.

BONDS, YES ..... /___/

BONDS, NO ..... /___/

SECTION 16. Severability.

Should any section, subsection, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, that determination shall not affect the validity of the remaining portions of this ordinance.

INTRODUCED AND READ for the first time this 29th day of May, 1979.

PASSED this 18th day of June, 1979.

KING COUNTY COUNCIL
KING COUNTY, Washington

Ruby Chow
Chairman

ATTEST:

Beverly K. Cross
Deputy Clerk of the Council

APPROVED this ~~20th~~ 27th day of June, 1979.

John D. Spellman
King County Executive

WASILLA SOIL CONSERVATION SUBDISTRICT

John Antoni	SR Box 3070	Wasilla, AK	99687
Ed Baker	PO Box 1742	Anchorage, AK	99501
Michael Barring-Gould	SR Box 3203	Wasilla, AK	99687
Greg Bell	1501 W 11th Ave, #5	Anchorage, AK	99687
Ted Berry	Box 1990	Wasilla, AK	99687
Edgar Best	SR Box 2823	Wasilla, AK	99687
David Botens	SR Box 5492	Wasilla, AK	99687
Big Lake School	Box AB	Palmer, AK	99645
Ralph Bradley	SR Box 5135	Wasilla, AK	99687
Dave Campion	2211 Muldoon Rd, #542	Anchorage, AK	99502
Robert Carlson	PO Box 1276	Palmer, AK	99645
Charles Carney	SR Box 3054	Wasilla, AK	99687
Pat Carney	PO Box 680	Wasilla, AK	99687
William Church	SR Box 2051	Wasilla, AK	99687
Joe Clapp	PO Box	Wasilla, AK	99687
Lamond Collier	PO Box 1452	Wasilla, AK	99687
Benny Cottle	PO Box 67	Wasilla, AK	99687
Mahala Dickerson	Box 617	Wasilla, AK	99687
Max Elliott	PO Box 201	Wasilla, AK	99687
Betty L Farris	SR Box 2050	Wasilla, AK	99687
John Faeo	7225 E 17th Ave	Anchorage, AK	99504
Thomas Furbush	PO Box 313	Anchorage, AK	99510
John Gannon	SR Box 2931	Wasilla, AK	99687
Carl Gonder	SR Box 2524	Wasilla, AK	99687
Richard Gregg	SR Box 2998	Wasilla, AK	99687
Gryte Haaken	1511 L Street	Anchorage, AK	99501
Ralph Hanson	Box 4-1516	Anchorage, AK	99509
LeRoi Heaven	SR Box 5113	Wasilla, AK	99687
Ed Hess	SR Box 2928	Wasilla, AK	99687
D. J. Holman	PO Box 318	Wasilla, AK	99687
Gene Holmberg	SR Box 3058	Wasilla, AK	99687
Peter Holobinko	Box 161	Wasilla, AK	99687
William Imlach	1644 11th Avenue	Anchorage, AK	99501
Leah Jenkin	PO Box 234	Wasilla, AK	99687
Douglas Jones	SR A Box 6865	Palmer, AK	99645
Kelly Lankford	SR A Box 540	Willow, AK	99688
Douglas Logan	5025 Seton Court	Anchorage, AK	99504
Norwood Long	1835 Bannister Dr	Anchorage, AK	99504
William Lorentzen	Box 57	Willow, AK	99688
George Lustig	SR Box 2970	Wasilla, AK	99687
Dick Mackey	SR Box 2905	Wasilla, AK	99687
Paul Mahoney	SR Box 2960	Wasilla, AK	99687
William Mahoney	General Delivery	Wasilla, AK	99687
Thomas Marshall	1569 Birchwood	Anchorage, AK	99504
Curtis Menard	PO Box	Wasilla, AK	99687
William Merry	SR Box 3185	Wasilla, AK	99687
A J Miller	SR Box	Wasilla, AK	99687
Jon Moss	SR Box 2953	Wasilla, AK	99687
John Murphy	PO Box 638	Wasilla, AK	99687
Harold Newcomb	Box 276	Wasilla, AK	99687
Manvil Olson	SR Box 2990	Wasilla, AK	99687
Claud Oxford	Box 85	Wasilla, AK	99687

Jack Oxford	Box 85	Wasilla, AK	99687
Tom Pickworth	2707 W 31sat	Anchorage AK	99501
C W Reynolds	Box 198	Willow, AK	99688
Robert Risley	SR A Box 6820	Palmer, AK	99645
Kenneth Rivard	PO Box 1099	Wasilla, AK	99687
James Ryan	SR A Box 1731	Anchorage, AK	99507
Claude StAmand	SR A Box 6858	Palmer, AK	99645
Scott Schwald	SR Box 3033	Wasilla, AK	99687
Monroe Sitze	SR Box 2991	Wasilla, AK	99687
John Streu	SR Box 2822	Wasilla, AK	99687
Norm Sundby	SR Box 5162	Wasilla, AK	99687
Bacel Tellier	SR Box 210	Wasilla, AK	99687
Teen Challenge of Ak	SR A Box 6912	Palmer, AK	99645
Al Thomas	SR Box 2951	Wasilla, AK	99687
Opal Toomey	SR Box 2992	Wasilla, AK	99687
Larry Vandersloot	SR Box 2150	Wasilla, AK	99687
Mark Weaver	1135 G St	Anchorage, AK	99501
Dewey Welch	SR Box 3193	Wasilla, AK	99687
Wilderness Farms	SR D Box 9300	Palmer, AK	99645
Robert A Williams	SR B Box 7298	Palmer, AK	99645
Tom Williams	SR Bo Box 7440	Palmer, AK	99645
Sande Wright	6930 Old Seward Hwy	Anchorage, AK	99502
Wm Yaskolski	PO Box 322	Wasilla, AK	99687
U of A Exper. Farm	Box AE	Palmer, AK	99645
Karen O Lee	PO Box 168	Palmer, AK	99645
Royce Johnson	821 N Street, Suite 206	Anchorage, AK	99501
Eileen M. Haines	PO Box 3252	Palmer, AK	99645
Charles L. Pubanz	3977 Eastwood Loop	Anchorage, AK	99504
Merlene M. Baskin	630 Lori Drive	Anchorage, AK	99504
Elvin E. Johnson	PO Box 41	Anchor Point, AK	99556
Abby G. Baskin	630 Lori Drive	Anchorage, AK	99504
G. A. Bruce	106 E. Fireweed Lane	Anchorage, AK	99503
Melody D. Wassink	1340 W. 23rd Avenue	Anchorage, AK	99504
Joe P. Wilson	328 Boniface, #2024	Anchorage, AK	99504
Traci Wright	PO Box 1145	Eagle River, AK	99577
Laura Kelley	821 N Street, Suite 206	Anchorage, AK	99501
William C. Weimar	2205 Eureka, #148	Anchorage, AK	99503
Ken R. Hickey	905 Muldoon Road, A-35	Anchorage, AK	99504
Robert L. Thom	SR A Box 6007	Palmer, AK	99645
Nancy Stephans	821 N Street, Suite 206	Anchorage, AK	99501
Milburn E. Tucker	4281 Edinburgh Drive	Anchorage, AK	99502
Karen L. Goentzel	1621 Lake Otis Parkway	Anchorage, AK	99508
James Burrell	9500 Lennox	Anchorage, AK	99502
Lance Adams	SR A Box 6168	Palmer, AK	99645
Raylene M. Coleman	PO Box 286	Palmer, AK	99645
Gilbert T. Edmonds	PO Box 1493	Palmer, AK	99645
Christine E. Morrison	2207 Roosevelt Drive	Anchorage, AK	99502
Holly Reiter	PO Box 10-803	Anchorage, AK	99511
Stephen C. Planchon	SR Box 3216 GA	Wasilla, AK	99687
Gerhard Groeschel	3300 W. 29th Avenue	Anchorage, AK	99503
Ruth H. Richardson	200 Zappa, Apt. A	Anchorag , AK	99504
John M. James	1634 W. 13th Avenue	Anchorage, AK	99501
Joan H. McCombs	SR B Box 7404	Palmer, AK	99645

KENNY LAKE SOIL CONSERVATION SUBDISTRICT

Pilar Aguilla		Copper Center, AK	99573
Daniel E Allen	SR Box 345	Copper Center, AK	99573
Roy M Alley	Box 429	Valdez, AK	99686
Wm Bayless	Drawer C	Copper Center, AK	99573
Charles Benjamin	SR Box 228	Copper Center, AK	99573
Charles Bice	508 N Bunn	Anchorage, AK	99504
Roy Brittain	SR Box 330	Copper Center, AK	99573
Gary Busby	SR Box 300	Copper Center, AK	99573
Bruce Cain	SR Box 20052	Fairbanks, AK	99701
Mario Cerami	PO Box 4-2012	Anchorage, AK	99509
Church at SAPA	SR Box 289	Copper Center, AK	99573
Copper Valley Farm	SR Box 252	Copper Center, AK	99573
Calvin Datta	SR Box 245	Copper Center, AK	99573
Peggy Day	PO Box 788	Valdez, AK	99686
Bill Etchells	SR Box 244	Copper Center, AK	99573
Rance Geisheker			
Ed Gerrue	SR Box 337	Copper Center, AK	99573
Terry Gilmore	SR Box 216	Copper Center, AK	99573
Bruce Gordon	SR Box 214	Copper Center, AK	99573
Robert Hale	SR Box 299	Copper Center, AK	99573
Glenn Helkenn	Mil 1403.5 AK hwy	Delta Junction, AK	99737
Vernon Helkenn	SR Box 334	Valdez, AK	99686
Ken Hoisington	SR Box 284	Copper Center, AK	99573
Kenny Lake School	Kenny Lake via	Copper Center, AK	99573
Frances Kibble	SR Box 286	Copper Center, AK	99573
Ed King			
Sam Lightwood	SR Box 229	Copper Center, AK	99573
Jerome Luebke	Box 64	Glennallen, AK	99588
Peter Lyse		Kenai, AK	99611
Keith Murray	SR Box 217	Copper Center, AK	99573
Alfred Roig	SR Box 274	Copper Center, AK	99573
Walter Ross			
James R Routte	SR Box 222	Copper Center, AK	99573
Eugene Shorten	SR B Box 20	Copper Center, AK	99573
Bill Sutton	SR Box 298	Copper Center, AK	99573
Keith Swisher	SR Box 341	Copper Center, AK	99573
Mike Swisher	SR Box 339	Copper Center, AK	99573
Flonnie Thomas			
Harold Turner		Valdez, AK	99686
Jack Wallace	Box 794	Valdez, AK	99686
Wm H Weaver	SR Box 309	Copper Center, AK	99573
Billy J Williams	SR Box 100	Copper Center, AK	99573
Dean Wilson	SR Box 288	Copper Center, AK	99573
Paul Wolf			
H L Woodcock	SR Box 159	Copper Center, AK	99573
Kathy Sloboda	Box 262	Glennallen, AK	99588

KODIAK SOIL CONSERVATION SUBDISTRICT

Bill Burton	Box 1608	Kodiak, AK	99615
Jim Burton	Box 1805	Kodiak, AK	99615
Charles Dorman	Box 2388	Kodiak, AK	99615
DeWitt Field	Box 25	Kodiak, AK	99615
Tommy Gallagher	Box 734	Kodiak, AK	99615
Kodiak Rodeo & State Fair	Box 507	Kodiak, AK	99615
Koniag Native Assoc		Kodiak, AK	99615
Lucky Horseshoe 4-H Club	Box 1157	Kodiak, AK	99615
Kenneth Manolovitz	Box 633	Kodiak, AK	99615
Harold R Sargent	Box 1696	Kodiak, AK	99615
Omar Stratman	Box 2376	Kodiak, AK	99615
Barbara Zimmerman	Box 1157	Kodiak, AK	99615

FAIRBANKS SOIL CONSERVATION SUBDISTRICT

AK Yukon Plant & Seed	PO Box 2829	Fairbanks, AK	99701
Ed Anders	SR 51130	Fairbanks, AK	99701
James Aston	306 Church St	Fairbanks, AK	99701
Peter Balch	Box 20280	Fairbanks, AK	99701
Joseph Belegrin	SR 50717	Fairbanks, AK	99701
Lyman Benshoof	SR 60753	Fairbanks, AK	99701
Jessica Bittner	SR 51056	Fairbanks, AK	99701
Guy Blankenship	SR 50892	Fairbanks, AK	99701
Bill Blockcolosky	SR 20860	Fairbanks, AK	99701
Jack Bovee	1845 Caribou Way	Fairbanks, AK	99701
Wallace Bradley Jr	PO Box 74168	Fairbanks, AK	99701
Russell Breece		Fairbanks, AK	99701
Luther Brice	4 Mile Steel Cr Rd	Fairbanks, AK	99701
Walter Brunner	Box 80669	College, AK	99708
Wiley Bryson	SR 51027	Fairbanks, AK	99701
Nilan Buchta		Fairbanks, AK	99701
Lloyd Burkett	Box 1738	Fairbanks, AK	99701
Patricia Burkett	Box 5573	North Pole, AK	99705
D K Button	1/2 Mile Goldstream Rd	Fairbanks, AK	99701
Mark Carey	SR 50881	Fairbanks, AK	99701
Grant Carlin	SR 20784	Fairbanks, AK	99701
Frank Chace	SR 51044	Fairbanks, AK	99701
Vernard Christie	Nelson Rd	Fairbanks, AK	99701
Charles Clark	1512 Maryann St	Fairbanks, AK	99701
John Cole	SR 50715	Fairbanks, AK	99701
Floyd Cox	PO Box 1510	Fairbanks, AK	99701
Michael Crawford	SR 51068	Fairbanks, AK	99701
Sherman Crawford	SR 51068	Fairbanks, AK	99701
Russell Crick	SR 71206	Fairbanks, AK	99701
Robert Crook	SR 51071	Fairbanks, AK	99701
Gerals Cunning		Fairbanks, AK	99701
Charles Deehr	SR 20058	Fairbanks, AK	99701
David Dickerson	PO Box 1797	Kenai, AK	99611
Ed & Ernest Dickson	SR 50428	Fairbanks, AK	99701
Edward Dolney	3 Mile Sheep Creek Rd	Fairbanks, AK	99701
George Dornath	SR 30640	Fairbanks, AK	99701
Harold Downing		Fairbanks, AK	99701
Horace Drury	SR 61095	Fairbanks, AK	99701
Edward Eckert	SR 50314	Fairbanks, AK	99701
Jerry E Evans	SR 61094	Fairbanks, AK	99701
Fairbanks Comm. Garden	PO Box 73488	Fairbanks, AK	99701
Lavern Funk	SR 40560	Fairbanks, AK	99701
Robert H Gamble	PO Box 1104	Fairbanks, AK	99701
Henry Gettinger	SR 50379	Fairbanks, AK	99701
Charles Goff Jr	PO Box 10296	Fairbanks, AK	99701
Ed Goins	SR A Box 1405 L	Anchorage, AK	99502
Leroy Gonzales	Box 637	Clear, AK	99704
Robert Harmon			
Charles Hawks	SR 80520	Fairbanks, AK	99701
Clifford Haydon	PO Box 1287	Fairbanks, AK	99701
John Henshaw	Box 80-593	College, AK	99708
Carl Herning	PO Box 1792	Fairbanks, AK	99701

Harold Herning			
Gordon Herried	SR Box 20806	Fairbanks, AK	99701
Janice Hills	120 Front St	Fairbanks, AK	99701
Carolyn Howard	Box 55263	North Pole, AK	99705
Gary Howard	SR 50967	Fairbanks, AK	99701
Vincent Howard	SR 50596	Fairbanks, AK	99701
Wm Huhn	SR 51032	Fairbanks, AK	99701
Frank Hunt	SR 40524	Fairbanks, AK	99701
Ronald Hurlburt	Box 81837	College, AK	99708
Ron Jaeger	Box 2095	Fairbanks, AK	99701
David Jamison	Box S	College, AK	99708
Al Joens	SR 51086	Fairbanks, AK	99701
Donald Jones	SR 51038	Fairbanks, AK	99701
Howard Jones	SR 80500	Fairbanks, AK	99701
James Karr	SR 51029	Fairbanks, AK	99701
Franics J Kelly	4701 Harvard Circle	Fairbanks, AK	99701
Mick Killion	805 Pedro Street	Fairbanks, AK	99701
Donald Kimmel	SR 50999	Fairbanks, AK	99701
Leslie King	PO Box 1533	Fairbanks, AK	99701
Lucy Knoll	SR 51031	Fairbanks, AK	99701
Niilo Koponen	SR 10059	Fairbanks, AK	99701
Kenneth Kunkel			
Doris Larsen	PO Box 80407	Fairbanks, AK	99708
Olaf Larsen	PO Box 80407	Fairbanks, AK	99708
Clarend Leab	PO Box 893	Fairbanks, AK	99701
William Lewis	SR 80910	Fairbanks, AK	99701
Edwin Lindig Jr	SR 50366	Fairbanks, AK	99701
Ronald Logan	SR 20279	Fairbanks, AK	99701
Steve Lonsonsky	Box 169	Fairbanks, AK	99701
Richard Loud		Fairbanks, AK	99701
William Loupa	PO Box 10071	Fairbanks, AK	99701
Elliott Lowe	SR 51004	Fairbanks, AK	99701
Theodore Lowell			
Peter Macchione	PO Box 415	College, AK	99708
Jan Mackowiak	PO Box 362	Fairbanks, AK	99701
Peter Marshall	PO Box 10390	Fairbanks, AK	99701
Marvin Marth	Box 697	Fairbanks, AK	99701
George Mason			
Charles May	540 University Ave	Fairbanks, AK	99701
Gail Mayo	SR Box 20078	Fairbanks, AK	99701
Otis McCormick	SR 80546	Fairbanks, AK	99701
Patrick McFadden	1101 O'Conner	Fairbanks, AK	99701
Mary McGuire			
Thomas Mitchell	SR 20105	Fairbanks, AK	99701
Terrance Morgan	SR 51496	Fairbanks, AK	99701
Lottie Kay Morgan	Box 81624	College, AK	99708
Don Murphy	Box 81527	Fairbanks, AK	99701
George Murphy	SR 60730	Fairbanks, AK	99701
Musk Ox Farm	U of A	Fairbanks, AK	99701
Donald McKee	SR 50985	Fairbanks, AK	99701
Doug McKee	SR 50985	Fairbanks, AK	99701

Kenneth Neiland	PO Box 10095	Fairbanks, AK	99701
David Nester	SR 50935	Fairbanks, AK	99701
Chena Newman	SR 51233	Fairbanks, AK	99701
C E Nottingham	Nottingham Dr	Fairbanks, AK	99701
Gerry Ostrow	1433 Noble Street	Fairbanks, AK	99707
Mark Olson	SR 50376	Fairbanks, AK	99701
Curtis Ostrem	SR 80530	Fairbanks, AK	99701
Timothy Peters	SR 50916	Fairbanks, AK	99701
Howard Peterson			
Larry Petty	SR 60477	Fairbanks, AK	99701
Arnold Pflugrad	515 7th AVe	Fairbanks, AK	99701
Janice Powalski	SR 51011	Fairbanks, AK	99701
Richard Powalski	SR 51011	Fairbanks, AK	99701
Bernard Preputin	PO Box 722	Fairbanks, AK	99701
Paul Quist	Box 2813	Fairbanks, AK	99707
David Resch			
Ronald Richards	Box 81559	Fairbanks, AK	99701
Rick Rinear	SR 51055	Fairbanks, AK	99701
Thomas Ripple			
Lee Risse	SR 50571	Fairbanks, AK	99701
Wm Ristow	Box 5511	North Pole, AK	99705
Marvin Robertson	SR 61095	Fairbanks, AK	99701
Robert Rost	Box 81209	College, AK	99708
Randolph Scharfenberg	SR 51009-C	Fairbanks, AK	99701
Starlanda Schweigert	SR 50883	Fairbanks, AK	99701
William Schweigert	SR 50883	Fairbanks, AK	99701
Perry Sebaugh	SR 2-5850	Chugiak, AK	99567
Clyde Sherman	1280 Hess Ave	Fairbanks, AK	99701
Paul Shoen	SR 51084	Fairbanks, AK	99701
Thomas Simon	SR Box 90253	Fairbanks, AK	99701
William Souden	SR 50550	Fairbanks, AK	99701
Lee Spears	SR 20237	Fairbanks, AK	99701
Glenn Spencer			
Mike Stalsby			
Barbara Stone	General Delivery	Ester, AK	
Robert Straight	SR 50652	Fairbanks, AK	99701
Henry E Swanson III	SR 90668 B	Fairbanks, AK	99701
Cyndie Tack	SR 51113	Fairbanks, AK	99701
Steve Tack	SR 51113	Fairbanks, AK	99701
John Thomas	SR 80608	Fairbanks, AK	99701
Thomas Tunnel	SR 70077	Fairbanks, AK	99701
Richard Underwood	PO Box 2282	Fairbanks, AK	99701
Keith Upton	PO Box 5-996	College, AK	99708
Dave Urquhart			
Domonic Valentino	SR 80501	Fairbanks, AK	99701
Ralph VanReenan	SR 80371	Fairbanks, AK	99701
Charles Vogel	SR 50784	Fairbanks, AK	99701
Kenneth Walker			
William Warren			
David Webber	SR 80438 B	Fairbanks, AK	99701
Walter Weese	PO Box 10042	Fairbanks, AK	99707

Arlo Wells	1028 Gilmore St	Fairbanks, AK	99701
Leroy Wells	SR 50768	Fairbanks, AK	99701
Lyle West	PO Box 596	Fairbanks, AK	99707
Shann Weston	PO Box 73343	Fairbanks, AK	99701
Gordon Williamson	RS 51083	Fairbanks, AK	99701
Ted Willner	PO Box 473	Fairbanks, AK	99701
Jessie Winegeart	SR 51034	Fairbanks, AK	99701
Lowell Wood	PO Box 1391	Fairbanks, AK	99701
Russell Wood	SR 51385	Fairbanks, AK	99701
Harold Worthen	PO Box 1121	Fairbanks, AK	99707
Wendell Zesiger	SR 61227	Fairbanks, AK	99701
Karl Zuendel	SR 51112	Fairbanks, AK	99701
Arden Bowne	PO Box 81210	Fairbanks, AK	99701
Karen Bowne	PO Box 81210	Fairbanks, AK	99701
John Bahnke Jr	PO Box 905	Nome, AK	99762
Beaver Kwitxhin Corp	958 Cowles	Fairbanks, AK	99706
Denise Cox		Noatak, AK	99761
George I Dan Sr		Stebbins, AK	99761
Lawrence Davis	Box 172	Nome, AK	99762
William P Fickus	Crevice Creek	Bettles, AK	99726
Fred Goodhope Jr		Shismaref, AK	99772
Norman Griffin	Box 10-148	Fairbanks, AK	99701
Merlin Henry		Koyuk AK	99753
H C Kahl	PO Box 2176	Fairbanks, AK	99707
Alfred Karmun		Deering, AK	99736
Arthur Laperriere	SR A 377-P	Anchorage, AK	99501
Berle Mercer		Lignite, AK	99790
Nana Corporation		Kotzebue, AK	99752
Ward Olanna		Brevig Mission, AK	99785
Clarence Ongtowasrak		Wales, AK	99783
G H Ramaker			
Westley Redhead			
Gustoff Sagoonick		Shaktoolik, AK	99771
John Schaeffer	Box 49	Kotzebue, AK	99752
Karl Schwalm	3365 Sandvick Rd	Fairbanks, AK	99701
Fred Shott	Box 10134	Fairbanks, AK	99701
Arthur Tocktoo		Brevig Mission, AK	99785
Clifford Weyiouanna		Shishmaref, AK	99772
E C Wheeler	Box 190	Nome, AK	99762
Jane Williams	333 Glacier	Fairbanks, AK	99701
Joanne Wolff	1045 University Ave	Fairbanks, AK	99701
Mike Zacharof		St Paul Island, AK	99660
Gordon Bradshaw	SR 61089	Fairbanks, AK	99701

SALCHA-BIG DELTA SOIL CONSERVATION SUBDISTRICT

William Arpino	Box 111	Tok, AK	99780
R M Atkinson	SR Mile 18	Seward, AK	99664
Richard Anderson	Box 806	Delta Junction, AK	99737
Joseph Balch	SR 90550	Fairbanks, AK	99701
Peter W Balch	Box 20280	Fairbanks, AK	99701
Al Bannon	Box 652	Delta Junction, AK	99737
Michael Baer	Box 186	Oskaloose, KS	66066
Jacob Bart	39 Mile Richardson Hwy	Fairbanks, AK	99701
Jerry Boehlke	SR 90567	Fairbanks, AK	99701
Frank Borman	8502 Peck Ave	Anchorage, AK	99504
Michael J Boyd	Box 625	Delta Junction, AK	99737
Earl & Delores Blaser	175 Citation	Eagle River, AK	99577
Wallace E Bradley	PO Box 74168	Fairbanks, AK	99701
Ron Beck	Box 294	Delta Junction, AK	99737
John H Bridgers Sr	Box 705	Delta Junction, AK	99737
Richard Brunk	SR 90336	Fairbanks, AK	99701
Frank Buck	Box 365	Delta Junction, AK	99737
John & Katherine Burns		Chicken, AK	99732
Dennis L Buzby	SR 90678	Fairbanks, AK	99701
Robert L Buzby	SR 90678	Fairbanks, AK	99701
G C Bandy	Box 944	Delta Junction, AK	99737
John Benson	Box 866	Delta Junction, AK	99737
Richard Borsetti	General Delivery	Delta Junction, AK	99737
Christopher Brann	PO Box 298	Delta Junction, AK	99737
Francis Brann	PO Box 298	Delta Junction, AK	99737
Lyall Brasier	Box 483	Delta Junction, AK	99737
Gerald Brehmer	Mile 1403.5 Ak Hwy	Delta Junction, AK	99737
Deborah Brown	Box 1063	Delta Junction, AK	99737
Robert Brown	Box 1065	Delta Junction, AK	99737
David Burchom	Box 441	Delta Junction, AK	99737
Lyle Carlson	Box 2741	Fairbanks, AK	99701
Lynn Castle	Box 1616	Fairbanks, AK	99701
Chamber of Commerce	550 1st Ave	Fairbanks, AK	99701
Dennis Christman	SR 90334	Fairbanks, AK	99701
Dennis Campbell	205 A Street	Fairbanks, AK	99701
Ken Cassity	Box 145	Trappers Creek, AK	99688
William Crandal	SR 90674	Fairbanks, AK	99701
Charles Carlson	Box 953	Delta Junction, AK	99737
Gene Carlson	Mile 1413.5 Ak Hwy	Delta Junction, AK	99737
Wayne Carpenter	Box 416	Delta Junction, AK	99737
Mickey Cole	Box 162	Delta Junction, AK	99737
Nick Colombo	Box 966	Delta Junction, AK	99737
Norman Cosgrove	PO Box 861	Delta Junction, AK	99737
Larry Cox	Mile 1379 AK Hwy	Delta Junction, AK	99737
Michael Demarco	SR 90508	Fairbanks, AK	99701
Henry Dube	Box 109	Delta Junction, AK	99737
Walter R Daugherty	Box 129	Delta Junction, AK	99737
Randy Davenport	Box 27	Delta Junction, AK	99737
Delta Ag Project	Box 883	Delta Junction, AK	99737
Jack Detzel	Box 278	Delta Junction, AK	99737
Troy C Dickson	box 72	Delta Junction, AK	99737
Carl Ditchen	Box 1097	Delta Junction, AK	99737

Larry Dorshorst	Box 289	Delta Junction, AK	99737
Jerry Dowling	Box 125	Delta Junction, AK	99737
Edwin D Eddy	SR 90679	Delta Junction, AK	99737
Kenneth Engellant	Box 314	Geraldine, MT	59446
Greg Engellant	Box 332	Delta Junction, AK	99737
Johnathan Ewing	SR 90507	Fairbanks AK	99701
John Emery	Mile 1403.5 Ak Hwy	Delta Junction, AK	99737
Dorothy Evans	Box 1103	Delta Junction, AK	99737
Lavern D Funk	SR 40560	Fairbanks, AK	99701
Lee Fett	PO Box 881	Delta Junction, AK	99737
Thomas Fett	PO Box 881	Delta Junction, AK	99737
Chuck Forck	Box 929	Delta Junction, AK	99737
Daniel Grantham	SR 90680	Fairbanks, AK	99701
Jerry Gustafson	SR 90338	Fairbanks, AK	99701
Grey Gerhart	PO Box 287	Delta Junction, AK	99737
Robert P Giese	PO Box 209	Delta Junction, AK	99737
Wayne Gentz	Box 248	Delta Junction, AK	99737
E L Gilbert	Box 149	Delta Junction, AK	99737
Thomas L Gilbertson	Box 1069	Delta Junction, AK	99737
Dennis Green	Box 986	Delta Junction, AK	99737
Danny Green	Box 986	Delta Junction, AK	99737
Larry Hart	56 Mile Richardson Hwy	Delta Junction, AK	99737
Walter Hastings	SR 90568	Fairbanks, AK	99701
Byron Hollembaek	Mile 1403.5 Ak Hwy	Delta Junction, AK	99737
James Hollinrake	SR 90646	Fairbanks, AK	99701
Arthur Holmberg	SR Box 3058	Wasilla, AK	99687
Walter Holmes	35 Mile Richardson Hwy	Fairbanks, AK	99701
B W Houger	SR 90510	Fairbanks, AK	99701
Amelia Hundley	Mile 1379 AK Hwy	Delta Junction, AK	99737
Donald Hall	Box 886	Delta Junction, AK	99737
Everett Harris		Delta Junction, AK	99737
Ted Harris		Delta Junction, AK	99737
Kenneth N head	Box 43	Delta Junction, AK	99737
Glenn Helkenn	Mile 1403.5 Ak Hwy	Delta Junction, AK	99737
John Hotckiss	Box 613	Delta Junction, AK	99737
Edward Jenkins	PO Box 373	Delta Junction, AK	99737
Rishard A Johnson	PO Box 412	Delta Junction, AK	99737
Tunnie Johnson	Box 194	Delta Junction, AK	99737
David Johnson	Box 601	Delta Junction, AK	99737
William Johnson	Box 914	Delta Junction, AK	99737
Illene Jurgens	Box 184	Delta Junction, AK	99737
Richard Karr	Box 60782	Fairbanks, AK	99706
Leonard T Kelley	Box 816	Eagle River, AK	99577
Bob Kern	Box 10034	Fairbanks, AK	99701
Leslie King	PO Box 1533	Fairbanks, AK	99701
Syl Kirsch	Box 365	Delta Junction, AK	99737
Walter Kopp	Box 427	Delta Junction, AK	99737
Charles Koppenhaver	Box 2830	Fairbanks, AK	99707
Richard Kozarik	Box 105	Eagle, AK	99738
Robert Krebs	Mile 88 Richardson Hwy	Fairbanks, AK	99701
Eric Krenelka	Box 1092	Delta Junction, AK	99737

Emily Keaster	Box 947	Delta Junction, AK	99737
Nat M Kenney Jr	Box 1088	Delta Junction, AK	99737
Robert Koon	Box 216	Delta Junction, AK	99737
Julius Kusz	Box 984	Delta Junction, AK	99737
Neal Kutchins	Box 81	Delta Junction, AK	99737
Howard Lanni	Box 665	Delta Junction, AK	99737
Richard Larimore	811 E 9th	Wellington, KS	67152
Jim Lasley	General Delivery	Delta Junction, AK	99737
Charles Leap	4-E-3 Fairview Manor	Fairbanks, AK	99701
Robert Loveless	SR 90658	Fairbanks, AK	99701
William Lappart	Box 45	Delta Junction, AK	99737
Neda Little	PO Box 874	Delta Junction, AK	99737
Howard Lowe Jr	1301 Nunaka Ave	Anchorage, AK	99504
Donald Lintelman	PO Box 244	Delta Junction, AK	99737
Living Word Minitry	Mile 1379 AK Hwy	Delta Junction, AK	99737
Bob Lizardi	Boz 167	Delta Junction, AK	99737
R G Markaraf	SR 90612	Delta Junction, AK	99737
Donald G Marsh	SR A Box 1507H	Anchorage, AK	99501
Loyd Maggard	Box 1176	Delta Junction, AK	99737
James Marshall	1221 9th Ave	Fairbanks, AK	99701
Robert Massey	PO Box 3-3986	Anchorage, AK	99501
Doug McCullum	Box 313	Delta Junction, AK	99737
Harland Mead	Mile 77 Richardson Hwy	Fairbanks, AK	99701
Joseph Mead	Mile 307 Richardson Hwy	Fairbanks, AK	99701
Joe & Maxine Miller	SR Box 20210	Fairbanks, AK	99701
Ray Morgan	SR 81624	Fairbanks, AK	99701
Harry Morris	30 Mile Richardson Hwy	Fairbanks, AK	99701
Ron Mull	Box 205	Delta Junction, AK	99737
Paul Marchuk	Box 859	Delta Junction, AK	99737
Wm David Mays	Box 194	Delta Junction, AK	99737
Bruce McClain	Box 71	Delta Junction, AK	99737
Dave McCracken	Box 1155	Delta Junction, AK	99737
Roger McKinley	Box 971	Delta Junction, AK	99737
Ed Milam	Mile 1415 Ak Hwy	Delta Junction, AK	99737
W R Miller	Box 869	Delta Junction, AK	99737
Earl Mitchell	Mile 1395 Ak Hwy	Delta Junction, AK	99737
Hoyt P Moss	Box 182	Delta Junction, AK	99737
Dennis Murrel	Box 1055	Delta Junction, AK	99737
J W Musgrove	Box 652	Delta Junction, AK	99737
Ronald Nelson	PO Box 888	Fairbanks, AK	99701
Harold Nims	SR Box 31078	Fairbanks, AK	99701
C E Nottingham	SR 80946	Fairbanks, AK	99701
Sid Nelson	Box 553	Delta Junction, AK	99737
Joseph P Nistler	Box 627	Delta Junction, AK	99737
Paul Nistler	Box 952	Delta Junction, AK	99737
Michael Noonan	box 65	Delta Junction, AK	99737
Frank Norton		Delta Junction, AK	99737
Frank O'Donnell	SR 90570	Fairbanks, AK	99701
Richard O'Donnely	96 Trinidad	Fairbanks, AK	99701
Leo Oleson	SR 90508	Fairbanks, AK	99701
Manvil Olson	Box 296	Delta Junction, AK	99737

Connie Ott	Box 83	Delta Junction, AK	99737
Stanford Orcutt	Box 968	Delta Junction, AK	99737
Richard Pendry	SR 90542	Fairbanks, AK	99701
Gregory Pippin	10725 Bloomfield	N Hollywood, CA	91602
Richard Possenti	SR 10596	Fairbanks, AK	99701
Ralph Powell	SR 90374	Fairbanks, AK	99701
Dennis Price	SR 90644	Fairbanks, AK	99701
Keith Price	SR 90644	Fairbanks, AK	99701
Alfred Probert Jr	Box 533	Delta Junction, AK	99737
George L Probert	Box 378	Delta Junction, AK	99737
Richard Probert	Box 533	Delta Junction, AK	99737
Judy Pease & Mary Madore	Box 853	Delta Junction, AK	99737
Lloyd Pike		Delta Junction, AK	99737
Don Quarberg	Box 547	Delta Junction, AK	99737
Clayton Racca	Box 153	Glennallen, AK	99588
Richard Roberts	SR 90648	Fairbanks, AK	99701
Bruce Robertson	Box 1015	Fairbanks, AK	99701
John Roccasecca	54 Mile Richardson Hwy	Fairbanks, AK	99701
Al Remmington	Box 946	Delta Junction, AK	99737
Walter Roll	Box 160	Delta Junction, AK	99737
John Rubel	SR 90574	Fairbanks, AK	99701
John Rutt	3490 Holden Rd	Fairbanks, AK	99701
Jill Roden	Mile 1403 AK Hwy	Delta Junction, AK	99737
Gilbert Sandland	1116 Koyukuk	Fairbanks, AK	99701
Tim Sander	307-A Wedgewood Dr #3	Fairbanks, AK	99701
Henry Seibel	905 Selma Rd	Universal City, TX	78148
James T Sewell	SR 80922	Fairbanks, AK	99701
Elizabeth Smith	Mile 275 Richardson Hwy	Fairbanks, AK	99701
Jim Smith	Box 5242	North Pole, AK	99705
William J Smith	Box 382	Delta Junction, AK	99737
Lee Spears	Box 1111	Delta Junction, AK	99737
Dennis Stordahl	Mile 1378 AK Hwy	Delta Junction, AK	99737
Timothy Straub	Box 46	Anchorage, AK	99510
S & K Farms	Mile 1379 AK Hwy	Delta Junction, AK	99737
Robert Sales	Box 672	Delta Junction, AK	99737
George Sandhim	Box 6	Delta Junction, AK	99737
Kent Saylor	Box 288	Delta Junction, AK	99737
Neal & Patricia Schenk	Box 66	Delta Junction, AK	99737
Edgar Smith	Box 293	Delta Junction, AK	99737
John Sounby	Mile 1404 Ak Hwy	Delta Junction, AK	99737
Richard Souhrada	Box 98	Delta Junction, AK	99737
Ronald Sparks	Mile 1399 Alaska Hwy	Delta Junction, AK	99737
Veldon Speed	Box 662	Delta Junction, AK	99737
Steven Squires	Mile 1379 AK Hwy	Delta Junction, AK	99737
Orland Sturgis	Box 830	Delta Junction, AK	99737
Water Sturgis	Box 830	Delta Junction, AK	99737
Bruce Swaim	Box 1026	Delta Junction, AK	99737
Taggo, Inc	Box 506	Delta Junction, AK	99737
Steve Talovich	Box 654	Delta Junction, AK	99737
L V Tandeske	Box 865	Delta Junction, AK	99737
Tom Theisen	Box 212	Delta Junction, AK	99737

Benjamin Thomas	Mile 1395 AK Hwy	Delta Junction, AK	99737
David Uphus	Mile 1403.5 AK Hwy	Delta Junction, AK	99737
Craig Valentine	3828 Westminister Way	Anchorage, AK	99504
Robert Walker	Mile 78 Richardson Hwy	Fairbanks, AK	99701
Arthur Warbelo	PO Box 431	Tok, AK	99780
William J Warren	Box 1772	Fairbanks, AK	99701
Herman Walsky	Box 1350	Fairbanks, AK	99707
Larry Wegener	SR 90586	Fairbanks, AK	99701
Arlo Wells	1028 Gilmore St	Fairbanks, AK	99701
Leroy Wells	SR 50768	Fairbanks, AK	99701
Larry J White	Mile 274.5 Richardson Hwy	Fairbanks, AK	99701
Terry Wighs	SR 10601	Fairbanks, AK	99701
John Wilson	SR	Fairbanks, AK	99701
Joanne R Wolff	1045 University Ave	Delta Junction, AK	99737
Larwence Wade	Box 416	Delta Junction, AK	99737
Glenn Walker	Box 241	Delta Junction, AK	99737
Kelly Weidner	Box 334	Delta Junction, AK	99737
Bob Wener	Box 826	Delta Junction, AK	99737
Mrs E O Whitt		Delta Junction, AK	99737
Jerry Wilson	Box 1053	Delta Junction, AK	99737
Thomas E Wilson	Box 334	Delta Junction, AK	99737
C Michael Yates	Box 444	Delta Junction, AK	99737
Wilbur Zachgo	Box 909	Delta Junction, AK	99737

HOMER SOIL CONSERVATION SUBDISTRICT

Dennis Abrahamson	SR Box 979	Anchor Point, AK	99556
Elton Anderson	Box 441	Homer, AK	99603
Randell Anderson	Box 1222	Soldotna, AK	99669
Don Bailey	Box 79	Anchor Point, AK	99556
Lurtis Barber	Box 1416	Homer, AK	99603
Vasily Basargin	Box 2325	Homer, AK	99603
Joe & Lynn Bennett	Box 911	Homer, AK	99603
John Bittner	Box 730	Homer, AK	99603
Kenton Bloon	Box 1141	Homer, AK	99603
Floyd Blossom	Box 3	Ninilchik, AK	99639
Fred Boden	SR Box 923	Anchor Point, AK	99556
David Boyer	Box 107	Anchor Point, AK	99556
William Brody	Box 12	Ninilchik, AK	99639
Charles Burns	Box 1187	Homer, AK	99603
Craig Burns	Box 1187	Homer, AK	99603
James Calkins	Box 1108	Homer, AK	99603
Reuben Call	Box 521	Homer, AK	99603
Michael Campbell	Box 852	Homer, AK	99603
Spike Christopher	SR A Box 58	Homer, AK	99603
John Clabo	Box 12	Anchor Point, AK	99556
Michael Cline	SR A Box 29D	Homer, AK	99603
James Clymer	Box 996	Homer, AK	99603
Denny Converse	Sr A Box 49 BB	Homer, AK	99603
Louise Crane	1633 W 15th Ave #2	Anchorage, AK	99501
Mrs. Art Davidson	SR A Box 26A	Homer, AK	99603
Gregg Demers	Box 2612	Homer, AK	99603
Jack Epperson	Box 221	Homer, AK	99603
Dr M H Fritz	Box 158	Anchor Point, AK	99556
David Carcia	Box 1481	Homer, AK	99603
Steve Gibson	SR A Box 50D	Homer, AK	99603
Oma Gilbreth	Box 197	Anchor Point, AK	99556
Sheila Gilbreth	Box 197	Anchor Point, AK	99556
Robert Gillas	SR A Box 44	Homer, AK	99603
Ronald Grimshaw	SR A Box 40	Homer, AK	99603
M F Harper	3103 Dawson	Anchorage, AK	99501
City of Homer		Homer, AK	99603
Homer High School	SR A Box 50	Homer, AK	99603
Robert James	SR A	Homer, AK	99603
Kenny Jandt	Box 2234	Homer, AK	99603
Charles A Jay	Box 1101	Homer, AK	99603
Dan Jerrel	Box 938	Homer, AK	99603
M Walter Johnson	1521 G St	Anchorage, AK	99501
Cecil Jones	SR A Box 49A	Homer, AK	99603
Charles L Jones	SR Box 980	Anchor Point, AK	99556
Troy Jones	SR A Box 49 AA	Homer, AK	99603
W S Jones	SR A Box 49	Homer, AK	99603
Mickey Joyce	Box 1046	Homer, AK	99603
Edwin Otto Kilcher	Box 353	Homer, AK	99603
Yule Kilcher	Box 353	Homer, AK	99603
Neil Kinney	SR Box 900	Anchor Point, AK	99556
Robert Klein	SR A Box 29 C	Homer, AK	99603
Kathryn Leis	Box 923	Homer, AK	99603

Ed Liebenthal	SR Box 70	Anchor Point, AK	99556
John Lindeman	Box 85	Ninilchik	99639
Pat & Rhonda Marquis	SR Box 550	Anchor Point, AK	99556
Darol & Mildred Martin	Box 2652	Homer, AK	99603
Frank Matushex	Box 1765	Homer, AK	99603
C Neil McArthur	Box 764	Homer, AK	99603
King Middleton	SR A Box 36	Homer, AK	99603
Arthur Dee Miller	Box 762	Homer, AK	99603
Vern Mutch	Box 425	Homer, AK	99603
Deborah Noerr	Box 1871	Homer, AK	99603
Michael O'Meara	Box 1125	Homer, AK	99603
John S Bogel	2625 Griffith Pk Blvd	Los Angeles, CA	90039
Juanell Patton	Box 2256	Homer, AK	99603
David Petersen	Box 783	Homer, AK	99603
Al Poindexter	Box 32	Anchor Point, AK	99556
Gary Presley	SR 100	Anchor Point, AK	99556
Thomas E Price, Jr	SR A Box 375C	Anchorage, AK	99507
William Rabick	Box 21	Anchor Point, Ak	99556
Charles Rainwater	3032 W 42 Ave #8	Anchorage, AK	99503
David Rea	Box 1133	Homer, AK	99603
Leo & Deborah Renault	Box 287?	Kenai, AK	99611
Ronald J Records	Mile 145	Anchor Point, AK	99556
Bruce Rentmeester	Box 228	Anchor Point, AK	99556
George Ripley	SR A Box 31	Homer, AK	99603
Peter Roberts	Box 1134	Homer, AK	99603
Paul Roderick	Box 836	Homer, AK	99603
Harry J Schade	SR A Box 48-A	Homer, AK	99603
Lloyd Schade	SR A Box 48	Homer, AK	99603
Richard Schollenberg	Box 22	Anchor Point, AK	99556
Doug Schwiesow		Anchor Point, AK	99556
Tom Simmons	Box 61	Anchor Point, AK	99556
John A Stefun	Box 399	Homer, AK	99603
Lloyd & Jean Strutz	Box 1143	Homer, AK	99603
Randy & Jan Tavenner	SR A Box 41 A	Homer, AK	99603
Emmitt & Mary Trimble	Box 193	Anchor Point, AK	99556
UA Homer Research Ctr	SR A Box 34 D	Homer, AK	99603
James Van Oss	SR A	Homer, AK	99603
Glenn Veater	SR Box 128	Anchor Point, AK	99556
Dennis & Susan Wade	SR A Box 49 H	Homer, AK	99603
Thomas A Wallace	Box 1170	Homer, AK	99603
Bruce Willard	SR A Box 28	Homer, AK	99603
Jim Wilson	Box 224	Anchor Point, AK	99556
Edward J Wolfe	SR A Box 40	Homer, AK	99603
Pat Yourkowski	Box 2136	Homer, AK	99603

UPPER SUSITNA SOIL CONSERVATION SUBDISTRICT

Ron Aldrich	SR	Willow, AK	99688
Arden Anderson	Box 94	Willow, AK	99688
Roger Anderson	Box 352	Talkeetna, AK	99676
Ronald & Darlen Anderson	2807 E 46th Ave	Anchorage, AK	99507
Stephen Apgar	PO Box 192	Skagway, AK	99840
John Baker	Box 57	Talkeetna, AK	99676
Wm H Bleakley	2429 Ronny Place	Anchorage, AK	99504
Joe Bolin	SR 2 Box 20D	Dickinson, ND	58601
Leann Bollinger	1900 8th Ave N #12	Seattle, WA	98109
Wallace Brys	SR C Box 50	Willow, AK	99688
Joyce Calhoun	SR Box 30216	Fairbanks, AK	99701
Charles Champ	SR A Box 680	Anchorage, AK	99507
Charley Chaney	Box 363	Nenana, AK	99760
Don Coffey	SR D Box 9324	Palmer, AK	99645
Wallace Col_man			
Marvin D Cook	Box 9	Talkeetna, AK	99676
Donald DeMuth	PO Box 2959	Juneau, AK	99803
Chelcie Eager	2221 Muldoon Rd #275	Anchorage, AK	99504
Sheila Evans	Box 34	Hope, AK	99605
Claire Falkenhagen	SR A Box 1547A	Anchorage, AK	99507
Jack Fisher	8641 Leeper Circle	Anchorage, AK	99504
Clifford Fossman	PO Box 237	Haines, AK	99827
Clayton Fox	SR Box 72	Willow, AK	99688
Gordon Freeman	6901 Hyatt Dr	Anchorage, AK	99507
Carol Denison Frost	2141 Lord Baranoff Dr	Anchorage, AK	99503
Florence Gleason	PO Box 1897	Anchorage, AK	99510
David Grenier	SR A Box 4029	Anchorage, AK	99507
William Hamilton	SR C Box 41	Willow, AK	99688
Pete Hasson	SR	Willow, AK	99688
William Hatch	PO Box 6247	Anchorage, AK	99502
Ann Heck	SR C Box 81	Willow, AK	99688
Dr Michael Hein	2211 E Northern Lights	Anchorage, AK	99504
Trude Hightower	7441 Trenton Lane	Anchorage, AK	99502
Aaron Hendrix	SR Box 2032	Wasilla, AK	99687
Martin Hoskins	Box 127	Talkeetna, AK	99676
Robert Husted	Box 132	Talkeetna, AK	99676
Goerge Joseph	6463 Thurman Dr	Anchorage, AK	99502
Anthony Jurasek	SR Box 93	Willow, AK	99688
Alan Kingsbury	SR A Box 1697-H	Anchorage, AK	99507
Karen Kiss	SR Box 80877	Fairbanks, AK	99701
Laura Kolbeck	PO Box 425	Palmer, AK	99645
Paul Kurtti	3206 Spenard Rd	Anchorage, AK	99503
Steve Lankford	SR A Box 540	Willow, AK	99688
Kenny Lynn	General Delivery	Wasilla, AK	99687
Michael McCrary	3222 Cherry	Anchorage, AK	99504
Nayyar Malik	630 W 8th Ave	Anchorage, AK	99501
Kenneth March	Box 4-2675	Anchorage, AK	99509
Marvin Milan	PO Box 1478	Talkeetna, AK	99676
Sidney Mussenden	Box 2141	Bethel, AK	99559
Frances & Bill O'Meara	SR A Box 1696 D	Anchorage, AK	99507
Pete E Peyton	2120 Eagen	Fairbanks, AK	99701
Wm Petram	SR A Box 377	Willow, AK	99688

Lucjan Pokorny	Box 127 743 ACES	Campion, AK	98703
Hector Provost	PO Box 3502	Anchorage, AK	99502
Harry Psikas	SR	Willow, AK	99688
Herb Reim	Box 470	Willow, AK	99688
Kurt Rein	7524 Zurick St	Anchorage, AK	99504
Valerie Reinecke	3641 E 72nd Ave	Anchorage, AK	99507
Gerald Robson	SR Box 74	Willow, AK	99688
Keith Robson	SR Box 74	Willow, AK	99688
Allan Ruhter	Box 112	Trappers Creek, AK	99688
Glen Runyon	PO Box 2080	Wasilla, AK	99687
Dale Saunders	Box 88	Trappers Creek, AK	99688
E W Sawyer	Box 125	Chugiak, AK	99567
Nancy Schmidt	2521 Kahiltna	Eagle River AK	99577
Jim Shade		Talkeetna, AK	99676
Doris Smith	SR Box 5030	Wasilla, AK	99687
Gordon Smith	SR A Box 31Y	Anchorage, AK	99507
Ed Swanson	3014 Columbia	Anchorage, AK	99504
Phil Thompson	SR Box 37	Willow, AK	99688
Robert Urquhart	SR A 270	Anchorage, AK	99507
Patrick Varney	Box 187	Willow, AK	99688
Paul Wallin	Box 82	Trappers Creek, AK	99688
Bob Watkins	SR Box	Willow, AK	99688
Jesse Watts	Box 338	Talkeetna, AK	99676
Gerald N Wilkinson	PO Box 2013	Anchorage, AK	99501
Alfred Winn	4006 Lois Dr	Anchorage, AK	99503
Don Wolf	SR Box	Willow, AK	99688
Thomas Young	SR A Box 4218	Anchorage, AK	99502
Anchorage YMCA	5352 Lake Otis	Anchorage, AK	99503

KENAI KASILOF SOIL CONSERVATION SUBDISTRICT

Robert Barrett	Box 2	Sterling, AK	99672
Emil Bartolowitz	Box 13	Clam Gulch, AK	99568
Stewart Brandon	Box 8093 NBR	Kenai, AK	99611
Effie Bremond	Box 1478	Soldotna, AK	99669
Donald H Brown	Box 1896	Soldotna, AK	99669
Frank Charr	Box 81	Soldotna, AK	99669
John Cook	Box 1254	Soldotna, AK	99669
Tommy Corr	Box 153	Soldotna, AK	99669
Waldo E Coyle		Kenai, AK	99611
John Daniels	Box 5	Kasilof, AK	99610
Nelson Eshelman	SR 2 Box 286	Sterling, AK	99672
Gloria Ferguson	SR 1 Box 1556	Kenai, AK	99611
K L Fields	Box 18	Sterling, AK	99672
Gary Foster	Box 395	Soldotna, AK	99669
William E Gibbs	Box 554	Soldotna, AK	99669
Eugene Hansen	Box 353	Soldotna, AK	99669
Joseph Hardy	Box 3115	Kenai, AK	99611
Dean Herring	Rt 1 Box 1243	Soldotna, AK	99669
Mr & Mrs Walter Johnson	Box 607	Soldotna, AK	99669
Lela Jones	Box 4285	Soldotna, AK	99669
City of Kenai		Kenai, AK	99611
Kenai Native Assoc	Box 120	Kenai, AK	99611
W F & Bonnie Kennedy	Box 776	Soldotna, AK	99669
Paula Keohane	R S Box 752D	Soldotna, AK	99669
Edmund knutsen	Box 1525	Soldotna, AK	99669
Frank Kraxberger	Rt 2	Soldotna, AK	99669
Wilho W Kuoppala	Rt 1 Box 410	Kenai, AK	99611
Jim Kurka	Box 363	Kenai, AK	99611
L H Lancashire	Box 3786	Soldotna, AK	99669
Carrol Martin	Box 1776	Soldotna, AK	99669
Mary Martin	Box 8003 NRB	Kenai, AK	99611
LLoyd McConnell, Jr	Box 1251	Soldotna, AK	99669
Patrick McElroy	Rt 2 Box 705	Kasilof, AK	99610
Frank Montgomery	Box 25	Sterling, AK	99672
Peninsula Oilers Inc	Box 1031	Kenai, AK	99611
Jesse W Robinson	Box 534	Soldotna, AK	99669
City of Soldotna		Soldotna, AK	99669
Solid Rock Ministries	Box 489	Soldotna, AK	99669
Gerry Tullos	Box 1314	Soldotna, AK	99669
LaVerne Wahl	Box 88	Soldotna, AK	99669
William N White	Box 946	Soldotna, AK	99669
Walter Wilcox		Soldotna, AK	99669
Stephen P Williams	Mile 12.5 Funny River Rd	Soldotna, AK	99669
Donald L Woodard	Box 821	Soldotna, AK	99669
Alex & Meg Zerbinos	Box 2488	Soldotna, AK	99669

PALMER SOIL CONSERVATION SUBDISTRICT

Adult Conservation Camp	PO Box 919	Palmer, AK	99645
Anchorage Intl Airport		Anchorage, AK	
Byron Anderson	Box 742	Palmer, AK	99645
Elroy Ashmore	SR A Box 6400	Palmer, AK	99645
Al Bannon	Box 652	Delta Junction, AK	99737
Roy Beaver	Box 2978	Palmer, AK	99645
Tovio Bentii	Box 705	Palmer, AK	99645
Art Bergland	SR A Box 6275	Palmer, AK	99645
John Boga		Palmer, AK	99645
Wayne Bouwens	Box 1274	Palmer, AK	99645
Bob Boyd	Box 625	Palmer, AK	99645
Jack Boyd	SR Box 3170	Wasilla, AK	99687
Don Breeden	SR A Box 6155	Palmer, AK	99645
Gary Brooks	SR B Box 7516	Palmer, AK	99645
Walter Callison	Box 2	Sutton, AK	99674
A R Carson	SR Box 5033	Wasilla, AK	99687
Church of LDS	Box 966	Palmer, AK	99645
Cecil Clark	SR A Box 425	Anchorage, AK	99502
Robert Clarke	SR Box 3155	Wasilla, AK	99687
James Colberg	Box 336	Palmer, AK	99645
Helmuth Cottini	SR A Box 6755	Palmer, AK	99645
George Crowther	Box C	Palmer, AK	99645
Ivan Decker	SR Box 97	Chugiak, AK	99577
DOT/PF	Box 6900	Anchorage, AK	99502
Ray DePriest	SR D Box 9735	Palmer, AK	99645
Mrs. Ralph Devilbiss	SR D Box 9302	Palmer, AK	99645
Ray Devilbiss	SR D Box 9190	Palmer, AK	99645
Richard Diedrich	Box 34	Sutton, AK	99674
Bernard Eberhart	Box 682	Palmer, AK	99645
Elks Club		Palmer, AK	99645
Estelle & Sons	Box 672	Palmer, AK	99645
FCC	PO Box 6303	Anchorage, AK	99502
Vernon France	Box 522	Palmer, AK	99645
Robert Frisby	SR C Box 9590	Palmer, AK	99645
Mike Gencarelle	PO Box 2321	Palmer, AK	99645
Myrtle Gislason	SR Box 2321	Wasilla, AK	99687
Ann Goodman	Box 2883	Palmer, AK	99645
Duane Goodrich	Box 821	Palmer, AK	99645
Fred Goodwin	Box 1265	Palmer, AK	99645
Les Green	SR Box 3178	Wasilla, AK	99687
Wes Grover	Box 854	Palmer, AK	99645
Dennis L Hammon	PO Box 913	Palmer, AK	99645
Hamilton Farms, Inc	SR D Box 9999	Palmer, AK	99645
Myrtle Harrington	Box 175	Palmer, AK	99645
Roy Hartman	SR D Box 9293	Palmer, AK	99645
Bob Havemeister	SR A Box 6505	Palmer, AK	99645
Bill Hecker	Box 228	Palmer, AK	99645
Dr Michael Hein	2211 E Norther Lights	Anchorage, AK	99504
John Hett	SR D Box 9302	Palmer, AK	99645
Wendell Hill	SR B Box 7420	Palmer, AK	99645
Jack Hooten	SR A Box 6003	Palmer, AK	99645
John Hornung	SR A Box 6228	Palmer, AK	99645

Bill Hoskins	PO Box 488	Palmer, AK	99645
Martin Hoskins	Box 127	Talkeetna, AK	99676
Monty Hotchkiss	PO Box	Palmer, AK	99645
Paul Huppert	PO Box 858	Palmer, AK	99645
Linard Jaunzenis	Rt 4 Box 429	Quakertown, PA	18951
Gene Jenn	SR A Box 6191	Palmer, AK	99645
Leo Kammermeyer	PO Box 636	Palmer, AK	99645
Louise Kellogg	Box 779	Palmer, AK	99645
Ed Kern	PO Box 416	Palmer, AK	99645
Jalmar Kerttula	Box Z	Palmer, AK	99645
John King	SR B Box 7460	Palmer, AK	99645
Lester Klatt	SR A Box 171	Anchorage, AK	99502
Tom Lanners	PO Box 312	Sutton, AK	99674
Stella Larson	PO Box 5	Sutton, AK	99674
Wendell Lewis	Box 608	Palmer, AK	99645
Wm Long	PO Box 1831	Palmer, AK	99645
Ken Loyer	Box 813	Palmer, AK	99645
Leo Lucas	Box 855	Palmer, AK	99645
Allen K Mansfield	SR D Box 9625	Palmer, AK	99645
Len Melton	Box 891	Palmer, AK	99645
Robert Mielke	SR A Box 6020	Palmer, AK	99645
Robert Milby	Box 3114	Palmer, AK	99645
Earl Mitchell	4301 Thorne Pl	Anchorage, AK	99504
Leonard Moffitt	Box 748	Palmer, AK	99645
Pat Mulligan	PO Box 2029	Palmer, AK	99645
John Nash	SR D Box 9220	Palmer, AK	99645
Clyde Oberg	SR A Box 6933	Palmer, AK	99645
Mick Pettit	SR D Box 9196	Palmer, AK	99645
Plant Materials Center	SR B Box 7440	Palmer, AK	99645
Ray Rebarchek	Box 464	Palmer, AK	99645
Dick Rempel	SR B Box 7344	Palmer, AK	99645
Peter Risse	Box 24	Sutton, AK	99674
Donald Robertson	PO Box 1308	Palmer, AK	99645
Kent Sandvik	SR B Box 7472	Palmer, AK	99645
John Seemann	SR D Box 9196	Palmer, AK	99645
Roland Snodgrass	Box 824	Palmer, AK	99645
Ray Stock	SR C Box 8347	Palmer, AK	99645
Ben VanderWeele	Box 461	Palmer, AK	99645
Jim Vickaryous	125 Tupelo Rd	Naples, Florida	33940
Don Wallace	PO Box 544	Palmer, AK	99645
Terry Weiland	SR B Box 7463	Palmer, AK	99645
Wilderness Farms	SR D Box 9300	Palmer, AK	99645
Doug Witte	Box 1142	Palmer, AK	99645
Noel Woods	Box 827	Palmer, AK	99645
James Yeargan	PO Box 342	Eagle River, AK	99577
Phil Wessel Jr	PO Box 1486	Palmer, AK	99645

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Attachment A

AN EXAMINATION OF A DEVELOPMENT RIGHTS PURCHASE PROGRAM FOR ALASKA AGRICULTURAL LANDS

William G. Workman
Edward L. Arobio
Anthony F. Gasbarro

Agricultural Experiment Station
University of Alaska
Fairbanks, Alaska

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Susitna area and the Tanana Valley accounted for 50 and 29 percent of this acreage, respectively. The Kenai Peninsula averaged 11 percent of the annual total. Cropland utilization statistics are shown in Table 7.

Agricultural Lands for Future Development

Agricultural lands that are currently being converted to non-agricultural uses are not the only lands available for future development. While these lands are close to the State's major population centers and are felt by some to be the most valuable for agriculture, they are being converted because the market has placed a higher value on them for other uses. It may well be that other lands suitable for agriculture further out from existing agricultural areas will replace the lands being converted. The purpose of this section is to provide a brief overview of the supply of potential agricultural lands, particularly those adjacent to existing agricultural areas.

The Soil Conservation Service (Alaska Rural Development Council, 1974, p. 130) has identified approximately 15.2 million acres of potential agricultural land throughout the State. Because many of these lands are away from population centers and are without surface transportation access, there is little chance of their developing before the turn of the century. There are, however, some lands in the Tanana Valley and the Matanuska-Susitna-Kenai area that are closer to population centers and accessible by surface transportation.

The Alaska Department of Natural Resources (1976) has conducted an analysis of the agricultural lands identified by the Soil Conservation

TABLE 7

AVERAGE CROPLAND UTILIZATION, 1971-1976.

Crops	REGION				
	Tanana Valley	Matanuska-Susitna Valleys	Kenai Peninsula	Southwest	State Total
Commercial Vegetables	197	551	19	--	767
Feed Crops	3,655	3,578	568	--	7,801
Harvested Grassland	1,815	7,163	1,580	142	10,700
Total	5,667	11,292	2,167	142	19,268
Percent	29.4	58.6	11.3	.7	100

SOURCE: Alaska Crop and Livestock Reporting Service, Alaska Agricultural Statistics (Palmer: Alaska Crop and Livestock Reporting Service, 1978), p. 17.

Service and rated these lands by certain criteria[3] in order to arrive at a priority ranking of agricultural lands in the State for state selection. The results of this analysis are presented in Table 8.

It is not surprising that the high priority potential agricultural lands are in the State's most important existing agricultural areas since these areas already have a sizable population and existing transportation facilities. What is significant is the large amount of potential agricultural acreage in these areas. If one considers all agricultural lands in the three most important agricultural areas, regardless of priority, there are nearly six million acres available, 32 percent of all agricultural lands in the State. If all priority categories but the top six are eliminated, the six million acres is reduced to 3.8 million, still a healthy amount of land. The top six priority rankings include lands that are relatively unconstrained by access and demands for other uses and could come into production in a reasonable amount of time. Even if the 3.8 million acres are reduced by 1.5 million to account for existing agricultural and nonagricultural uses, the 2.3 million acres could provide substantial agricultural development.[4]

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[3] These criteria include: (1) present and future access possibilities; (2) productive capability; (3) need for conservation practices; (4) local needs for agricultural products; (5) demand for other uses of agricultural lands; (6) variety of crops that could be grown; (7) timing of agricultural development, and (8) local socioeconomic impact.

[4] Although this discussion shows that large quantities of potential land are available, at this time its not certain how much, if any, of these lands eventually will come into production since they could be classified by the State for other uses.

TABLE 8

RANKING OF AGRICULTURAL LANDS BY STATE OF ALASKA[a]
(Thousands of Acres)

Priority	Tanana Valley	Matanuska-Susitna Anchorage	Kenai	Total	% of Priority Rank	Other Areas	% of Priority Rank
1	182.4	206.0	-0-	388.4	100	-0-	-0-
2	288.0	230.4	-0-	518.4	100	-0-	-0-
3	345.6	230.4	-0-	576	100	-0-	-0-
4	537.4	175.0	475.2	1,187.6	85	201.6	15
5	-0-	216.4	239.2	455.6	100	-0-	-0-
6	447.0	192.0	-0-	639.0	89	76.8	11
7	374.4	-0-	-0-	374.4	16	1,895.0	84
8	259.2	134.0	73.0	466.2	67	227.2	33
9	367.2	258.6	-0-	625.8	39	979.2	61
10	-0-	-0-	-0-	-0-	-0-	334.3	100
11	81.0	-0-	-0-	81.0	13	610.4	87
12	231.4	-0-	-0-	231.4	18	1,078.0	82
13	-0-	-0-	-0-	-0-	-0-	311.4	100
14	-0-	-0-	-0-	-0-	-0-	1,295.6	100
15	195.8	-0-	-0-	195.8	12	1,491.5	88
16	192.0	46.0	-0-	238.0	21	897.6	79
17-23	-0-	-0-	-0-	-0-	-0-	3,421.8	100
Totals	3,501.4	1,688.8	787.4	5,977.2	32	12,820.2	68

[a] These figures include all lands with agricultural potential regardless of current use.

SOURCE: Alaska Department of Natural Resources, "Priority Values of Agricultural Land for State Selection" (mimeograph), Anchorage: Alaska Department of Natural Resources, 1978.

Not all of the potential agricultural lands are in State ownership. In an effort to gain an idea of the amount of identified agricultural lands held by the State, we examined land status data[5] for the Tanana Valley and the Matanuska-Susitna Basin. The result of this analysis is shown in Table 9. In the Tanana Valley, the State will eventually receive title to 1.6 million acres (48 percent) of the agricultural land. In the Matanuska-Susitna Basin, 91 percent of the potential agricultural land will be in state ownership. No attempt was made to estimate the percentage of state control by priority rankings, but the very high percentage of state agricultural lands in the Matanuska-Susitna region assures that most of the high priority land there will be in state ownership.

Future Agricultural Development in Alaska

In order to get some idea of the future agricultural land demand in Alaska, this section will review a recent study made by the University of Alaska (Thomas, 1976) involving projections for agriculture to the year 2000. Assuming: (1) a state population of 820,000; (2) that Alaska would still produce only part of its total consumption; and (3) that Alaska's consumption patterns will be the same as those in the other 49 states, the study predicted the quantity of different types of commodities that would be produced in Alaska and the amount of land that would be needed in the different regions. This information is presented in Tables 10 and 11. At the time of this study, plans had not yet been

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[5] Computer printouts of land status made available by the Alaska Department of Natural Resources, Anchorage, Alaska.

TABLE 9

LAND STATUS OF AGRICULTURAL LANDS

Area	Agricultural Area[a]	STATUS[b] State Lands	Native Lands	Federal Land
	----------Thousands of Acres----------			
Tanana Valley	3,433	1,639 (48%)	293	1,500
Matanuska-Susitna	1,001	912 (91%)	075	014
Total	4,433	2,551 (58%)	368	1,514

[a] Figures are less than those shown in Table 8 because private and municipal agricultural lands are not included.

[b] Anticipated status after state selections and settlement of the Native Claims Settlement Act.

APPLICABILITY OF A DEVELOPMENT RIGHTS PROGRAM IN ALASKA

Introduction

The objective of this section is to discuss how a development rights program could be applied in Alaska and what its costs and benefits might be. Before entering into this discussion we will first review the results of a development rights survey and comment on the most efficient size of agricultural operations which might be considered when carrying out a development rights program.

Development Rights Survey in Alaska

During August 1978 a questionnaire was mailed to 263 agricultural landowners[12] in the five major agricultural regions in the State. The objective of the questionnaire was to determine the interest that farmland owners had in selling development rights to their land and how much these rights were worth to them. A sample questionnaire is provided in Appendix B.

Response

Of the 263 questionnaires mailed, 18 were returned as undeliverable, leaving 245 that actually reached their destination. A total of 112 (45%) of the delivered questionnaires were returned (See Table 12). The response rate differed by region with the Kenai-Kodiak and Copper River

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[12] The list of agricultural landowners was supplied by the Agricultural Experiment Station in Palmer, Alaska.

TABLE 12

QUESTIONNAIRE RESPONSE BY REGION

Region	Questionnaires Delivered	Questionnaires Returned	Percent
Fairbanks	52	24	46
Delta	34	10	29
Copper River	15	10	67
Matanuska-Susitna	106	41	39
Kenai-Kodiak	38	27	71
TOTALS	245	112	46

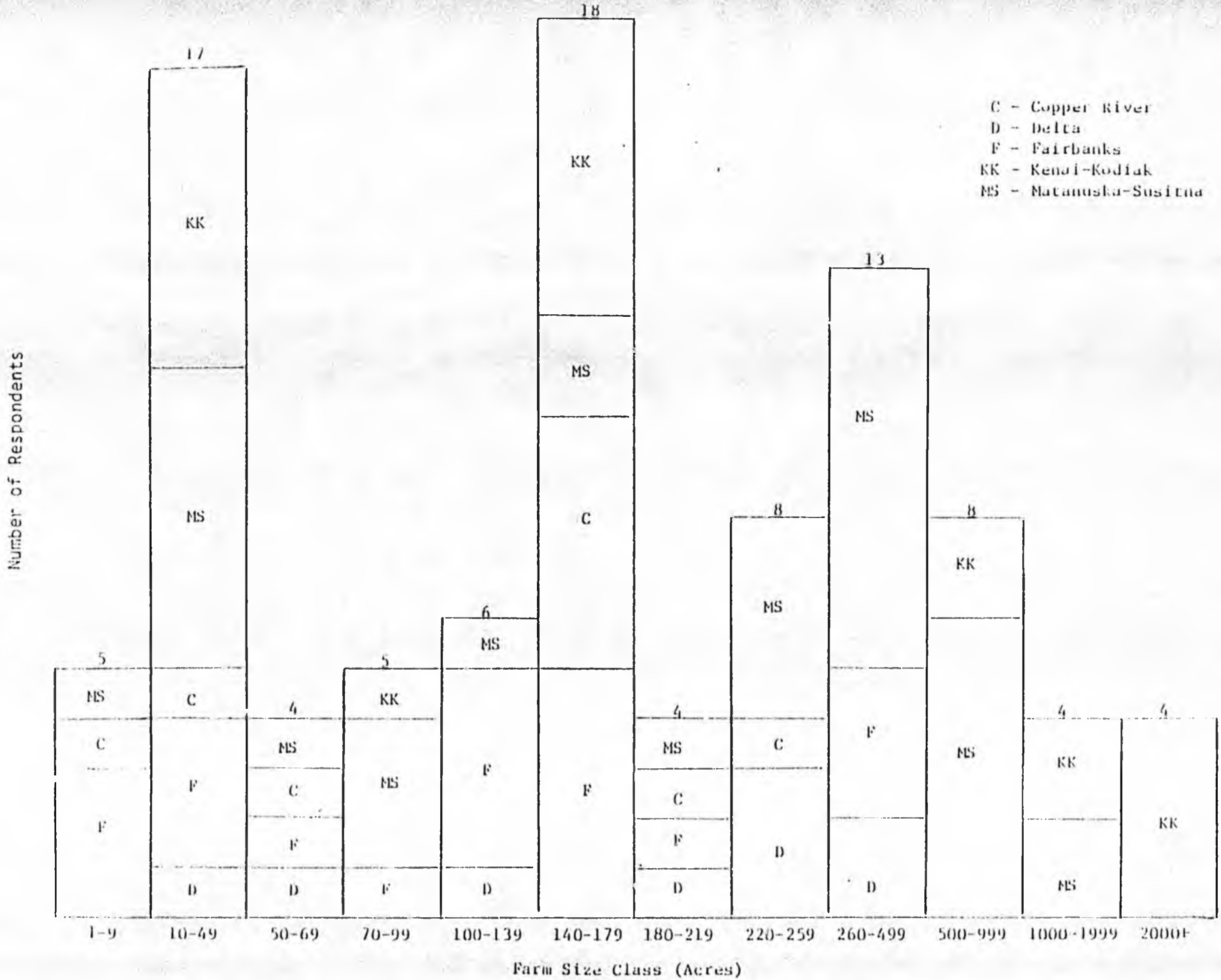
regions having the highest with 71 percent and 67 percent return rates, respectively. The Delta region had the lowest return rate with only 29 percent of the questionnaires returned. The Fairbanks and Matanuska regions, which contain the majority of agricultural operations in the state, had return rates of 46 percent and 39 percent, respectively. Although the overall response rate of 46 percent is quite satisfactory for a mailout questionnaire, the data suggest that we may not have obtained an adequate sample response to some questions to have high confidence in our analysis.

Farm Size of Respondents

There was a wide range of farm sizes reported by the respondents (Figure 2). One-half of the 96 respondents who gave farm size statistics reported one of three farm size classes: 10-49 acres, 140-179 acres, or 260-499 acres. The remaining 48 respondents were distributed relatively uniformly among the other classes. The acreage figures given by the respondents included land leased or rented from other private landowners or the government in addition to their own land.

The farm size pattern differs somewhat by region. All of the respondents who indicated a farm size above 500 acres were in the Matanuska-Susitna or Kenai-Kodiak regions. Large acreages of grazing land are leased from the government on Kodiak Island. Most of the respondents from the Fairbanks and Copper River areas reported farm sizes below 180 acres. A high proportion of the respondents from the Kenai Peninsula reported farm sizes of between 10 and 49 acres and

FIGURE 2. RESPONDENTS IN EACH FARM SIZE CLASS BY REGION



140-179 acres. Matanuska-Susitna respondents reported farm sizes in every farm size class; however, over 50 percent of the reported farms were between 220 and 999 acres.

Interest in Selling Development Rights

Questionnaire recipients were asked to indicate the degree of interest they had in selling the development rights to their cleared and uncleared land. A brief explanation of the development rights concept was given in the cover letter to the questionnaire (Appendix B). Respondents were asked to indicate whether they were highly, moderately, slightly, or not interested in selling development rights. Approximately 94 percent, 106 of the 112 respondents, answered this question. Practically all respondents rated cleared and uncleared land similarly. The distribution of these expressions of interest can be seen in Figure 3.

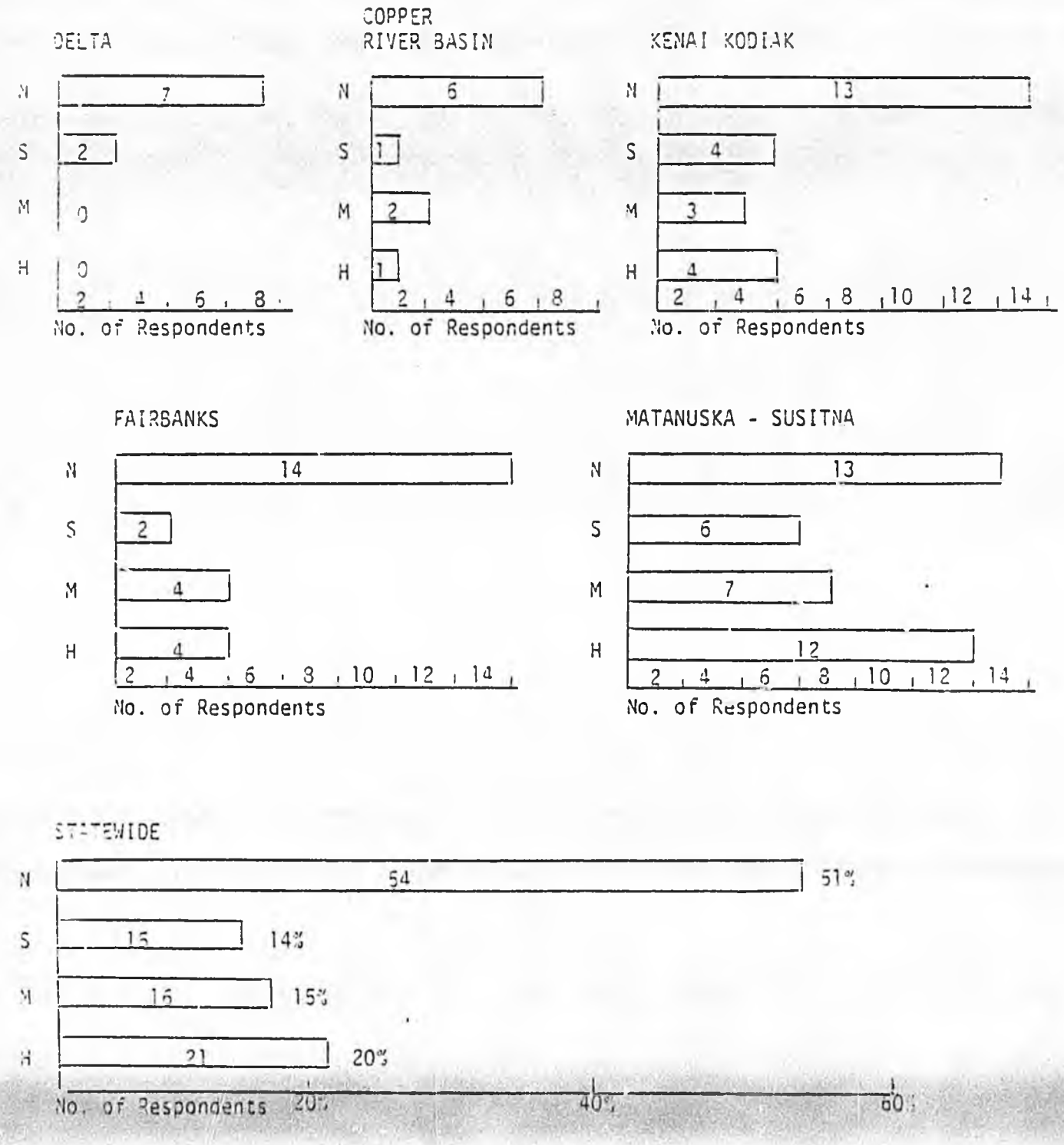
Most of the respondents in all regions except the Matanuska-Susitna area expressed little or no interest in selling development rights. Those respondents living in the Matanuska-Susitna region were evenly divided on the question. Half indicated little or no interest and half expressed moderate to high interest. On a statewide basis, 65 percent expressed little or no interest and 35 percent indicated moderate to high interest. Over half of all those moderately or highly interested in selling development rights were from the Matanuska-Susitna region.

Market Values of Cleared and Uncleared Agricultural Lands

Sixty-nine of the 112 respondents indicated what they perceived as the market value of their cleared land and 62 answered the same

FIGURE 3.

DEGREE OF INTEREST* IN SELLING DEVELOPMENT RIGHTS TO AGRICULTURAL LAND



*N - No Interest
S - Slight Interest
M - Moderate Interest
H - High Interest

question about uncleared land. The distributions of these values are shown in Figure 4.

On a statewide basis, most of the respondents perceived the market values of both uncleared and cleared land to be less than $5,000 per acre. Uncleared land was valued at less than $5,000/acre by 77 percent of the respondents and less than $3,000/acre by 65 percent of the respondents. The percentages were similar for cleared land with 77 percent valuing their land at less than $5,000/acre while 56 percent indicated a value of less than $3,000/acre.

Average market values for cleared and uncleared land as perceived by the respondents were calculated for each region. These data are summarized in Table 13. Average values for cleared land ranged from $1,500/ acre in Delta to $3,900/acre in the Fairbanks region. Three of the regions (Fairbanks, Matanuska-Susitna, Kenai-Kodiak) represented by nearly 80 percent of the respondents differed by only $200/acre in the perceived average value of cleared land with values ranging between $3,700 and $3,900 per acre. The weighted average cleared land value for the five regions was $3,300/acre.

Uncleared land values averaged slightly lower than cleared land values ranging from $900/acre in the Copper River region to $3,600/acre in the Matanuska-Susitna region. As with cleared land, the same three regions representing nearly 80 percent of the respondents showed a relatively narrow range of perceived land values. Average land values for uncleared land in these regions ranged between $2,900 and $3,600 per acre. The weighted average for all regions was $2,800/acre.

FIGURE 4.

Perceived Market Values of Cleared and Uncleared Lands

(Dollars per Acre)

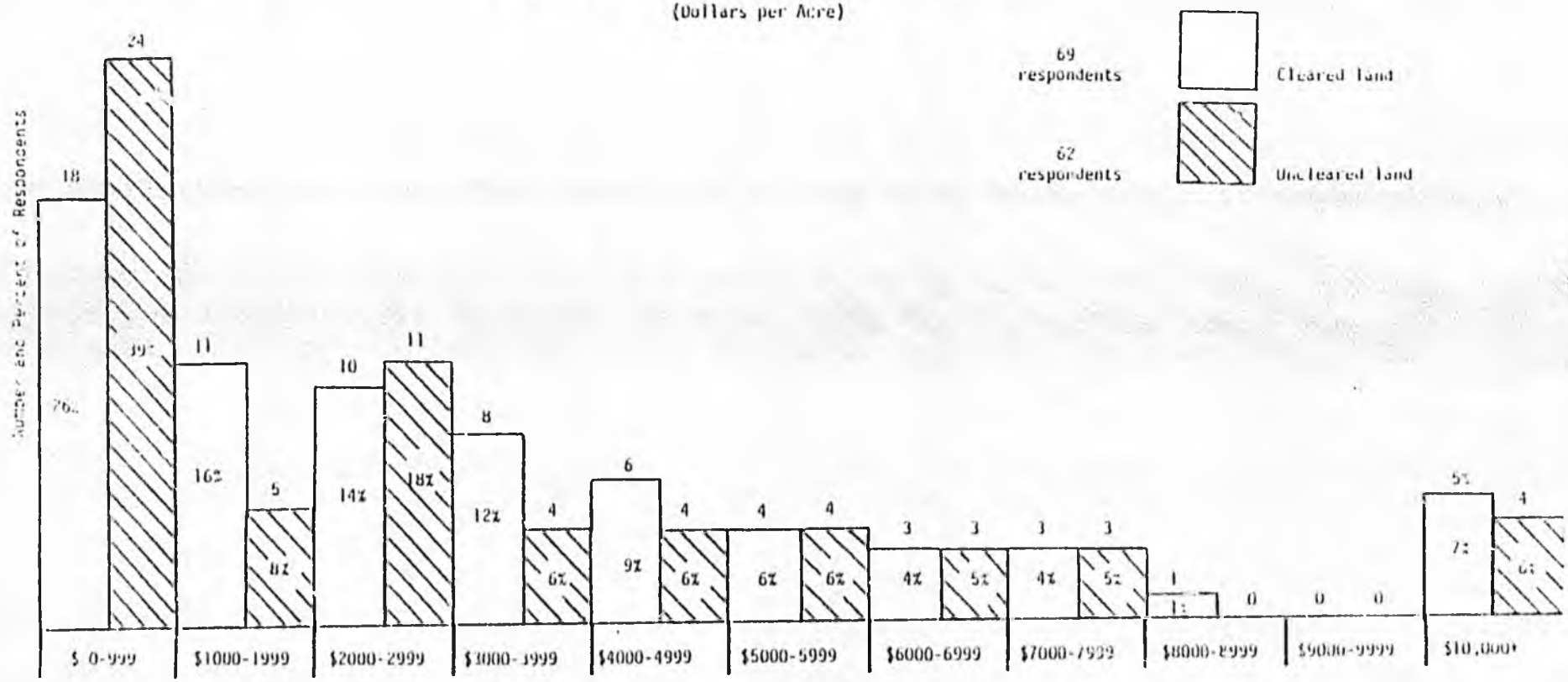


TABLE 13

AVERAGE PERCEIVED LAND VALUES BY REGION
(Dollars per Acre)

Region	Cleared Land Value	Number of Respondents	Uncleared Land Value	Number of Respondents
Fairbanks	$3,900	13	$2,900	11
Delta	1,500	9	1,300	8
Copper River	1,900	6	900	6
Matanuska-Susitna	3,800	28	3,600	24
Kenai-Kodiak	3,700	13	3,100	13
TOTALS		69		62
Weighted Average	$3,300		$2,800	

The difference between cleared and uncleared land average values per acre was smallest in the Matanuska-Susitna region ($3,800 vs. $3,600) and greatest in the Fairbanks region ($3,900 vs. $2,900).

Value of Development Rights

A value for development rights was reported by 39 of the 112 respondents (35%). Thirty-four of these responses were from the Fairbanks, Matanuska-Susitna, and Kenai-Kodiak areas. Nearly 70 percent of the respondents valued their development rights at less than $4,000/acre. The distribution of development rights values can be seen in Figure 5.

Average development rights values as perceived by the respondents were calculated for the Fairbanks, Matanuska-Susitna and Kenai-Kodiak regions. These values are shown in Table 14. Average values were not calculated for the Copper River and the Delta regions because so few of the respondents in these areas responded to this part of the questionnaire. Average development rights values in the three areas mentioned ranged between $3,100/acre and $3,600/acre. Values were highest in the Matanuska-Susitna region. The development value data lacks reliablity because of the small sample. In addition, comments and figures from some of the questionnaires indicated that some of the respondents apparently did not understand how to evaluate the value of development rights to their farmland.

Average development rights values were also calculated by degree of interest, again using the data from the Fairbanks, Matanuska-Susitna and Kenai-Kodiak regions. Calculations showed that those with a moderate or high interest in a development rights program on the average

FIGURE 5.

Value of Development Rights

(Dollars per Acre)

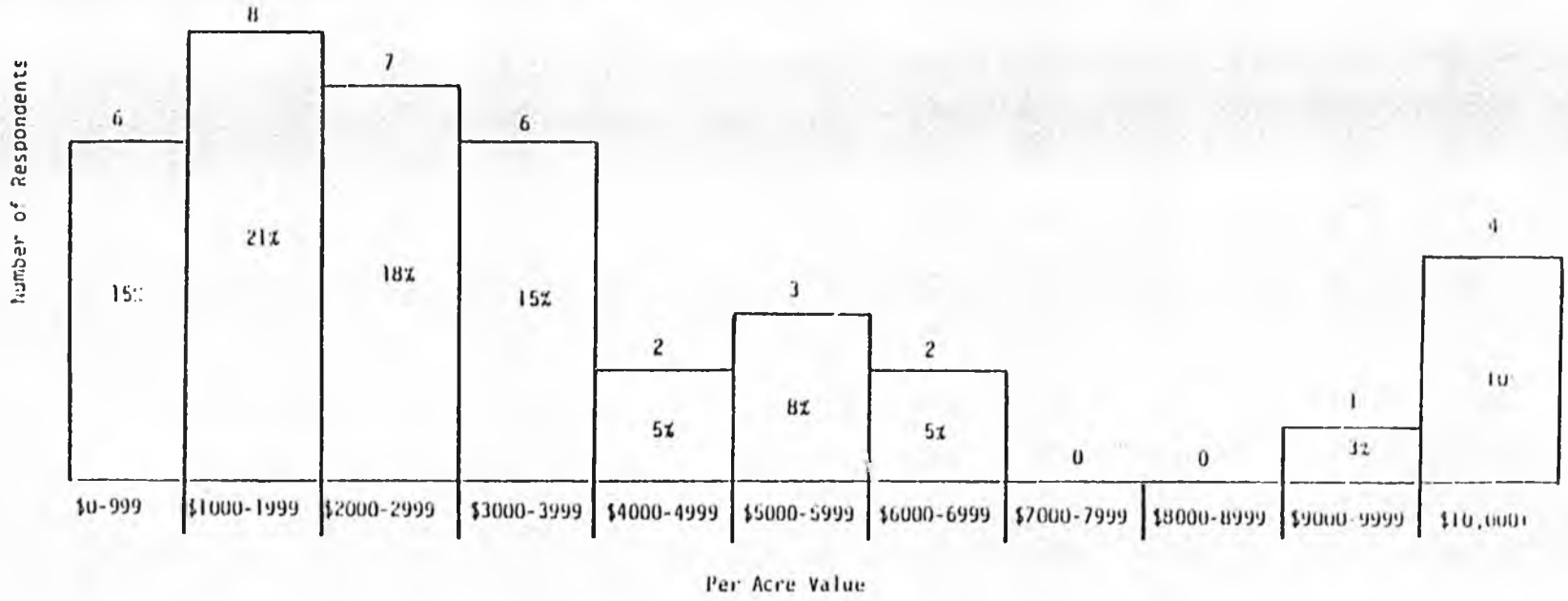


TABLE 14

AVERAGE DEVELOPMENT RIGHTS VALUES
(Dollars per Acre)

Region	Value	No. of Respondents
Fairbanks	$3,200	5
Matanuska-Susitna	3,600	21
Kenai-Kodiak	3,100	8
TOTAL		34
Weighted Average	$3,400	

valued these rights at $2,145/acre. Those not interested in the program put a much higher value on these rights, $4,662/acre. Respondents in the moderate to high interest categories accounted for 63 percent of the total acreage represented in the survey responses.

Distance from a Population Center, Interest in Selling Development Rights, and Perceived Value of Development Rights

Additional analysis of the survey data was undertaken to determine whether or not a landowner's interest in a development rights purchase program and/or his perceived value of these rights were related to the distance between his farm and the nearest population center. Table 15 presents a summary, in percentage terms, of the data relating to the interest/distance question. One can observe that the distributions of responses are similar between the moderate or high and low or no interest categories and are, therefore, similar to the pattern shown for all responses.[13] This close relationship suggests that farmers' interest in selling development rights is not significantly influenced by the location of his farm relative to a population center. When data for just those farm owners living near Palmer and Wasilla were broken out and analyzed in the same way the identical conclusion was drawn.

We also addressed the issue of whether a landowner's perception of the value of the development rights to his property was influenced by the location of the farm relative to a population center.

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[13] Using the chi square test for independence with the data on which Table 15 is based, we were not able to reject the hypothesis of independence of interest and distance at any reasonable level of significance. One must recognize, however, that these data were not obtained through random sampling. Thus, our conclusions must be viewed with caution.

TABLE 15

FARM DISTANCE FROM NEAREST COMMUNITY
RELATED TO DEGREE OF INTEREST[a]

	Distance Categories				
	0-5	6-10	11-15	16-20	21+
Percent of Farmers Reporting	41	24	16	7	12
Percent of Farmers with Moderate or High Interest	39	29	12	5	15
Percent of Farmers with Little or No Interest	43	21	19	9	9

[a] Based on 111 farmers reporting.

The expectation here was that the closer the farm was to a town or city, the more attractive would be that land for development purposes and that this relative attractiveness would be reflected in the perceived value of the development rights. Unfortunately the quality of the data obtained through the survey did not allow a rigorous test of this proposition on either a local or statewide basis. The data in Table 16 is presented to show the nature of the relationship or lack thereof between distance and development rights value as perceived by farmers near Palmer. No clear pattern emerges but, again, this conclusion must be qualified by recognizing that the data are not taken from a random sample. The fact that the expected relationship did not occur may perhaps also be explained by the existence of unrealistic expectations on the part of some land owners regarding the development value of their property. This should not be taken to mean, however, that these perceived values represent the mimimum payments that these land owners might be willing to accept to forego their development options.

Economic Size Agricultural Operations

A key factor in the attempts to maintain and/or expand agricultural production in the State is the development of economic size agricultural operations. Thomas (1976, p. 15) noted that one of the major problems with agriculture in the Matanuska Valley was the small size of individual farms. The Alaska Power Administration (1970, pp. 46-53) has determined the most economically efficient sizes for dairy, small grain and potato operations. Each of these enterprises is discussed below.

TABLE 16

RELATIONSHIP BETWEEN DEVELOPMENT RIGHTS VALUE AND DISTANCE FROM PALMER

Distance (Miles)	Stated Values
0-1	$10,000
	7,700
1	3,000
2	10,000
	3,500
	1,500
3	3,500
	1,000
	5,500
4	2,000
5	600
6	-
7	3,000
8	500
9	-
10	850
11	1,000

Dairy operations in the Matanuska Valley would have to approach 60 cows to be considered an economic unit. Such a unit would require 280 acres to grow the necessary feed. A 60 cow dairy is estimated to be a minimum economic size and is probably just above being marginal. A more realistic size would be a 120 cow enterprise based on 560 acres. A budget analysis of this larger enterprise showed a return on investment of 8.8 percent after allowing for the operator's salary and the value of perquisites.

There is some concern that if the number of dairy cows in the Matanuska Valley declines further, the creamery that processes the milk will go out of business. We were unable to verify this. Husby (1978) has indicated that approximately 750 cows are needed to support a creamery, thus, baring other problems, the present milk cow herd of 1,500 animals would have to decline by almost one-half for the creamery to discontinue operation, assuming that Alaska dairy enterprises are the only source of supply. The present creamery, however, is importing milk for processing from Washington State. If the Alaskan supply of milk declines it may be possible to import a greater proportion of non-Alaskan milk to maintain operations.

The 1970 study by the Alaska Power Administration determined that for small grain farms the minimum economic unit was 320 acres. Thomas, et al. (1977) in evaluating potential barley production in the Delta-Clearwater, consider this to be too small under current agricultural conditions and suggest that 3,000 acres would be the minimum economic unit for a grain farm.

A potato farm of about 40 acres was identified as the minimum sized unit that could support a farmer and his family. Potato farms require less investment than either grain or dairy farms. Labor requirements are more than for grain farms but less than for dairy farms.

The Alaska Power Administration Study did not consider vegetable farms other than potatoes. Interviews with vegetable farmers in the Matanuska Valley indicated that a minimum economic unit would be about 15 acres.

Potential Costs of a Purchase of Development Rights Program

An important consideration in examining the applicability of a purchase of development rights program for Alaska is the potential costs of such a program. These costs would vary widely depending on the scope of the program. Estimated purchase costs (the value of development rights) for several alternative purchase programs are provided in this section. Estimated development rights values are derived from two sources: the survey of Alaskan farmers that was described earlier and, for the Matanuska-Susitna Valleys, from Alaska's program of use-value assessment of agricultural land.

Estimates of purchase costs for three alternative acquisition programs are provided in Table 17. These estimates are for (1) the cost of purchasing development rights to all acres in Alaska planted to crops in 1977, (2) the cost of purchases by specific region in the state and (3) the cost of purchases in the Matanuska-Susitna Valleys by level of interest among farmers. Following a short discussion of these esti-

TABLE 17

ESTIMATED PURCHASE COSTS OF ALTERNATIVE DEVELOPMENT RIGHTS PURCHASE PROGRAMS

Scope of Purchase	Acres Available[a]	Cost (per acre) From Farmer Survey	Total Cost	Cost (per acre)[b] From Use-value Assessment	Total Cost
1. State-wide	19,005	$3,400	$64,617,000	--	--
2. By region[c]					
a. Tanana Valley	5,633	3,200[d]	18,025,600	--	--
b. Matanuska-Susitna Valleys	11,222	3,600	40,399,200	$747	$8,382,834
c. Kenai Peninsula	2,050	3,100	6,355,000	--	--
3. By interest (Matanuska-Susitna Valleys)[e]					
a. High & moderate interest	7,070	2,145	15,165,150	747	5,281,290
b. Low & no interest	4,152	4,662	19,356,624	747	3,101,544

[a] Acres planted to crops in 1977 (ACLRS, 1978, p. 16).

[b] This value is from Janet McCabe, The Urban Fringe: Methods of Land Use Direction, Federal-State Land Use Planning Commission for Alaska, Study No. 35, 1978.

[c] One hundred acres in Southwest Alaska are excluded.

[d] Values provided by Fairbanks area farmers were applied to all of the Tanana Valley.

[e] Total available acres for this alternative were determined by multiplying the total acres in the Matanuska-Susitna Valleys by the percent of acres in high-moderate and low-no interest categories as taken from returned questionnaires. Sixty-three percent of reported acres were in the high-moderate category while 37 percent were in the low-no category.

mates, an examination of the potential costs of purchasing the development rights to a specific agricultural enterprise in the Matanuska Valley is provided.

If the development rights to all acres planted to crops in 1977 (ACLRS, 1978, p. 16) were purchased, the estimated total purchase cost, using the average state-wide value of $3,400 per acre for development rights as determined by farmer survey, would be approximately $64,600,000. Approximately $40,400,000 (63%) of this total would apply to Matansuka-Susitna Valleys. In the Tanana Valley, the estimated cost would be $18,000,000. For the Kenai Peninsula, estimated cost would be approximately $6,000,000.

An alternative purchase cost estimate for the Matanuska-Susitna Valleys is approximately $8,400,000. This estimate was calculated by using the base for deferred taxes under Alaska's use-value assessment program as the development rights value. If current records of agricultural value and market value of agricultural lands were kept, then the difference between these two figures could be viewed as the development rights value. However, it appears that development rights values and thus probable purchase costs may be greatly underestimated using this procedure. This is not unexpected since farmland market values are typically undervalued by assessors in the United States. This often happens because assessing departments are not able to do yearly assessments because of staff and budget limitations.

Because the Matanuska-Susitna Valleys are presently the most important agricultural area in Alaska, and also because this region is

facing the most intense development pressure, we show two additional cost estimates. These estimates are by level of interest among farmers and by type of operation.

For the Matanuska-Susitna Valleys, an estimate of the costs of purchasing development rights by level of interest among farmers is also provided in Table 17. In this estimate, the available acres with high-moderate interest and low-no interest were determined by extrapolation from the acres reported by farmers responding to our survey to the total acres available (11,222). Because we were unable to obtain a random sample of farmers, there is likely to be considerable error in our estimate of acres within high-moderate and low-no interest categories. If a random sample of farmers were obtained, more confidence could be placed in these estimates.

Agricultural enterprises that currently exist in the Matanuska-Susitna Valleys include dairying, potato-vegetables, hay and silage, and a small amount of beef and swine production. For various reasons there may be greater rationale for purchasing the development rights to those acres needed to maintain dairying for any other single type of enterprise in this area. For potato-vegetable enterprises, for example, farmers surveyed expressed little interest in participation in a development rights purchase program. Also, because these crops are land intensive, the current amount of land available does not appear to be a critical factor. Next, for hay and silage enterprises, few people are involved in full-time operations and production units are not easily identifiable. Those acres involved in forage production

that would be critical for the maintenance of dairying are covered in the following dairy discussion. Finally, beef and swine production is a minor part of the agricultural economy in this region and accounts for only a small amount of land use.

As of January 1, 1978, there were 13 Grade A dairy herds in Alaska (ACLRS, 1978, p. 34). Eleven of these herds were located in the Matanuska Valley. Herds in the state were estimated to total 1,500 dairy cows, 1,400 of which were in the Matanuska Valley. This is the lowest number of dairy cows in the state since 1960. The high year was 1962 when 3,200 dairy cows in 35 Grade A herds were located in Alaska.

Because of the decrease in dairies and cows in Alaska, interest has been expressed at maintaining dairy operations at least at their current levels. Because most of the dairying activity is in the Palmer area, a way to possibly insure the maintenance of the dairy industry would be to purchase the development rights to the acres needed to support the current number of cows in this area. It has been estimated that for operations larger than 120 cows, approximately 4.67 acres are needed to support a cow annually (Alaska Power Administration, 1978, p. 48). Thus, approximately 6,538 acres would be necessary to sustain the dairy industry at its current level in the Matanuska Valley.

Three estimates of the cost of acquiring the development rights to this number of acres are provided in Table 18. These estimates of development rights values are: (1) the average development rights value of the four dairymen in the Matanuska Valley who answered our questionnaire and showed some interest in selling these rights; (2) the average value of all respondents in the Matanuska Valley, and (3) the average

development rights value of all respondents in the Matanuska-Susitna area who showed high or moderate interest in selling their development rights.

TABLE 18

ESTIMATED COSTS OF DEVELOPMENT RIGHTS PURCHASES TO MAINTAIN THE MATANUSKA DAIRY INDUSTRY

Acres Needed	Total Cost Four Dairymen[a]	Total Cost All Respondents Matanuska Valley[b]	Total Cost High-moderate Interest Matanuska Valley[c]
6,538	$24,700,000	$23,500,000	$14,000,000

[a] $3,775/acre.

[b] $3,600/acre.

[c] $2,145/acre.

Other Costs

Besides the direct purchase costs associated with development rights acquisition, other costs would be a part of such a program. Two of these potential costs, easily identifiable but not so easily quantifiable, are administrative and legal costs and property tax losses.

Administrative and legal costs would arise from (1) activities involved with the actual purchases and (2) from continuing administration once land was in an acquisition program. In the initial purchase effort, costs would be associated with such activities as contacting farmers, identifying and describing parcels included in any program, preparing legal documents, negotiating sales with farmers, closing sales,

etc. Once land was actually in a program, continuing administration of the program would be needed. This would entail making sure contracts and regulations were followed. For example, someone would have to make certain that any building that took place on land under an acquisition program was in accordance with the program's regulations.

Our literature search of existing programs failed to disclose any documentation of the above costs. However, assuming that once the program was underway, two full-time professionals and a secretary were adequate to administer the program, a gross estimate of administrative costs might be as follows:

Estimated Annual Administrative Costs*

Salaries	
Program leader	$35,000
Assistant	22,000
Secretarial	16,000
Travel	5,000
Supplies	2,000
Total	$80,000

*(It is assumed that legal advice would come from attorneys already employed by the state. New legal costs would then be slight if these attorneys were able to assume this increased work load without seriously detracting from their current assignments.)

Another possible cost to local governments would be a reduction in property tax revenues due to the decrease in land values following the sale of development rights. Currently, under Alaska's agricultural land use-value assessment law, property taxes that are lost by a borough when

farmland is placed under the use-value assessment program are reimbursed by the state. However, the market value of land under a development rights acquisition program would be the land's use-value, and boroughs would not be entitled to reimbursement for losses in property taxes, since none would occur. Although borough governments would lose property tax revenues under a development rights purchase program, there would be a corresponding reduction in costs to the state government, assuming all land involved was previously enrolled in the use-value assessment program.

Benefits of Development Rights Acquisition

Earlier in this report it was suggested that the preservation of agricultural activities has associated with it a set of joint benefits (see section on market failure). In assessing the feasibility of a public program to maintain land in agriculture in Alaska it is, of course, important to consider these benefits in relationship to the costs of achieving this end. Some of the benefits attributable to the presence of agricultural activities, however, do not lend themselves to objective quantification. They are public goods. As is the case with any good, a person's subjective evaluation of the relative importance of this class of benefits depends on his own personal value system. But unlike conventional private goods, the absence of an organized system of exchange for these collective goods stands in the way of our use of market signals (prices) to measure society's willingness to pay for these benefits.[14]

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[14] Similar problems have been encountered in other public policy issues in Alaska such as the proposed relocation of the state capital and the debate involving the use of the North Slope haul road.

An alternative approach to actual quantification is to present to the public and to government officials in the state a listing and discussion of the potential benefits stemming from a development rights purchase program. This information, along with the program costs estimates, may then be employed by the decision maker in assessing the overall desirability of a given policy. Specifically, the program costs estimates represent the minimum value that must be achieved by the joint benefits in order for the program to be economically feasible.

Maintenance of the Local Agricultural Economy

From a state-wide perspective, agriculture currently contributes relatively little monetarily to the Alaska economy. Statewide, agricultural activities accounted for an estimated two percent of the Gross State Product prior to start-up of petroleum production from the Prudhoe Bay field (Logsdon, 1975). Comparable statistics for local areas within the state are not available. The degree of dependence of the Palmer-Wasilla area, for example, on the agricultural industry has not been documented. One can easily observe, however, that the relative position of agriculture in this area is of much greater significance.

In measuring the "local agricultural economy" benefits associated with a development rights buy-back program, one must look beyond the agricultural landholders themselves. These farmers and ranchers, in deciding whether to continue their agricultural operations or to develop their land,[15] presumably consider only the implications for their own

[15] "Develop their land," as used here, includes the sale of the land to others who in turn develop the land.

private welfare. In the absence of any public program that might prevent the conversion of agricultural lands to other uses, one would expect these individuals to remain in agriculture only if the private gains of doing so were greater than the returns from converting the land to an alternative use. Thus, if one observes agricultural land being developed in an area, one must conclude that the landholders who sell or subdivide their land are better off economically without than with agriculture.[16] What is not taken into account in the decisions of these landholders is the effect their actions might have on the welfare of other individuals--processors, farm suppliers, etc.--whose business activities are somehow linked to the production of agricultural commodities on these lands.

What do these businesses that represent the infrastructure for the agriculture industry stand to lose if land is converted to nonagricultural uses? Clearly it is the difference between their net earnings in the presence of agricultural production and what they could earn in their next best alternative. The net effect on these businesses, then, depends largely on how specialized they are, or, stated differently, on the mobility of the resources that they employ. It is conceivable that

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[16] Since participation in the development rights purchase program as it is envisioned would be voluntary, one would expect farmers or ranchers to forfeit their development options only if they receive compensation at least equal to the discounted value of future development benefits. While the initial asking price for development rights could very likely exceed this minimum value, one might reason that bargaining between the state and the landholder concerning development rights values would generate an "equilibrium" price at which the landholder was indifferent between selling and retaining these rights. If this were the case, landowners who participate in the program will, upon the establishing of this theoretical limiting price, be just as well off with the program as in its absence.

some firms such as financial institutions would be better off after the conversion of land to nonagricultural uses. The only people who would clearly be made worse off by the conversion of agricultural land would be some immobile farm workers whose absence of skills outside the agricultural industry would prevent them from easily adjusting to the changing economic scene (Gardner, 1977).[17] Regarding this latter class of resources, one must face the issue of whether retaining land in agriculture is the least cost method of providing these individuals with their present standard of living. It may well be that publically financed programs of direct economic assistance and/or retraining could achieve this end more efficiently.

Locally Produced Food

As pointed out before, food is a private good produced in a competitive environment and as such there is little evidence that the market will allocate a nonoptimal amount of land to food production. In Alaska, however, one often hears the argument that we are too dependent on out-of-state sources for our food supply. It is further argued that by promoting a local agricultural industry we can lower our food costs. What is the relationship of a development rights buy-back program to these issues? Can the preservation of currently and potentially productive private agricultural land reduce our dependence on outside food sources and lower our food costs? To address these issues one might

[17] Although these individuals would surely be worse off, this is not to say that no others would suffer. Other individuals might also be faced with resource immobility.

first ask what are the benefits to be gained by reducing our food imports? It would seem that only if there were some cost advantages would it be in the interest of Alaskan consumers to buy their food from local sources.[18] The important question then centers around the ability of Alaska farmers and ranchers to compete successfully with other agricultural producers in providing food supplies to Alaska consumers. Alaskan agricultural firms are small relative to their competitors, and therein lies an important part of the explanation of why production costs are higher in Alaska, even in the presence of any environmental advantages that are related to long daylight periods and the relative freedom from insects that damage crops.

While the agricultural land mass in private ownership could support a larger number of efficient-sized intensive agricultural enterprises (e.g. vegetable farms), the market for products from these firms is currently limited to in-state sales due to the absence of processing facilities. A relatively small acreage planted to garden vegetables could supply the entire state's population with fresh produce. But larger acreages would be needed to support an infrastructure and to provide Alaska consumers with an opportunity to benefit from the potentially lower prices associated with large scale production. In the

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[18] It is sometimes suggested that by reducing our food imports, we may become less vulnerable to disruptions in food delivery systems linking Alaska with current food sources. It is difficult to evaluate this alleged benefit of local food production on any objective basis. One's view on this issue depends on his perception of the reliability of food transport systems and on how much he is willing to pay in order to insure that a disruption in this system will not affect the availability of food in the state.

absence of product export opportunities that might be made possible if processing facilities were available, there is little incentive to bring a critical mass of vegetable farms into production.

Open Space and Other Public Good Amenities

Open space is only one of several "external benefits" that accrue to Alaskans from the decision by agricultural landowners to keep their land either uncleared or in agricultural use. Other benefits in this class are the maintenance of wildlife habitat, watershed protection, and the preservation of a visible, perhaps romantic, "lifestyle." Since farmers and ranchers are not in a position to capture the full value of these benefits, they have little incentive to provide a socially optimal quantity of environmental amenities. The market system will often fail to efficiently allocate resources in situations such as this where property rights to certain benefits are undefined.[19]

While Alaska, with its vast area, has a great deal of open space and related environmental amenities to offer its residents, understandably the highest value is placed on these benefits in situations where they are in short supply. In areas around Anchorage and Fairbanks where population and industrialization have expanded recently, these benefits take on high value indeed. It is in these relatively densely populated areas that the preservation of open space promises to have significant

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[19] Since this class of benefits are public goods in addition to being externalities, we are faced with a further problem on the supply side as discussed earlier (see page 4). Specifically, even if a beneficiary could be forced to pay for the good, it would be inefficient to levy a charge since the marginal cost of extending a collective good to an additional consumer is zero.

social value. Since these benefits accrue chiefly to urban residents, an equitable program for preserving these opportunities would presumably also have the urban residents paying the bulk of the costs associated with their preservation.

Removal of Uncertainty

A final potential benefit to be mentioned in association with a development rights purchase program is the effect that such a program could have on investment decisions by farmers and ranchers. An important reason for the inefficiency of agricultural production at the urban fringes around Anchorage and Fairbanks is the great amount of uncertainty these farmers associate with the likelihood of land use shifts. Farmers have little incentive to invest optimally, especially in durable capital, if the probability is high that they will soon choose to abandon farming and thus forego the opportunity to capture the returns on agricultural investments (Gardner, 1975). As a result, farmers earn smaller net returns in their enterprises than they would if they invested in more efficient operations. A development rights buy-back program would serve to remove this uncertainty by compensating farmers to forfeit the development option in return for keeping land in agriculture for a period sufficiently long to capture the benefits from long term investment.

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

M E M O R A N D U M

TO: HOUSE C & R A COMMITTEE

FROM: Staff

SUBJECT: HB 148

DATE: March 9, 1983

The Committee has indicated a general consensus on two (2) proposed changes to HB 148:

1. A modification of AS 03.07.090 (2) with the intent to clarify that mineral or material extraction from the subsurface of the land was to be permitted only if the materials or minerals were to be used on the land that is under the preservation easement.

2. The committee conceptually agreed that the Director should make public notices prior to exchanging land or purchasing an agricultural easement.

ATTACHMENT B

within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980)

Effect of amendments. — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (c).

The second 1976 amendment added paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

Sec. 29.53.035. Farm or agricultural lands. (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough.

(b) An owner of farm use land must, to secure the assessment, make application to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor and shall include information which may reasonably be required to determine the entitlement of the applicant. If the farm use land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the

completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land for raising and harvesting crops or for the feeding, breeding and management of livestock or for dairying or another agricultural use for profit or any combination thereof. To be farm use land, the owner or the lessee must be actively engaged in farming the land, and derive at least 10 per cent of his yearly gross income from the farm use land. The provisions of this section do not apply to land respecting which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the farm use land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 per cent of his gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, 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. (§ 2 ch 118 SLA 1972; am § 1 ch 90 SLA 1974; am § 3 ch 229 SLA 1976; am § 1 ch 66 SLA 1978)

Effect of amendments. — The 1974 amendment made such changes in subsections (a), (b), and (c) as to make a detailed comparison impracticable and added subsections (d) and (e).

The 1976 amendment, in subsection (a), substituted "uses incompatible with farm use" for "other than farm use purposes," "a use incompatible with farm use" for "nonfarm use" and "eight per cent" for "five per cent" in the third sentence, inserted "at the current mill levy" in that sentence, and added "for the preceding seven years" at the end of the fourth sentence.

The 1978 amendment substituted "May 15" for "February 1" in the first sentence of subsection (b).

Sec. 29.53.045. Tax on oil and gas production and pipeline property. (a) A municipality may levy and collect taxes on taxable property taxable under AS 43.56.010 — 43.56.210 only by using one of the methods set out in (b) or (c) of this section.

(b) A municipality may levy and collect a tax on the full and true value of taxable property taxable under AS 43.56.010 — 43.56.210 as valued by the Department of Revenue at a rate not to exceed that which produces an amount of revenue from the total municipal property tax equivalent to $1,500 a year for each person residing within its boundaries.

INDEX OF FILES ON AGRICULTURE - AK. PUBLIC INTEREST RESEARCH GROUP

Box 1093
Anchorage, AK
99510
(278-3661)

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Chairman Fahrenkamp and members of the Senate Resources Committee:

I would like to help you develop an awareness of the soil and water conservation program in Alaska and the importance of SB 120 to its future. To accomplish this, it is important for you to understand

1) a little of the history behind Alaska's Soil and Water Conservation program;

2) the relationship between the Alaska Soil Conservation District, the Governor, and the Commissioner of Natural Resources; and

3) some of the current responsibilities of the 48 supervisors throughout the state.

In the mid-1930's, President Roosevelt became deeply concerned with the loss of one of America's most valuable resources due to the extreme effects of wind and water erosion. This resource was of course her soil, the basis of America's economic and physical stability. As a result of the "Dirty Thirties," President Roosevelt authorized the development of what is now the Soil Conservation Service under the United States Department of Agriculture. The mandate of this technical service organization was to find 1) the cause and 2) the effect of this depleting natural resource.

The cause, in short, was the misuse and mismanagement in all phases of land use and included agriculture, forestry, grazing, and mining. Most recently we have seen an increase in land resource abuse due to rapid expansion of urban areas. The effect was lower crop yields, destruction of those areas with commercial timber values, complete loss of native range for livestock grazing, deterioration of water and air quality, and the combined effect of all of these on the standard of living and the American economy.

To overcome what seemed to be an insurmountable problem, each state, as well as the Territories of Alaska and Hawaii, was asked to establish a program that would organize the private sector into a unit of government that would work with the Soil Conservation Service in managing the nations renewable natural resources. A.S. 41-10 adopted in 1947 by the Territory of Alaska and amended in 1961 is a result of that request. For the past 36 years the Alaska Soil Conservation District, through a Memorandum of Understanding with the USDA Soil Conservation Service, has provided assistance to the residents of this state as the private sector moves ahead to develop Alaska's valuable natural resources.

I would like to briefly describe the structure of the soil and water conservation program. The current statewide district is administered by three board members appointed by the Governor. There are nine subdistricts established to service various areas of the state where intense land uses have occurred to assist cooperators in their areas. Subdistrict supervisors are elected by the cooperators in their area. The individual districts are

associated into a state association and are also members of the National Association of Conservation Districts to help provide input into programs developed at the federal government level. (Organizational charts attached.)

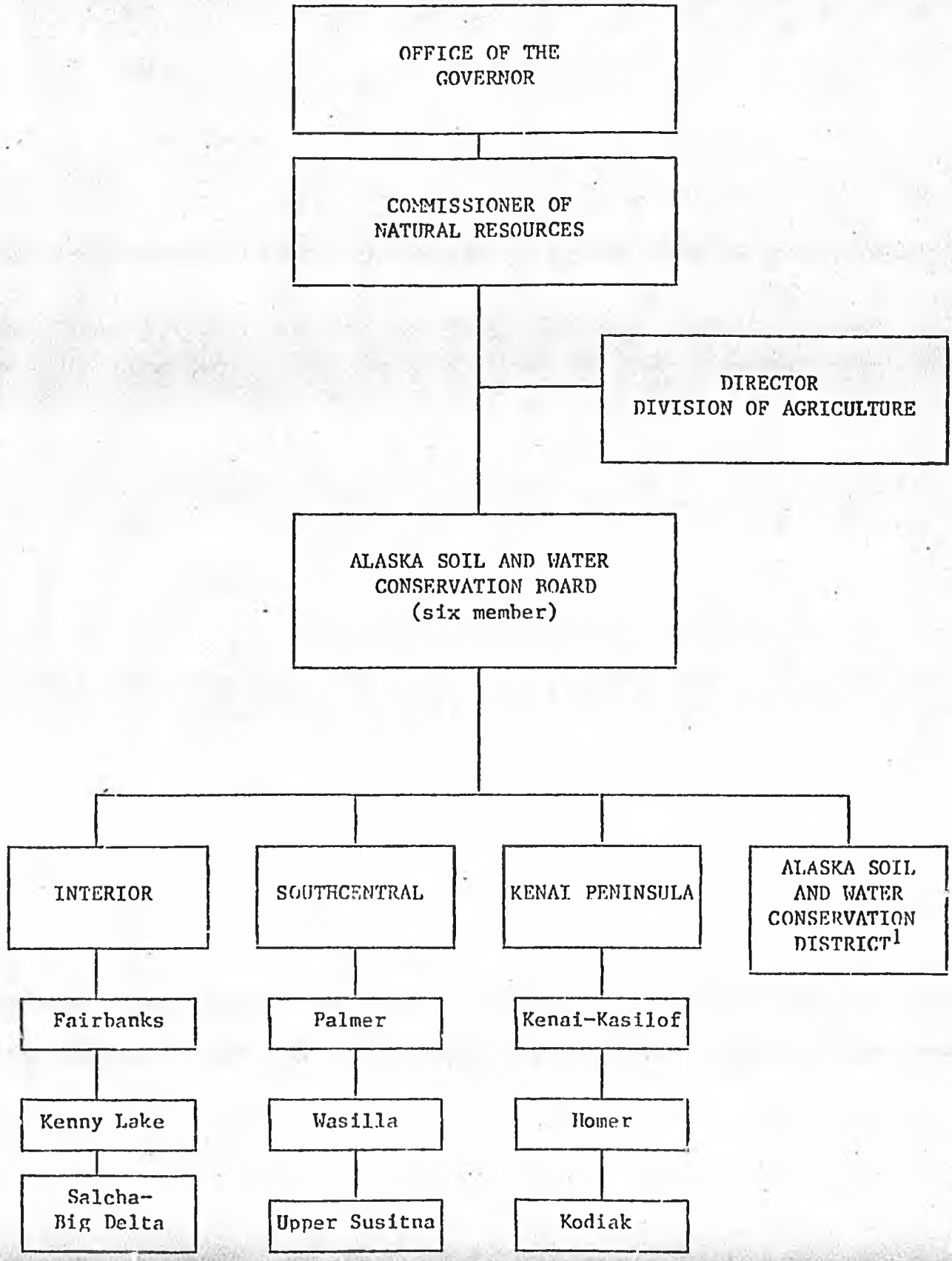
Through long-range and annual plans of operations, the Alaska Soil Conservation District and each of the nine subdistricts identify goals and objectives with regard to the development of the natural resources as a result of settlement. The attitude of the supervisors statewide is that development is a must for Alaska's economic well being, making sure that progress is achieved along reasonable management guidelines. In general, development hazards can be curbed if resource management recommendations are assigned to address the type and intensity of development. An example of such resource management recommendations is the Farm Conservation Plan which is a requirement of the sales contract on all state lands sold for agricultural development. The Farm Conservation Plan is a result of a cooperative effort between the local SCS District Conservationist and the individual farmer and is approved or disapproved by the local soil conservation subdistrict board of supervisors. I would like to emphasize one important aspect of this process. The subdistrict supervisors are elected for three year terms by local land owners in their area who are cooperators with that particular subdistrict.

It is important to remember, however, that development of privately-owned land through conservation planning is basically voluntary. The soil and water conservation program is therefore non-regulatory, and implementation of this program depends on the educational process and reasonable economic incentive.

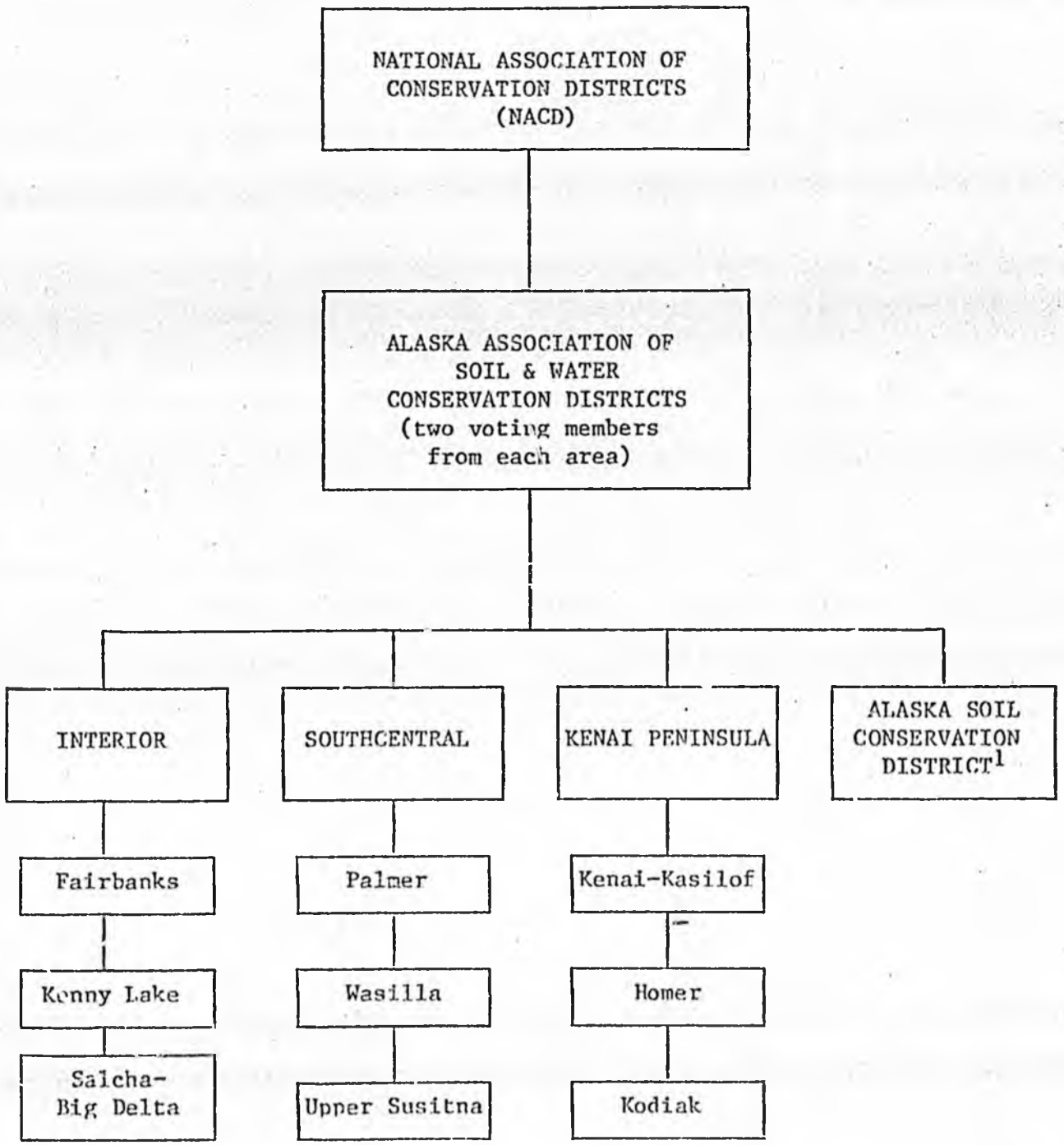
I would like to conclude by reading a brief excerpt from the Executive Summary prepared by the Alaska Soil Conservation District Board of Directors:

> "In 1982 our support of federal programs has been responsible for approximately $195,000 worth of cost-shared conservation practices on more than 15,000 acres of land in Alaska. Recent Soil Conservation Service records indicate 5,595,222 acres of land in Alaska which are adequately treated as a result of conservation planning. The Alaska Soil Conservation District has been active in the acquisition of approximately $500,000 of state and federal funds to help support the National Cooperative Soil Survey program in Alaska. In 1981 this money was used to fund soil and range surveys in the Susitna Valley, Copper River Valley, Delta, Fairbanks, Kenai Peninsula, and the Seward Peninsula. A recent Memorandum of Understanding with the Alaska Division of Forestry establishes a working relationship for conservation planning with regard to privately owned timber resources. The Department of Environmental Conservation also recognizes the ability of the District to address non-point source pollution on agricultural lands for the protection of Alaska's water quality."

Alaska Association of Soil Conservation Subdistricts



[1] Defined as that area of the state which is not encompassed by an organized district. The Alaska Soil and Water Conservation District is administered by the Soil Conservation Board.



[1] Defined as that area of the state which is not encompassed by an organized district. The Alaska Soil Conservation District is administered by the Soil Conservation Board.

Alaska Association of Soil
Conservation Subdistricts
c/o Division of Agriculture
Pouch A
Wasilla, Alaska 99687

Honorable Charlie Bussell
Alaska State House
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Representative Bussell:

This letter is to express our support for Senate Bill 120, "An act relating to soil and water conservation; and providing for an effective date."

A soil conservation district act was passed in Alaska about thirty years ago which provided for an advisory committee to the Commissioner of Natural Resources and establishing Soil Conservation Subdistricts in the State. This act has made possible a cooperative agreement with the U.S. Department of Agriculture, Soil Conservation Service (SCS), which allows SCS to perform soil conservation surveys and provide technical services related to soil and water conservation activities. The soil conservation subdistrict boards from organized subdistricts in the State have volunteered their services in providing local expertise and guidance to soil and water conservation activities since the organization of the program. Other than travel expenses for the State board, this movement has not had financial support from the State.

The quality of the subdistrict boards has been recognized by State agencies to the point that they now have legal responsibility for reviewing state farm plans and have a special signed agreement with the Department of Environmental Conservation providing for district and subdistrict cooperation with that agency. These legislative mandates and cooperative agreements demand considerable statewide coordination, time and expense by board members. SB 120 is an attempt to expand the Soil Conservation Board's activities to include broader representation and make possible continuous coordination of activities and responsibilities on a statewide basis. The Soil Conservation program provides a valuable service to state activities associated with agriculture, forestry, land use planning, and development. As the State develops agriculture, reclamation activities, forestry, grazing and other programs that need the services provided by the soil and water conservation programs these demands will increase. These services cannot be continued indefinitely without fiscal support.

We urge you to support SB 120 with full funding of the necessary support services this legislative session.

For background information we have attached:
-1983 Alaska Assoc. of Soil Conservation Subdistricts Directory
-A prepared statement for the Senate Resources Committee
-A list of Cooperators throughout the state.

Thank you for your consideration of our request.

Sincerely,

Alaska Association of Soil Conservation Subdistricts

Mike Carlson, President
Delta Jct. AK 99737

Claud Oxford, 1st Vice-president
Box 85
Wasilla, AK 99687

John Bittner, 2nd Vice-president
Box 730
Homer, AK 99603

Chuck Goff, Secretary-Treasurer
Box 10296
Fairbanks, AK 99710

Don McKee, Council Member
SR 50985
Fairbanks, AK 99701

Tommy Corr, Alt Council Member
Box 153
Soldotna, AK 99669

Attachments

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 March 8, 1983

SUBJECT: Agricultural land amendments (CSHB 148(C&RA))

TO: Representative Don Clocksin

FROM: Richard A. Bradley
Legislative Counsel

You have requested an analysis of the amendments incorporated into the committee substitute for HB 148. If this memorandum is late, as it seems it may be at this time, I regret that.

An analysis of the changes to HB 148 follows:

As you requested, the "Legislative Findings and Declaration of Purpose" have been eliminated.

The first amendment to bill language is in Sec. 03.07.010(b). The last "if" phrase on lines 23 - 24 of page 2 of the bill is turned into subsec. (b)(1) and the concept you suggested becomes (b)(2). Your request was that concepts of (1) prior classification and (2) disposal consistent with the classification be utilized. I believe that the short phrase added as (b)(2) contains these ideas.

But note that the "director" described in the bill is not the director of the division of lands. See sec. 100(7). Rather, the director is the director of agriculture. As a result, the director carrying out these programs is not going to have supervision of the division of lands programs and the access to the state land. I believe it was for this reason that the early part of sec. 10(b) requires the permission of the commissioner for these disposals. Some coordination between divisions is required.

Your second concept dealt with notice. Rather than developing new concepts of notice, I plugged your request into existing law at AS 38.05.345, with some embellishments. In that connection, see also bill sec. 2.

Since you wished sec. 10(e) to be eliminated for other reasons, I have put the notice requirements in at sec. 10(e).

Your third request, an amendment to AS 03.07.010(d), is accomplished.

Sec. 03.07.010 is deleted, as noted earlier, and replaced with new material you requested.

Your fifth request was concerned with specific appropriations for this program. See the new sec. 10(g).

The report that you wish from the commissioner of natural resources is requested under bill section 3.

For the moment, I will pass over the request concerned with the municipal tax implications of this bill, particularly as a conforming amendment to AS 29.53.035 is concerned.

Sec. 60(b) is amended to accomplish your request.

Sec. 90(a)(2) is deleted.

The effective date clause is eliminated.

Returning to the tax implications.

I was in the process of drafting an amendment to AS 29.53.035 for addition to the bill when the computer went down. Because I had substantial problems fitting your request into sec. 35 and because I anticipated problems meeting your deadline request, I decided to omit that request, advise you why and send the bill on its way.

The portion of sec. 35 that I would amend is sec. 35(a); that subsection provides:

> (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner

> is liable to pay an amount equal to the additional tax at the current mill levy together with eight per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough.

As you can see, the third sentence of sec. 35(a) contemplates that it is a transaction turning the land to a use "incompatible with farm use by the owner" that triggers the repayment. As I suggested to you yesterday, if that use is consistent with agricultural use, then the argument for repayment is vitiated -- or so it seems to me.

But if you believe that such a provision is required, then I suggest the following:

> (a) Farm use <u>land that is</u> [LANDS] included in a farm unit, [AND] not dedicated or being used for nonfarm purposes<u>, and not subject to an agricultural preservation easement</u> shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough.

I would then also add a new subsection to read:

> (f) Farm land subject to an agricultural preservation easement shall be assessed on the basis of full and true value for farm use. The owner of the farm land subject to an agricultural preservation easement is not entitled to benefits under (a) of this section.

If I may be of further assistance, please advise.

RAB:ljb

1/016

MAR 30 REC'D

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 148 (C&RA) Date on Bill: 3/18/83
Title: Preservation of agricultural lands
Sponsor: Lacher, Larson and Zharoff
Requestor:

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		77.3	82.5	88.0
Total				

b. Revenues:

Revenue				

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

Fiscal impact of this proposal is entirely dependent on level of implementation. We estimate the program would require a minimum of one professional and one clerical to administer the activities required to prepare documents, arrange appraisals, handle public meetings and follow up on verification of compliance with land use requirements. These position can be located at the Wasilla office of the Division of Agriculture.

No funding is requested in this note for actual purchase of easements.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Ed Kern Phone: 376-3276
Division: Agriculture Date: 3-1-83

Approved by Commissioner: Date:
Department: Natural Resources

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

Answer & file w/ Bill Sessions ask them to contact

KODIAK FARMER/STOCKGROWERS ASSOCIATION
POUCH K Kodiak, Alaska 99615

March 1, 1983

Barbara Lacher
P.O. Box 30
Wasilla, AK 99687

Dear ~~Senator:~~ Representative:

The Kodiak Farmer/Stockgrowers Association and the individual ranchers are very interested in HB 148, relating to the preservation of agricultural land. It has proved workable in other areas and will also in Alaska.

We also think the amendments listed in Senate Bill 124, changing the loan program to farmers, are necessary in today's marketplace and ask you to support this legislation.

Please let me know your views on these important concepts at your early convenience.

Sincerely,

Bill Burton

Bill Burton
President

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department	Sponsor (Principal)	Bill Number
Commerce & Economic Development	Lacher	HB 148

Department Position: Oppose

Division Director	Date	Commissioner's Signature	Date
William C. Bivin	2/8/85	Richard A. Lyon	

GOVERNOR'S OFFICE USE

Comments:

☐ Position Noted	By	Date

SUMMARY

1. a) Related Bills (Similar or Conflicting	1. b) Other Agencies Affected by Bill
Unknown	DNR
2. a) Organizational Support for Bill	**2. b) Organizational Opposition to Bill**
Unknown	Unknown

3. Program Effects of Bill

None on Department of Commerce and Economic Development.

4. Fiscal Impact: ☒ None ☐ Fiscal Note Attached

5. Amendments Proposed:

6. Comments:

This bill would provide a variety of financial mechanisms and inducements in an effort to protect agricultural lands in rapidly urbanizing areas. Superficially, this is an admirable goal. However, unless the protection of the agricultural land is accomplished under a long range land use policy and plan, such protection is doomed to failure from the outset. Even under the auspices of such a plan, a community, or the State, rarely has the commitment or resources to effectively carry out such protection.

The end result of such an effort is usually a patchwork quilt of varying land uses. It results in "leap-frog" developments which, after a few years, leave isolated so-called "agricultural lands" surrounded by noncompatible uses. This situation increases the burden on the municipalities and taxpayers by making the extension of public utilities and services much more expensive. This bill would have a negative impact on the economic development of the State.

BILL ANALYSIS
HB 148

6. Comments (Continued)

Direct experience in both Oregon and California, where similar laws exist, has demonstrated that when there is pressure for development then development will occur. The protection or preservation of agricultural lands without a concurrent program to identify and provide lands for development is simply not justified. Rather than increasing the livability of an area, it will have exactly the reverse effect in the long run. Added costs to the State and municipalities, reduced effectiveness of public services, added rules and regulations, etc., will all serve as a deterrent to effective land use and economic development.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 148 Date on Bill: 1/28/83
Title: An Act relating to the preservation of agricultural land; and providing for an . . .
Sponsor: Lacher and Larson
Requestor:

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total			0	0	0	0		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Willie J. Sykes, Director Phone: 465-2018
Division: Office of Special Industrial Projects Date:

Approved by Commissioner: Richard A. Lyon Date:
Department: Commerce and Economic Development

Bill Sheffield, Governor

FEB 14 1983

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

February 7, 1983

POSITION PAPER

RE: HB 148

SPONSOR: Representatives Lacher and Larson

Program Effects of Bill

The measure establishes an agricultural preservation easement program within the Department of Natural Resources designed to preserve farmland that would otherwise be lost to urbanization.

Comments

This Department is in a position only to address potential impacts on local governments. Department of Natural Resources would hold primary responsibility for administration.

Section 03.07.010(d) allows only the preservation of agricultural uses.

The purpose of this program is to preserve land, for and in agricultural use, from being absorbed by urbanization. This is laudable.

According to Section 03.07.090, this legislation does not allow the State or anybody other than the "owner" to actually perform agricultural activities.

2/10/83

21-P:LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 148 Date on Bill: 2/2/83
Title: Preservation of Agricultural Land
Sponsor: Representative Lecher
Requestor: HCRA

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total				-0-	-0-			

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

The bill affects only the Department of Revenue programmatically. This Department's comments are aimed at the impact on local governments. No fiscal impact.

3. Assumptions:

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fisca impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date: 2/9/83

Approved by Commissioner: Date: 2/9/83
Department: Commissioner's Office

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

Matanuska-Susitna Borough

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

DEPARTMENT OF ADMINISTRATION

January 10, 1983

Billy G. Berrier, Director
Division of Legal Services
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Dear Billie:

Subject: FARM LAND PRESERVATION BILL

I understand Representative Barbara Lacher will be making arrangements with you on drafting a farm land preservation bill and that she may have already been in contact with you on this.

Attached are

1. Section by section analysis of a draft bill.

2. Draft bill reviewed and approved by Borough Agricultural Advisory Committee.

The Matanuska-Susitna Borough Assembly has seen the bill and had the bill before it when it included farm land preservation as a Borough FY 83-84 legislative priority. They did not want to make recommendations as to specific wording of a bill.

You may have received an earlier draft. You should be aware of the following changes recommended by the Borough Agricultural Advisory Committee in its testimony before the Assembly in support of a State farm land preservation program on January 4, 1983.

> Sec. 38.60.030 LAND ELIGIBLE FOR AGRICULTURAL PRESERVATION. Land eligible for agricultural preservation under this chapter must
>
> ...
>
> (3) contain over at least 40 percent of the surface area soils which are classified as classes II, III and IV [CLASSES II, AND III] by the United States Soil Conservation Service; and
>
> (4) be a parcel of at least 40 [20] acres in cultivation or farm use or be a parcel of at least 20 acres in cultivation or

farm use [IN SIZE] adjacent to established farms [FARMS OR FARMS] of at least 40 acres in size which have been in operation as farms for at least ten (10 years.

I am also attaching a copy of the King County (Washington) farm preservation ordinance from which we borrowed and a list of farms in this Borough that are presently under the State property tax deferral program. Some of the farms listed are representative of the type of farms in which agricultural easements would be sought.

Representative Lacher is out of the state at this time so I wanted you to get this material now in case you are in the middle of work on a farm land preservation bill at this time.

I recognize that you draft bills only at the request of a legislator and word them to meet the specific objectives of the legislator. So, if I have jumped the gun, would you wait for Representative Lacher's call.

Representative Lacher was a member of the Borough Agricultural Action Council until she resigned from the Assembly to take her seat in the Legislature so she is familiar with the wording of the attached bill.

Sincerely,

Gary Thurlow
Borough Manager

er

cc: Representative Barbara Lacher
Tracy Moffitt, Chairman
Agricultural Committee

SECTION BY SECTION ANALYSIS OF AN ACT
RELATING TO THE PRESERVATION OF AGRICULTURAL LAND

Section 38.60.010 Findings and Declaration of Purpose. This section is probably not necessary. Ordinarily findings and declaration of purpose simply add to the bulk of the statute books. This section is adapted from Section 2, of King County Ordinance No. 4341 which is the King County ordinance relating to the acquisition of voluntarily offered interest in farm and open space in King County, which ordinance was funded through a bond issue approved by a vote of King County voters and which obtained in excess of the 60% vote required by State of Washington law. The county commissioners of King County used the findings and declaration of purpose presumably for one or two purposes including:

(1) to help explain the proposition to the voters of King County, and

(2) upon advice of King County bond counsel to the end that buyers of agricultural preservation bonds would have a better idea of the uses of the general obligation bond monies.

In this case, the findings and declaration of purpose may better explain the purposes of the bill to Alaska legislators.

Section 33.60.020. Acquisition of Agricultural Preservation Easements. This section sets up the mechanism for the director of agriculture to purchase or otherwise acquire a agricultural preservation easement in property.

State land is made available as an alternate means of exchange.

In the Matanuska-Susitna Borough, available state land would probably be limited to tracts in the state agricultural project, such as the Fish Creek Agricultural Project, or lots and parcels generated through the establishment of state subdivisions within the borough. Parcels in the agricultural projects would give the owner an opportunity to obtain additional agricultural land; lots in parcels within a state subdivision would almost always be non-agricultural in character.

There is an almost total absence of state owned lands in the Matanuska-Susitna Borough which are agricultural in character and which now have access.

Subsection (e) giving the director the right to acquire future interests in farm land was added in the event a owner is in a particular tax situation where he can get an attractive tax deduction for dedicating a future interest, such as a remainder interest upon the expiration of the grantor's life, the life of the grantor's spouse, or the life of one or more other individuals. Very often, an owner of agricultural land is willing to accept less than full value for the agricultural preservation easement and donate the balance for a federal income tax deduction. Subsection (e) is another tool to be used in negotiations with a owner who is seeking further tax deductions.

Subsection (f) includes provisions requested by the Borough Agricultural Advisory Committee including:

(1) the decision to convey an agricultural preservation easement is strictly voluntary and relates only to lands nominated by a particular owner or owners;

(2) the owner is free to farm as he sees fit or to refrain from farming, so long as the owner does not develop his property. The proviso at the end beginning with "so long as" is taken from the King County ordinance.

Section 38.60.030. Land Eligible for Agricultural Preservation. The purpose this section is to limit the application of the act to those lands which have agricultural value. Under a borough land disposal ordinance of 1975, the borough will only dispose of agricultural rights in borough lands in parcels of 40 acres or larger which have 40% or more Class II and III soils. Item (3) of this section refers to classes I through III. There are no Class I soils in the State of Alaska because of climatic constraints; however, with a re-evaluation of these constraints it is possible that some Class II soils might be reclassified as Class I soils.

Section 38.60.040. Priorities for Acquisition. This section gives the director of agriculture criteria to follow when insufficient monies are appropriated for all the demands that would be made upon an agricultural preservation easement fund. It is a virtual certainty that the amount of appropriations for farm land preservation will be substantially lower than the funds which could be used; accordingly, there has to be a means of rationing available monies other than first come first served.

Subsection (b) is adapted from the King County ordinance.

Subsection (c) has been added to require the director of agriculture to refer to any municipal comprehensive plan. Lands which the municipality consider to be high priority agricultural lands may be described in the comprehensive plan.

Section 38.60.050. Application to Exchange or Sell Easement in Agricultural Land. This sets forth what appears to be a rather stiff procedure. If the person administering the program on behalf of the state is dedicated to preserving farm land, he will be able to review a number of different tax saving approaches with the property owner so that the property owner would have a range of options to consider. Successful farm land preservation programs require the time and effort of someone who is dedicated and knowledgeable in land uses and conveyances.

Sections 38.60.060--.090--These are technical provisions which are self-explanatory.

IN THE HOUSE

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the preservation of agricultural land."

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

* Section 1. AS 38 is amended by adding a new chapter to read:

CHAPTER 60. PRESERVATION OF AGRICULTURAL LAND.

Sec. 38.60.010 Findings and Declaration of Purpose.

(1) Land suitable and in use for farming is an irreplaceable natural resource with soil and topographic characteristics which have been enhanced by years of agricultural use. When such land is converted to urban and suburban uses which do not require those special fertility and landscape characteristics, and important economic and community resource is permanently lost to the State of Alaska.

(2) Alaska is a desirable place to live and visit because of the quantity, variety and natural beauty of its open space which contributes a vital ingredient to the quality of life of the people of the State. Alaska farmlands provide a natural separation between urban areas, furnish unique aesthetic and economic benefits to the citizens of the State and are an important part of Alaska's heritage.

(3) The agricultural industry in Alaska provides Alaskans with the opportunity to obtain locally grown agricultural products with certain advantages in flavor, quality and costs which would not otherwise exist.

preservation easement in privately owned agricultural land if the privately owned agricultural land meets the requirements specified in AS 38.60.030.

(c) The value of an agricultural preservation easement received by the state in an exchange made under this chapter must be equal to the fair market value of the state land or the interest in state land exchanged. If the value of the state land or the interest in state land is not equal to the value of the agricultural preservation easement, the director may accept money from, or pay money to, a landowner. The money paid or accepted must equal the difference between the fair market value of the agricultural preservation easement and the fair market value of state land or the interest in state land exchanged under this chapter.

(d) A purchase of an agricultural preservation easement or an exchange of state land for an agricultural preservation easement shall be to preserve the agricultural use of land.

(e) The director may, in lieu of an agricultural preservation easement, accept a remainder interest in a life estate or similar future interest, so long as the land continues in agricultural uses.

(f) The sale, exchange or donation of an agricultural preservation easement is strictly voluntary. A parcel shall be considered under this program only upon application of the owner. After sale, donation or acquisition by exchange of agricultural preservation rights, the owner shall not be required to carry out any specific agricultural activities so long as the owner does not use or subdivide the land for any residential, commercial or industrial purposes and activities which are not incident to agricultural uses.

(4) farm lands that are close to market; and

(5) farm lands that are within a known established agricultural area.

(b) Criteria for selection within same priority. In the event that funds are not adequate within a priority area to purchase all eligible lands of equal priority for which valid offers shall have been received by the state, the following criteria shall be considered in determining which offers to accept:

(1) an offer of land which is more threatened by urban development shall be favored over an offer of land which is less threatened;

(2) an offer which is below appraisal shall be favored over an offer which is at appraisal.

(3) an offer of farmland producing in the 12 months preceding application shall be favored over an offer of land which lies fallow;

(4) an offer of land which will form a contiguous farming area with other offered or acquired eligible land shall be favored over an offer of land which is separated;

(5) an offer of land which will serve the dual purpose of urban separation and agricultural production or separating commercial and industrial uses from residential or recreational uses shall be favored over an offer of land which will serve only one of such purposes; and

(c) Where agricultural lands are within a municipality, the director shall, before making an allocation of agricultural preservation

(d) If the agricultural land, or any part of it, is located in a municipality, the director shall notify the governing body of the municipality within 30 days after approval of an application that an application has been approved. Within 30 days after the notification, the municipal governing body may appeal to the director for reconsideration of his decision. If a municipality appeals, the director shall hold a public hearing in the municipality before an offer to sell or exchange is tendered to the landowner. If, after a public hearing in the municipality, the director's decision remains unchanged, the municipality may appeal to the commissioner within five days for a review of the director's decision.

Sec. 38.60.060. OFFER TO BUY OR EXCHANGE. Within 90 days after approval of the landowner's application to sell or exchange an agricultural preservation easement, the director may accept the landowner's offer to buy or exchange at a price and upon terms offered by the lanowner or may, in the director's discretion, make a counter offer to buy or exchange and may specify terms, contingencies, and conditions not contained in the landowner's aplication. A landowner has 30 days from the date or receipt of the counter offer to buy or exchange in which to accept or reject the offer.

Sec. 38.60.070. VALUE OF AGRICULTURAL PRESERVATION EASEMENT. (a) The maximum value of an agricultural preservation easement acquired under this chapter shall be the asking price or the difference between the fair market value of the land and the agricultural value of the land, whichever is less.

(b) The value of an agricultural preservation easement shall be determined by the director based on one or more appraisals by qualified appraisers. If the landowner and the director fail to agree on the value

Sec. 38.60.90. DEFINITIONS. In this chapter (1) "agricultural operations" means those activities related to the production of domesticated plants and animals useful to man;

(2) "agricultural preservation easement" means a public owned interest in lands under which the owner retains agricultural rights, but in which all development rights are owned by the public.

(3) "agricultural rights" means an interest in and the reight to use and possess land for purposes and activities related to horticultural, livestock, dairy and other agricultural uses.

(4) "agricultural use" means the use of land for the production of domesticated plants and animals useful to man, and other related uses and activities;

(5) "agricultural value" means the price on the valuation date which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property to be used for agricultural operations;

(6) "commissioner" means the commissioner of the Department of Natural Resources;

(7) "development rights" means an interest in and the right to use and subdivide land for any and all residential, commercial and industrial purposes and activities which are not incident to agricultural uses.

(8) "director" means the director of the division of agriculture in the Department of Natural Resources;

(9) "fair market value" means the price on the valuation date for the highest and best use of the property which a vendor, willing but

not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property if the property was not subject to any restriction imposed under this chapter.

(10) "municipality" means a unified municipality or a home rule borough or general law borough or city, of any class, incorporated under the laws of the state;

(11) "qualified appraiser" means a senior member of the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, a person meeting the requirements for certification as an appraiser II by the division of personnel, Department of Administration, or a person qualified according to regulations adopted by the commissioner under the Administrative Procedure Act (S 44.62);

(13) "residential subdivision for commercial purposes" means the division of a tract or parcel of land into two or more lots, sites or other divisions for the purpose, whether immediate or future, of sale or building development, and includes a resubdivision.

of the easement, the landowner, at his own expense, may have the easement appraised by a qualified appraiser agreed upon by the landowner and the director.

Sec. 38.080. PROVISIONS TO BE INCLUDED IN EASEMENT. An agricultural preservation easement acquired under this chapter shall include the following provisions:

(1) agricultural use of the land by the landowner or his assigns is permitted;

(2) removal of minerals or materials from the subsurface of the land by the landowner or his assigns is permitted if the landowner immediately returns the land to agricultural use and restores the land to a condition at least as favorable for agricultural use as existed before the nonagricultural use began;

(3) operation of machinery used in agricultural production or the primary processing of agricultural products is permitted;

(4) normal agricultural operations are permitted, including, but not limited to, sale of agricultural products produced on the land where the sale is made;

(5) residential subdivision for commercial purposes by the landowner or his assigns is not permitted;

(6) construction of buildings for farming operations is permitted, but land used for farm residences may not exceed one acre per 40 acres of land under an agricultural preservation easement; and

(7) acquisition of an agricultural preservation easement by the state does not grant the public a right of access or right of use of the property subject to the easement, nor does it affect any existing easements, rights of way or rights of access.

easement monies to farm land preservation priority districts within the municipality, refer to any comprehensive plan or ordinances of the municipality on municipal farm land preservation priorities provided to him by the municipality and shall, before making an allocation, give the municipality an opportunity to make recommendations regarding priorities for farm land preservation within the municipality.

Sec. 38.60.050. APPLICATION TO EXCHANGE OR SELL EASEMENT IN AGRICULTURAL LAND. (a) An owner of agricultural land which meets the requirements of AS 38.60.030 may offer by written application to sell or exchange an agricultural preservation easement to the state on all or a portion of his agricultural land.

(b) To be considered by the director, an application to sell or exchange must

(1) include an asking price at which the owner is willing to sell an easement. The owner may, but is not required to, submit an appraisal to support the asking price.

(2) include a complete description of the agricultural land.

(c) Within 30 days after the receipt of an application, the director shall notify the landowner of the sufficiency of the application. If the application is insufficient, the director shall specify the reason and shall allow an additional 30 days for the landowner to remedy the insufficiency. If the application is made sufficient within 30 days of the notification by the director, the application shall be approved. The director shall notify all landowners whose applications have been rejected, and he shall specify the reasons for the rejection.

Sec. 38.60.030. LAND ELIGIBLE FOR AGRICULTURAL PRESERVATION. Land eligible for agricultural preservation under this chapter must

(1) be under private ownership;

(2) be located in an area of the state surveyed by the United States Soil Conservation Service;

(3) contain over at least 40 per cent of the surface area soils which are classified as classes II, III and IV by the United States Soil Conservation Service; and

(4) be a parcel of at least 40 acres in cultivation or farm use or be a parcel of at least 20 acres in cultivation or farm use adjacent to established farms of at least 40 acres in size which have been in operation as farms for at least ten (10) years.

Sec. 38.60.040. PRIORITIES FOR ACQUISITION.

(a) Priority districts. In the event that funds are not adequate in the state to purchase agricultural preservation easements in all eligible lands, the director may establish farmland preservation priority districts and allocate monies for agricultural preservation easements within those districts according to the following priorities and in the following order of priority.

(1) farm lands threatened by early conversion to subdivisions, commercial or industrial uses;

(2) farm lands which are of recognized value as a tourism destination because of historic associations, natural setting, closeness to tourism routes or other reasons;

(3) farm lands which have a history of high productivity because of soils, temperatures and other reasons:

(4) It is the policy of the State of Alaska to protect and preserve agricultural lands as evidenced by Alaska laws authorizing current use taxation of agricultural land and by property tax deferral policies of local governments in which farmlands are located.

(5) These policies, by themselves, have not been effective to provide long-term protection of farm lands under the pressure of increasing urban development.

(6) Generally, farm lands close to urban centers have a greater market value for future urban development than their market value for farming. This fact encourages the speculative purchase of these lands at high prices for future development, regardless of the current use of such lands. Farm lands which have a market value greater than their agricultural value do not attract sustained agricultural investment and eventually these lands are sold by farmers and removed from agricultural uses.

(7) The permanent acquisition by the State of voluntarily offered interests in farm lands within the State, as provided in this chapter will permit these lands to remain in farm uses in developing urban areas and provide long-term protection for the public interests which are served by farmlands within the State of Alaska.

Sec. 33.60.020. ACQUISITION OF AGRICULTURAL PRESERVATION EASEMENTS.

(a) If privately owned agricultural land meets the requirements specified in AS 38.60.030, the director may acquire by purchase an agricultural preservation easement in that land.

(b) The director, with the concurrence of the commissioner, is authorized to dispose of state land or an interest in state land by exchanging it for privately owned agricultural land or for an agricultural

6/18/79

Introduced by: Bernice Stern, Bill Reams, Robert Dunn, Paul Barden, Pat Thorpe, Tracy Owen, R.R."Bob" Greive, Gary Grant, Ruby Chow

Proposed No.: 79-729

ORDINANCE NO. 4341

AN ORDINANCE relating to the acquisition of voluntarily offered interests in farm and open space land in King County; calling an election by the voters of the County on September 18, 1979, to authorize the issuance of general obligation bonds of the County in the principal amount of not to exceed $50,000,000 for the purpose of providing funds for such acquisition and repealing Ordinances 3871, 3872 and 3918.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Repeal. Ordinances 3871, 3872 and 3918 are hereby repealed and replaced with this ordinance.

SECTION 2. Findings and Declaration of Purpose.

The Council finds that:

(1) King County is a desirable place to live and visit because of the quantity, variety and natural beauty of its open space which contributes a vital ingredient to the quality of life of the people of the County. These open space resources presently include more than fifty thousand acres of land suitable for farming, and other woodlands, wetlands and open lands adjacent to these farmlands. Such lands provide natural separation between urban areas, furnish unique, aesthetic and economic benefits to the citizens of the County and are an important part of our heritage.

(2) Land suitable for farming is an irreplaceable natural resource with soil and topographic characteristics which have been enhanced by generations of agricultural use. When such land is converted to urban and suburban uses which do not require those special fertility and landscape characteristics, an important community resource is permanently lost to the citizens of King County.

(3) The agricultural industry in King County provides the citizens of the County with the opportunity to harvest locally grown berries, fruit and vegetables at u-pick farms and to purchase locally produced food and dairy products through the Pike Place Market, farmers markets, roadside stands and other local outlets throughout the County.

(4) It is the policy of the State of Washington and King County to protect, preserve and enhance agricultural and open space lands as evidenced by the King County Comprehensive Plan of 1964 as amended by Ordinance 1096, establishing open space policies in King County, Ch. 84.34 RCW and Ordinance 2537, authorizing current use taxation of agricultural and open space land, Ch. 84 Laws of 1979 limiting and deferring road and utility assessments on farm and open space land, Ordinance 3064, as amended, establishing King County's agricultural lands policy and County and city ordinances regulating land use by zoning.

(5) However, these policies and regulations, by themselves, have not been effective to provide long-term protection of farm and open space lands under the pressure of increasing urban development. The amount of land in agricultural use in King County has declined from more than 100,000 acres in 1959 to approximately 50,000 acres in 1979, with much of this loss having been caused by actual or prospective urban development.

(6) Generally, farm and open space lands which are close to urban centers have a greater market value for future urban development than their market value for commercial farming or other open space uses. This fact encourages the speculative purchase of these lands at high prices for future development, regardless of the current zoning of such lands. Farm lands which have a market value greater than their agricultural value do not attract sustained agricultural investment and eventually

these lands are sold by farmers and removed from commercial agricultural uses.

(7) The permanent acquisition by the County of voluntarily offered interests in farm and open space lands within the County, as provided in this ordinance and as authorized by the Constitution and statutes of the State of Washington, will permit these lands to remain in farm and open space uses in a developing urban area and provide long-term protection for the public interests which are served by farmlands and open space lands within the County.

(8) The acquisition of interests in farm and open space lands as provided in this ordinance is a public purpose of King County and financing such acquisition requires that the County issue its general obligation bonds in the principal amount of not to exceed $50,000,000.

SECTION 3. Definitions.

(1) "Full Ownership" means fee simple ownership.

(2) "Agricultural Rights" means an interest in and the right to use and possess land for purposes and activities related to horticultural, livestock, dairy and other agricultural and open space uses.

(3) "Development Rights" means an interest in and the right to use and subdivide land for any and all residential, commercial and industrial purposes and activities which are not incident to agricultural and open space uses.

(4) "Value of Development Rights" means the difference between the fair market value of Full Ownership of the land (excluding the buildings thereon) and the fair market value of the Agricultural Rights to that land.

(5) "Owner" means the party or parties having the fee simple interest, a real estate contract vendor's or vendee's

interest, a mortgagor's interest or a grantor of a deed of trust's interest in land.

(6) "Farmland" means a) "Farm and Agricultural Land" as now defined in RCW 84.34.020(2), or b) land which is in a single ownership of twenty or more contiguous acres, at least 80% of which is open or fallow and which has produced a gross income from agricultural uses of $100.00 or more per acre per year for three of the ten calendar years preceding the date of the owner's application. The "date of application" as used in a) or b) above shall be the date of the owner's application for purchase by the County.

(7) "Food Producing Farmland" means Farmland which has been used for the commercial, soil-dependent cultivation of vegetables, berries, other fruits, cereal grains and silage corn.

(8) "Open Space Land" means "Open Space Land" as now defined in RCW 84.34.020(1) and "open space use" shall mean any of the uses provided in such definition.

(9) "Eligible Land" means Farmland and Open Space Land for the purchase of which bond proceeds are authorized to be used pursuant to this ordinance.

(10) "Selection Committee" means the Committee formed pursuant to Section 6 of this ordinance to advise the Council in the selection of Eligible Lands for purchase.

(11) "Bonds" means the general obligation bonds of the County described in Section 12 of this ordinance.

(12) "Council" means the King County Council.

(13) "Executive" means the King County Executive.

(14) "Governmental Agency" means the United States or any agency thereof, the State of Washington or any agency thereof, any County, City or municipal corporation.

(15) "Appendices A, B, C, D, E and F" of this ordinance mean the maps which describe designated areas of Eligible Lands for purposes of priority of acquisition as provided in Section 5 of this ordinance. Official large scale maps describing such areas in detail are hereby filed with the Administrator-Clerk of the Council and incorporated herein by this reference. Smaller scale maps generally illustrating such areas are appended to this ordinance for more readily accessible public reference.

SECTION 4. Authorization.

(1) The County is hereby authorized to issue its general obligation bonds to acquire the Farmlands and Open Space Lands described and prioritized in Section 5 of this ordinance. The property interest acquired may be either the Development Rights, Full Ownership or any lesser interest, easement, covenant or other contractual right. Such acquisition may be accomplished by purchase, gift, grant, bequest, devise, covenant or contract but only at a price which is equal to or less than the appraised value determined as provided in this ordinance. The proceeds of the Bonds shall be used to acquire such property interests only upon application of the owner and in a strictly voluntary manner.

(2) If the Owner so elects, the Executive is authorized to pay the purchase price in a lump-sum single payment at time of closing, or to enter into contracts for installment payments against the purchase price consistent with applicable federal arbitrage regulations. When installment purchases are made, the County is authorized to pay interest on the declining unpaid principal balance at a legal rate of interest consistent with prevailing market conditions at the time of execution of the installment contract and adjusted for the tax-exempt status of such interest.

(3) The Executive is further authorized to contract with other Governmental Agencies to participate jointly in the

acquisition of interests in Eligible Lands on such terms as shall be approved by the Council consistent with the purposes and procedures of this ordinance.

(4) The County may acquire Full Ownership in Eligible Lands of First Priority only where the Owner will voluntarily sell only the Full Ownership of the property. The County shall acquire only Development Rights or interests which are less than Full Ownership in Eligible Lands of Second and Third Priority.

(5) After County acquisition of Development Rights or some interest less than Full Ownership in any Eligible Land, the County may purchase the remaining Agricultural Rights or other property interests in such land only when requested by the Owner and when such acquisition is necessary to maintain agricultural or open space uses of the property.

(6) If the County shall acquire Full Ownership in any Eligible Lands the Executive shall as soon as practicable offer the Agricultural Rights to such land for public sale at a price not less than the appraised value of such rights. If no offer for such rights is received at the appraised value, the Executive may, with the approval of the Council, either reoffer the agricultural rights for public sale or lease such land for agricultural or open space use or make such land available for publicly owned open space uses consistent with the purposes of this ordinance.

(7) Interests which the County owns in property other than Eligible Lands may be exchanged for property interests in Eligible Lands on an equivalent appraised value basis. If the County has acquired Full Ownership of any Eligible Lands the Agricultural Rights in such lands may be exchanged for the Development Rights to other Eligible Land of equal or higher priority on an equivalent appraised value basis. If the property interests exchanged are not exactly equal in appraised value, cash

payments may be made to provide net equivalent value in the exchange.

SECTION 5. Eligible Lands and Priority of Acquisition.

The proceeds of the Bonds shall be used to purchase property interests in the following lands in the following order of their numbered priority group. The lands described within each numbered priority group shall be deemed of equal priority regardless of the order of designation within such group.

First Priority:

(a) Farmlands and Open Space Lands located within the designated areas of the Sammamish, Lower Green or Upper Green River Valleys as shown respectively on Appendix A, Appendix B and Appendic C of this ordinance.

(b) Food Producing Farmlands located anywhere within the County except those lands removed from the Agricultural District by the King County Council in its affirmative action on Ordinance No. 3326* generally described but not limited to those lands on Appendix "F" but outside of the designated areas of the Sammamish, Lower Green, Upper Green and Snoqualmie River Valleys and Enumclaw Plateau as shown in Appendices A-E inclusive of this ordinance.

Second Priority:

(a) Farmlands in designated areas in the Snoqualmie Valley as shown on Appendix D of this ordinance.

(b) Farmlands in designated areas of the Enumclaw Plateau as shown on Appendix E of this ordinance.

(c) Approximately 1,500 acres of Farmlands which are larger than 40 contiguous acres located anywhere within the County outside of the areas described in Appendices A to E inclusive of this ordinance

*Amended by Ordinance No. 4373, July 12, 1979.

Third Priority:

All other Farmlands located within presently established Agricultural Districts of the County and designated to be Agricultural Lands of County Significance.

SECTION 6. Selection Committee.

(1) A seven-member Selection Committee shall be appointed within ninety (90) days following the approval of the Bonds by the voters. The Selection Committee shall advise the Council in the selection of Eligible Lands offered for acquisition by their owners. Members shall be appointed by the Executive and confirmed by the Council and shall comply with the King County Code of Ethics. No member may have an ownership interest in any of the lands eligible for purchase pursuant to this ordinance.

(2) The Selection Committee shall consist of two members each of whom shall have at least five years experience in the operation and management of commercial farms; two members each of whom shall have five years of experience in the management of either a construction or land development or real estate business; and three members who shall be lay citizens from different geographic areas of the County. One of the lay members shall be appointed by the Executive to serve as chairman. Committee recommendations shall be made by a majority of its members.

(3) Members shall serve three-year terms, except that the initial term of three members shall be two years and of four members shall be three years. Members may be removed by the Executive only for good cause shown. Members shall not be compensated for their services but shall be reimbursed for expenses actually incurred in the performance of their duties. Members may be reappointed to successive terms but the Selection Committee shall be terminated when the proceeds of the Bonds have been spent and in any event no later than eight years after the Bond election.

SECTION 7. Selection Process.

Beginning in the first year following the Bond election and continuing at least once a year for a period of six years or until all Bond proceeds have been expended whichever date is sooner, the Executive shall conduct a voluntary property selection process (herein called "Selection Round") generally as follows:

(1) In the first and second Selection Rounds all properties offered in Priority One shall be eligible for purchase. In the third Selection Round all properties offered in Priority One and Priority Two shall be eligible for purchase, and in all subsequent Selection Rounds all properties offered in Priorities One, Two and Three shall be eligible for purchase. In all Selection Rounds properties of higher priority shall be purchased with available funds before properties of lower priority are purchased.

(2) The Executive shall begin each Selection Round by giving notice in one newspaper of general circulation in each area where Eligible Lands are located which may be acquired in that Round. The notice shall describe the properties eligible for purchase in that Selection Round, the procedure to be followed in the selection process, including an estimated time schedule for the steps in the process, and shall invite the Owners of such properties to make application for purchase by the County and to describe the property interest which the Owner is willing to sell.

(3) Upon closing of the application period, the County Executive shall review each application which has been received to determine the eligibility and priority classification of each property interest and to verify ownership by title search.

(4) For those applications which meet the requirements of (3) above, the Executive shall cause an appraisal of the applicant's property interest to be made. Two appraisals shall

be made to determine the Value of Development Rights. One appraisal shall determine the fair market value of Full Ownership of the land (excluding buildings thereon) and one shall determine the fair market value of the Agricultural Rights only. Appraisals of the fair market value of Full Ownership or of a property interest other than Development Rights shall be made by independent appraisers selected by the Executive from a list of not less than ten qualified persons recommended by the County Assessor. Such persons shall be deemed qualified if they have been certified to be professionally competent appraisers by a recognized professional appraisal certification organization, shall have had at least five years experience as a professional appraiser and shall not have a property interest in Eligible Lands. Appraisals of the fair market value of Agricultural Rights shall be made by independent appraisers selected by the Executive with at least five years experience in the appraisal of agricultural land and who shall not have a property interest in Eligible Lands.

(5) Appraisals shall be in writing and shall be furnished to the respective owners for review. Errors of fact in any appraisal may be called to the attention of the appraiser by the County or by Owners of the property appraised but corrections of the appraisal may be made only by the appraiser. If an Owner of property believes it has not been adequately appraised such Owner may, within the time allowed therefor on the selection schedule, request that a review appraisal be made at the Owner's expense. The Selection Committee shall appoint the review appraiser or appraisers in the same manner as the original appraiser or appraisers are appointed by the Executive. The review appraisal shall become the final appraisal.

The appraisal shall then be filed with the Executive.

(6) Terms and conditions of sale and information on the effect of the sale may be discussed by the Executive with

Owners prior to the submission of written offers.

(7) Sealed, firm, written offers by all applicants who desire to have their property purchased by the County shall then be submitted on forms provided by the County to be opened by the County Executive on a day certain.

(8) The Executive shall review all offers and make recommendations thereon to the Selection Committee and the Council.

(9) The Selection Committee shall review all offers and the recommendations of the Executive and make recommendations to the Council.

(10) Upon receiving the recommendations of the Selection Committee, the Council shall take final action on such recommendations.

SECTION 8. Criteria for Selection within Same Priority. Only in the event that funds are not adequate in any Selection Round to purchase all Eligible Lands of equal priority for which valid offers shall have been received by the County, the following criteria shall be considered in determining which offers to accept within such priority group:

(1) An offer which is below appraisal shall be favored over an offer which is at appraisal.

(2) An offer of Development Rights in land shall be favored over an offer of Full Ownership.

(3) An offer of farmland producing in the 12 months preceding application shall be favored over an offer of land which lies fallow;

(4) An offer of land which is more threatened by urban development shall be favored over an offer of land which is less threatened;

(5) An offer of land which will form a contiguous farming area with other offered or acquired Eligible Land shall be favored over an offer of land which is separated;

(6) An offer of land which will serve the dual purpose of urban separation and agricultural production shall be favored over an offer of land which will serve only one of such purposes;

(7) An offer of Farmlands in commercial production shall be favored over an offer of non-commercial Farmlands.

The weight to be given to each of the above criteria shall be determined finally by the Council for each parcel of property and such good faith determination shall be conclusive.

SECTION 9. Duration of Acquired Interests.

(1) Development Rights acquired pursuant to this ordinance shall be held in trust by the County for the benefit of its citizens in perpetuity. Except as provided in Section 4 of this ordinance and Subsection 2 of this Section and except as found necessary by the Council to convey public road and utility easements, the County shall not sell, lease or convey any land or interest in land which it shall acquire with the use of Bond proceeds.

(2) If the Council shall find that the public farm and open space purposes described in Section 2 of this ordinance can no longer reasonably be fulfilled as to any land or interest in land acquired with Bond proceeds, the Council shall submit to the voters of the County a proposition to approve of the disposition of such land or interest. Only upon a majority vote approving such proposition can such land or interest be disposed of by the County and the proceeds of such disposition shall be used to acquire other Farmlands or Open Space Lands in the County as provided in this ordinance.

SECTION 10. Related Costs.

The costs of appraisal, engineering, surveying, planning, financial, legal and other services lawfully incurred incident to the acquisition of interests in Eligible Lands by the County and

incident to the sale, issuance and delivery of the Bonds shall be paid from the proceeds of the Bonds.

SECTION 11. Supplemental Funds.

Supplemental or matching funds from other Governmental Agencies or private sources may become available to pay a portion of the cost of acquiring Development Rights, Full Ownership or some lesser interest in Eligible Lands or to supplement or enlarge such acquisition. The Executive is hereby authorized to utilize such funds to purchase interests in Eligible Lands or to otherwise supplement the proceeds of the Bonds in the manner provided by this ordinance and in accordance with the applicable laws or terms governing such grant.

It is the intention of the Council that the proceeds of Bonds available for the acquisition of interests in Farmlands in the Snoqualmie Valley be used in a manner consistent with the adopted multi-jurisdiction agreement affecting the uses of the Snoqualmie River.

SECTION 12. County Purpose.

The Council finds and declares that the use of County funds for the purpose of paying in whole or in part the cost of acquisition of interests in Eligible Lands as set forth herein, including any costs necessarily incident to such acquisition, to the sale, issuance and delivery of the Bonds, or to participation with any Governmental Agency for such purposes will promote the health, welfare, benefit and safety of the people of King County and is a strictly County capital purpose.

SECTION 13. Terms of the Bonds.

For the purpose of providing funds necessary to pay the cost of carrying out the acquisition authorized by this ordinance, the County shall issue the Bonds in the principal amount of not to exceed $50,000,000. The Bonds shall be sold at public sale in the manner required by law, shall bear interest payable at such

times, shall be issued in such series from time to time out of such authorization over a period of up to six years, and shall mature serially commencing in from two to five years from the date of issue of each series and maturing in a period which may be less than but shall not exceed thirty years from the date of issue of each series, all as hereafter authorized by the Council and as provided by law. Both the principal of and interest on the Bonds shall be payable out of annual tax levies to be made upon all of the taxable property within the County in excess of constitutional and statutory limits and from any other money which may become legally available and used for such purposes. Any series of the Bonds may be combined with other authorized general obligation bonds of the County and issued and sold as single issues of County bonds. The exact date, form, terms, redemption options and maturities of each series of the Bonds shall be as hereafter fixed by ordinance of the Council.

SECTION 14. Farmland and Open Space Acquisition Fund. The principal proceeds of sale of the Bonds shall be deposited in a Farmland and Open Space Acquisition Fund to be hereafter created in the office of the Comptroller of King County (hereinafter "Acquisition Fund"), except that any premium and accrued interest on the Bonds received at the time of their delivery shall be paid into a fund of the County to be used for the redemption of the Bonds. Money in such Acquisition Fund may be temporarily deposited in such institutions or invested in such obligations as may be lawful for the investment of County money and may be temporarily advanced to the fund for the redemption of the Bonds to pay Bond interest pending receipt of taxes levied therefor.

The principal proceeds from the sale of the Bonds and any interest received from the deposit or investment of such proceeds shall be applied and used solely for the purposes set forth in

this ordinance, and none of such proceeds shall be used for other than a strictly county capital purpose.

SECTION 15. Calling Election.

It is hereby found and declared that an emergency exists requiring the submission to the qualified electors of the county at a special election to be held therein on September 18, 1979, of a proposition authorizing the issuance of the Bonds.

The Manager of the King County Records and Elections Division, as ex officio supervisor of all elections held within King County, is hereby requested to find the existence of such emergency and to assume jurisdiction of and to call and conduct such special election to be held within the County on that date and to submit to the qualified electors of the County at such special election the proposition hereinafter set forth.

The Administrator-Clerk of the Council is hereby authorized and directed to certify that proposition to the Manager of the King County Records and Elections Division in substantially the following form:

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

LAZY MOUNTAIN

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Wilderness Farms (portion)	18N02E11A007 18N02E11C001 18N02E11A008 18N02E10D001 18N02E12C001	476.64	$460,440	$317,400	$2,013.33	$2,187.01	
John Nash	18N02E12D006 18N02E12D007 28N02E12D008 18N02E13A004 18N02E13A005 18N02E13A006	180.00	247,500	36,280	348.20	1,184.21	
Michael Pettit	18N02E13C001	120.00	92,500	54,400	359.86	433.40	
John Seeman	18N02E13B002 18N02E13D001 18N02E14A001	367.50	256,660	54,820	505.76	1,176.22	
John Bush	18N02E35B011 18N02E35B012	60.50	102,000	48,460	330.84	571.92	
John Leiner	3020B01L002	1.51	9,820	- 0 -	1.68	57.24	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

BUTTE

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Danny and Sandra Allen	17N02E34B002 17N02E34B003 17N02E34B008	11.50	$ 45,300	$20,120	$128.41	$251.03	
Wendell Hill	17N02E27A002 17N02E27C001	99.75	166,920	55,200	431.86	856.43	
Paul Huppert	17N02E27D004	49.00	88,200	2,700	67.05	460.17	
John King	17N02E27A009 2089000T00A(King Subdivision) 2089000T00C(King Subdivision)	65.24	172,760	81,180	546.60	926.26	
Henry Kircher (portion)	17N02E34A001	36.00	72,000	- 0 -	41.76	375.84	
Patrick Mulligan	17N02E34A005 17N02E34D002	120.00	156,000	70,860	527.91	787.88	
Dietrich Rempel	17N02E24A004	135.00	141,760	64,440	452.05	743.91	
Kent Sandvik	17N02E26B001 2007B02L001 (Butte Acres Subdivision) 2007B02L020 2007B02L021	61.89	124,060	9,860	120.87	655.87	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

BUTTE

Name of Property Owner / Applicant	Farm Use	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Terrance Weiland		17N02E13C005 17N02E13D001 17N02E26B003 17N02E26C001 17N02E27A007	374.00	$547,400	$256,160	$1,835.24	$2,825.41	
Ed Wineck		17N02E27B002 17N02E28A001	80.00	114,000	33,220	264.48	589.40	
Thomas and Gene Williams		17N02E22D002 17N02E27A010 17N02E27A011 17N02E27B006	196.27	309,320	107,780	760.50	1,658.68	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

IMMEDIATE PALMER

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Fielding Farms (portion)	18N02E32A010	35.00	$ 87,500	- 0 -	$ 38.28	$ 486.72	
Wesley Grover	18N02E32A029 18N02E32A030 1309000L002 (Stanley Subdivision)	16.88	85,820	51,200	327.24	494.88	
Wendell Lewis (portion)	17N02E03C003 17N02E04D008	60.42	148,600	105,100	730.92	791.28	
Leonard Moffitt	18N02E19D017 18N02E29B002 18N02E29B004 18N02E29C002 18N02E29C003 18N02E29C005 18N02E29C006 18N02E30A008 10N02E30A009 18N02E32A002 18N02E32A004 2081000T001-A (Eve's Eye Subdivision) 3001000T00D-1 (H. Adams Subdivision)	566.50	899,440	122,800	1,320.72	4,812.72	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

IMMEDIATE PALMER

Name of Property Farm Use Owner Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Roland Snodgrass (portion)	18N02E33D003 18N02E33D005 18N02E33D006 18N02E33D022 18N02E33D025 18N02E33D027	69.26	$321,660	- 0 -	$ 85.07	$2,018.89	
Wiederkehr, Inc.	18N01E36A003 18N02E30C002 18N02E30C004 18N02E31A002 18N02E31B002 18N02E31B003 3001000T00A (H. Adams Subdivision)	370.45	599,680	78,300	818.16	3,249.72	
Loren Wiederkehr	18N02E31A004	6.00	9,000	56,400	343.68	48.72	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

NORTH PALMER-FISHHOOK

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Robert Boyd	18N01E14C003 18N01E14C004 18N01E23A003 18N01E23A004 18N01E23A006 18N01E23A007	400.00	$411,060	$ 94,360	$800.16	$2,362.68	
Stan Davis	18N02E17A003 18N02E17C007 18N02E17C008 18N02E17D010 18N02E17D011 18N02E17D012 18N02E17D013 18N02E20A010 18N02E20A011 18N02E20A012 18N02E20A013	260.00	291,020	187,120	1,372.32	1,496.52	
Frederick Goodwin	18N01E10D002 18N01E15A001	120.00	172,000	37,400	303.60	952.80	
Wendell Lewis (portion)	18N01E22D001 18N01E23C001	293.71	252,180	- 0 -	289.11	1,450.93	
Jalmer Kerttula	18N01E22A003	160.00	216,000	- 0 -	118.13	1,372.27	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

NORTH PALMER-FISHHOOK

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Bradley Lewis	18N02E09D006	74.97	$ 93,720	- 0 -	$ 81.00	$ 425.09	
William Merry	18N01E07D011	55.38	89,100	66,660	499.49	528.53	
Elvi Rebarchek	18N01E22A002 18N02E20D001	235.00	232,500	18,700	245.26	1,369.94	
Susan Rott	19N01E33B016 19N01E33B017 19N01E33B018 19N01E33B019	80.00	108,000	400	50.30	665.14	
Ardnt Von Hippel	18N02E20D002	80.00	120,000	181,400	1,176.24	632.16	
Richard Washburn	18N02E18D002	88.30	132,460	47,660	362.28	718.44	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SOUTH PALMER-SPRINGER

Name of ~~Property~~ Farm Use Owner Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
George Crowther	17N02E09C001	40.00	$ 80,000	$ 70,100	$ 495.60	$ 405.00	
Wesley Grover (portion)	17N02E15B009 17N02E16A001 17N02E18A004 3007000T002 (Bridle Trails Subdivision) 3007000T003	139.66	271,140	74,500	700.68	1,373.16	
Hamilton Farms	17N02E09A008 17N02E09B001 17N02E09D003 17N02E09D004	275.00	343,760	211,000	1,596.00	1,732.56	
Myrtle Harrington	17N02E09A010	64.50	116,100	26,200	234.60	619.20	
Keith Hooks	17N02E17C002	36.77	73,540	30,600	219.60	405.24	
Gene Jenn (portion)	17N02E18A011	8.72	41,020	112,500	681.60	239.52	
John Leiner (portion)	3014000T003 (Grandview Subdivision)	9.25	8,400	19,100	118.80	46.20	
Bernard Vanderweele	17N01E16D015 17N02E08D002 17N02E17A002 17N02E17B004 17N02E17B007 17N02E18A012 17N02E18A013 17N02E18A014 17N02E18D004 3004000L001 (Bradley Lake Subdivision)	341.68	622,160	266,200	1,978.99	3,445.18	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SOUTH PALMER-SPRINGER

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Roland Snodgrass (portion)	17N02E10D001	48.00	$ 86,400	- 0 -	$ 55.32	$ 463.08	
Clayton Woodward	17N02E19A001 17N02E19D001	236.55	315,760	25,440	350.75	1,643.80	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

NORTH PARKS-SEWARD MERIDIAN (Bogard-Trunk Road Area)

Name of ~~Property~~ Farm Use Owner Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Elroy Ashmore	18N01E34A001	76.46	$ 98,640	$ 47,200	$372.05	$ 634.25	
Bob Havemeister	18N01E27A002 18N01E27D002	159.00	258,000	121,500	982.01	1,636.54	
Henry Kircher (portion)	18N01E26B001	151.51	186,440	- 0 -	130.27	1,156.16	
Kircher-Menck (*also has Senior Citizen Exemption)	*18N01E26C001 18N01E27D001 18N01E35B001	398.00	370,100	114,500	893.14	1,717.13	
Peter Rissi	18N01E25D001 18N01E36B004	220.00	309,000	- 0 -	256.46	1,705.54	
Evelyn Mielke	17N02E06B004	40.00	80,000	- 0 -	16.80	463.20	
Robert Mielke	17N02E06B003	27.53	55,060	82,800	508.32	318.84	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SOUTH PARKS-FAIRVIEW

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Donald Breeden	17N01E15D003 17N01E15D006 17N01E15D007 17N01E15D008	128.97	$228,460	$138,800	$1,085.93	$1,448.16	
Fielding Farms (portion)	17N01E17C001 17N01E20B001	238.00	244,500	- 0 -	214.75	1,322.99	
Richard Hornung	17N01E21B005	33.79	67,580	75,200	542.20	442.98	
Larry Vandersloot	17N01W13D002	120.00	144,000	21,100	210.12	780.48	
Gene Jenn	17N01E16C013 17N01E16D003 17N01E16D005 17N01E16D009 17N01E16D010	107.00	302,400	203,100	1,515.09	1,972.86	
Alaska Fur Farms, Inc.	17N01W29A001	160.00	112,000	119,700	841.08	549.12	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

WASILLA-KNIK

Name of ~~Property~~ Farm Use Owner Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Harvey Longnecker	17N02W32C001	160.00	$152,000	$58,300	$396.04	$739.58	
Ingval Tofson	17N03W25C010	71.45	61,420	1,340	39.64	299.27	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SCHROCK

Name of Property Owner / Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Anna Koruna	18N02W20B002	160.00	$120,000	$ 2,600	$ 77.04	$ 658.56	
George Lustig	18N02W24B001	160.00	144,000	2,500	115.80	763.20	
William Mahoney	18N02W12C004 18N02W12C005	80.00	82,500	- 0 -	2.59	442.91	
Paul Mahoney	18N02W14A006	106.00	92,760	15,340	153.12	495.48	
Manvil Olson	18N01W18A001 18N01W21A001 18N01W21C002 18N01W22B002	518.00	597,800	32,180	555.48	3,224.40	
Linda Schwald	18N01W09D003	20.00	41,760	11,540	67.50	220.32	
Wilderness Farms (portion)	18N01W14B011 18N01W14C001 18N01W15D004 18N01W15D005 18N01W15D007	195.00	185,900	137,260	962.52	976.44	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

OTHER AREA
(Sutton-Chickaloon)

Name of ~~Property~~ Farm Use ~~Owner~~ Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Walter Callison	19N03E23D002 19N03E24A004 19N03E24B002 19N03E24B004	238.30	$119,720	- 0 -	$966.29	$679.61	
Wendell Lewis (portion)	19N03E31A001	160.00	98,800	- 0 -	198.91	532.21	
William Long	18N02E02A001	130.00	71,500	79,020	625.74	488.10	
Len Melton	19N02E12D001 19N02E13B001 19N02E14A001	360.00	180,000	- 0 -	116.64	855.36	
Raymond Stock	20N06E29D002	39.79	27,860	15,800	106.81	128.95	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

OTHER
(Willow-Talkeetna-Petersville Area)

Name of ~~Property Owner~~ Farm Use Claimant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
C. W. Reynolds	19N04W12A003	5.00	7,500	$26,520	$144.50	$ 39.20	
J. B. Wier	25N05W15A001	159.65	90,800	11,180	103.90	446.80	
Gerald Robson	25N05W03B001 26N05W34C002	122.50	79,620	- 0 -	309.64	363.74	
Clayton Fox	26N05W30D002	40.00	48,000	3,600	49.68	228.96	
Peter Hasson	26N05W30D004	155.00	100,760	24,460	254.34	421.85	
Bobby Watkins, Sr.	26N05W20B008 2084 (13 lots in Watkins Subdivision)	116.72	122,600	- 0 -	78.52	583.53	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

OTHER
(Knik River Road Area)

Name of ~~Property~~ Owner / Farm Use Claimant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Bernard Eberhardt	16N03E25B002 1847000T00A (Eberhardts Subdivision) 1847000L003 (" ")	53.19	$95,440	- 0 -	$35.09	$480.28	

Matanuska-Susitna Borough

assembly memorandum

Manager's

no. AM 82-425

from: Gary Thurlow, Borough Manager date: 12/17/82

subject: PRESERVATION OF FARM LANDS

The Borough Agricultural Advisory Committee recommends that the Borough Assembly adopt a farm land preservation bill along the lines of the attached bill.

The Planning Commission supports preservation of farm land through state purchase of development rights from willing sellers.

We recommend that farm land preservation be included as a legislative priority.

Respectfully submitted,

Gary Thurlow
Borough Manager

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Attachment

IN THE HOUSE

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the preservation of agricultural land."

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

* Section 1. AS 38 is amended by adding a new chapter to read:

CHAPTER 60. PRESERVATION OF AGRICULTURAL LAND.

Sec. 38.60.010 Findings and Declaration of Purpose.

(1) Land suitable and in use for farming is an irreplaceable natural resource with soil and topographic characteristics which have been enhanced by years of agricultural use. When such land is converted to urban and suburban uses which do not require those special fertility and landscape characteristics, and important economic and community resource is permanently lost to the State of Alaska.

(2) Alaska is a desirable place to live and visit because of the quantity, variety and natural beauty of its open space which contributes a vital ingredient to the quality of life of the people of the State. Alaska farmlands provide a natural separation between urban areas, furnish unique aesthetic and economic benefits to the citizens of the State and are an important part of Alaska's heritage.

(3) The agricultural industry in Alaska provides Alaskans with the opportunity to obtain locally grown agricultural products with certain advantages in flavor, quality and costs which would not otherwise exist.

(4) It is the policy of the State of Alaska to protect and preserve agricultural lands as evidenced by Alaska laws authorizing current use taxation of agricultural land and by property tax deferral policies of local governments in which farmlands are located.

(5) These policies, by themselves, have not been effective to provide long-term protection of farm lands under the pressure of increasing urban development.

(6) Generally, farm lands close to urban centers have a greater market value for future urban development than their market value for farming. This fact encourages the speculative purchase of these lands at high prices for future development, regardless of the current use of such lands. Farm lands which have a market value greater than their agricultural value do not attract sustained agricultural investment and eventually these lands are sold by farmers and removed from agricultural uses.

(7) The permanent acquisition by the State of voluntarily offered interests in farm lands within the State, as provided in this chapter will permit these lands to remain in farm uses in developing urban areas and provide long-term protection for the public interests which are served by farmlands within the State of Alaska.

Sec. 33.60.020. ACQUISITION OF AGRICULTURAL PRESERVATION EASEMENTS.

(a) If privately owned agricultural land meets the requirements specified in AS 38.60.030, the director may acquire by purchase an agricultural preservation easement in that land.

(b) The director, with the concurrence of the commissioner, is authorized to dispose of state land or an interest in state land by exchanging it for privately owned agricultural land or for an agricultural

preservation easement in privately owned agricultural land if the privately owned agricultural land meets the requirements specified in AS 38.60.030.

(c) The value of an agricultural preservation easement received by the State in an exchange made under this chapter must be equal to the fair market value of the state land or the interest in state land exchanged. If the value of the state land or the interest in state land is not equal to the value of the agricultural preservation easement, the director may accept money from, or pay money to, a landowner. The money paid or accepted must equal the difference between the fair market value of the agricultural preservation easement and the fair market value of state land or the interest in state land exchanged under this chapter.

(d) A purchase of an agricultural preservation easement or an exchange of state land for an agricultural preservation easement shall be to prserve the agricultural use of land.

(e) The director may, in lieu of an agricultural preservation easement, accept a remainder interest in a life estate or similar future interest, so long as the land continues in agricultural uses.

(f) The sale, exchange or donation of an agricultural preservation easement is strictly voluntary. A parcel shall be considered under this program only upon application of the owner. After sale, donation or acquisition by exchange of agricultural preservation rights, the owner shall not be required to carry out any specific agricultural activities so long as the owner does not use or subdivide the land for any residential, commercial or industrial purposes and activities which are not incident to agricultural uses.

Sec. 38.60.030. LAND ELIGIBLE FOR AGRICULTURAL PRESERVATION. Land eligible for agriculutral preservation under this chapter must

(1) be under private ownership;

(2) be located in an area of the state surveyed by the United States Soil Conservation Service;

(3) contain over at least 40 per cent of the surface area soils which are classified as classes II - IV by the United States Soil Conservation Service; and

(4) be a parcel of at least 40 acres in cultivation or farm use or be a parcel of at least 20 acres under cultivation or farm use in size adjacent to established farms of at least 40 acres in size which have been in operation as farms for at least ten (10) years.

Sec. 38.60.040. PRIORITIES FOR ACQUISITION.

(a) Priority districts. In the event that funds are not adequate in the state to purchase agricultural preservation easements in all eligible lands, the director may establish farmland preservation priority districts and allocate monies for agricultural preservation easements within those districts according to the following priorities and in the following order of priority.

(1) farm lands threatened by early conversion to subdivisions, commercial or industrial uses;

(2) farm lands which are of recognized value as a tourism destination because of historic associations, natural setting, closeness to tourism routes or other reasons;

(3) farm lands which have a history of high productivity because of soils, temperatures and other reasons;

(4) farm lands that are close to market; and

(5) farm lands that are within a known established agricultural area.

(b) Criteria for selection within same priority. In the event that funds are not adequate within a priority area to purchase all eligible lands of equal priority for which valid offers shall have been received by the state, the following criteria shall be considered in determining which offers to accept:

(1) an offer of land which is more threatened by urban development shall be favored over an offer of land which is less threatened;

(2) an offer which is below appraisal shall be favored over an offer which is at appraisal.

(3) an offer of farmland producing in the 12 months preceding application shall be favored over an offer of land which lies fallow;

(4) an offer of land which will form a contiguous farming area with other offered or acquired eligible land shall be favored over an offer of land which is separated;

(5) an offer of land which will serve the dual purpose of urban separation and agricultural production or separating commercial and industrial uses from residential or recreational uses shall be favored over an offer of land which will serve only one of such purposes; and

(c) Where agricultural lands are within a municipality, the director shall, before making an allocation of agricultural preservation

easement monies to farm land preservation priority districts within the municipality, refer to any comprehensive plan or ordinances of the municipality on municipal farm land preservation priorities provided to him by the municipality and shall, before making an allocation, give the municipality an opportunity to make recommendations regarding priorities for farm land preservation within the municipality.

Sec. 38.60.050. APPLICATION TO EXCHANGE OR SELL EASEMENT IN AGRICULTURAL LAND. (a) An owner of agricultural land which meets the requirements of AS 38.60.030 may offer by written application to sell or exchange an agricultural preservation easement to the state on all or a portion of his agricultural land.

(b) To be considered by the director, an application to sell or exchange must

(1) include an asking price at which the owner is willing to sell an easement. The owner may, but is not required to, submit an appraisal to support the asking price.

(2) include a complete description of the agricultural land.

(c) Within 30 days after the receipt of an application, the director shall notify the landowner of the sufficiency of the application. If the application is insufficient, the director shall specify the reason and shall allow an additional 30 days for the landowner to remedy the insufficiency. If the application is made sufficient within 30 days of the notification by the director, the application shall be approved. The director shall notify all landowners whose applications have been rejected, and he shall specify the reasons for the rejection.

(d) If the agricultural land, or any part of it, is located in a municipality, the director shall notify the governing body of the municipality within 30 days after approval of an application that an application has been approved. Within 30 days after the notification, the municipal governing body may appeal to the director for reconsideration of his decision. If a municipality appeals, the director shall hold a public hearing in the municipality before an offer to sell or exchange is tendered to the landowner. If, after a public hearing in the municipality, the director's decision remains unchanged, the municipality may appeal to the commissioner within five days for a review of the director's decision.

Sec. 38.60.060. OFFER TO BUY OR EXCHANGE. Within 90 days after approval of the landowner's application to sell or exchange an agricultural preservation easement, the director may accept the landowner's offer to buy or exchange at a price and upon terms offered by the lanowner or may, in the director's discretion, make a counter offer to buy or exchange and may specify terms, contingencies, and conditions not contained in the landowner's aplication. A landowner has 30 days from the date or receipt of the counter offer to buy or exchange in which to accept or reject the offer.

Sec. 38.60.070. VALUE OF AGRICULTURAL PRESERVATION EASEMENT. (a) The maximum value of an agricultural preservation easement acquired under this chapter shall be the asking price or the difference between the fair market value of the land and the agricultural value of the land, whichever is less.

(b) The value of an agricultural preservation easement shall be determined by the director based on one or more appraisals by qualified appraisers. If the landowner and the director fail to agree on the value

of the easement, the landowner, at his own expense, may have the easement appraised by a qualified appraiser agreed upon by the landowner and the director.

Sec. 38.080. PROVISIONS TO BE INCLUDED IN EASEMENT. An agricultural preservation easement acquired under this chapter shall include the following provisions:

(1) agricultural use of the land by the landowner or his assigns is permitted;

(2) removal of minerals or materials from the subsurface of the land by the landowner or his assigns is permitted if the landowner immediately returns the land to agricultural use and restores the land to a condition at least as favorable for agricultural use as existed before the nonagricultural use bagan;

(3) operation of machinery used in agricultural production or the primary processing of agricultural products is permitted;

(4) normal agricultural operations are permitted, including, but not limited to, sale of agricultural products produced on the land where the sale is made;

(5) residential subdivision for commercial purposes by the landowner or his assigns is not permitted;

(6) construction of buildings for farming operations is permitted, but land used for farm residences may not exceed one acre per 40 acres of land under an agricultural preservation easement; and

(7) acquisition of an agricultural preservation easement by the state does not grant the public a right of access or right of use of the property subject to the easement, nor does it affect any existing easements, rights of way or rights of access.

Sec. 38.50.90. DEFINITIONS. In this chapter (1) "agricultural operations" means those activities related to the production of domesticated plants and animals useful to man;

(2) "agricultural preservation easement" means a public owned interest in lands under which the owner retains agricultural rights, but in which all development rights are owned by the public.

(3) "agricultural rights" means an interest in and the reight to use and possess land for purposes and activities related to horticultural, livestock, dairy and other agricultural uses.

(4) "agricultural use" means the use of land for the production of domesticated plants and animals useful to man, and other related uses and activities;

(5) "agricultural value" means the price on the valuation date which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property to be used for agricultural operations;

(6) "commissioner" means the commissioner of the Department of Natural Resources;

(7) "development rights" means an interest in and the right to use and subdivide land for any and all residential, commercial and industrial purposes and activities which are not incident to agricultural uses.

(8) "director" means the director of the division of agriculture in the Department of Natural Resources;

(9) "fair market value" means the price on the valuation date for tne highest and best use of the property which a vendor, willing but

not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property if the property was not subject to any restriction imposed under this chapter.

(10) "municipality" means a unified municipality or a home rule borough or general law borough or city, of any class, incorporated under the laws of the state;

(11) "qualified appraiser" means a senior member of the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, a person meeting the requirements for certification as an appraiser II by the division of personnel, Department of Administration, or a person qualified according to regulations adopted by the commissioner under the Administrative Procedure Act (S 44.62);

(13) "residential subdivision for commercial purposes" means the division of a tract or parcel of land into two or more lots, sites or other divisions for the purpose, whether immediate or future, of sale or building development, and includes a resubdivision.

MATANUSKA-SUSITNA BORCUGH
Date Rcvd 12-29-82 Initial

Matanuska - Susitna Borough

assembly memorandum

no. AM 82-422

from: Planning Department **date:** 12/16/82

subject: Planning Commission Resolution 82-47 - Purchase of Agricultural Development Rights

Enclosed is a copy of Planning Commission Resolution 82-47 recommending that the Assembly and State support the concept of preservation of agricultural land through the purchase of agricultural development rights. This resolution supported by a Borough Agricultural Advisory Board memorandum of November 10, 1982 (see attached). This resolution does not relate to any particular draft legislation existent or to any other specific method of agricultural development rights purchase.

Administration recommends Assembly concurrence with this concept through approval of this memorandum.

Respectfully submitted,

Claudio Arenas

Claudio Arenas
Planning Director

Reviewed and Approved:

Gary Thurlow
Borough Manager

lf

Appr 12-21-82 E.T.

April 2, 1983

Charles Logsdon
Agresources
Box 1747
Palmer, AK 99645

Dear Chuck,

Thanks for your letter of support for the preservation of agricultural lands bill that I have introduced, as HB 148, in the House this year.

House Bill 148 is currently in the House Resources Committee and was first heard in that committee last week. Several questions were raised by committee members, in the first hearing of this bill, that demonstrated their doubts as to how this bill would serve the people of Alaska as a whole, and not simply the residents of the Mat-Su Borough. Further questions challenged the very notion of Alaska as an agricultural state. For these reasons, your letters of support are very much needed and should be directed to the members of the House Resources Committee. The members of this committee are Representatives Ringstad and Schultz, Co-Chairmen, Representative Uehling, Vice-Chairman, and Representatives Cowdery, Bussell, Liska, Vaska, Goll, and Larson, Committee members.

Your timely support of this worthy bill would be greatly appreciated.

Sincerely,

Barbara Lacher
Representative
District 16

BL/sr

AGRESOURCES
Box 1747 — Palmer, Alaska 99645 — (907) 745-2413

March 28, 1983

RECEIVED MAR 31 1983

Representative Barbara Lacher
Pouch V
Juneau, AK 99811

Dear Barbara:

I saw you interviewed on TV the other night, and I must say you were impressive.

It is true that there is no leadership for agriculture in the House, and I hope you and Ron separately or collectively will try to remedy that situation soon. If you decide to do that, I would be happy to try to supply you with my information and opinion if you think it might do you any good.

Sincerely yours,

Charles E. Logsdon

Resources 3/30 HB 148

Sharon Barton 2400 DNR

Barb

"Subdivision conversions"

Only lands under trad. of farming

Reinst. ▷ do NOT INTEND
TO MOVE BILL OUT TODAY

Witness

Peg Kehr: - focus on devl. ag. land

Gail —

(3)18 — how much land in danger in Mat-Su area — asks for % land under immediate threat

House Research memo was answ.

Larson asks for chance for testimony

Uhlig - Fiscal note - 77,000
is this realistic?

Peg — fiscal note is to staff research efforts —

Uhlig — What liability does the State have

Peg — "Dev." right determined via ratio of agri Vs. market value →

Uhlig — in essence we're looking at more $ from the State than the fiscal note indicates!

Cowdery – ? 1000 acres per yr. Subdivisions in Mat-Su ; what size tracts —

Larson – Small lots 40,000 sq ft → ¼ acre

Cowdery – How do we determine agricult. value & develop. value ratio ? (big diff. between devel. value)

Peg → owner U.S. assessment – take lesser of 2

Larson – [agric. land is taxed at devel. value of agr. value]

→ market value
→ farm use value
→ State pays difference

farm tax value

AS. 43.47

Cowdery – How is this going to help all AKs — not agr. State

Peg – through market place

Larson – philo. of legist. should be to provide infrast. to allow AK to survive after oil revenues are gone

Cowdery – How can we realistically hold agr. lands not in development

Peg – note bill does not address this land —

Uhelin - points to the "subsurface" element in the bill

Reg points out that St. does not have to put in new sewers etc, as w/ new develop. i.e, self-supporting

Larson - retirement program for farmers has been subdivision... We've looked into zoning (oops) then looked to program of HB148. Note bill does not obligate anything — it provides an option.

Jay Nelson - Ak Envir. Lobby
Ex. director
- makes conservation argument

Cowdery - how do we stop abuse of program -

Liska - Is Ak an agric. state?

Nelson - repeats Larson's argument

Bursell - do you think if every acre of ag. land in Ak → could we feed Anch in a month

Sharon- dept. has subst. problems w/ bill, in partic. the fiscal impact.

Doll — (what areas?) is it the required study of the dept.

Sharon- not in our priorities

1) See Session laws 1981/42 —

10 yr. plan — requested by Legist.
hearings held in select places
" never held in Anch, despite requests. See who renewed 10-yr. plan, etc.

2) "hobbyfarms" — term as label used to skirt issue & label small farms as outside existing programs in County Extension Q's which apply for larger farms.

3) examples of very successful small-scale garden produceers (almost commercial)
Tanna Chiefs
[Dean Coop Extension — asked why Legis. ignores this phenomena — takes classical 19th C racist/colonialist stance

4) American Farmland Trust
(Winrock)

5) Dept. Ag.
Check pop. sample — (150 mailing list vs. generalizations).
problem w/ terms:

issues → how does this benefit whole State
marketing support (e.g. lettuce)

also Fairbanks Market / "Natural Pantry"
Anchorage — greater producer only market.

David Gottstein
Buyer for
Fair-Gottstein
Foodstores
Anchorage

3 good witnesses

file w/Bill

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 148 (C&RA) Date on Bill: 3/18/83
Title: Preservation of agricultural lands
Sponsor: Lacher, Larson and Zharoff
Requestor:

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		77.3	82.5	88.0
Total				

b. Revenues:

Revenue				

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

Fiscal impact of this proposal is entirely dependent on level of implementation. We estimate the program would require a minimum of one professional and one clerical to administer the activities required to prepare documents, arrange appraisals, handle public meetings and follow up on verification of compliance with land use requirements. These position can be located at the Wasilla office of the Division of Agriculture.

No funding is requested in this note for actual purchase of easements.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Ed Kern Phone: 376-3276
Division: Agriculture Date: 3-1-83

Approved By Commissioner: Mary Hallora Date: 3/30/83
Department: Natural Resources

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

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

TO: HOUSE C & R A COMMITTEE

FROM: Staff

SUBJECT: CSHB 148

DATE: March 15, 1983

During the last committee hearing on CSHB 148 on March 9, 1983, the committee requested that three (3) corrections be made. The requested corrections are incorporated into the bill as follows:

1. page 6, line 23, add "or by a leasee of the owner of the land."

2. page 6, line 25, 26, reinstates permission for owner to remove minerals or materials from the subsurface of the land but adds the words "for personal use for five years after acquisition of the agricultural preservation easement."

3. page 9, lines 16-20. Amends AS 29.53 to insure that lands with a state purchased preservation easement will be assessed at farm use value, thus preventing a tax exemption as provided in AS 29.53; and does not require an owner of farm lands, who has in the past received a tax exemption, to repay those funds upon selling his agricultural preservation rights.

(3)

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 March 10, 1983

SUBJECT: Agricultural preservation easement (CSHB 148 (C&RA))

TO: Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Richard A. Bradley
Legislative Counsel

A brief analysis of the amendments prepared for the committee substitute.

The restoration of Sec. 90(a)(2) seemed best accomplished in two parts. Thus, the uses permitted are included as sec. 90(a)(2). The uses not permitted are added in at the end of sec. 90(b).

The amendment to sec. 90(a)(1) is included as requested.

The amendments to AS 29.53.035 suggested in my memorandum to Representative Don Clocksin are accomplished in two parts. AS 29.53.035(a) is affirmatively amended. A new AS 29.-53.036 containing what was suggested as sec. 35(f) is added.

If I may be of further assistance, please advise.

RAB:ljb

Enclosure
1/031

Statutory #HB148
Reference
AS 30.07

3/23/25; 3/2;
3/7; 3/9

HB
152

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/2/83

Date: 2/16/83

Mr. Speaker:

The Committee on C & RA has had HB 152

An Act making a supplemental appropriation to the miscellaneous services account; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB 152 [ ] same title [ ] new title

and recommends Do Pass

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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 152 CS(C&RA)
Title: Supp Approp/MISC SVS Acct/ Effect Date
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2938.0 (FY 83)					
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2938.0 (FY 83)					
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No source indicated by sponsor other than general fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Division: Municipal and Regional Assistance
Phone: 465-4750
Date: 12/29/83

Approved by Commissioner:
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 152 CS
Title: Supp Approp/MISC SVS Acct/Effective Date

ANALYSIS:

Assumptions:

As this supplemental appropriation would be administered through an existing Community and Regional Affairs program, there would be no fiscal impact other than the increased amount of grant money made available to municipalities. However, as this applies to the fiscal year ending June 30, 1983, it is probably moot.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

February 15, 1983

POSITION PAPER

RE: CSHB 152

SPONSOR: House Community & Regional Affairs Committee

Program Effects of Bill

The bill makes a $2.938 million supplemental appropriation to fully fund Chapter 89 State Revenue Sharing. This chapter funds roads, ice roads, health facility and hospital operations, unincorporated communities and volunteer fire departments serving unincorporated areas in the unorganized borough.

Comments

The Department believes it is important to fully fund programs that allow municipalities and unincorporated communities to provide vital services to their residents. The current funding level for Chapter 89 requires that local allocations be prorated at about 81% of their fully funded level. The funding for this program must be weighed against other State needs to determine if its priority warrants full funding. The Department does not have funds available from within its FY'83 budget to reduce or offset this supplemental appropriation.

2/16/83

21-PTLH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 152 Date on Bill: Undated
Title: Supplemental appropriation to miscellaneous services account
Sponsor: House Community & Regional Affairs
Requestor: House Community & Regional Affairs

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

The sponsor has not indicated the source of offset for the supplemental appropriation of $2,938,000.

3. Assumptions:

This supplemental appropriation would be administered through an existing Department program. No fiscal impact

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery Phone: 465-4703
Division: Commissioner's Office Date: 2/15/83

Approved by Commissioner: [signature] Date: 2/16/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

STATE OF ALASKA
THE LEGISLATURE

FEB 15 1983

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 15, 1983

SUBJECT: Constitutional spending limit

TO: Representative Barbara Lacher
Chairman, House Community and Regional
Affairs Committee

FROM: Billy G. Berrier
Director
Division of Legal Services

You have asked whether supplemental appropriations for fiscal year 1983 reduce the amount available for appropriation in fiscal year 1984 under section 16, Article IX, Constitution of the State of Alaska (the spending limit amendment).

In my opinion they do not.

First and conclusive is the provision in section 28 of Article XV of the Constitution which reads:

> APPLICATION OF AMENDMENT. The 1982 amendment limiting appropriation increases (art. IX, sec. 16) applies to appropriations made for fiscal year 1984 and thereafter.

This section excludes earlier appropriations, that is in practical effect fiscal year 1983 appropriations, from the spending limit.

Even if the spending limit applied supplemental appropriations would be counted against the limit in the year the appropriations were available. The relevant part of section 16, Article IX reads:

> . . . appropriations from the treasury for a fiscal year shall not exceed . . . (Emphasis added)

A supplemental appropriation is for the current fiscal year. Therefore, they would be counted against the limit for the fiscal year in which they were made. For example a fiscal year 1984 supplemental must be within the available appropriation limit for fiscal year 1984. A fiscal year 1983 appropriation is for fiscal year 1983 spending authority and is not part of the fiscal year 1984.

BGB:ljb

February 4, 1983

TO: HB 152 files

FROM: Paula

Spoke with Terry Early re: rev. sharing shortfall FY 83.

Ch. 101 SCSHB 148 fin. Pg. 15 Session laws, v. 2

$55,721,000 appropriated to Ch 88-95

Breakdown

Ch. 88	$34,913,800	
Ch. 89	14,061,200	- miscellaneous.
Ch. 90	6,746,300	Hosp. + Health Fac. Construction

Appropriated almost identical for previous year except for some extra funds added for health care. The road mileage came in higher and unexpected in two areas primarily - Kenai and Mat-Su

Proration factor approaches 83%

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

REVENUE SHARING

Entitlements to municipalities established in AS 29.89 are for roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials.

The FY 83 allocation for these entitlements failed to cover the large increase in eligible road maintenance funding and an 80 percent proration of the funding occurred.

81 - 83 %

Shortfall of entitlement - $3.5 million.

Introduce SB 52 and 153 on same day

- Know action on companion SB as of introduction date.

FN request of C&RR 3 Feb

PSN statement

Get psn from Muni League.

Witnesses - get omni on HB 95

from Senate municipalities

Esp Ketchikan, Anchorage, Kenai, FNKs, Mat Su

Juneau, Nome, Bethel

(Granny Con provably help get them)

- provide copy of AS 29.89, 29.95

- Get Dept CRA Terry Bailey
Muni Legal
Juneau City-Borough
Pat Anderson
} testify

- Check w/ Muni Counsel for other backup.

Committee files

FN

Dept psn

muni psn

transcript of receipt by City

Bill

municipal messages

15 15 2 11 83

	1	2	3	4	5
	$55,721,000	$58,721,000		$59,221,000	
	CH. 89	CH. 89	Difference	CH. 89	Difference
	Currently	+3 million		+3.5 million	
Anchorage	224,427	272,271	48,844	275,602	51,656
Bristol Bay	19,181	23,296	4,115	23,586	4,405
FBKS Boro.	296,090	359,609	63,519	364,076	67,986
Haines Boro	-0-	-0-	-0-	-0-	-0-
Juneau	471,635	572,814	101,179	579,928	108,293
Kenai Peninsula	1,427,655	1,733,922	306,267	1,755,458	327,803
Ketchikan Boro	-0-	-0-	-0-	-0-	-0-
Kodiak Island	438,504	532,575	94,071	539,190	100,686
Mat-Su	1,407,939	1,709,977	302,038	1,731,216	323,277
North Slope	263,730	320,307	56,577	324,286	60,556
Sitka	273,821	332,563	58,742	336,693	62,872
Barrow	-0-	-0-	-0-	-0-	-0-
Cordova	278,019	337,661	59,642	341,855	63,836
Craig	29,467	35,788	6,321	36,233	6,766
Dillingham	30,165	36,636	6,471	37,091	6,926
Fairbanks	600,562	729,387	128,825	738,375	137,813
Galena	24,834	30,161	5,327	30,536	5,702
Haines	24,133	29,310	5,177	29,674	5,541
Homer	40,231	48,883	8,652	49,591	9,260
Hoonah	8,763	10,632	1,869	10,764	2,001
Hydaburg	6,437	7,818	1,381	7,915	1,478
Kake	13,665	16,633	2,938	16,839	3,144
Kenai	116,861	141,931	25,070	143,694	26,833
Ketchikan	274,302	333,147	58,845	337,284	62,982
King Cove	16,554	20,105	3,551	20,355	3,801
Klawock	3,432	4,168	736	4,220	788
Kodiak	32,087	38,974	6,887	39,458	7,369
Nenana	36,151	43,907	7,756	44,452	8,301
Nome	325,732	456,579	80,647	462,250	86,318
North Pole	25,225	30,636	5,411	31,017	5,792
Palmer	252,230	306,947	54,217	310,760	58,030
Pelican	9,379	11,396	2,017	11,537	2,158
Petersburg	250,817	304,721	53,824	308,506	57,609
Port Alsworth	25,120	30,509	5,389	30,888	5,768
Saint Mary's	30,420	37,019	6,539	37,478	6,999
Seldovia	20,569	24,982	4,413	25,293	4,724
Seward	391,605	475,617	84,012	481,534	89,929
Skagway	27,761	33,717	5,956	34,136	6,375
Soldotna	54,168	65,788	11,620	66,605	12,437

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MADE IN U.S.A.

		1	2	3	4	5	
1	Tanana	89635	108864	19229	110216	20581	1
2	Unalaska	109363	132827	23461	134474	25111	2
3	Valdez	299784	364095	64311	368617	68833	3
4	Wrangell	240046	291543	51496	295164	55118	4
5	Yakutat	14230	17283	3053	17498	3268	5
6							6
7	Akhiok	3743	10619	1876	10751	2008	7
8	Akiachak	30248	37430	6582	37892	7044	8
9	Akiak	12268	14900	2632	15085	2817	9
10	Akolmiut	82107	99625	17518	100855	18748	10
11	Akutan	E	E	E	E	E	11
12	Alakanuk	32188	39234	6946	40228	7940	12
13	Alekna gik	29167	35424	6257	35864	6697	13
14	Allakaket	11314	13741	2427	13911	2597	14
15	Ambler	23216	28225	5109	29084	5468	15
16	Anaktuvuk Pass Anderson	16914	E 20543	3629	E 20798	E 3884	16
17	Angoon	17695	21470	3775	21735	4040	17
18	Anvik	82451	100139	17688	101522	18931	18
19	Anvik	9051	10992	1741	11129	2078	19
20	Atmautluak	8747	10609	1866	10746	1997	20
21	Bethel	234003	284203	50200	287723	53720	21
22	Brevig Mission	9051	10992	1941	11129	2078	22
23	Buckland	E	E	E	E	E	23
24	Chefornak	8724	10595	1871	10727	2003	24
25	Chevak	11587	14072	2485	14247	2660	25
26	Chuathbaluk	30547	37101	6554	37562	7015	26
27	Clark's Point	E	E	E	E	E	27
28	Cold Bay	E	E	E	E	E	28
29	Deering	10691	12985	2294	13146	2455	29
30	Delta Junction	33204	40288	7084	40786	7582	30
31	Diomede	E	E	E	E	E	31
32	Eagle	6229	7687	1358	7783	1454	32
33	Eek	8724	10595	1871	10727	2003	33
34	Ekwok	8408	10212	1804	10339	1931	34
35	Elim	13577	16490	2913	16695	3118	35
36	Emmonak	30289	36787	6498	37244	6955	36
37	Fort Yukon	38569	46433	8164	47007	8738	37
38	Fortuna Ledge	23992	29132	5146	29500	5508	38
39	Gambell	E	E	E	E	E	39
40	Golovin	40447	49124	8677	49734	9287	40

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		1	2	3	4	5	
1	Goodnews Bay	10769	13079	2310	13241	2472	1
2	Grayling	27436	33722	5886	33736	6300	2
3	Holy Cross	20365	24734	4369	25041	4676	3
4	Hooper Bay	〃	〃	〃	〃	〃	4
5	Houston	67254	81682	14428	82696	15442	5
6	Huslia	〃	〃	〃	〃	〃	6
7	Hydaburg	59115	71797	12682	72681	13564	7
8	Kachemak	〃	〃	〃	〃	〃	8
9	Kaktovik	〃	〃	〃	〃	〃	9
10	Kaltag	14708	17863	3155	18085	3377	10
11	Kasaan	6498	7892	1394	7990	1492	11
12	Kasilof	16744	20336	3592	20589	3845	12
13	Kasilof	〃	〃	〃	〃	〃	13
14	Kobuk	9051	10992	1941	11129	2078	14
15	Kotlik	8224	10595	1871	10727	2003	15
16	Kotzebue	53091	64480	11389	65281	12190	16
17	Koyuk	14114	17142	3028	17355	3241	17
18	Koyukuk	〃	〃	〃	〃	〃	18
19	Kupreanof	〃	〃	〃	〃	〃	19
20	Kwethluk	8224	10595	1871	10727	2003	20
21	Larsen Bay	〃	〃	〃	〃	〃	21
22	Lower Kalskag	80138	97116	16978	98322	18184	22
23	Manokotak	〃	〃	〃	〃	〃	23
24	McGrath	41746	50945	8799	51578	9632	24
25	Metlakatla	8224	10595	1871	10727	2003	25
26	Mountain Village	8743	10609	1866	10740	1797	26
27	Napakiak	〃	〃	〃	〃	〃	27
28	Napaskiak	8224	10595	1871	10727	2003	28
29	Neukluk	8408	10212	1804	10339	1731	29
30	New Stuyahok	〃	〃	〃	〃	〃	30
31	Newtok	8224	10595	1871	10727	2003	31
32	Nightmute	8224	10595	1871	10727	2003	32
33	Nikolai	9374	11536	2002	11477	2143	33
34	Nondalton	12350	14999	2649	15185	2835	34
35	Noorvik	15896	19326	3430	19546	3650	35
36	Nulato	26870	32635	5765	33040	6170	36
37	Nunapitchuk	〃	〃	〃	〃	〃	37
38	Old Harbor	9727	11814	2087	11961	2234	38
39	Ouzinkie	6776	8230	1454	8332	1556	39
40	Pilot Station	5452	6622	1170	6704	1252	40

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MADE IN U.S.A.

		1	2	3	4	5	
1	Platinum	0	0	0	0	0	1
2	Point Hope	0	0	0	0	0	2
3	Pt Alexander	0	0	0	0	0	3
4	Port Heiden	78304	95102	16798	96284	17780	4
5	Port Lions	7410	9000	1590	7111	1701	5
6	Quinhagak	11450	13907	2457	14079	2629	6
7	Ruby	0	0	0	0	0	7
8	Russian Mission	0	0	0	0	0	8
9	St. Michael	9051	10992	1741	11129	2078	9
10	St. Paul	98537	119676	21139	121162	22625	10
11	Savoonga	0	0	0	0	0	11
12	Saxman	6498	7892	1394	7990	1492	12
13	Seammon Bay	12132	14735	2603	14918	2786	13
14	Selawik	0	0	0	0	0	14
15	Shageluk	15952	19375	3423	19615	3663	15
16	Shaktoolik	49499	60117	10618	60864	11365	16
17	Sheldon Point	0	0	0	0	0	17
18	Shishmaref	5600	6801	1201	6886	1286	18
19	Shungnak	13294	16145	2851	16346	3052	19
20	Stebbins	9051	10992	1941	11129	2078	20
21	Teller	16659	20233	3574	20485	3826	21
22	Tenakee Springs	10956	13306	2350	13471	2515	22
23	Togiak	21546	26169	4623	26494	4948	23
24	Tokeook Bay	8224	10595	1871	10727	2003	24
25	Tuluksak	111780	135760	23980	137447	25667	25
26	Tununak	8224	10595	1871	10727	2003	26
27	Unalakleet	35278	43697	7719	44239	8261	27
28	Upper Kalskag	0	0	0	0	0	28
29	Wainwright	0	0	0	0	0	29
30	Wales	8408	10212	1804	10339	1931	30
31	Wasilla	112280	136267	24087	138061	25781	31
32	White Mountain	15634	18988	3354	19224	3590	32
33	Whittier	14118	17147	3029	17360	3242	33
34							34
35	VFO's (Approx 8% per capita)	16141	7458	1317	7551	1410	35
36	IRA Corps (add 308.1 to each)	1299719	1578546	278823	1598446	298423	36
37							37
38			24.5 per capita		24.99 per capita		38
39			$24,164.72		$24,771.84		39
40							40
		1402112	17040443	3009441	17252083	3221081	

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File for [illegible]

Introduced by: Mayor
Date: Feb. 1, 1983
Vote: Unanimous
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 83-32

FEB 7 1983

A RESOLUTION SUPPORTING FULL FUNDING OF FISCAL YEAR 1983 MUNICIPAL ASSISTANCE REVENUES AND STATE REVENUE SHARING.

WHEREAS, the continuation of adequate levels of state financial aid is essential for Alaskan local governments to continue to provide important, needed services to their citizens while holding down local taxes; and

WHEREAS, Municipal Assistance revenues are a sharing of corporate income tax revenues by the state with local governments; and

WHEREAS, Alaskan local governments were assured that they would suffer no financial harm when during the 1981 legislative session SB 524 was approved which changed the method of taxation of the petroleum industry by transferring much of the corporate income taxes previously paid by that industry to severance taxes; and

WHEREAS, the FY 1983 Municipal Assistance appropriation of $71.3 million represents a $25.1 million shortfall from the $96.4 million minimum funding level which would have existed had not SB 524 been approved.

WHEREAS, the Section 89 State Revenue Sharing entitlement provides state aid to local governments for categorical services such as road maintenance and health facilities and hospitals; and

WHEREAS, the FY 1983 Section 89 State Revenue Sharing entitlement for roads, health facilities-hospitals, and volunteer fire departments was funded at only approximately 80% of the amount authorized by state statutes;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of $25.1 million FY 1983 Municipal Assistance revenues to fully fund the entitlement at the amount which would have existed had not the method of taxation of petroleum industry been changed.

Section 2. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of $3.5 million of FY 1983 Section 89 State Revenue Sharing for roads, health facilities-hospitals, and volunteer fire departments to fully fund the entitlement at the level authorized by state statutes.

Section 3. That the State Legislature appropriate and the Governor approve the aforementioned supplemental appropriation by April 15, 1983, so that local governments can use the additional funding in setting their 1983 mill levies.

Section 4. That copies this resolution be delivered to Governor William J. Sheffield, and to all members of the Thirteenth Alaska Legislature.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 1st DAY OF February, 1983.

Donald L. McCloud

Donald L. McCloud, Assembly President

ATTEST:

Frances Beyrer

Borough Clerk

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

January 27, 1983

To: Senate CRA Committee

From: Ginny Chitwood, AML Executive Director

Re: SB 17 - Municipal Assistance Supplemental

Apologies for the confusion over numbers at Tuesday's committee meeting. Mr. Donohue from the Department of Revenue, was reading from a table of estimates prepared by the Department in January of 1982, a copy of which is printed on the back of this memo. At that time, the Department estimated that corporate income tax receipts would have been $1.08 billion if the oil and gas tax had not been changed (SB 524), making the 10% sharing to municipalities in 1983 $108 million. Two months later, the Department lowered their revenue projections, decreasing the estimate under the current law from $744 million to $713 million and the estimate of the amount that would have been generated under the old law from $1.08 billion to $964 million.

Revenue Sharing Impact
(Millions of Current Dollars)

FY	Corporation Taxes (Previous Statutes) 43.20 Non Petroleum	43.21 Petroleum	TOTAL Corp. Taxes (TCT)	10% TCT	Corporation Taxes (Current Statutes) 43.20 amended Non Petroleum	43.20 amended Petroleum	TOTAL Corp. Taxes (TCT	10% TCT	30% TCT	FY
82	$35	$1047	$1082	$108	$31	$713	$744	$74	$223	82
83	42	1101	1143	114	31	304	335	34	101	83
84	49	1233	1282	128	37	360	397	40	119	84
85	56	1436	1492	149	42	373	415	42	125	85

The comparisons, for illustrative purposes only, reveal what would have been shared if previous statutes had been in effect versus what will in fact be shared, assuming this proposal is implemented in conjunction with current statutes. The aforementioned general fund numbers represent total amounts of revenue to be shared under this proposal.

MUNICIPAL SUPPLEMENTAL - $28.6 MILLION

"The Alaska Municipal League supports the supplemental appropriation of $28.6 million: $25.1 million FY 83 Municipal Assistance Revenues to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State legislative Session and $3.5 million FY 83 Chapter 89 State Revenue Sharing for roads, health facilities and hospitals, volunteer fire departments in the unorganized borough, and unincorporated communities to fully fund the entitlement at the level authorized by state statutes. The League further encourages the Legislature to appropriate and the Governor to approve the supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting mill levies."

Municipal Assistance Fund - $25.1 Million

FY 82	$87.4 million appropriated
FY 83	$71.3 million appropriated
FY 83	$96.4 million if the legislature had not changed the Oil and Gas Corporate Income Tax

When the Legislature repealed the Gross Business License Tax, a portion of which was automatically distributed to municipalities, it created the Municipal Assistance Fund as a revenue replacement for local governments. The law provided that an amount "equal to or greater than 10%" of the proceeds of the previous year's corporate income tax, both special oil and gas and also general, could be appropriated to the fund. When the Legislature repealed the special oil and gas corporate income tax and increased the severance tax in the closing days of the 1981 session, it did not make any changes to the Municipal Assistance Fund. Following the session, however, legislative leaders publicly stated that they did not intend to adversely impact local government funding and would make corrections during the next session. In the 1982 session, the Legislature amended the law, increasing the level from 10% to 30%, which is estimated to provide almost as much as the previous system, but the Legislature did not adjust the FY 83 appropriation to reflect that intent.

Revenue Sharing, Chapter 89 - $3.5 Million

Although most of the revenue sharing funds are distributed by the general formula established in AS 29.88, there are also entitlements established in AS 29.89 - State Aid for Miscellaneous Purposes, including roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials. The allocation for this chapter was not increased to cover the large increases in eligible roads, with the result being a projected $3.5 million shortfall and an 80% proration of funding in these categories.

HB

153

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/2/83

Date: 2/16/83

Mr. Speaker:

The Committee on C & RA has had HB 153

An Act making a supplemental spropriation to the Department of REvenue for financial assistance to municipalities; and providing for an effective date.

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

Funding Information
General Fund $25,100,000
Other Funds -0-
$25,100,000

13-0636
Cook
1-25-83

IN THE HOUSE BY LACHER

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

supplemental

For an Act entitled: "An Act making an appropriation to the Department of Revenue for financial assistance to municipalities; and providing for an effective date."

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

* Section 1. The sum of $25,100,000 is appropriated from the general fund to the Department of Revenue for the municipal assistance fund (AS 43.20.016(a)) for distribution to municipalities for the fiscal year ending June 30, 1984/83

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1984.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.-10.070(c).

This should be changed — to reflect that money is a supplemental approp'n to get municipalities through current FY.

Tam suggested possibly extending lapse date so that municipalities have enough time to spend money (or so that state has time to distribute money)

Requested Final to T.C. 27 Jan

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

MUNICIPAL ASSISTANCE FUND

The intent of municipal assistance funds is to permit municipalities to reduce local property tax. The primary source of the fund is the severance tax on oil production.

In 1981, the source of these revenues was the special oil and gas corporate income tax which was repealed and the severance tax increased to maintain the same level of revenues. There was no change made to the municipal assistance fund which, because of the method of computation under the new law, was funded at a considerably lower level than if the law had not been changed.

Following the session, legislative leaders stated that they did not intend to adversely impact local governments and would make corrections.

In the 1982 session, the Legislature amended the law, increasing from 10% to 30% of severance tax received to be distributed to municipalities, but the legislature failed to adjust the FY 83 appropriation to reflect that intent.

FY 83 - $96.4 million if Legislature had not changed the oil and gas corporate tax.

FY 83 - $71.3 million appropriated

$25.1 million shortfall

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 153 CS
Title: Supp Approp/Rev/Fin Asst./Munic. Rec ID 335
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Phone: 465-4750
Division: Municipal & Regional Assistance
Date: 12/29/83

Approved by Commissioner:
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 153 CS (C&RA)
Title: Supp Approp/Rev/Fin Asst./Munic.
Rec ID 335

ANALYSIS:

Assumptions:

The AS 43.20.016(a) program is administered by the Department of Revenue. As a result, Community and Regional Affairs would not be fiscally impacted though the legislation could be helpful to municipalities.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

POSITION PAPER

RE: HB 153

SPONSOR: House Community & Regional Affairs Committee

PROGRAM EFFECTS

This Legislation would provide an appropriation of $25,100,000 to the Department of Revenue for distribution under the Municipal Assistance Program.

COMMENTS

The Municipal Assistance Program guidelines call for a maximum of 30% of Corporate Income Tax revenues to be allocated to municipal assistance. This appropriation would bring the level of funding for FY 1983 up to this 30% maximum. The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reductions would be made.

2/10/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83
Title: Suplemental Appropriation for financial assistance to municipalities
Sponsor: House Community & Regional Affairs Committee
Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total			0	0	0	0		

b. Revenues:

Revenue			0	0	0	0		

2. Source of funds to offset fiscal impact of bill:

The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reduction would be made.

3. Assumptions:

This is a supplemental to an existing program.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It doe not represent the policy of the Sheffield Administration or the final estimate of fisc impact.

Prepared By: Terry Earley Phone: 465-4730
Division: Local Government Assistance Date: 2/9/83

Approved by Commissioner: Date: 2/9/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

HB & 152 53

Suggested by: City Council

CITY OF KENAI

RESOLUTION NO. 83-35

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA REQUESTING THE THIRTEENTH LEGISLATURE OF THE STATE OF ALASKA TO SUPPORT SB 17 AND/OR HB 136 BOTH OF WHICH REPRESENT SUPPLEMENTAL MUNICIPAL ASSISTANCE FUNDING FOR MUNICIPALITIES THROUGHOUT THE STATE OF ALASKA.

WHEREAS, the supplemental appropriation of $25 million for FY 83 municipal assistance revenues is designed to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State Legislative Session, and

WHEREAS, it was the intent of the Twelfth Legislature to provide this funding for the purpose of permitting local governments to reduce taxes in the local community, and

WHEREAS, the City of Kenai, Alaska used all of its municipal assistance funding for the purpose for which the Twelfth Legislature intended municipal assistance to be used by reducing the mill levy to 2.1 mills for the property taxpayers within the City of Kenai, and

WHEREAS, the City anticipated full funding of municipal assistance at the same rate previously provided by the old corporate income tax, and

WHEREAS, to maintain this low mill levy and to meet the anticipated expectations of the local taxpayers, the supplementary municipal assistance funding becomes extremely important to the City of Kenai, Alaska, and

WHEREAS, the Twelfth Legislature of the State of Alaska is basically and primarily responsible for the actions of the Kenai City Council in reducing its mill levy and therefore entitled to a major portion of the credit for the low mill levy in the City of Kenai.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that said Council go on record urging the Thirteenth Legislature of the State of Alaska to fund the supplemental municipal assistance bill which will permit the City of Kenai to carry out the Legislature's original intent to permit that money to be used in the General Fund Budget for the sole purpose of reducing the mill levy for local taxpayers and to

FEB 14 1983

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83
Title: "An Act making a supplemental appropriation to the Dept. of Rev. for financial assistance
Sponsor to municipalities; and providing for an effective date."
Requestor: House Comm. & Reg. Affairs Committee/ Sponsor - same

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			$25,100.0					
Operating								
Total			$25,100.0					

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

N/A

3. Assumptions:

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Mary Pelfeld - Spec. Asst. Phone: 465-2300
Division: Commissioner's Office Date: 2/14/83

Approved by Commissioner: [signature] Date: 2/14/83
Department: Revenue

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

FEB 14 1983

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83
Title: "An Act making a supplemental appropriation to the Dept. of Rev. for financial assistance
Sponsor to municipalities; and providing for an effective date."
Requestor: House Comm. & Reg. Affairs Committee/ Sponsor - same

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			$25,100.0					
Operating								
Total			$25,100.0					

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

N/A

3. Assumptions:

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Mary Rehfeld - Spec. Asst. Phone: 465-2300
Division: Commissioner's Office Date: 2/14/83

Approved by Commissioner: Date: 2/14/83
Department: Revenue

5. Distribution:
Original to Legislative Finance
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2/8/83

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

Ap. Waiver

Matanuska-Susitna Borough

BOX B PALMER ALASKA 99645 · PHONE 745-4801
DEPARTMENT OF FINANCE

February 14, 1983

Telegram to: Barbara Lachat
Attention: Bob Barris

Subject: HB153

HB153, if passed and distributed on same formula as used in the past, would result in about $2 being allocated to the Matanuska-Susitna Borough. This $1.25 million equals 1.1 mills in areawide taxes. Municipal assistance funding is available to Matanuska-Susitna Borough June 1. This timing is so late in the fiscal year that it actually is used as revenue for the succeeding fiscal year. The 1.1 mills remitted from passage of this bill would be used to partially offset the increases in education costs which are the result of additional student enrollments of almost 800 for the last year.

Please call me if you require further information on this matter.

Vern Roberts
Finance Director

Rep Austerman 1982

Matanuska-Susitna Borough

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

DEPARTMENT OF FINANCE

February 14, 1983

Telegram to: Barbara Lacher

Attention: Bob Harris

Subject: HB132

HB132, if passed, would provide approximately $334,000 in road maintenance monies which were underfunded in current fiscal year revenue sharing. These funds, if received, would allow for continuation of snow plowing, sanding and spring grading in all road service areas in the Matanuska-Susitna Borough. Currently Greater Willow Road Service Area and Alpine Road Service Area (Sutton) have expended their funds and will be required to borrow money for the balance of this fiscal year. Additionally, Midway, Fairview, Lazy Mountain and Knik Road Service Areas are projected to have insufficient funds to complete the fiscal year.

Please call me if you require further information.

Vera Roberts
Finance Director

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

[illegible] 1:30 PM LM09 IN= 0005 OUT= 0048
FROM: MARTIE/MATSU TO: JUNEAU INFO
TARGET: LJHL SUBJ: LETTER FROM CITY OF PALMER

FOLLOWING IS THE TEXT OF A LETTER SENT VIA TELECOPY:

FEBRUARY 14, 1983

REPRESENTATIVE BARBARA LACHER
REPRESENTATIVE RONALD LARSON
SENATOR JALMAR KERTTULA

DEAR REPRESENTATIVES LACHER, LARSON AND SENATOR KERTTULA,

THE CURRENT SHORTFALL IN REVENUE SHARING AND MUNICIPAL ASSISTANCE TO THE CITY OF PALMER IS APPROXIMATELY $452,959.00 OR 6.37 MILL RATE EQUIVALENT.
WE URGE YOUR SUPPORT [illegible] HB 152, SB 17, HB 136, HB 155.
SHOULD YOU HAVE ANY QUESTIONS, PLEASE CONTACT ME,
YOURS TRULY,
DAVID L. SOULAK, CITY MANAGER, CITY OF PALMER

M E M O R A N D U M

TO: House C & R A Committee

FROM: Staff

SUBJECT: HB 152 & HB 153

DATE: February 14, 1983

Telephone call received February 14, 1983 from Dorothy Jones, Matanuska-Susitna Borough Assembly member. Mrs. Jones supports passage of HB 152 and HB 153 because the property tax mill levy will have to be increased at least one mill if the funds are not received.

The Mat-Su Borough is attempting to get voter approval of a school bond issue which will increase property taxes, and any additional taxes required because of the shortfall in revenue sharing will be strongly opposed.

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-3300

February 14, 1983

House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

File: Legislature - 1983 - HB 153

Ladies and Gentlemen:

The City and Borough of Juneau urges your favorable action on HB 153, the supplemental appropriation for municipal assistance.

The city and borough depends heavily upon revenue sharing, municipal assistance, and other state assistance to keep its mill levies low. The city and borough areawide levy for the current year is 6.04 mills. For Juneau, the reduction in the municipal assistance fund which occurred last year translates into a 1.3 mill increase this next year or a significant reduction in public services. We urge you to pass out HB 153 with a do pass recommendation so that we may avoid this potentional 21% increase in our areawide levy.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:jr

cc: Mayor and Assembly
Ginny Chitwood, Executive Director
Alaska Municipal League

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

MUNICIPAL ASSISTANCE FUND

The intent of municipal assistance funds is to permit municipalities to reduce local property tax. The primary source of the fund is the severance tax on oil production.

In 1981, the source of these revenues was the special oil and gas corporate income tax which was repealed and the severance tax increased to maintain the same level of revenues. There was no change made to the municipal assistance fund which, because of the method of computation under the new law, was funded at a considerably lower level than if the law had not been changed.

Following the session, legislative leaders stated that they did not intend to adversely impact local governments and would make corrections.

In the 1982 session, the Legislature amended the law, increasing from 10% to 30% of severance tax received to be distributed to municipalities, but the legislature failed to adjust the FY 83 appropriation to reflect that intent.

FY 83 - $96.4 million if Legislature had not changed the oil and gas corporate tax.

FY 83 - $71.3 million appropriated

$25.1 million shortfall

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502-0650
(907) 264-4431

TONY KNOWLES
MAYOR

OFFICE OF THE MAYOR

To: House Community and Regional Affairs Committee

From: Patrick M. Anderson, Office of Legislative Affairs, Municipality of Anchorage

Re: HB 152 & HB 153

Date: February 14, 1983

The Municipality of Anchorage fully supports House Bills 152 and 153.

HB 153 would appropriate an additional $25.1 Million to the Municipal Assistance program. The appropriation would have the effect of funding the program to the level of $96.4 million total for FY 1983. The significance of this level of funding can be found in a short history of the municipal assistance fund. SB 524, passed during the final days of the 1981 legislative session, changed the method of taxation of the petroleum industry from corporate taxation to severance taxation. The effect was to reduce the level of corporate taxation. Since Alaska Statute 43.20.126 provided that the State may share an amount equal to or greater than 10% of the prior fiscal year's corporate income tax receipts, the net effect of SB 524 was to reduce the amount of the fund to be shared. The legislature did not increase the amount shared above the 10% mandated minimum, consequently, the reduction in the corporate income tax receipts reducted the amount of expected Municipal Assistance by $25.1 million.

HB 153 would give the Municipality an additional estimated $11.5 million for FY 1983. This additional funding would allow the Municipality to reduce the amount of FY 1983 property tax requirements to approximately $40 million and reduce the the overall mill rate in Anchorage by approximately one mil, or $100 per $100,000 of assessed valuation.

HB 143 would provide approximately $510,000 in State Revenue Sharing to the Municipality for road maintenance, health facilities and hospitals.

We would be happy to provide answers to specific questions.

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

POSITION PAPER

RE: HB 153

SPONSOR: House Community & Regional Affairs Committee

PROGRAM EFFECTS

This Legislation would provide an appropriation of $25,100,000 to the Department of Revenue for distribution under the Municipal Assistance Program.

COMMENTS

The Municipal Assistance Program guidelines call for a maximum of 30% of Corporate Income Tax revenues to be allocated to municipal assistance. This appropriation would bring the level of funding for FY 1983 up to this 30% maximum. The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reductions would be made.

2/10/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83

Title: Suplemental Appropriation for financial assistance to municipalities

Sponsor: House Community & Regional Affairs Committee

Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total			0	0	0	0		

b. Revenues:

Revenue			0	0	0	0		

2. Source of funds to offset fiscal impact of bill:

The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reduction would be made.

3. Assumptions:

This is a supplemental to an existing program.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It doe not represent the policy of the Sheffield Administration or the final estimate of fisc. impact.

Prepared By: Terry Earley Phone: 465-4730

Division: Local Government Assistance Date: 2/9/83

Approved by Commissioner: Date: 2/9/83

Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

Introduce both HB 152

Check status of SB companion Bill. NONE

Fax from DCRA Requested Feb 3

- Get impact on municipalities if not enacted.
  Anchorage, Kuthrican, Kenai Borough, Mat-Su Borough
  (see if Gray Chenault will gather info)
  on terms of mill levys, &/or services.
- Witnesses — Same as for HB 152
  - Beg them to get data to present in terms of impact if not enacted.

- Review minute and backup of SB — CRA hearing.

- position papers - Dept, Municipalities - Requested 8 Feb

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

MUNICIPAL ASSISTANCE FUND

The intent of municipal assistance funds is to permit municipalities to reduce local property tax. The primary source of the fund is the severance tax on oil production.

In 1981, the source of these revenues was the special oil and gas corporate income tax which was repealed and the severance tax increased to maintain the same level of reverues. There was no change made to the municipal assistance fund which, because of the method of computation under the new law, was funded at a considerably lower level than if the law had not been changed.

Following the session, legislative leaders stated that they did not intend to adversely impact local governments and would make corrections.

In the 1982 session, the Legislature amended the law, increasing from 10% to 30% of severance tax received to be distributed to municipalities, but the legislature failed to adjust the FY 83 appropriation to reflect that intent.

FY 83 - $96.4 million if Legislature had not changed the oil and gas corporate tax.

FY 83 - $71.3 million appropriated

$25.1 million shortfall

SENATE AMENDMENT

BY Sen. Community & Regional Affairs Committee

To: _____ SENATE BILL No. ~~XX~~ 17

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 13

DELETE: (1984)

ADD: 1983

file

Introduced by: Mayor
Date: Feb. 1, 1983
Vote: Unanimous
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 83-32

FEB 7 1983

A RESOLUTION SUPPORTING FULL FUNDING OF FISCAL YEAR 1983 MUNICIPAL ASSISTANCE REVENUES AND STATE REVENUE SHARING.

WHEREAS, the continuation of adequate levels of state financial aid is essential for Alaskan local governments to continue to provide important, needed services to their citizens while holding down local taxes; and

WHEREAS, Municipal Assistance revenues are a sharing of corporate income tax revenues by the state with local governments; and

WHEREAS, Alaskan local governments were assured that they would suffer no financial harm when during the 1981 legislative session SB 524 was approved which changed the method of taxation of the petroleum industry by transferring much of the corporate income taxes previously paid by that industry to severance taxes; and

WHEREAS, the FY 1983 Municipal Assistance appropriation of $71.3 million represents a $25.1 million shortfall from the $96.4 million minimum funding level which would have existed had not SB 524 been approved.

WHEREAS, the Section 89 State Revenue Sharing entitlement provides state aid to local governments for categorical services such as road maintenance and health facilities and hospitals; and

WHEREAS, the FY 1983 Section 89 State Revenue Sharing entitlement for roads, health facilities-hospitals, and volunteer fire departments was funded at only approximately 80% of the amount authorized by state statutes;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of $25.1 million FY 1983 Municipal Assistance revenues to fully fund the entitlement at the amount which would have existed had not the method of taxation of petroleum industry been changed.

Section 2. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of $3.5 million of FY 1983 Section 89 State Revenue Sharing for roads, health facilities-hospitals, and volunteer fire departments to fully fund the entitlement at the level authorized by state statutes.

Section 3. That the State Legislature appropriate and the Governor approve the aforementioned supplemental appropriation by April 15, 1983, so that local governments can use the additional funding in setting their 1983 mill levies.

Section 4. That copies this resolution be delivered to Governor William J. Sheffield, and to all members of the Thirteenth Alaska Legislature.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 1st DAY OF February, 1983.

Donald L. McCloud, Assembly President

ATTEST:

Frances Reynes
Borough Clerk

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

January 27, 1983

To: Senate CRA Committee

From: Ginny Chitwood, AML Executive Director

Re: SB 17 - Municipal Assistance Supplemental

Apologies for the confusion over numbers at Tuesday's committee meeting. Mr. Donohue from the Department of Revenue, was reading from a table of estimates prepared by the Department in January of 1982, a copy of which is printed on the back of this memo. At that time, the Department estimated that corporate income tax receipts would have been $1.08 billion if the oil and gas tax had not been changed (SB 524), making the 10% sharing to municipalities in 1983 $108 million. Two months later, the Department lowered their revenue projections, decreasing the estimate under the current law from $744 million to $713 million and the estimate of the amount that would have been generated under the old law from $1.08 billion to $964 million.

Revenue Sharing Impact
(Millions of Current Dollars)

FY	Corporation Taxes (Previous Statutes) 43.20 Non Petroleum	43.21 Petroleum	TOTAL Corp. Taxes (TCT)	10% TCT	Corporation Taxes (Current Statutes) 43.20 amended Non Petroleum	43.20 amended Petroleum	TOTAL Corp. Taxes (TCT	10% TCT	30% TCT	FY
82	$35	$1047	$1082	$108	$31	$713	$744	$74	$223	82
83	42	1101	1143	114	31	304	335	34	101	83
84	49	1233	1282	128	37	360	397	40	119	84
85	56	1436	1492	149	42	373	415	42	125	85

The comparisons, for illustrative purposes only, reveal what would have been shared if previous statutes had been in effect versus what will in fact be shared, assuming this proposal is implemented in conjunction with current statutes. The aforementioned general fund numbers represent total amounts of revenue to be shared under this proposal.

MUNICIPAL SUPPLEMENTAL - $28.6 MILLION

"The Alaska Municipal League supports the supplemental appropriation of $28.6 million: $25.1 million FY 83 Municipal Assistance Revenues to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State legislative Session and $3.5 million FY 83 Chapter 89 State Revenue Sharing for roads, health facilities and hospitals, volunteer fire departments in the unorganized borough, and unincorporated communities to fully fund the entitlement at the level authorized by state statutes. The League further encourages the Legislature to appropriate and the Governor to approve the supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting mill levies."

Municipal Assistance Fund - $25.1 Million

FY 82	$87.4 million appropriated
FY 83	$71.3 million appropriated
FY 83	$96.4 million if the legislature had not changed the Oil and Gas Corporate Income Tax

When the Legislature repealed the Gross Business License Tax, a portion of which was automatically distributed to municipalities, it created the Municipal Assistance Fund as a revenue replacement for local governments. The law provided that an amount "equal to or greater than 10%" of the proceeds of the previous year's corporate income tax, both special oil and gas and also general, could be appropriated to the fund. When the Legislature repealed the special oil and gas corporate income tax and increased the severance tax in the closing days of the 1981 session, it did not make any changes to the Municipal Assistance Fund. Following the session, however, legislative leaders publicly stated that they did not intend to adversely impact local government funding and would make corrections during the next session. In the 1982 session, the Legislature amended the law, increasing the level from 10% to 30%, which is estimated to provide almost as much as the previous system, but the Legislature did not adjust the FY 83 appropriation to reflect that intent.

Revenue Sharing, Chapter 89 - $3.5 Million

Although most of the revenue sharing funds are distributed by the general formula established in AS 29.88, there are also entitlements established in AS 29.89 - State Aid for Miscellaneous Purposes, including roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials. The allocation for this chapter was not increased to cover the large increases in eligible roads, with the result being a projected $3.5 million shortfall and an 80% proration of funding in these categories.

Municipal Assistance Fund — HB 163

(Every unofficial estimate prepared by Quinn Chitwood - 2/4/83)

$87.4 total $71.3 total $25.1 LL $96.4 total

	population figures are unofficial; city pop. figures included in borough figures.	FY 82 municipal assistance payment	estimated FY 83 (159.94765 pc)	estimated additional FY83 - 1st supp. (56.30764 pc)	est. total FY83 original supplemental II
1	Anchorage (204,216)	40 531 910	32 663 931	11 498 803	44 162 734
2	Bristol Bay Bor. (1,271)	246 857	203 944	71 566	274 860
3	Fairbanks Bor. (32,040)	5 524 841	5 124 732	1 804 078	6 928 810
4	Haines Bor. (768)	144 218	123 840	43 244	166 084
5	Juneau C+B (32,023)	4 525 958	3 522 534	1 240 050	4 762 584
6	Kenai Bor. (18,323)	3 116 804	2 930 726	1 031 714	3 962 440
7	Ketchikan G. Bor. 4,351	800 474	695 934	244 992	940 926
8	Kodiak I. Bor. 5,679	551 837	908 344	319 768	1 228 112
9	Mat-Su Bor 20,273	2 915 779	3 242 695	1 141 513	4 384 138
10	North Slope Bor 2,832	1 320 031	452 973	159 462	612 435
11	Sitka C+ Bor. 8,221	1 693 575	1 314 932	462 900	1 777 832
12	Barrow 2,882	497 674	460 970	162 277	623 247
13	Cordova 2,241	483 276	358 943	126 184	484 627
14	Craig 604	115 347	96 609	34 009	130 618
15	Dillingham 1,841	356 240	294 464	103 661	398 125
16	Fairbanks 25,747	6 085 709	4 118 180	1 449 738	5 567 918
17	Galena 844	165 563	134 996	47 523	182 519
18	Haines 1,079	220 453	172 584	60 755	233 339
19	Homer 2,897	571 983	463 369	163 122	626 491
20	Hoonah 863	164 441	138 035	48 593	186 628
21	Hydaburg 412	72 050	65 899	23 199	89 098
22	Kake 631	117 331	100 927	35 530	136 457
23	Kenai 5,231	1 044 073	886 688	294 542	1 181 230
24	Ketchikan 7,777	1 627 606	1 243 915	437 900	1 681 515
25	King Cove 523	102 925	83 653	29 449	113 102
26	Klawock 433	78 188	69 257	24 381	93 638
27	Kodiak 5,873	1 084 266	939 374	330 691	1 270 065
28	Nenana 540	129 183	86 372	30 406	116 778
29	Nome 3,430	651 868	548 621	193 133	741 754
30	North Pole 934	214 195	149 391	52 591	201 982
31	Palmer 2,524	502 305	403 709	142 119	545 828
32	Pelican 185	36 796	29 590	10 417	40 007
33	Petersburg 3,040	634 966	486 242	171 173	657 415
34	Sand Point 797	141 782	127 479	44 877	172 356
35	Saint Mary's 442	85 738	70 697	24 888	95 585
36	Seldovia 729	104 962	116 602	41 048	157 650
37	Seward 1,828	428 482	292 385	102 929	395 314
38	Skagway 790	182 956	126 359	44 483	170 842
39	Soldotna 3,008	584 787	481 123	169 372	650 495
40	Tanana 485	93 479	77 575	27 309	104 884
41	Unalaska 1,922	390 542	307 420	108 222	415 642
42	Valdez 3,694	1 014 311	590 848	207 998	798 846
43	Wrangell 2,376	500 895	380 036	133 786	513 822
44	Yakutat 462	97 418	73 896	26 014	99 910

			FY 82	estimated original FY 83	estimated supplemental	estimated total FY 83 (col. 3+4)
			1	2	3	4
1		Akhiok	103	20732	16475	5800	22275
2		Akiachak	451	86159	73137	25394	97531
3		Akiak	229	38954	36628	12894	49522
4		Akolmiut	353	137256	56462	19876	76338
5		Akutan	188	37479	30070	10586	40656
6		Alakanuk	546	110496	87332	30744	118076
7		Aleknagik	232	30412	37108	13063	50171
8		Allakaket	169	31269	27031	9516	36547
9		Ambler	202	39649	32309	11374	43683
10		Anaktuvuk Pass	250	46409	39987	14077	54064
11		Anderson	521	99876	83333	29336	112669
12		Angoon	562	90643	89891	31645	121536
13		Aniak	351	69846	56142	19764	75906
14		Anvik	115	21778	18394	6475	24869
15		Atmautluak	236	44610	37748	13288	51036
16		Atqasuk	107		17114	6025	23139
17		Bethel	3,681	765307	588768	207266	796034
18		Brevig Mission	134	29533	21433	7545	28978
19		Buckland	217	41979	34709	12219	46928
20		Chefornak	244	45876	39027	13739	52766
21		Chevak	573	96959	82053	28886	110939
22		Chuathbaluk	124	20821	19834	6982	26816
23		Clark's Point	110	15399	12796	4505	17301
24		Cold Bay	250		39987	14077	54064
25		Deering	158	31008	25272	8896	34168
26		Delta Junction	1,041	215490	166986	58785	225771
27		Diomede	134	29449	21433	7545	28978
28		Eagle	142	37483	22713	7996	30709
29		Eek	235	44815	37588	13232	50820
30		Ekwok	78	15053	12476	4392	16868
31		Elim	205	45286	32789	11543	44332
32		Emmonak	581	115011	92930	32714	125644
33		Fort Yukon	624	124741	99805	35136	134944
34		Fortuna Ledge	260	48404	41586	14640	56226
35		Gambell	432	96011	69098	24325	93423
		Golovin	112	19166	17914	6306	24220
		Goodnews Bay	173	32971	27671	9741	37412
37		Grayling	211	40206	33749	11881	45630
38		Holy Cross	243	46794	38867	13683	52550
39		Hooper Bay	657	125416	104126	36656	140782
40		Houston	819	116527	130997	46115	177112
41		Hughes	74	14071	11836	4167	16003
42		Huslia	241	45991	38547	13570	52117
43		Kachemak	287	84233	115905	16160	602065

			FY 82	est. needed original FY83	est. needed supplemental	est. needed total FY83 (col 3+4)
	Kaktovik	214	40690	34229	12050	46279
	Kaltag	245	47092	39187	13795	52982
	Kasaan	70	12641	11196	3941	15137
	Kiana	363	71501	58061	20439	78500
	Kivalina	253	49223	40467	14246	54713
	Kobuk	64	12647	10237	3604	13841
	Kotlik	347	67892	55502	19538	75040
	Kotzebue	2,464	477285	394112	138741	532853
	Koyuk	183	40254	29270	10304	39574
	Koyukuk	99	19164	15835	5574	21409
	Kuprecanof	54	9655	8637	3041	11678
	Kwethluk	467	90281	74696	26295	100991
	Larsen Bay	180	32906	28791	10135	38926
	Lower Kalskag	260	48286	41586	14640	56226
	Manokotak	299	57461	47824	16836	64660
	McGrath	497	70935	79494	27985	107479
	Mekoryuk	178	34[illegible]4	28471	10023	38494
	Mountain Village	601	116[illegible]	96129	33840	129969
	Napakiak	286	57309	45745	16104	61849
	Napaskiak	251	47699	40147	14133	54280
	Newhalen	140	26811	22393	7883	30276
	New Stuyahok	337	64811	53902	18975	72877
	Newtok	175	34579	27991	9854	37845
	Nightmute	141	26620	22553	7939	30492
	Nikolai	110	17355	17594	6194	23788
	Nondalton	176	34121	28151	9910	38061
	Noorvik	517	101500	82693	29111	111804
	Nulato	353	67248	56462	19876	76338
	Nuiqsut	287	53428	45905	16160	62065
	Old Harbor	355	66164	56782	19989	76771
	Ouzinkie	233	33828	37268	13119	50387
	Pilot Station	337	63920	53902	18975	72877
	Platinum	57	11353	9117	3209	12326
	Point Hope	544	108084	87012	30631	117643
	Port Alexander	98	18027	15675	5518	21193
	Port Heiden	94	18169	15035	5293	20328
	Port Lions	291	41908	46545	16388	62930
	Quinhagak	427	81282	68298	24043	92341
	Ruby	214	38205	34229	12050	46279
	Russian Mission	175	33148	27991	9854	37845
	Saint Michael	295	54943	47185	16611	63796
	Saint Paul	595	116955	95169	33503	128672
	Savoonga	477	106772	76295	26858	103153
	Saxman	303	55510	48464	17061	65525

second class cities

			1 FY 82	2 estimated FY 83	3 estimated supplemental	4 estimated total FY 83 (3+4)
	Scammon Bay	251	49615	40147	14133	54280
	Selawik	601	74351	96129	33840	129969
	Shageluk	136	25193	21753	7658	29411
	Shaktoolik	159	34984	25432	8953	34385
	Sheldon Point	107	20409	17114	6025	23139
second class cities	Shishmaref	425	84712	67978	23930	91908
	Shungnak	214	42220	34229	12050	46279
	Stebbins	321	70660	51343	18075	69418
	Teller	206	45294	32949	11599	44548
	Tenakee Springs	141	27403	22553	7939	30492
	Togiak	545	103785	87172	30687	117859
	Toksook Bay	357	66123	57101	20102	77203
	Tuluksak	243	46257	38867	13683	52550
	Tununak	302	59505	48304	17005	65309
	Unalakleet	604	136510	96609	34009	130618
	Upper Kalskag	133	26499	21273	7489	28762
	Wainwright	436	81183	69737	24550	94287
	Wales	129	28178	20633	7264	27897
	Wasilla	2,386	434428	381636	134349	515985
	White Mountain	121	26630	19354	6813	26167
	Whittier	224	43209	35628	12613	48241

total municipal population 445770 – 96.9% of total statewide

total statewide population 460000

Alaska State Legislature

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

REP. HAYES STATEMENT ON MUNICIPAL ASSISTANCE

Alaska faces a period of declining revenue. The enormous budgets of several years past may never be with us again. On a state level we are working to meet that challenge by prioritizing and eliminating unproductive programs. While the Legislature has finally realized the severity of declining revenues, many local governments appear unwilling to share in that decline and follow the lead of the state in slowing the growth of government. This unwillingness appears in their insistence that the Legislature provide a $25 million supplemental appropriation for municipal assistance in addition to the $127 million funded last year.

Anchorage is a prime example of where the local government officials have yet to realize the reality of reduced revenue. The Municipal administration's budget proposal was $194 million for FY 83. After several assembly members failed in their attempts to cut $14 million from that budget, the final budget passed was near $193 million, a 17.3% increase over the previous year.

Municipal assistance and revenue sharing have grown at tremendous rates in past years. The state appropriated $38.3 million to these programs in FY 80, $90 million in FY 81, $143 million in the revenue boom year of FY 82 and $127 million last year. Projections for this fiscal year show about $131 million for these programs will be available. While revenues have dropped over 50% in two years, funding for municipal assistance has only dropped about 9% which I consider to be proof of a major commitment by the Legislature to provide funding to keep property taxes low.

Property owners are constantly faced with a double jeopardy situation which causes tax increases. First, property values normally increase, so even if the mill rate remains constant, taxes will rise slightly each year. Between 1982 and 1983 property value of an average residence increased between 10-15%. New buildings added $500 million in city value. Total city value in 1976 was $3 billion. It is now about $10.6 billion. This value determines the tax base. Theoretically, if the budget remained constant and the tax base increased, the mill rate would fall and local government taxes would probably decrease. However, inflation alone usually dictates some budget increase. An increase in assessed valuation, though, should more than offset inflation costs with a minimal increase in property taxes needed to fund a legitimate amount of program expansion.

But the Municipality's need for funds to both meet its budget while attempting to keep the mill rate stable exceeded the funds generated by increased property value. Property owners now are subject to being taxed by both the normal and natural property value increase and the demands of an inflated budget.

It is realistic to expect some increase in the cost of local government. However, the Municipality's budget increase this past year was unrealistic if an assumption was made that the state was rich enough to add $25 million more this year to the municipal assistance funds approved last year. The result would be the largest contribution ever made to local government assistance in history. In budget preparation, the Anchorage assembly was told to adopt a philosophy in passing the budget with an assumption that taxes would pay for everything. The assumption in philosophy is fine, but in practice it can't work when the state has a history of giving local governments millions of dollars to lower property taxes. The only way to truly gauge if a program is worth being funded by taxes is for taxpayers to actually be faced with a tax increase as they may be this year. The public really has never had to make that choice in recent years. The result has become a budget based on what government thinks the people want or need instead of a budget based on actual need as prioritized by the public and paid for by the local public through property taxes.

One assembly member recently accused the assembly of wandering without goals. I would agree as it relates to the budget. If a tax increase was to be avoided, a limit should have been set on the budget based on increases in property value and the known amount of municipal assistance available. Instead the municipal administration budgeted in the dark and then convinced a majority of the assembly to buy that philosophy. In no way do I wish to tell any local government what programs they should cut. I support better roads, increased police protection and adequate public services. But I suggest there are budget items of a lower priority that could have been eliminated to help offset the costs of the desired increases. Instead every category in the budget increased. It will become increasingly important to set goals as the Project 80's facilities which I (any) many Anchorage residents supported come on line and add the need for millions of dollars more for the operating budget.

In summary, it is unrealistic to ask the state to fund a supplemental appropriation for municipal assistance that would be 6% above the amount given when the state had twice the revenues it now expects. The state has done more than should be expected to maintain high appropriations to keep property taxes down. The cities have done little and the responsibility to keep taxes low can only rest on their shoulders by decreasing the budgets accordingly. If local officials are unwilling to lower budgets then they should present the public with a tax increase. I believe the resulting public opinion would be to everyone's benefit in determining what the public truly wants government to provide.

# # # #

CONSOLIDATION OF MUNICIPAL ASSISTANCE AND REVENUE SHARING

"The Alaska Municipal League endorses the consolidation of the current municipal assistance and state revenue sharing programs together with the funding of the consolidated program at a level of at least 8% of the prior year's state operating budget so that municipalities can continue to provide important, needed services while holding down taxes."

Consolidation of the principal municipal aid programs is recommended for two reasons: (1) to simplify the administration of revenue distribution to local governments, both for the state and for the municipalities, and (2) to provide a predictable source of funding for basic services delivered at the local level.

The Municipal Assistance Fund, the successor to the Gross Business License Tax sharing program, is administered by the Department of Revenue. The funds are distributed primarily on a per capita basis. Municipalities must submit an application to the Department and must pass a resolution agreeing to accept the money.

The Revenue Sharing program is administered by the Department of Community and Regional Affairs, which distributes the funds primarily through a formula, with some additional special purpose entitlements. In order to receive funding, municipalities must fill out multi-page application forms and submit financial statements or audits.

Through an interdepartmental agreement this year, the two departments devised a joint application for both programs, simplifying to a certain extent the administrative process.

The proposed consolidation eliminates the municipal assistance fund, establishes the total amount municipalities received in FY 83 for revenue sharing and municipal assistance as a base for distribution, raises the minimum entitlement from $25,000 to $100,000, and distributes any additional funding using the current revenue sharing formula.

It is suggested that the level of funding for the consolidated program be 8% of the prior year's state operating budget. Using this approach, municipal aid would keep pace with state spending and local governments would have a better idea of how much to expect when adopting their budgets. Under the current system, municipalities must adopt their budgets before the Legislature has appropriated any funding.

The FY 83 state operating budget was about $1.8 billion, 8% of which is $144 million. The combined revenue sharing and municipal assistance funding for FY 83 was $127 million, down $16 million from the FY 82 level of $143 million. If you apply the inflation and population increase factors provided in the spending limit, the $143 million level would have increased to $156 million in FY 83 and $170 million in FY 84.

Municipal Assistance Funds
Hb 75

(very unofficial estimate prepared by Quinn Chitwood - 2/4/83)

$87.4 total (1) $71.3 total (2) $25.1 total (3) $96.4 total

		population figures are unofficial; city pop. figures backed out of borough figures	FY 82 municipal assistance payment	estimated FY 83 (159.94795 pc)	estimated additional FY83 w/supp. (56.307044 pc)	estimated total FY83 original + supplemental
	Boroughs & unified municipalities					
1	Anchorage	(204,216)	40 531 910	32663931	11498803	44162734
2	Bristol Bay Bor.	(1,271)	~~4 753 753~~ 246857	203914	71566	274860
3	Fairbanks Bor.	(32,040)	5524841	5124732	1804078	6928810
4	Haines Bor.	(768)	144218	123840	43244	166084
5	Juneau C+B	(22,023)	4525958	3522534	1240050	4762584
6	Kenai Bor.	(18,323)	3116804	2930726	1031714	3962440
7	Ketchikan G. Bor.	4,351	800474	695934	244992	940926
8	Kodiak I Bor.	5,679	551837	908344	319768	1228112
9	Mat-Su Bor	20,273	2915779	3242695	1141513	4384138
10	North Slope Bor.	2,832	1320031	452973	159462	612435
11	Sitka C+B	8,221	1693575	1314932	462900	1777832
	Cities in unorganized boroughs & home rule cities					
12	Barrow	2,852	457674	460970	162277	623247
13	Cordova	2,241	483276	358443	126184	484627
14	Craig	604	115347	96609	34009	130618
15	Dillingham	1,841	356240	294464	103661	398125
16	Fairbanks	25,747	6085709	4118180	1449738	5567918
17	Galena	844	165563	134996	47523	182519
18	Haines	1,079	220453	172584	60755	233339
19	Homer	2,897	571983	463369	163122	626491
20	Hoonah	863	164441	138035	48593	186628
21	Hydaburg	412	72050	65899	23199	89098
22	Kake	631	117331	100927	35530	136457
23	Kenai	5,231	1044073	836688	294542	1131230
24	Ketchikan	7,777	1627606	1243915	437900	1681815
25	King Cove	523	102925	83653	29449	113102
26	Klawock	433	78188	69257	24381	93638
27	Kodiak	5,873	1084266	939374	330691	1270065
28	Nenana	540	129183	86372	30406	116778
29	Nome	3,430	651868	548621	193133	741754
30	North Pole	934	214195	149391	52591	201982
31	Palmer	2,524	502305	403709	142119	545828
32	Pelican	185	36796	29590	10417	40007
33	Petersburg	3,040	634966	486242	171173	657415
34	Sand Point	797	141782	127479	44877	172356
35	Saint Mary's	442	85738	70697	24888	95585
36	Seldovia	729	104962	116602	41048	157650
37	Seward	1,828	428482	292385	102929	395314
38	Skagway	790	182956	126359	44483	170842
39	Soldotna	3,008	584787	481123	169372	650495
40	Tanana	485	93479	77575	27309	104884
41	Unalaska	1,922	390542	307420	108222	415642
42	Valdez	3,694	1014311	590848	207998	798846
43	Wrangell	2,376	500895	380036	133786	513822
44	Yakutat	462	97418	73896	26014	99910

			(1) FY82	(2) estimated original FY83	(3) estimated supplemental	(4) estimated total FY83 (col. 3+4)
1		Akhiok	103	20732	16475	5800	22275
2		Akiachak	451	86159	72137	25394	97531
3		Akiak	229	38954	36628	12894	49522
4		Akolmiut	353	137256	56462	19876	76338
5		Akutan	188	37479	30070	10586	40656
6		Alakanuk	546	110496	87332	30744	118076
7		Aleknagik	232	30410	37108	13063	50171
8		Allakaket	169	31269	27031	9516	36547
9		Ambler	202	39649	32309	11374	43683
10		Anaktuvuk Pass	250	46409	39987	14077	54064
11		Anderson	521	99896	83333	29336	112669
12		Angoon	562	90643	89891	31645	121536
13		Aniak	351	69846	56142	19764	75906
14		Anvik	115	21778	18394	6475	24869
15		Atmautluak	236	44610	37748	13288	51036
16		Atqasuk	107		17114	6025	23139
17	cities	Bethel	3,681	765307	588768	207266	796034
18		Brevig Mission	134	29533	21433	7545	28978
19		Buckland	217	41979	34709	12219	46928
20		Chefornak	244	45876	39027	13739	52766
21	second class	Chevak	513	96959	82053	28886	110939
22		Chuathbaluk	124	20821	19834	6982	26816
23		Clark's Point	80	15379	12796	4505	17301
24		Cold Bay	250		39987	14077	54064
25		Deering	158	31008	25272	8896	34168
26		Delta Junction	1,044	215490	166986	58785	225771
27		Diomede	134	29449	21433	7545	28978
28		Eagle	142	37483	22713	7996	30709
29		Eek	235	44815	37588	13232	50820
30		Ekwok	78	15053	12476	4392	16868
31		Elim	205	45286	32789	11543	44332
32		Emmonak	581	115011	92930	32714	125644
33		Fort Yukon	624	124741	99808	35136	134944
34		Fortuna Ledge	260	48404	41586	14640	56226
35		Gambell	432	96011	69098	24325	93423
		Golovin	112	19166	17914	6306	24220
		Goodnews Bay	173	32971	27671	9741	37412
38		Grayling	211	40206	33749	11881	45630
39		Holy Cross	243	46794	38867	13683	52550
40		Hooper Bay	651	125416	104126	36656	140782
41		Houston	819	116527	130997	46115	177112
42		Hughes	74	14071	11836	4167	16003
43		Huslia	241	45971	38547	13570	52117
		Kachemak	287	84233	45905	16160	62065

second class cities

		(1)	FY 82	(2) estimated original FY 83	(3) estimated supplemental	(4) estimated total FY 83 (col 3+4)
1	Kaktovik	214	40690	34229	12050	46279
2	Kaltag	245	47093	39187	13795	52982
3	Kasaan	70	12641	11196	3941	15137
4	Kiana	363	71501	58061	20439	78500
5	Kivalina	253	49223	40467	14246	54713
6	Kobuk	64	12647	10237	3604	13841
7	Kotlik	347	67392	55502	19538	75040
8	Kotzebue	2,464	477285	394112	138741	532853
9	Koyuk	183	40254	29270	10304	39574
10	Koyukuk	99	19164	15835	5574	21409
11	Kupreanof	54	9655	8637	3041	11678
12	Kwethluk	467	90281	74616	26295	100911
13	Larsen Bay	180	32906	28791	10135	38926
14	Lower Kalskag	260	48286	41586	14640	56226
15	Manokotak	299	57461	47824	16836	64660
16	McGrath	497	70935	79494	27985	107479
17	Mekoryuk	178	34914	28471	10023	38494
18	Mountain Village	601	116596	96129	33840	129969
19	Napakiak	286	57307	45745	16104	61849
20	Napaskiak	251	47699	40147	14133	54280
21	Newhalen	140	26811	22393	7883	30276
22	New Stuyahok	337	64811	53902	18975	72877
23	Newtok	175	34579	27991	9854	37845
24	Nightmute	141	26620	22553	7939	30492
25	Nikolai	110	17355	17594	6194	23788
26	Nondalton	176	34121	28151	9910	38061
27	Noorvik	517	101500	82693	29111	111804
28	Nulato	353	67248	56462	19876	76338
29	Nuiqsut	287	53428	45905	16160	62065
30	Old Harbor	355	66164	56782	19989	76771
31	Ouzinkie	233	33828	37268	13119	50387
32	Pilot Station	337	63920	53902	18975	72877
	Platinum	57	11353	9117	3209	12326
	Point Hope	544	108084	87012	30631	117643
	Port Alexander	98	18027	15675	5518	21193
	Port Heiden	94	18169	15035	5293	20328
	Port Lions	291	41908	46545	16385	62930
	Quinhagak	427	81282	68298	24043	92341
	Ruby	214	38205	34229	12050	46279
	Russian Mission	175	33148	27991	9854	37845
	Saint Michael	295	54943	47185	16611	63796
	Saint Paul	595	116955	95169	33503	128672
	Savoonga	477	106772	76295	26858	103153
	Saxman	303	55510	48464	17061	65595

			(1) FY 82	(2) estimated FY 83	(3) estimated supplemental	(4) estimated total FY 83 (3+4)
1	Scammon Bay	251	49615	40147	14133	54280
2	Selawik	601	74351	96129	33840	129969
3	Shageluk	136	25193	21753	7658	29411
4	Shaktoolik	159	34984	25432	8953	34385
5	Sheldon Point	107	20409	17114	6025	23139
6	Shishmaref	425	84712	67978	23930	91908
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21	Whittier	224	43209	35828	12613	48441

second class cities

total municipal population 445770 — 96.9% of total statewide

total statewide population 460000

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 3, 1982

Albert Adams, Chair
House Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

The Alaska Municipal League urges you to reconsider your actions in slashing $13 million from the FY 82 level of the municipal assistance fund, one of the line items in the shared taxes section of the Department of Revenue FY 83 budget.

Several years ago, the Legislature repealed the gross business license tax, 60% of which was automatically rebated to the municipality in which it was collected. The purpose was to make business taxes more equitable, not penalize local government. For that reason, the Legislature established a municipal assistance fund, containing an amount "equal to or greater" than 10% of the corporate income tax received, but subject to legislative appropriation.

The Legislature intended that the municipalities use, for local tax relief, any funds over and above that which would have been generated by the gross business license tax rebate. As is indicated by the enclosed questionnaire results, that is exactly what happened in most of the major municipalities throughout the state as a result of the increased level of funding appropriated last year by the Legislature. If FY 82 levels are not maintained or increased to recognize the 9% inflation and the 4.7% population increases, then municipalities will have only two choices - cut back on services or raise the local taxes back up again.

The reason the 10% corporate income taxes is lower this year than last is because at the end of the 1981 session, the Legislature shifted oil and gas taxation from corporate income to severance (SB 524). As was the case with the gross business license repeal, it is my understanding that the intent was to make oil and gas taxation more equitable, not penalize municipalities. Unfortunately, if the Legislature sticks to the "10%" instead of the "or greater" the results will be that municipalities and the local tax payers will be adversely impacted. Had there been no change in the corporate income tax law, 10% of the receipts would be $108 million, instead of the $74 million currently in the House Finance version of the FY 83 budget.

AML urges you to at least maintain the current level of funding and preferably increase to $99 million, an upward adjustment recognizing inflation and population increases. The latter amount is still $9 million less than what would have been shared without SB 524.

Thank you for your consideration of this request. If you have any questions please do not hesitate to contact me.

Sincerely,

Ginny Chitwood
Executive Director

enc:

cc: The Honorable Jay S. Hammond, Governor
The Honorable Terry Miller, Lieutenant Governor
Commissioner Lee McAnerney, Community & Regional Affairs
Jerry Reinwand, Executive Assistant, Office of the Governor
Sue Greene, Special Assistant, Office of the Governor
Jessie Dodson, Special Assistant, Office of the Governor
AML Board of Directors
AML Legislative Committee

HB

157

(7)

COMMITTEE REPORT

HOUSE

FURTHER: ADAMS

2/4/83

Date: 2/24/83

Mr. Speaker:

The Committee on C & RA has had HB 157

An Act to expand the right to petition for a local option election.

under consideration and reports it back as follows:

[ ] 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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2254

FEB 23 1983

February 23, 1983

POSITION PAPER

RE: HB 157

SPONSOR: Representative Adams

Program Effects of Bill

Expands right to petition for a local option election to include unincorporated communities with municipal boundaries.

Comments

No comments

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 157 Date on Bill: 2/4/83
Title: Expand the right to petition for local option election
Sponsor: Representative Adams
Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

Expansion of the right to petition for a local option election to include unincorportated communities within municipal boundaries. Will have no fiscal impact on this Department.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date: 2/23/83

Approved by Commissioner: Date: 2/23/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 157 Date on Bill: 2/4/83
Title: An act to expand the right to petition for a local option election"
Sponsor: Adams
Requestor: House Community and Regional Affairs Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions: The Division does not expect an upsurge of petitions for local option elections as a result of this legislation, as it appears that the end of the "Alcohol Project" by Alaska Legal Services has contributed to a decrease of petition activity.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: TPThoma Phone: 4611
Division: Elections Date: 2/23/83

Approved by Commissioner: Date:
Department:

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor

2/8/83

Alaska State Legislature

House of Representatives

Al Adams
Chairman
Committee on Finance

WHILE IN SESSION
Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3706

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3520

1024 W. 6th
Anchorage, Alaska 99501
(907) 274-0615

Official Business

February 21, 1983

MEMORANDUM

TO: Representative Barbara Lacher, Chair
Community and Regional Affairs Committee

FROM: Representative Al Adams

SUBJECT: House Bill 157 - An Act to expand the right to petition for a local option election

House Bill 157 amends the General Provisions Chapter of Title 4, Alcholic Beverages, by expanding the definition of "established village".

In 1981, the Legislature enacted legislation clarifying provisions in Title 4 so that alcohol local option elections could be held. As a result of these changes a municipality, as well as an established village, could hold an election.

In spite of the Legislature's best efforts to clarify the law, a question has arisen as to the ability of an unincorporated community within a borough to conduct an election. Three communities, Point Lay, Karluk and Tyonek, wanted to hold an election, but were unable to due to this defect in the law. HB 157 clarifies the language to ensure that all communities, regardless of status, may conduct an election.

Additional background information is attached.

I. INTRODUCTION

On June 19, 1981, Governor Hammond signed Senate Bill 65, which cleared up difficulties with the 1980 Title 4 alcohol local option law, AS 04.11.490-04.11.506. Pursuant to the statute "municipalities" may conduct their own alcohol local option elections. "Established villages" may also request alcohol local option elections. These latter elections are conducted by the lieutenant governor.

Under the law, municipality is defined as "an incorporated city, an organized borough, or a unified municipality established under AS 29.68." AS 04.21.080(b)(11). A Municipality may hold a special election and vote upon one of the following four options:

1. Prohibition of the sale of alcoholic beverages. AS 04.11.490.

2. Community liquor license. AS 04.11.492.

3. Prohibition of the sale and importation of alcoholic beverages. AS 04.11.496.

4. Prohibition of the sale of alcoholic beverages except by selected licenses. AS 04.11.500.

An "established village" is defined under the statute as "an unincorporated area that

(A) is within the circumference of a circle described by drawing a five-mile radius around a post office station;

(B) has 25 or more permanent residents."

AS 04.11.080(b)(8). An established village may in a special election conducted for that purpose by the lieutenant governor, vote upon one of the following three options:

1. Prohibition of the sale of alcoholic beverages. AS 04.11.490.

2. Prohibition of the sale and importation of alcoholic beverages. AS 04.11.496.

3. Prohibition of the sale of alcoholic beverages except by selected licenses. AS 04.11.500.

Alcohol abuse constitutes a very serious problem in Alaska. The state Title 4 alcohol local option law, AS 04.11.490-04.11.506, has allowed individual communities to deal with the problem on a local level and thus choose a legal remedy which fits the local problem. The results have been largely successful both as a means of controlling alcohol abuse and as an experiment in pure democracy. As of this writing, forty-one communities have held alcohol local option elections and ten more are currently waiting to hold them. Moreover, over twenty other communities have expressed interest in holding alcohol local option elections to the Alaska Legal Services Corporation Alcohol Project. Of the forty-one communities which have already voted, thirty-seven have voted to prohibit the sale and importation of alcoholic beverages.

II. THE PROBLEM

Simply put, the problem is that communities within organized boroughs cannot utilize the state Title 4 alcohol local option law unless separately incorporated because the power of legislation in those communities rests

with virtual exclusivity in the borough government. AS 04.11.080(b)(8) defines "established village" as "an unincorporated area." Since a borough is incorporated, a village lying within a borough cannot be an unincorporated area.

Boroughs exercise certain powers, such as operating a school system and planning, platting, and zoning on an areawide basis, both inside and outside cities within the borough boundaries. AS 29.33.010-29.33.290. Pursuant to AS 29.38.020, second-class boroughs exercise certain municipal powers in areas of the borough outside the cities. These include such things as regulating fireworks, providing water pollution control, constructing local roads, etc. Boroughs can also acquire other powers outside cities by an election of the voters outside cities.

AS 29.48.035 gives municipalities certain regulatory powers. AS 29.48.035(10) provides that a municipality may regulate "alcoholic beverages as provided by 4.15.070." AS 4.15.070 is now repealed but there is a cross-reference to 4.21.010 "for present provisions concerning municipal regulation." AS 4.21.010(a) allows a municipality to adopt ordinances governing barter, sale, consumption of alcoholic beverages as necessary for orderly selling of alcohol within the municipality. AS 4.21.010(b) allows a municipality to adopt an ordinance making sale or importation a misdemeanor after a valid election on the option to prohibit the sale and importation of alcoholic beverages has been held.

The above provisions of Title 29, along with the definition of established village in Title 4, suggest that power to regulate alcohol in a borough in the area outside the borough's cities is given to the borough.

Nonetheless, at least one village, Karluk, in the Kodiak Island Borough, has evinced a desire to hold a local option election and cannot under present law.

An organized borough generally co[illegible] more than one community and often contains several. At the time of this writing, no organized borough has yet held an alcohol local option election. The difficulties involved in a multi-community election of this sort are evident. Should a borough hold an alcohol local option election, a strong vote for prohibition in the outlying villages and municipalities could impose that measure upon communities with no desire or need to embrace so draconian a resolution. Conversely, a strong vote to maintain the privilege of buying and consuming alcohol in the larger communities could prevent other communities within the borough from taking effective action to deal with a chronic local problem.

A preferable arrangement would allow the voters of each community in an organized borough to decide for that community and that community alone how the state Title 4 alcohol local option law can best be used. Voters in a community will probably be better informed as to local conditions than they will be to borough-wide conditions. A better informed electorate will naturally make more intelligent decisions at the polls. More importantly, their decision will only affect local conditions and not conditions in other communities within the borough of which they are much less likely to be adequately informed.

III. THE SOLUTION

The proposed legislation will allow villages within organized boroughs to hold an alcohol local option election subject to the same conditions

imposed upon villages outside organized boroughs. The proposed legislation accomplishes this essentially by enlarging the definition of "established village" to include those villages lying within organized boroughs.

The proposed legislation is designed to enlarge the powers of villages within organized boroughs only as regards to their ability to hold local option elections. Section 2 of the proposed legislation expressly limits itself to those purposes. Alaska already has a well established and complex municipal code by which the respective powers of various types of communities are delegated. The proposed legislation will have only a strictly limited effect on the municipal code. It is designed and intended only to allow communities not separately incorporated which lie within organized boroughs to hold alcohol local option elections pursuant to AS 04.11.490-04.11.506. No other impact upon the respective powers of the state, organized boroughs, organized communities, or unorganized communities is foreseen or intended.

LAW OFFICES OF

ALASKA LEGAL SERVICES CORPORATION

615 "H" STREET, SUITE 100

ANCHORAGE, ALASKA 99501

TELEPHONE (907) 272-9431

MEMORANDUM

TO: Persons Interested in the Current Status of Rural Communities With Respect to the State Title 4 Alcohol Local Option Law

FROM: Alaska Legal Services Corporation Alcohol Project

RE: Statewide Village Status Report

DATE: January 14, 1983

The ALSC Alcohol Project was funded by the State Office on Alcoholism and Drug Abuse ("SOADA") to provide statewide on-site community legal education and technical legal assistance on the state Title 4 alcohol local option law. During its existence, the ALSC Alcohol Project worked closely with rural communities throughout Alaska. The ALSC Alcohol Project has terminated.

Approximately 130 rural communities were visited and 50 other rural communities were assisted in some fashion. "Assistance" means a community either requested a petition form, cover letter, and memorandum explaining the law, or a legal opinion of their local village ordinance concerning alcohol control. This Statewide Village Status Report from the ALSC Alcohol Project is a final attempt to provide an adequate profile of individual rural community activity with respect to the state Title 4 alcohol local option law.

Presently, 74 alcohol local option elections have been hold. Some communities have now held two elections, with differing results. The present tally is: 1 community has voted for a community liquor license, 51 communities have voted to forbid the sale and importation of alcoholic beverages, 10 communities have defeated the sale and importation option, 2 communities approved and 1 defeated the no sale option, and 1 community defeated the private liquor license option. Several more elections are presently scheduled and many other petitions are being circulated.

If you have any additional information or questions on specific communities, please contact Vivian Kortie at the Alcoholic Beverage Control Board, 201 East 9th Avenue, Anchorage, Alaska, 99501, or call (907) 277-8638.

STATEWIDE VILLAGE STATUS REPORT — January 14, 1983

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
ALEUTIAN/PRIBOLOF REGION					
Atka (EV)	11/10/82	--	--	--	Petitions sent 10/10/82.
St. Paul (M)	5/10/82*	Ban Sale & Import (V)	47/141	--	ALOL[3] did not pass.
ANCHORAGE/AHTNA REGION					
Chitina (V)	3/03/82*	Ban Sale & Import (C)	--	--	Petition invalid 10/14/32; new petitions sent 12/23/8
Copper Center (V)	3/27/82*	--	--	--	
Mentasta (V)	10/05/82*	--	--	--	
BRISTOL BAY REGION					
Aleknagik (M)	4/08/82*	Ban Sale & Import (V)	26/23	--	Many questioned ballots; ne majority vote.
Ekwok (M)	11/29/82	Ban Sale & Import (V)	20/03	7/1/82	
Iliamna (V)	11/24/81*	Ban Sale (V)	35/24	--	Liquor license(s) revoked.
Egegik (V)	11/10/82	Ban Sale & Import (C)	--	--	Election scheduled by DOE.
Manokotak (M)	11/23/81*	Ban Sale & Import (C)	--	--	Petitions sent 1/13/83.
Newhalen (M)	11/02/82*	Ban Sale & Import (V)	6/22	--	ALOL[3] did not pass.
Portage Creek (V)	12/01/82*	Ban Sale (C)	--	--	Petitions sent 11/30/82.
Togiak (M)	11/24/81*	Ban Sale & Import (V)	93/23	6/1/82	
Twin Hills (V)	12/22/81*	Ban Sale & Import (C)	--	--	Election being considered.
Nondalton (M)	12/17/81*	--	--	--	
FAIRBANKS/DOYON REGION					
Arctic Village (V)	7/23/81	Ban Sale & Import (C)	--	--	
Chalkyitsik (V)	7/15/82*	Ban Sale & Import (V)	21/02	8/1/82	

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results[2] (yes/no)	Effective Dates	Notes
Dot Lake (V)	10/01/82*	Ban Sale (C)	--	--	
Eagle (V)	9/30/82*	--	--	--	
Fort Yukon (M)	12/01/81	Ban Sale & Import (C)	--	--	
Huslia (M)	3/02/82*	Ban Sale & Import (V)	40/53	12/1/82	Second election; changed vote
Kaltag (M)	11/11/82*	Ban Sale & Import (V)	50/27	1/3/83	Second election; same vote.
Mentasta (V)	10/05/82*	--	--	--	
Minto (V)	6/23/81*	--	--	--	
Northway (V)	9/29/82*	Ban Sale & Import (C)	--	--	
Nulato (M)	1/07/82	--	--	--	Petitions sent 1/7/82.
Ruby (M)	8/02/82	--	--	--	Petitions sent 8/2/82.
Stevens Village (V)	4/28/82*	Ban Sale & Import (C)	--	--	Petitions sent 4/28/82.
Tanacross (V)	9/28/82*	--	--	--	
Tanana (M)	9/23/82*	Community Liquor Store (V)	90/15	--	Applying for a liquor license
Tetlin (V)	10/04/82*	Ban Sale & Import (V)	54/7	1/1/83	
JUNEAU/SEALASKA REGION					
Angoon (M)	4/06/82*	Ban Sale & Import (V)	72/94	--	ALOL[3] did not pass.
Hydaburg (M)	2/24/82*	Selected Liquor Lic. (V)	43/63	--	ALOL[3] did not pass.
Klawock (M)	10/20/82*	Community Liquor Store (C)	--	--	
Metlakatla (Reservation)	2/14/81*	--	--	--	ALOL[3] not applicable.
Thorne Bay (M)	12/01/82	Ban Sale (V)	--	--	Election improprieties; selected liquor license applied for in January, 1983.
KODIAK REGION					
Larsen Bay (M)	7/19/82*	Ban Sale & Import (V)	17/38	--	ALOL[3] did not pass.
Old Harbor (M)	6/19/81*	--	--	--	Emergency ordinance to ban sale and import, 7/20/82.

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
KOTZEBUE/NANA REGION					
Ambler (M)	11/23/81*	Ban Sale & Import (V)	29/21	1/1/82	May schedule new election.
Buckland (M)	10/02/81*	Ban Sale & Import (V)	52/06	6/1/82	No special election ordin.
Deering (M)	11/24/81*	Ban Sale & Import (V)	32/24	6/1/82	
Kiana (M)	2/03/82*	Ban Sale & Import (V)	80/60	12/1/82	Second election -- same results.
Kivalina (M)	9/29/81*	Ban Sale & Import (V)	65/27	5/1/82	
Kobuk (M)	11/18/82*	--	--	--	Petitions sent 11/12/82.
Noatak (V)	6/10/82*	Ban Sale & Import (V)	69/53	1/1/83	
Noorvik (M)	5/29/81*	Ban Sale & Import (V)	95/46	5/1/82	
Selawik (M)	11/23/81*	Ban Sale & Import (V)	67/66	1/1/82	
Shungnak (M)	11/24/81*	Ban Sale & Import (V)	59/23	4/1/82	
NOME/BERING STRAITS REGION					
Diomede (M)	9/07/81*	Ban Sale & Import (V)	27/12	10/1/81	
Elim (M)	6/18/81*	Ban Sale & Import (V)	47/17	9/1/81	
Gambell (M)	7/22/81*	Ban Sale & Import (V)	79/10	9/1/81	
Golovin (M)	9/16/81*	Ban Sale & Import (V)	26/19	7/1/81	
Koyuk (M)	7/13/81*	Ban Sale & Import (V)	57/08	9/1/81	
St. Michael (M)	10/14/82*	Ban Sale & Import (V)	--	--	1/83 special election ordinance enacted, new sale and importation petition being circulated; election contemplated.
Savoonga (M)	8/20/81*	Ban Sale & Import (V)	103/81	11/1/81	
Shaktoolik (M)	9/14/81*	Ban Sale & Import (V)	30/23	11/1/81	
Shishmaref (M)	10/12/82*	Ban Sale & Import (V)	82/47	2/1/83	
Stebbins (M)	6/26/81*	Ban Sale & Import (V)	49/07	8/1/81	
Teller (M)	10/11/82*	--	--	--	
Unalakleet (M)	9/10/81*	--	--	--	

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Wales (M)	7/05/81*	Ban Sale & Import (V)	29/21	9/1/81	
White Mountain (M)	7/16/81*	Ban Sale & Import (V)	29/16	4/1/82	Not officially recorded.
NORTH SLOPE REGION					
Anaktuvuk Pass (M)	11/11/81*	Ban Sale & Import (V)	78/11	1/1/83	
Point Hope (M)	9/15/81*	Ban Sale & Import (V)	62/39	8/1/82	
Point Lay (V)	2/09/82*	--	--	--	Within incorporated borough; ALOL[3] not applicable.
Wainwright (M)	6/11/81	Ban Sale & Import (V)	61/42	8/1/82	
YUKON/KUSKOKWIM REGION					
Akiachak (M)	2/02/82*	--	--	--	
Akiak (M)	2/02/82	Ban Sale & Import (V)	--	--	Election improprieties.
Akolmiut (M)	--	Ban Sale & Import (V)	106/35	10/1/81	Not assisted by ALSC.
Alakanuk (M)	3/25/82	Ban Sale & Import (V)	92/24	8/1/81	
Aniak (M)	7/22/82*	Ban Sale & Import (V)	42/129	--	ALOL[3] did not pass.
Atmautluak (M)	9/01/81*	Ban Sale & Import (V)	60/12	6/1/82	
Brevig Mission	8/26/82	--	--	--	Petitions sent 12/82.
Chefornak (M)	9/08/82*	Ban Sale & Import (V)	48/29	11/1/82	Second election.
Chevak (M)	--	Ban Sale & Import (V)	--	--	Election improprieties.
Chuathbaluk (M)	10/08/81*	Ban Sale & Import (C)	--	--	
Crooked Creek (V)	12/09/81*	--	--	--	
Eek (M)	10/19/81*	Ban Sale & Import (V)	90/15	12/1/82	
Emmonak (M)	9/03/81	Ban Sale & Import (V)	54/12	11/1/81	
Goodnews Bay (M)	4/21/82	--	--	--	
Grayling (M)	12/02/81	Ban Sale & Import (V)	34/34	--	ALOL[3] did not pass; needs majority.

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Holy Cross (M)	7/10/81*	Ban Sale & Import (V)	50/60	--	Election results never cert.
Hooper Bay (M)	10/28/82*	Ban Sale & Import (C)	--	--	Election planned for mid-February.
Kipnuk (V)	9/26/81*	Ban Sale & Import (V)	82/07	11/1/82	
Kongiganak (V)	9/17/81*	Ban Sale & Import (V)	50/09	8/1/82	
Kotlik (M)	3/09/81*	Ban Sale & Import (V)	63/15	10/1/81	
Kwethluk (M)	10/12/81*	Ban Sale & Import (V)	82/30	3/1/82	
Lime Village (V)	1/21/82*	--	--	--	
Lower Kalskag (M)	1/15/82*	Ban Sale & Import (C)	--	--	Petition died.
Marshall (M)	--	Ban Sale & Import (V)	42/16	8/1/81	Not assisted by ALSC.
Mekoryuk (M)	5/21/81*	Ban Sale & Import (V)	48/10	10/1/81	
Mountain Village (M)	5/21/81*	--	--	--	
Napakiak (M)	10/02/81*	Ban Sale & Import (V)	54/14	4/1/82	
Napaskiak (M)	9/08/82*	Ban Sale & Import (V)	55/04	12/1/82	
Newtok (M)	11/26/82	--	--	--	Petition received 11/26/82.
Nightmute (M)	9/08/82*	Ban Sale (V)	39/03	1/1/83	Second election expected.
Nunapitchuk (EV)	7/10/81*	--	--	--	Using emergency ordinance.
Pilot Station (M)	7/10/81*	--	--	--	Using emergency ordinance.
Platinum (M)	--	Ban Sale & Import (V)	11/08	2/1/82	CRA[3] assisted with election.
Quinhagak (M)	9/14/81*	Ban Sale & Import (V)	79/26	11/1/81	
Red Devil (V)	1/21/82	Ban Sale (V)	12/22	--	ALOL[3] did not pass.
St. Mary's (M)	9/01/81*	Ban Sale & Import (V)	63/48	10/1/81	
Scammon Bay (M)	11/09/81*	Ban Sale & Import (V)	57/10	1/1/82	
Shageluk (M)	6/22/82*	Ban Sale & Import (V)	--	--	ALOL[3] did not pass.

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Sheldon Point (M)	9/03/81*	--	--	--	
Sleetmute (V)	8/10/82*	Ban Sale & Import (V)	23/20	8/1/82	
Stony River (V)	8/12/82*	--	--	--	
Toksook Bay (M)	10/03/81*	Ban Sale & Import (V)	78/32	12/1/81	
Tuluksak (M)	9/09/82*	Ban Sale & Import (V)	61/16	11/1/82	
Tununak (M)	5/21/81*	Ban Sale & Import (V)	90/11	9/1/81	
Tuntutuliak (V)	12/01/81*	Ban Sale & Import (V)	47/20	9/1/82	
Upper Kalskag (M)	1/15/82*	--	--	--	

NOTE[1]: The four option choices for municipalities (first and second-class and homerule cities) are:

1. Selected liquor license;
2. Community liquor license;
3. Banning the sale of alcoholic beverages;
4. Banning the sale and importation of alcoholic beverages.

Established villages may choose option 1, 3, or 4.

NOTE[2]: For those villages which have chosen the option to ban sale and importation, a "yes" vote means that a voter wishes to stop the sale and importation of alcoholic beverages. A "no" vote means that a voter does not wish to stop the sale and importation of alcoholic beverages under the state alcohol local option law.

NOTE[3]: ALOL -- Alcohol Local Option Law.
ALOE -- Alcohol Local Option Election.
CRA -- Community and Regional Affairs; Division of Local Government Assistance.

NOTE[4]: As of May 18, 1982, the United States Department of Justice approved the Alaska State Title 4 alcohol local option law submission under Section 5 of the Voting Rights Act. The state of Alaska is a "Voting

Rights Act State," which means that when there is any "change in the standard practice or procedure" in voting, the state or other appropriate agency is required to obtain approval from the United States Department of Justice.

This approval means that the alcohol local option law elections already held by municipalities in the state of Alaska are valid. This approval also means that the established villages can hold alcohol local option law elections with the assistance of the Division of Elections.

This approval means that no objection under the Voting Rights Act can be raised with respect to the alcohol local option law elections held unless someone has actually been denied his or her right to vote, thus prejudicing the election.

NOTE[5]: After receiving encouragement from many rural Alaskan priests, religious organizations and residents, the Alaska House of Representatives and Senate passed a law, Senate Bill 765, dealing with the sacramental wine exception to the state Title 4 alcohol local option law.

The new law changed A.S. 04.11.496 (b), which is the law allowing communities to vote to prohibit the sale and importation of alcoholic beverages. The amendment of A.S. 04.11.496 (b) stated that if a majority of the people in a community vote to prohibit the sale and importation of alcoholic beverages, a person "may not knowingly send, transport, or bring an alcoholic beverage into the municipality or established village, unless the alcoholic beverage is sacramental wine to be used for bona fide religious purposes based on tenets or teachings of a church, is limited in quantity to the amount necessary for religious purposes, and is dispensed only for religious purposes by a person authorized by the church or religious body to dispense sacramental wine."

This language means that the only alcoholic beverages which can come legally into a community which has voted to stop sale and importation of alcoholic beverages is wine to be used only in a religious service. The wine is to be an amount to be used only in religious service. Only a priest or someone authorized by the priest can receive the wine and give it to people in a religious ceremony.

PROJECTED COSTS FOR EGEGIK LOCAL OPTION ELECTION 3/ 8/83

Canvass Board Payments	$500.00
Rent of Polling Place	30.00
Roundtrip, Fairbanks to King Salmon	320.00
2 Charters to Egegik	320.00
Per Diem	231.00
Ballot Printing	100.00
Tally Books and Posting Notice	50.00
Advertising	150.00
SUB-TOTAL	1701.25

NOTE; May not have to charter to Egegik

(2) the use of the premises for storage is authorized by local zoning ordinances; and

(3) the premises are accessible for inspection as provided in AS 04.11.630. (§ 4 ch 131 SLA 1980)

Sec. 04.21.070. Enforcement. Peace officers shall investigate and report to the board violations of this title. (§ 4 ch 131 SLA 1980)

Sec. 04.21.080. Definitions. (a) In this title

(1) a person acts with "criminal negligence" with respect to a result or to a circumstance described by a provision of law defining an offense when he fails to perceive a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable person would observe in the situation;

(2) a person acts "knowingly" with respect to conduct or to a circumstance described by a provision of law defining an offense when he is aware that his conduct is of that nature or that the circumstance exists; when knowledge of the existence of a particular fact is an element of an offense, that knowledge is established if a person is aware of a substantial probability of its existence, unless he actually believes it does not exist; a person who is unaware of conduct or a circumstance of which he would have been aware had he not been intoxicated acts knowingly with respect to that conduct or circumstance;

(3) a person acts "recklessly" with respect to a result or to a circumstance described by a provision of law defining an offense when he is aware of and consciously disregards a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that disregard of it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation; a person who is unaware of a risk of which he would have been aware had he not been intoxicated acts recklessly with respect to that risk.

(b) In this title

(1) "alcoholic beverage" includes, but is not limited to, whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other spirituous, vinous, malt and other fermented or distilled liquors intended for human consumption and containing more than one percent alcohol by volume;

(2) "board" means the Alcoholic Beverage Control Board;

(3) "bottling" means to put into a bottle, can, or other container;

(4) "designated premises" means any or all designated portions of a building or structure, rooms or enclosures in the building or structure, or real estate leased, used, controlled, or operated by a licensee for the purpose for which the permit is issued by the board at the location of

(5) "director" means the director of the Alcoholic Beverage Control Board;

(6) "distributing point" means a location where alcoholic beverages are distributed from a warehouse;

(7) "drunken person" means a person whose physical or mental conduct is substantially impaired as a result of the introduction of an alcoholic beverage into his body and who exhibits those plain and easily observed or discovered outward manifestations of behavior commonly known to be produced by the overconsumption of alcoholic beverages;

(8) "established village" means an unincorporated area that

(A) is within the circumference of a circle described by drawing a five-mile radius around a post office station;

(B) has 25 or more permanent residents;

(9) "licensed premises" means any or all designated portions of a building or structure, rooms or enclosures in the building or structure, or real estate leased, used, controlled, or operated by a licensee in the conduct of business for which he is licensed by the board at the specific address for which the license is issued;

(10) "local governing body" means, as appropriate, a city council, a borough assembly, or a traditional village council, but does not include a corporation established under the Alaska Native Claims Settlement Act;

(11) "municipality" means an incorporated city, an organized borough, or a unified municipality established under AS 29.68. (§ 4 ch 131 SLA 1980)

Am. Jur. 2d and C.J.S. references. — 45 Am. Jur. 2d Intoxicating Liquors §§ 4-21. 48 C.J.S. Intoxicating Liquors §§ 1-19.

HB
158

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY
~~FINANCE~~

2/4/83

Date: MAY 25 1983

Mr. Speaker:

The Committee on C & RA has had HB 158

An Act relating to the limitation of liquor licenses.

under consideration and reports it back as follows:

[ ] 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
[X] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

Bart –

Re: limitation of Liquor Licenses.

Do you want to reschedule this in 2 or 3 weeks?

Net effect of attached substitute is:

1. Changes requirement for new or transfer of beverage dispensary (Bar) license or package store to one per 3000 people vs. 1500 people.

2. The new "3000" rule will apply to tourist trade (hotel, motel, resort, similar businesses, and to restaurants more than 18 miles from a ~~municipality~~ city or unified municipality).

   The present 1500' rule does not apply to the above tourist related businesses.

Bob –
new SS on HB 138
& sectional analysis
attached.
Question:
Do you want to make
this CS?
Please let me know.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 158 CS(C&RA)
Title: Limit No. of Liquor Licenses Rec ID 259
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact		DCRA			
CAPITAL	No fiscal impact		DCRA			
REVENUE	No fiscal impact		DCRA			

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Minegar
Phone: 465-4750
Division: Municipal and Regional Assistance
Date: 12/29/83

Approved by Commissioner:
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 158 CS(C&RA)
Title: Limit No. of Liquor Licenses
Rec ID 259

ANALYSIS:

Assumptions:

No fiscal impact on Community and Regional Affairs.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

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

MEMORANDOM

To: Committee on Community and Regional Affairs

From: Staff

Date: May 20, 1983
Re: HB 158 "Relating to the limitations of liquor licenses"

The last Committee hearing on HB 158 was a teleconference on March 23. Since that date the sponser of the bill has proposed substitute legislation.

Attached is a copy of the minutes of the March 23 committee meeting, an analysis of the proposed substitute, and the proposed substitute.

1. Is this proposed or for real?
2. Will only proposed be considered? Then we need CS & more time.

HOUSE COMMUNITY & REGIONAL AFFAIRS
STANDING COMMITTEE
March 23, 1983
3:15 p.m.

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

Members Absent: Rep. McBride

COMMITTEE CALENDAR

HB 158 "An Act relating to the limitation of liquor licenses."

WITNESS REGISTER

Wally Kubley
Odom Alaska Distributors
Baranof Hotel
Juneau, Alaska 99801
(No phone number given)
Position Statement: Testified on HB 158.

John Paden
Alaskans for Alcohol Moderation
8749 Trinity Drive
Juneau, Alaska 99801
789-9339
Position Statement: Testified in favor of HB 158.

Representative Mike M. Miller
Alaska State Legislature
Capitol Building, Room 24
Pouch V
Juneau, Alaska 99811
465-4841
Position Statement: Prime Sponsor of HB 158.

Howard Scaman
Coalition for Safer Alaska
(No address given)
Anchorage, Alaska
(No phone number given)
Position Statement: Testified in favor of HB 158.

Ron Widowsky
Council on Alcohol Abuse
(No address given)
Sitka, Alaska 99835
(No phone number given)
Position Statement: Testified in support of HB 158.

Dave Coco, Representing Self
Mental Health & Alcohol
(No address given)
Cordova, Alaska
(No phone number given)
Position Statement: Testified in favor of HB 158.

Claude Swaim
(No address given)
Fairbanks, Alaska 99707
(No phone number given)
Position Statement: Testified in support of HB 158.

Bob Konet
(No address given)
Ketchikan, Alaska 99901
(No phone number given)
Position Statement: Testified in support of HB 158.

Connie Hollenbeck
Alcohol Program
(No address given)
Nome, Alaska 99762
(No phone number given)
Position Statement: Testified in support of HB 158.

Leo Land
(No address given)
Haines, Alaska 99827
(No phone number given)
Position Statement: Asked a question regarding the transfer of liquor licenses.

Michael Myer
Coalition for Safer Alaska
(No address given)
Sitka, Alaska 99835
(No phone number given)
Position Statement: Testified in support of HB 158.

Mr. Nelson
Coalition for Safer Alaska
(No address given)
Anchorage, Alaska
(No phone number given)
Position Statement: Testified on HB 158.

PREVIOUS ACTION

HB 158	See previous House Community & Regional Affairs Committee Meeting minutes from: March 10, 1983.
	Statutory Reference: AS 04.11.320(a)

ACTION NARRATIVE

TAPE#39 (Side A) Recording Number 0000	The meeting was called to order by Chairwoman Lacher at 3:15 p.m. Members present were : Representatives Lacher, Tischer, Fritz, Phillips, Clocksin and Szymanski. Rep. McBride was absent.
Number 0012	Legislative Teleconference introduction.
Number 0034	Wally Kubley of the Odom Alaska Distributors testified on HB 158.
Number 0205	John Paden, Alaskans for Alcohol Moderation, testifies in favor of HB 158. States that it would be helpful in lowering crime rates and traffic fatalities.
Number 0250	There is discussion on prohibition - where to draw the line.
Number 0316	Rep. Szymanski would like a copy of the statistics.
Number 0324	Rep. Mike M. Miller, Prime Sponsor of HB 158, came before the committee to testify. He feels the number of licenses has a direct relationship to the amount of alcohol consumed.
Number 0370	Rep. M.M. Miller commented on freezing licenses until population gets higher, etc.; not talking about community or village licenses.
Number 0406	He states that if this bill is passed, and all relating bills, we will make an effect on alcohol abuse.
Number 0415	Rep. Clocksin asks Rep. M.M. Miller about population exceptions: would you allow

these exceptions: hotels; restaurants; tourist operations.

Number 0442 — Rep. M.M. Miller spoke on exceptions.

Number 0498 — Discussion between Rep. M.M. Miller and Rep. Clocksin on beer and wine exceptions.

Number 0524 — Chairwoman Lacher comments on the need to keep this new information in mind for a CS.

Number 0595 — Howard Scaman, Coalition for Safer Alaska in Anchorage, testifies in favor of HB 158. He does not see a restaurant opening and serving beer and wine as a real contributing factor - moderation measures. He states factors: drinking age, bar hours, licenses, and has no objection to a CS.

Number 0645 — Ron Widowsky, Council on Alcohol Abuse in Sitka, testifies in support of HB 158.

Number 0690 — Questions and discussion between Rep. Szymanski and Ron Widowsky on accessibility.

Number 0726 — Rep. Szymanski would like a list of 15 elements involved in research by Howard Scaman.

Number 0750 — Dave Coco, Mental Health and Alcohol in Cordova, representing himself, testifies in favor of HB 158. Relates stories to population.

Number 0775 — Claude Swaim in Fairbanks testifies in favor of HB 158. Comments on the statistics on population and licenses.

TAPE#39 (Side 2)
Recording
Number 0000 — Bob Konet in Ketchikan testifies in favor of HB 158. Reduce outlets/population.

Number 0051 — Connie Hollenbeck, Alcohol Program funded by CERTA in Nome, testifies in favor of HB 158.

Number 0098 — Leo Land in Haines asks if this bill would preclude the transfer of liquor licenses.

Number 0144 — Michael Myer, Sitka, testifies in favor of HB 158.

Number 0168	Rep. Clocksin replies to Leo Land's question that this bill only relates to new licenses being issued; it does not effect the sections relating to transfers.
Number 0190	Mr. Nelson, Coalition of Safer Alaskans in Anchorage, comments that we are not prohibitioning; states statistics; and comments on reducing runaway consumption and alcohol abuse.
Number 0225	Wally Kubley, Juneau, comments on the ratio of licenses to the number of people 21 years or older, and states this is a question that has not been addressed.
Number 0224	The meeting adjourned.

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 13, 1983

SUBJECT: Liquor licenses
(HB 158)

TO: Representative M. Mike Miller

FROM: Russ Josephson
Legislative Counsel

Enclosed is a revised draft of SSHB 158. As requested, rather than repealing all of AS 04.11.400(g), only (g)(1) is repealed. The following is the sectional analysis that you requested with the above change.

Section 7 is the key to this bill. This section adds a subsection (k) to AS 04.11.400. The new subsection requires a ratio of 3,000 people in a given area for each new or transferred beverage dispensary (bar) or package store (liquor store) license.

Sections 1, 3, and 8 amend existing law by inserting a reference to the new language provided in Sec. 7, in three places where the limiters on the issuance of new licenses or the transfer of existing licenses are already mentioned. Inasmuch as Sec. 7 has added a new provision limiting licensing, these amendments simply reflect the existence of the new provision.

Sections 2, 4, and 5 are simple amendments to sections of existing law that refer to AS 04.11.400(j). To indicate that this section has been repealed, the amendments insert the word "former" before the statutory reference.

Section 6 contains a technical amendment reflecting the repeal of AS 04.11.400(g)(1) and (j).

Section 9 repeals AS 04.11.400(g)(1) and (j).

In summary, this bill limits bar and liquor store licenses by using the ratio of one license for each 3,000 persons

instead of the ratio of one license for each 1,500 persons required under AS 04.11.400 now. In addition, the bill eliminates two exceptions to the license/population ratio. The tourist trade exception for hotels, motels, resorts, and similar businesses, and the public convenience exception have been repealed.

If I may be of further assistance, please advise.

RJ:ljb
14/019

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

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: March 10, 1983

SUBJECT: HB158

The purpose of HB158 is to prevent, under certain conditions, the Alaska Alcohol and Beverage Control Board from approving new licenses pertaining to alcoholic beverages. The governing factor over approval of a new license will be the ratio of persons in Alaska over the age of 21 to the number of existing licenses shall not exceed the ratio of the number of persons over age 21 to the number of licenses in the remainder of the United States. AS.04.11.080 designates nineteen (19) different types of licenses in Alaska.

Preliminary data indicates that the present ratio of licenses to persons21 years of age or older is approximately 1:200, while the ratio of licenses to persons 21 years of age and older in the rest of the United States is approximately 1:800.

According to U.S. Census Bureau projections, enactment of HB158 will prevent the approval of any new alcoholic beverage license in Alaska until well beyond 1990.

BL/sr

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

March 10, 1983

PUBLIC SERVICE ANNOUNCEMENT

THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE WILL BE HOLDING A TELECONFERENCE ON HOUSE BILL 158, RELATING TO THE LIMITATION OF LIQUOR LICENSES, ON WEDNESDAY, MARCH 23, 1983 FROM 3:15 P.M. - 5:00 P.M. PST (1:15 P.M. - 3:00 P.M. AST).

THIS LEGISLATION SEEKS TO AMEND EXISTING STATUTES REGARDING THE ISSUANCE OF NEW LIQUOR LICENSES SO THAT THE CRITERIA FOR ALASKA MORE CLOSELY FOLLOWS THE RATIO FORMULA AS IT EXISTS IN THE REMAINDER OF THE UNITED STATES. THIS BILL WOULD ESSENTIALLY CHANGE THE PRESENT RATIO OF ONE LICENSE PER 294 PEOPLE TO ONE LICENSE PER 800 PERSONS.

IF YOU ARE INTERESTED IN TESTIFYING, CONTACT YOUR LOCAL LEGISLATIVE INFORMATION OFFICE. FOR FURTHER INFORMATION ON THIS LEGISLATION, PLEASE CALL THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE OFFICE IN JUNEAU AT 465-3870 OR 465-3875.

HB 158

Table 47. Number of Retail Outlets or Licenses Issued for the Sale of Distilled Spirits, Number of Outlets/Licenses per 1,000 Population, and Number of Persons per Outlet/License, 1981

State	Number of Outlets/Licenses				Total Population July 1, 1981 (000)	Number of Outlets/Licenses per 1,000 Population				Number of Persons per Outlet/License			
	On Premise	Off Premise	On and Off Premise	Total Licenses		On Premise	Off Premise	On and Off Premise	Total Licenses	On Premise	Off Premise	On and Off Premise	Total Licenses
LICENSE STATES													
Alaska	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Arizona	2,598	1,262	—	3,860	2,794	0.93	0.45	—	1.38	1,075	2,214	—	724
Arkansas	516	682	—	1,198	2,296	0.22	0.30	—	0.52	4,450	3,367	—	1,917
California	14,053	11,248	—	25,301	24,196	0.58	0.46	—	1.05	1,722	2,151	—	956
Colorado	3,436	1,294	—	4,730	2,965	1.16	0.44	—	1.60	863	2,291	—	627
Connecticut	3,378	1,922	—	5,300	3,134	1.08	0.61	—	1.05	928	1,631	—	950
Delaware	435	293	180	908	598	0.73	0.49	0.30	1.52	1,375	2,041	3,322	659
Dist. of Columbia	869	357	—	1,226	631	1.38	0.57	—	1.94	726	1,768	—	515
Florida	1,208	544	5,830	7,582	10,183	0.13	0.05	0.57	0.74	7,955	18,719	1,747	1,343
Georgia*	1,674	1,420	—	3,094	5,574	0.30	0.25	—	0.56	3,330	3,925	—	1,802
Hawaii	1,051	754	—	1,805	981	1.07	0.77	—	1.84	933	1,301	—	543
Illinois	—	—	29,020	29,020	11,462	—	—	2.53	2.53	—	—	395	395
Indiana	1,150	1,677	3,399	6,226	5,468	0.21	0.31	0.62	1.14	4,755	3,261	1,609	878
Kansas	1,135	1,140	—	2,275	2,383	0.48	0.48	—	0.95	2,100	2,090	—	1,047
Kentucky	1,127	872	89	2,088	3,662	0.31	0.24	0.02	0.57	3,249	4,200	41,146	1,754
Louisiana	6,783	2,746	—	9,529	4,308	1.57	0.64	—	2.21	635	1,569	—	452
Maryland	559	964	3,229	4,752	4,263	0.13	0.23	0.76	1.11	7,626	4,422	1,320	897
Massachusetts	6,551	1,508	—	8,069	5,773	1.14	0.26	—	1.40	880	3,828	—	715
Minnesota	2,331	701	1,103	4,135	4,094	0.57	0.17	0.27	1.01	1,756	5,840	3,712	990
Missouri	—	3,981	4,132	8,113	4,941	—	0.81	0.84	1.64	—	1,241	1,196	609
Nebraska	430	527	1,985	2,942	1,577	0.27	0.33	1.26	1.87	3,667	2,992	794	536
Nevada	793	571	795	2,159	845	0.94	0.68	0.94	2.56	1,066	1,480	1,063	391
New Jersey	1,555	1,973	8,259	11,787	7,404	0.21	0.27	1.12	1.59	4,761	3,753	896	628
New Mexico**	169	67	1,243	1,479	1,328	0.13	0.05	0.94	1.11	7,858	19,821	1,068	898
New York*	23,766	4,395	—	28,161	17,602	1.35	0.25	—	1.60	741	4,005	—	625
North Dakota	115	86	1,020	1,221	658	0.17	0.13	1.55	1.86	5,722	7,651	645	539
Oklahoma	—	809	—	809	3,100	—	0.26	—	0.26	—	3,832	—	3,832
Rhode Island	1,441	309	—	1,750	953	1.51	0.32	—	1.84	661	3,084	—	545
South Carolina	1,968	1,220	—	2,688	3,167	0.46	0.39	—	0.85	2,157	2,596	—	1,178
South Dakota	825	572	—	1,397	686	1.20	0.83	—	2.04	832	1,199	—	491
Tennessee	902	567	—	1,469	4,612	0.20	0.12	—	0.32	5,113	8,134	—	3,140
Texas	7,738	3,663	—	11,401	14,766	0.52	0.25	—	0.77	1,908	4,031	—	1,295
Wisconsin	12,638	1,702	—	14,340	4,742	2.67	0.36	—	3.02	375	2,785	—	331
Subtotal License States	**101,470**	**50,269**	**60,284**	**212,023**	**161,558**	**0.63**	**0.31**	**0.37**	**1.31**	**1,592**	**3,214**	**2,680**	**762**
CONTROL STATES													
Alabama	2,139	130	—	2,269	3,917	0.55	0.03	—	0.58	1,831	30,131	—	1,726
Idaho	885	131	—	1,016	959	0.92	0.14	—	1.06	1,084	7,321	—	944
Iowa	4,491	213	—	4,704	2,899	1.55	0.07	—	1.62	646	13,610	—	616
Maine	1,116	127	—	1,243	1,133	0.98	0.11	—	1.10	1,015	8,921	—	912
Michigan	9,060	3,790	—	12,850	9,204	0.98	0.41	—	1.40	1,016	2,428	—	716
Mississippi	564	653	—	1,217	2,531	0.22	0.26	—	0.48	4,488	3,876	—	2,080
Montana	—	146	1,504	1,650	793	—	0.18	1.90	2.08	—	5,432	527	481
New Hampshire	989	69	—	1,058	936	1.06	0.07	—	1.13	946	13,565	—	885
North Carolina	1,034	377	—	1,411	5,953	0.17	0.06	—	0.24	5,757	15,790	—	4,219
Ohio	11,788	431	—	12,219	10,781	1.09	0.04	—	1.13	915	25,014	—	882
Oregon	1,475	226	—	1,701	2,651	0.56	0.09	—	0.64	1,797	11,730	—	1,558
Pennsylvania	19,289	729	—	20,018	11,871	1.62	0.06	—	1.69	615	16,284	—	593
Utah	155	108	156	419	1,518	0.10	0.07	0.10	0.28	9,794	14,056	9,731	3,623
Vermont	1,022	63	—	1,085	516	1.98	0.12	—	2.10	505	8,190	—	476
Virginia	1,978	250	—	2,228	5,430	0.36	0.05	—	0.41	2,745	21,720	—	2,437
Washington	2,395	368	—	2,763	4,217	0.57	0.09	—	0.66	1,761	11,459	—	1,526
West Virginia	1,245	167	—	1,412	1,952	0.64	0.09	—	0.72	1,568	11,689	—	1,382
Wyoming	684	107	176	967	492	1.39	0.22	0.36	1.97	719	4,598	2,795	509
Subtotal Control States	**60,309**	**8,005**	**1,836**	**70,230**	**67,753**	**0.89**	**0.12**	**0.03**	**1.04**	**1,123**	**8,360**	**36,903**	**965**
TOTAL UNITED STATES	**161,779**	**58,354**	**62,120**	**282,253**	**229,307**	**0.71**	**0.25**	**0.27**	**1.23**	**1,417**	**3,930**	**3,691**	**812**

NOTE: Because of rounding, detail may not add to total.
*Georgia and New York outlet data are for 1979.
**New Mexico outlet data are for 1980.

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CHAPTER 13

The Effects of Legal Restraint on Drinking

Robert E. Popham, Wolfgang Schmidt, and Jan de Lint

Addiction Research Foundation
33 Russell Street
Toronto M5S-2S1
Ontario, Canada

INTRODUCTION

The purpose of this review is to assess the evidence bearing on the effects of legal measures believed to have some primary preventive value with respect to the incidence of alcohol problems. Excluded from consideration are laws concerned solely with such special segments of the drinking population as incorrigible alcoholics, public inebriates, and impaired drivers. It is true that these laws are sometimes seen to have a possible deterrent effect on the appearance of new cases (Bruun, 1970). However, with the exception of certain legislation directed against impaired driving, the primary effect if any is more likely to be on recidivism rates. In contrast, our focus is on legislation and derivative measures aimed at the whole population of consumers (or potential consumers) of alcohol, and intended to prevent the occurrence of alcohol problems through regulation of the amount or character of alcohol consumption.

Legislative enactments dealing with one or another aspect of alcohol use are probably as old as written laws. For example, the famous Code of Ham-

murabi, formulated some four thousand years ago, contained four articles on the topic (Harper, 1904). But it was not until comparatively recent times that the principal concern in alcohol legislation came to be with the prevalence of alcohol problems. At first, in both the Old World and the New, the usual objectives were to prevent fraudulent practices on the part of sellers, assure availability, and secure revenue for the state (Catlin, 1931; Krout, 1925). Scattered attempts, ostensibly to cope with intemperance, and including the total prohibition of public drinking places, are found in Classical and Medieval legislation (King, 1947). In England during the thirteenth and fourteenth centuries, taverns were increasingly a target of restrictive legislation, efforts being made to reduce their numbers, hours of sale, and the amount of time patrons spent in them; and in 1551 what appears to have been the first licensing system was introduced by Edward VI with the control of excessive use in view (Shadwell, 1915). However, it was in the late eighteenth and nineteenth centuries, with the rise of industrialism, that the prevention of drunkenness and its consequences became the overriding issue, and the volume and complexity of alcohol legislation reached a peak (Askwith, 1928; King, 1974; Krout, 1925). In North American and some other areas, these efforts culminated during World War I in total prohibition. This was repealed in most jurisdictions in the 1920s and 1930s, and followed by the adoption of the diverse measures and systems of control that prevail today.

The literature concerned with the effects of the legislative approach to the prevention of alcohol problems is vast. In addition to the assessments of historians, physicians, clergymen, jurists, journalists, and others, there are many official government reports. For example, in England there have been inquiries roughly once every 20 years since the Select Committee published its findings in 1834. In Canada and the United States there are reports of federally instigated inquiries, and of countless provincial or state bodies concerned with the merits and demerits of the control systems in their jurisdictions. While some of this literature contains data worthy of further analysis, most of it contributes little of value to the present review. Typically, the conclusions are based on the personal tastes or beliefs of the author, on *ex cathedra* arguments, or on the weight of opinion of persons with little or no direct knowledge of the matters at issue.* And even in cases where objective evidence of change is provided, one is usually left unsure, as Room (1971) remarked, whether the law was the cause, or itself a product of prior changes in public sentiment. In short, scientifically acceptable attempts to evaluate the effects of particular control measures are seldom encountered.

* To cite a characteristic instance, the authors of "The Pub and the People" (Mass Observation, 1943) noted that a recent Royal Commission on Licensing (1932), ostensibly setting out to conduct an impartial study of taverns, only interviewed persons who rarely or never patronized such establishments, not a single regular patron was asked to give evidence, nor were direct observational studies undertaken.

This dearth of scientific studies may seem surprising, especially when one contemplates the very great expansion of research interest in the alcohol field during the last 30 years. Room (1971) has offered some plausible reasons which include: (1) lack of sufficient specificity in the stated objectives of most measures; (2) the formidable complexity of the factors that may be involved in the production of any changes observed to follow the introduction of a new law; and (3) the fact that those who enact legislation normally are not influenced by a desire to develop rational policy through appropriate testing of alternatives, but by the probable reactions of their constituents. However, it is likely that another reason, also cited by Room (1971) and by Mäkelä (1972), is of greater importance, notably the rise of the "disease concept" of alcoholism. The view that normal drinkers and alcoholics comprise two quite separate groups within the population, which this concept has meant for many workers, has rendered meaningless or at least of low priority the contemplation of measures intended to affect the prevalence of alcoholism through the general regulation of alcohol consumption. The drinking of the alcoholic came to be seen as independent of other drinking: a symptom of pathological factors peculiar to him, and therefore, not amenable to change by measures that would affect the normal drinker. As a consequence, scientists understandably concentrated their attention mainly on the alcoholic per se in an effort to discover the distinctive causal factors (Armstrong, 1958; Keller, 1972).

We shall return to this and related issues in the section on Models of Prevention. Suffice to say for the present, that a rapidly growing body of evidence casts serious doubt on the validity of so narrow a concept of alcoholism, and indicates that the overall level of consumption in a population may well play a crucial role in its prevalence (de Lint and Schmidt, 1971). The result in some quarters has been a renewal of interest in the possible preventive value of legal measures and the appearance of a number of relevant studies.

In the following sections, the evidence is reviewed respecting the effects or lack of effects of the principal control measures which have been employed in recent times and most of which are now in use. However, whether or not the law will be, or should be applied to preventive ends depends on many factors besides the objective effectiveness of particular measures. Accordingly, in the final sections some of these factors are examined, as well as current models of prevention in relation to the role of legal restraint on drinking.

CONTROL OF OUTLET FREQUENCY

Perhaps no single control measure has been more frequently and widely employed over the centuries than the regulation of the number of places in which alcoholic beverages may be purchased (King, 1947; Krout, 1925;

Shadwell, 1915). Outlets for on-premise consumption have been particular targets, and the immediate aim most commonly has been to reduce their frequency. While from time to time those who influenced the legislators had objectives other than the prevention of insobriety (Lee, 1944; Lemert, 1962; Odegard, 1928; Popham, 1962), the latter has been typically the stated justification. The underlying assumption, often made explicit by temperance writers, is simply that the more opportunities there are for people to drink, the more they will be tempted to do so and the more drunkenness there will be. However, during the post-World War II years in particular, the opinion of such interested groups as the clergy and of the public at large has come to be divided on the issue (Canada Facts, 1946; Wolch, 1957). Now there are those who, by implication at least, favor increases in outlet frequency, still with the promotion of sobriety in mind. The notion of the "forbidden fruit" is cited, and it is argued that if alcohol were everywhere available, man would not desire it so much and would therefore drink in a moderate and civilized manner. As might be expected, this view has received considerable support from the alcoholic beverage industries.

On both sides, similar types of statistical data are often used to support the arguments for or against changes in outlet frequency. These data include arrests or convictions for drunkenness, alcohol sales figures, and alcohol-related mortality and morbidity statistics. The validity of such data as indices of the prevalence of alcohol problems has been questioned many times, most recently, for example, by Walsh and Walsh (1973). Thus, official statistics of drunkenness may depend not only on the actual prevalence of drunkenness but to varying degrees on prevailing legal sanctions, police instructions, the manner in which drunkenness is defined, the extent to which refuges from police vigilance are available, and local attitudes toward insobriety. In addition, rates generally are not separated into first offenders and repeaters; they refer simply to the number of arrests or convictions rather than to different individuals. Official sales figures, among other deficiencies, do not reflect the legal consumption of homemade wines and beers, or the consumption of illicitly produced and distributed beverages. An upward trend in per capita sales may reflect the addition of new reporting jurisdictions or an increase in the proportion of users rather than a true increase in average consumption. Alcohol-related hospital admission and vital statistical data may be subject to numerous extraneous influences such as attitudes of physicians, incomplete reporting, and trends in diagnosis and treatment.*

There is no question but that these potential sources of error need to be kept in mind when the effects of changes in control measures are under

* For detailed commentaries on the artifacts that may affect variation in alcohol statistics, see Bruun *et al.* (1960), Jellinek (1947), Popham and Schmidt (1958), and with particular reference to legal statistics of drunkenness, Ahlström-Laakso (1971).

scrutiny. At the same time, it is well to guard against the tendency to overestimate their importance, particularly when the implications of an apparent change in rates are not consistent with one's presuppositions. Thus, it is easy to explain away a drop in alcohol sales following stricter control measures by appeal to an artifact (such as illicit consumption) whose contribution may be negligible in reality. In any case, several types of alcohol statistics, especially sales and mortality data, have been shown to be valid indicators of the magnitude of alcohol problems in an area (Jellinek, 1947; Ledermann, 1956, 1964; Popham, 1970; Schmidt and de Lint, 1970). Furthermore, very considerable regional and temporal differences in these indicators have been found, and it is difficult to believe that much of this variation is attributable to errors in the indices rather than to real differences in the prevalence of alcohol problems (de Lint and Schmidt, 1971). Accordingly, it is of interest to review attempts to determine if, in fact, there is a relationship between the indicators mentioned and outlet frequency.

Popham *et al.* (1976) reported that, among the provinces and certain larger cities in Canada, higher rates of arrest or conviction for drunkenness tended to be found where there were fewest public drinking places per unit of population. In addition, trends through time in Ontario suggested a similarly inverse relationship (Popham, 1962; Popham and Schmidt, 1958). During the latter years of the nineteenth century, when the frequency of outlets for on-premise consumption achieved its all-time high, rates of conviction for drunkenness were comparatively low. Following this, the outlet rate fell steadily until the introduction of Prohibition in 1916. On the other hand, the conviction rate rose to a peak in 1912–14, then fell during Prohibition to reach a low point in the early Depression years. After the reintroduction of licensed drinking places in 1934, the outlet rate remained fairly static until recent years. But during the same period, drunkenness conviction rates rose steadily to achieve a level markedly higher than in any previous period. Per capita alcohol sales and liver cirrhosis mortality rates, long considered one of the best indicators of the prevalence of alcoholism (Jolliffe and Jellinek, 1941; Expert Committee on Mental Health, 1951; Popham, 1970), showed roughly similar trends over the years for which figures were available.

Mass Observation (1943) also reported an apparently negative association between drunkenness charges and outlet rates in English Data. And Popham *et al.*, (1976) ran a linear correlation analysis on two other English series: figures for 84 county boroughs and for 52 counties, excluding boroughs. The coefficients of correlation between convictions for drunkenness and on-premise licenses per 10,000 of population were negative but small (−0.18 and −0.19, respectively), and not significantly different from zero. Equally extensive legal statistics on drunkenness have not been studied for the United States. However, coefficients of correlation between tavern rates and per capita alcohol sales, and

tavern rates and alcoholism prevalence estimates for 49 states proved readily attributable to chance (Popham *et al.*, 1976). With respect to other types of outlet in the United States, Entine (1963) concluded that limiting the number of package stores did not reduce off-premise consumption. On the other hand, Simon (1966b) found per capita sales to be related positively to the frequency of such stores, but felt on further analysis that this variable was more likely to be dependent on sales than the reverse.

The tendency toward a negative relationship between outlet frequency and drunkenness rates may be due to one or more of a number of factors. It may be that where a large number of outlets are tolerated, a relatively more liberal attitude toward drinking and drunkenness prevails so that there are fewer arrests (Popham, 1962). Or, as the authors of "The Pub and the People" (Mass Observation, 1943) noted, drunkenness rates are usually higher in urban areas and vary with the business cycle, rising and falling with the bank rate and other measures of prosperity. Outlet rates, on the contrary, are controlled by a licensing authority whose objectives may lead to fewer outlets where or when drunkenness is considered to be prevalent.

The most thorough analysis of this issue, of which we are aware, is that of Ahlström-Laakso (1971). In her study, the point of departure was the fact that the rate of arrest for drunkenness was markedly higher in Helsinki than in Copenhagen. On the other hand, the level of alcohol consumption and the frequency of public drinking places was very much higher in the latter city. Among the many possible explanations, the author showed that differences in the control system were especially important. Thus, for example, fewer taverns in Helsinki, and in particular of those catering to drinkers of the lower social strata, meant fewer places to become drunk unobserved by the police, and a greater likelihood that heavy drinking would occur in parks and other public areas. Differences in behavior when intoxicated, in the probability of intoxication on any given drinking occasion, and in enforcement vigor were also considered to contribute significantly. However, it is quite possible that such factors are more likely to be among the primary determinants of variation among different countries than of regional or temporal variation within the same country. Through time in Finland, for example, the trend in arrests for drunkenness appeared to follow rather closely the trends in other indicators of the level of alcohol consumption and alcohol problems (Bruun *et al.*, 1960).

Summing up the evidence, it would seem clear that in the populations examined, variations in indicators of the prevalence of inebriety are not dependent on outlet frequency. It is important to emphasize, however, that the variations considered ranged from situations where outlets were ubiquitous to those where some customers may have been mildly inconvenienced. That under the latter circumstances, there may be little or no effect on consumption, especially in a world of high speed transportation, is suggested by the figures shown

below. These data relate to two rural municipalities in Ontario of about the same size. The only alcoholic beverage store in the district was located in one of the two communities so that residents of the other had to travel several miles to make a purchase. It can be seen that this circumstance did not prevent a slightly higher patronage by them (Table 1).

Finally, some attention should be given to studies bearing on the effects of control measures that create or alter situations of extremely low accessibility: that is to say, situations substantially different from those reviewed in the foregoing paragraphs. The classic instance on one side of the question is Prohibition when, in several countries, the frequency of legal outlets was reduced virtually to zero. There can be little doubt that during the first few years of Prohibition in Canada (Popham, 1956), Finland (Bruun *et al.*, 1960), and the United States (Jolliffe and Jellinek, 1941; Warburton, 1932) all indicators of alcohol consumption and alcohol problems reached the lowest level yet achieved in any period for which there are relevant data. It is also clear that in later years—say, roughly 1923–1933 in the United States—as an illegal trade became well established and the speakeasy and other clandestine outlets made their appearance, consumption increased substantially (Warburton, 1932).

It may be that during Prohibition there was an increase in poison deaths as a consequence of toxic impurities in poor quality beverages, or because of the use of toxic substitutes. Such effects have been alleged to buttress the contention that Prohibition was a complete failure (see, for example, citations in Room, 1971). We are not aware, however, of any scientifically acceptable study that has demonstrated an excess mortality from these causes of epidemiologically significant proportions. And the studies already noted would suggest that, even in the later years of Prohibition in Canada and the United States, the level of alcohol consumption and the prevalence of alcohol-related health problems were significantly lower than before or since. A rationally based argument against Prohibition therefore must seek other grounds for rejection, and many such have been well documented (e.g., Asbury, 1950; Feldman, 1930; Lemert, 1962; Mäkelä, 1972; Warburton, 1932).

TABLE 1. Buyers of Alcoholic Beverages in Two Rural Municipalities in Ontario[a]

Municipality	Buyers per 1000 adults	Frequent buyers per 1000 adults[b]
With store	247	42
Without store	267	50

[a] From de Lint and Schmidt (1966).
[b] Buyers who purchased alcoholic beverages 4 or more times during the one-month study period.

At the opposite extreme is the effect of a change in control policy that renders alcoholic beverages readily accessible in areas previously isolated from a legal supply through geographic conditions. For example, in parts of northern Canada, the nearest outlet to some communities may take an expensive day or more to reach. Under these circumstances, it might be hypothesized that the introduction of outlets close by would have an appreciable effect on consumption. The results of Kuusi's alcohol policy experiment in rural Finland would seem to support this hypothesis (Kuusi, 1957). In the study, stores for the sale of beer and wine were opened in selected market towns that had previously been "dry" for many years. The drinking habits of the affected population and of a control population were studied in depth prior to the change, and monitored in detail afterward. An increase in overall consumption could be attributed to the new outlets. At the same time there was no evidence of a change in the frequency of intoxication, and indications that the increased consumption was partly offset by a decline in the consumption of illicit alcohol.* Very similar results have since been obtained by Amundsen (1965), who studied the consequences of the first introduction of alcoholic beverage stores to isolated "dry" areas in Norway.

Mäkelä (1972) recently reported a more dramatic effect in Finland following a very considerable and rapid rise in number of outlets, many of which were established in previously "dry" areas. Thus, in 1969 medium-strength beer was released for unrestricted retail distribution. Shortly thereafter, apparent alcohol consumption in the country increased by 48 percent. Beer accounted for most of the increase. Although effects on other indicators of the prevalence of alcohol problems have not been reported as yet, Mäkelä (1971) showed that such an increase tended to be spread over the drinking population in a manner that inevitably brought about an increase in the proportion of heavy consumers.

REGULATION OF TYPE AND LOCATION OF OUTLETS

A related area of control, which has been a subject of much debate and legislative or other governmental action over the years, concerns the character and distribution of outlets to be permitted. Usually, the focus has been on one or another aspect of such questions as: In what type of setting and under what conditions may different classes of alcoholic beverage be sold for on- or off-

* The study stands as a model for those wishing to undertake tests of control measures in the alcohol field or, for that matter, of any proposed change in social policy. In the report, the formidable methodological and practical problems encountered are dealt with at length, as well as the relation of the findings to the intricacies of developing an acceptable control policy.

premise consumption? What entertainment or recreational facilities may be provided in public drinking places? With special reference to the latter, may outlets be located in or near certain categories of public building, commercial establishments, or institutions such as schools and churches?

An almost bewildering array of regulatory measures have been attempted at one time or another within this area of control. Some—for example, the prohibition of treating or round-buying—have failed if only because they proved unenforceable. Some—for example, the requirement that alcoholic beverages could only be sold for on-premise consumption if accompanied by food (which led to the "reusable sandwich"—were easily circumvented and objects of ridicule. Some were dropped in response to negative reactions from the public. Many still survive, and none, so far as we are aware, have ever been adequately assessed as to their effectiveness for the purpose intended.

Many earlier writers (and a few in recent times) considered the facilities and physical features of the American saloon or the English public-house to be among the seducers of the working man to a life of insobriety. For them the overriding goals have been the abolition of these places, and the development of nonalcoholic alternatives in the community (e.g., Calkins, 1901; Levy, 1951). Others have been more moderate and have advocated only a number of restrictions on the operation of public drinking places, and the establishment of counter attractions such as free garden plots, libraries, museums, parks, and a variety of other recreational facilities (e.g., Select Committee, 1834). As Lemert (1962) has suggested, the implicit assumption would seem to have been that drinking occurred in response to deficiencies in community life, and that if these were eliminated the need for alcohol would disappear.

Perhaps it is obvious that this assumption has not entirely withstood the test of time. Certainly the use of alcohol is still very much in evidence although most of the gaps in social life to which its attractiveness was commonly attributed have long since been filled. It is probably true, on the other hand, that the importance of public drinking places—at least in North America—has declined since the turn of the nineteenth century. And this may be due to the growth of competing attractions as well as to overall improvements in the standard of living (and therefore of the home as a drinking place). Nonetheless, the on-premise outlet has remained a significant element in the recreational, if not emotional, life of a great many people, and a substantial portion of all drinking takes place in it (Cavan, 1966; Mass Observation, 1943; Popham, 1962).

A number of writers have focussed on the physical improvement of on-premise outlets, rather than on their abolition, in the belief that structural and aesthetic features were important determinants of sociability and sobriety. The models that have most captured the attention of these scholars are the inns and taverns of the Elizabethan period and of the following two centuries. Maskell's work is typical in this regard (1927). It was written in the hope that "the sym-

pathy of some readers may be enlisted in the movement to rescue the public house from obloquy and neglect" (p. vii). It was in fact a plea for the renaissance of the taverns and tavern life eulogized by literary figures from Shakespeare to Dickens and celebrated by poets from Chaucer to Longfellow. In the introduction it is submitted that "decadence began in England when the kindly landlord gave way to the brewer's manager and the inn became a public-house where men go just to drink in sordid and demoralizing surroundings" (p. x). In short, public drinking places of both the past and the present are viewed selectively, with the result that the former are associated with the picturesque, the healthy, and the desirable, and the latter with the ugly, the sordid, and the undesirable.

This school of thought apparently has had some influence on government control policies, at least in England. For example, in 1916 the government acquired the entire alcoholic beverage trade, including more than 100 public houses, in and around the City of Carlisle. This became widely known as the "Carliste Experiment." The justification was the necessity of strict control to prevent insobriety among local munitions workers. Among the measures introduced to achieve this end, considerable emphasis was placed on a program to remodel or renovate many of the public-houses (Askwith, 1928; Shadwell, 1923). A more recent example is the "trust-house" concept of government control over the restoration and maintenance of the original appearance of historic drinking places. The point of view is also sometimes implicit in arguments to support the "tied-house" system in England. Thus, it is contended that the large brewery owners of public-houses are more likely to have the capital and motivation to make their outlets attractive than are many small entrepreneurs (Oliver, 1947).

Until comparatively recent years, just the opposite philosophy seems to have dominated control policies respecting the operation, appearance, and facilities of both on- and off-premise outlets in most of Canada, a number of American jurisdictions, and some other areas. This has been especially evident where a substantial "dry" sentiment continued to prevail following the repeal of Prohibition. The Province of Ontario is a typical instance. Prohibition was repealed in much of the province in 1927, and a limited number of government-owned and -managed package stores were opened. These were generally located well off the main shopping streets, and the beverages offered for sale were never displayed or readily accessible to customers for examination. In 1934 outlets for on-premise consumption were reintroduced in the form of "beverage rooms," that is, establishments licensed to sell beer only. They were constructed so that the activity within could not be observed from the outside. Most were exceedingly plain both as to furnishings (usually restricted to simple tables and chairs) and decoration. No professional entertainment, game, singing, or dancing was permitted. Typically, there was a room for men only, and

one for women only or women with escorts. A customer was not permitted to carry his drink from one table to another, to drink while standing, to buy more than one drink at a time, or to buy on credit. There were many other rules but the foregoing will serve to convey the relevant picture. Clearly, the objective was to minimize the attractions of the public drinking place, and the likelihood of prolonged and lively social interaction occurring among its patrons.

Since World War II, public sentiment in Ontario has increasingly favored a more permissive policy with respect to drinking, and this has been reflected in several changes in legislation and derivative regulations. One notable change in 1947 led to a diversification in types of outlet for on-premise consumption. Beverage rooms continued to operate under the same restraints as before, but now "cocktail and dining lounges" were permitted in the province as well. Essentially, this meant a slight increase in outlet rate, the sale of wines and distilled liquors by the glass with or without meals, and higher standards of decor for the establishments licensed to sell such beverages. Most beverage rooms catered to a working-class clientele; the new establishments were intended to attract a middle-class patronage. Music, professional entertainment, and dancing were allowed in the lounges, and no segregation of patrons by sex was imposed.

In an effort to assess the effect of the 1947 legislation, Popham *et al.*, (1976) analyzed trends in alcohol statistics for eight-year periods before and after the change. By way of control data, the trends were compared with those in the adjacent Province of Manitoba. There no significant changes in policy had occurred over the 16 years, and the regulations and types of outlet were much the same as prevailed in Ontario prior to 1947. It was found that, with the exception of alcoholism (in effect, liver cirrhosis mortality) rates, the percentage increases were much greater in both provinces before than after 1947. From 1947 to 1954, alcohol sales increased slightly more in Ontario (19 percent) than in Manitoba (14 percent), but drunkenness conviction and alcoholism rates showed greater increases in Manitoba.

A criticism which may be levied against this study is that it did not take account of a possible differential change in the proportion of users of alcohol in the two provinces; the rates were all based on either the drinking age or adult populations. However, the rather scanty survey data available for the period (Popham and Schmidt, 1958) do not suggest changes of a magnitude that would significantly affect the results reported. Bryant (1954) examined the consequences of a similar change in the State of Washington: the introduction of "liquor by the drink." He concluded that there was no evidence that increases in consumption or in alcohol-related offenses could be attributed to the change in control policy. And in Saskatchewan, Dewar and Sommer (1962) conducted a before-and-after study of a small community in which a "beer parlor" for men only was replaced by a beer and wine tavern catering to both sexes. They

could discern few effects. After the change, more drinking occurred away from home but there was no apparent alteration in the overall consumption level.

It should be stated at once that exclusive dependence on studies such as these is seldom likely to permit a definitive conclusion respecting the effects of a change in legal restraint. In the first place, when a change applies to a whole state or province, let alone a nation, it will be difficult if not impossible to find an adequately matched control population. Secondly, it is rare to find instances when a single specific change has occurred. Usually, several changes are introduced simultaneously, as in the case of the 1947 outlet diversification in Ontario. Under these circumstances, if an effect is identified it will not be known to which changes it should be attributed and to which not. This greatly reduces the value of the results insofar as rational policy development is concerned.

Thus, it is important that other approaches to assessment be undertaken as well. It seems to us that one of the most promising—for the area of regulation under consideration—would be careful observation and interview studies of behavior in beverage outlets before and after changes. Good models of the essentially ethnographic approach involved are provided by the tavern studies of Cavan (1966) and Mass Observation (1943). Ideally, such investigations would be done with the cooperation of the local licensing authority so that contemplated changes might be introduced in a manner that facilitated controlled examination. Another approach, which has received far too little attention in the alcohol field, is direct experimental manipulation using small groups in a simulated or, where practicable, real tavern setting. Bruun's study of a group of regular drinkers, conducted in one of the rooms of a licensed outlet in Helsinki, is an excellent example of the potentialities of the approach (Bruun, 1959).

In the past 25 years in Ontario, as in many other jurisdictions of the Western world, there have been numerous changes in alcohol control policy, mainly in the direction of relaxation of restrictions. Since the mid-1950s television has been allowed in beverage rooms; in the past few years, games and other recreational facilities have been permitted in establishments with lounge licenses; some "stand-up" bars have been allowed; displays of beverages have been introduced to package outlets; self-service package stores have been established in main shopping areas; and licenses have been issued for on-premise outlets in locations not previously contemplated; for example, museums and other public buildings, theaters, office complexes, large department stores, and sidewalk cafés.

It may be that, taken individually, these and other changes in type and location of outlet permitted have little effect on general consumption and attendant problems. But this has not yet been substantiated with even a reasonable degree of certainty. It is clear that an overall shift in alcohol control

policy is well underway in many countries. In the past, a strong influence was exerted by those who considered that changes that increased the attractiveness of beverage outlets, or their visibility to the public would lead to increased alcohol use with undesirable consequences. Today it is more common to hear that by improving the appearance and facilities of outlets, and introducing them into all areas of everyday life, the mysticism associated with alcohol will be reduced; it will come to be regarded as no more remarkable than any other consumer product and therefore will be used moderately. The essential point is that, whichever view is argued, the appeal to date has had to be to theory rather than fact, or to the weight of prevailing sentiment rather than to evidence systematically gathered and objectively analyzed.

CONTROL OF HOURS AND DAYS OF SALE

The opening hours of alcoholic beverage outlets, especially those for on-premise consumption, have been almost as common a target of regulatory measure through the ages as their frequency (King, 1947; Shadwell, 1915, 1923). Usually, the legislation has provided for a reduction in opening times, and the stated intent has been to combat the problems of insobriety. In recent years, however, and in keeping with trends in other areas of control, new regulations have sometimes extended both the hours and days of sale. In Ontario, for example, the hours of dining lounges were extended from the usual midnight closing to 2:00 A.M., and such establishments were permitted to sell alcoholic beverages with meals on Sunday, traditionally a general closing day. In addition, the 6:30 to 8:00 P.M. closing of beverage rooms was not imposed on premises with lounge or dining lounge licenses when these were allowed in 1947.

Despite the long-standing belief in the efficacy of regulating opening hours, there have been exceedingly few attempts to put the matter to test. Popham (1962) found an apparent correlation between the opening hours of beverage rooms in Toronto and the hourly pattern of arrests for drunkenness exhibited between 8:00 A.M. Monday and 8:00 A.M. the following Sunday. However, when arrests were plotted for the period 8:00 A.M. Sunday to 8:00 A.M. Monday morning, during which time all beverage outlets were closed, an almost identical pattern emerged. This might be taken to indicate that the hours of sale reflected the drinking pattern of at least one segment of the community rather than the reverse. On the other hand, the opening hours that prevailed at the time of the study had been in force for many years, and originally may have shaped the characteristic circadian pattern observed. Indeed, the results of a recent study in Victoria, Australia, would suggest this as the more probable relationship.

LAW OFFICES OF

ALASKA LEGAL SERVICES CORPORATION

615 "H" STREET, SUITE 100

ANCHORAGE, ALASKA 99501

TELEPHONE (907) 272-9431

MEMORANDUM

TO: Persons Interested in the Current Status of Rural Communities With Respect to the State Title 4 Alcohol Local Option Law

FROM: Alaska Legal Services Corporation Alcohol Project

RE: Statewide Village Status Report

DATE: January 14, 1983

The ALSC Alcohol Project was funded by the State Office on Alcoholism and Drug Abuse ("SOADA") to provide statewide on-site community legal education and technical legal assistance on the state Title 4 alcohol local option law. During its existence, the ALSC Alcohol Project worked closely with rural communities throughout Alaska. The ALSC Alcohol Project has terminated.

Approximately 130 rural communities were visited and 50 other rural communities were assisted in some fashion. "Assistance" means a community either requested a petition form, cover letter, and memorandum explaining the law, or a legal opinion of their local village ordinance concerning alcohol control. This Statewide Village Status Report from the ALSC Alcohol Project is a final attempt to provide an adequate profile of individual rural community activity with respect to the state Title 4 alcohol local option law.

Presently, 74 alcohol local option elections have been held. Some communities have now held two elections, with differing results. The present tally is: 1 community has voted for a community liquor license, 51 communities have voted to forbid the sale and importation of alcoholic beverages, 10 communities have defeated the sale and importation option, 2 communities approved and 1 defeated the no sale option, and 1 community defeated the private liquor license option. Several more elections are presently scheduled and many other petitions are being circulated.

If you have any additional information or questions on specific communities, please contact Vivian Kortie at the Alcoholic Beverage Control Board, 201 East 9th Avenue, Anchorage, Alaska, 99501, or call (907) 277-8638.

STATEWIDE VILLAGE STATUS REPORT — January 14, 1983

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
ALEUTIAN/PRIBOLOF REGION					
Atka (EV)	11/10/82	--	--	--	Petitions sent 10/10/82.
St. Paul (M)	5/10/82*	Ban Sale & Import (V)	47/141	--	ALOL[3] did not pass.
ANCHORAGE/AHTNA REGION					
Chitina (V)	3/03/82*	Ban Sale & Import (C)	--	--	Petition invalid 10/14/82; new petitions sent 12/23/8
Copper Center (V)	3/27/82*	--	--	--	
Mentasta (V)	10/05/82*	--	--	--	
BRISTOL BAY REGION					
Aleknagik (M)	4/08/82*	Ban Sale & Import (V)	26/23	--	Many questioned ballots; n majority vote.
Ekwok (M)	11/29/82	Ban Sale & Import (V)	20/03	7/1/82	
Iliamna (V)	11/24/81*	Ban Sale (V)	35/24	--	Liquor license(s) revoked.
Egegik (V)	11/10/82	Ban Sale & Import (C)	--	--	Election scheduled by DOE.
Manokotak (M)	11/23/81*	Ban Sale & Import (C)	--	--	Petitions sent 1/13/83.
Newhalen (M)	11/02/82*	Ban Sale & Import (V)	6/22	--	ALOL[3] did not pass.
Portage Creek (V)	12/01/82*	Ban Sale (C)	--	--	Petitions sent 11/30/82.
Togiak (M)	11/24/81*	Ban Sale & Import (V)	93/23	6/1/82	
Twin Hills (V)	12/22/81*	Ban Sale & Import (C)	--	--	Election being considered.
Nondalton (M)	12/17/81*	--	--	--	
FAIRBANKS/DOYON REGION					
Arctic Village (V)	7/23/81	Ban Sale & Import (C)	--	--	
Chalkyitsik (V)	7/15/82*	Ban Sale & Import (V)	21/02	8/1/82	

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Dot Lake (V)	10/01/82*	Ban Sale (C)	--	--	
Eagle (V)	9/30/82*	--	--	--	
Fort Yukon (M)	12/01/81	Ban Sale & Import (C)	--	--	
Huslia (M)	3/02/82*	Ban Sale & Import (V)	40/53	12/1/82	Second election; changed vot
Kaltag (M)	11/11/82*	Ban Sale & Import (V)	50/27	1/3/83	Second election; same vote.
Mentasta (V)	10/05/82*	--	--	--	
Minto (V)	6/23/81*	--	--	--	
Northway (V)	9/29/82*	Ban Sale & Import (C)	--	--	
Nulato (M)	1/07/82	--	--	--	Petitions sent 1/7/82.
Ruby (M)	8/02/82	--	--	--	Petitions sent 8/2/82.
Stevens Village (V)	4/28/82*	Ban Sale & Import (C)	--	--	Petitions sent 4/28/82.
Tanacross (V)	9/28/82*	--	--	--	
Tanana (M)	9/23/82*	Community Liquor Store (V)	90/15	--	Applying for a liquor licens
Tetlin (V)	10/04/82*	Ban Sale & Import (V)	54/7	1/1/83	
JUNEAU/SEALASKA REGION					
Angoon (M)	4/06/82*	Ban Sale & Import (V)	72/94	--	ALOL[3] did not pass.
Hydaburg (M)	2/24/82*	Selected Liquor Lic. (V)	43/63	--	ALOL[3] did not pass.
Klawock (M)	10/20/82*	Community Liquor Store (C)	--	--	
Metlakatla (Reservation)	2/14/81*	--	--	--	ALOL[3] not applicable.
Thorne Bay (M)	12/01/82	Ban Sale (V)	--	--	Election improprieties; selected liquor license applied for in January, 1983.
KODIAK REGION					
Larsen Bay (M)	7/19/82*	Ban Sale & Import (V)	17/38	--	ALOL[3] did not pass.
Old Harbor (M)	6/19/81*	--	--	--	Emergency ordinance to ban sale and import, 7/20/82.

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results[2] (yes/no)	Effective Dates	Notes
KOTZEBUE/NANA REGION					
Ambler (M)	11/23/81*	Ban Sale & Import (V)	29/21	1/1/82	May schedule new election.
Buckland (M)	10/02/81*	Ban Sale & Import (V)	52/06	6/1/82	No special election ordin.
Deering (M)	11/24/81*	Ban Sale & Import (V)	32/24	6/1/82	
Kiana (M)	2/03/82*	Ban Sale & Import (V)	80/60	12/1/82	Second election -- same results.
Kivalina (M)	9/29/81*	Ban Sale & Import (V)	65/27	5/1/82	
Kobuk (M)	11/18/82*	--	--	--	Petitions sent 11/12/82.
Noatak (V)	6/10/82*	Ban Sale & Import (V)	69/53	1/1/83	
Noorvik (M)	5/29/81*	Ban Sale & Import (V)	95/46	5/1/82	
Selawik (M)	11/23/81*	Ban Sale & Import (V)	67/66	1/1/82	
Shungnak (M)	11/24/81*	Ban Sale & Import (V)	59/23	4/1/82	
NOME/BERING STRAITS REGION					
Diomede (M)	9/07/81*	Ban Sale & Import (V)	27/12	10/1/81	
Elim (M)	6/18/81*	Ban Sale & Import (V)	47/17	9/1/81	
Gambell (M)	7/22/81*	Ban Sale & Import (V)	79/10	9/1/81	
Golovin (M)	9/16/81*	Ban Sale & Import (V)	26/19	7/1/81	
Koyuk (M)	7/13/81*	Ban Sale & Import (V)	57/08	9/1/81	
St. Michael (M)	10/14/82*	Ban Sale & Import (V)	---	---	1/83 special election ordinance enacted, new sale and importation petition being circulated; election contemplated.
Savoonga (M)	8/20/81*	Ban Sale & Import (V)	103/81	11/1/81	
Shaktoolik (M)	9/14/81*	Ban Sale & Import (V)	30/23	11/1/81	
Shishmaref (M)	10/12/82*	Ban Sale & Import (V)	82/47	2/1/83	
Stebbins (M)	6/26/81*	Ban Sale & Import (V)	49/07	8/1/81	
Teller (M)	10/11/82*	--	--	--	
Unalakleet (M)	9/10/81*	--	--	--	

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Wales (M)	7/05/81*	Ban Sale & Import (V)	29/21	9/1/81	
White Mountain (M)	7/16/81*	Ban Sale & Import (V)	29/16	4/1/82	Not officially recorded.
NORTH SLOPE REGION					
Anaktuvuk Pass (M)	11/11/81*	Ban Sale & Import (V)	78/11	1/1/83	
Point Hope (M)	9/15/81*	Ban Sale & Import (V)	62/39	8/1/82	
Point Lay (V)	2/09/82*	--	--	--	Within incorporated borough; ALOL[3] not applicable.
Wainwright (M)	6/11/81	Ban Sale & Import (V)	61/42	8/1/82	
YUKON/KUSKOKWIM REGION					
Akiachak (M)	2/02/82*	--	--	--	
Akiak (M)	2/02/82	Ban Sale & Import (V)	--	--	Election improprieties.
Akolmiut (M)	--	Ban Sale & Import (V)	106/35	10/1/81	Not assisted by ALSC.
Alakanuk (M)	3/25/82	Ban Sale & Import (V)	92/24	8/1/81	
Aniak (M)	7/22/82*	Ban Sale & Import (V)	42/129	--	ALOL[3] did not pass.
Atmautluak (M)	9/01/81*	Ban Sale & Import (V)	60/12	6/1/82	
Brevig Mission	8/26/82	--	--	--	Petitions sent 12/82.
Chefornak (M)	9/08/82*	Ban Sale & Import (V)	48/29	11/1/82	Second election.
Chevak (M)	--	Ban Sale & Import (V)	--	--	Election improprieties.
Chuathbaluk (M)	10/08/81*	Ban Sale & Import (C)	--	--	
Crooked Creek (V)	12/09/81*	--	--	--	
Eek (M)	10/19/81*	Ban Sale & Import (V)	90/15	12/1/82	
Emmonak (M)	9/03/81	Ban Sale & Import (V)	54/12	11/1/81	
Goodnews Bay (M)	4/21/82	--	--	--	
Grayling (M)	12/02/81	Ban Sale & Import (V)	34/34	--	ALOL[3] did not pass; needs majority.

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Holy Cross (M)	7/10/81*	Ban Sale & Import (V)	50/60	--	Election results never cert.
Hooper Bay (M)	10/28/82*	Ban Sale & Import (C)	--	--	Election planned for mid-February.
Kipnuk (V)	9/20/81*	Ban Sale & Import (V)	82/07	11/1/82	
Kongiganak (V)	9/17/81*	Ban Sale & Import (V)	50/09	8/1/82	
Kotlik (M)	3/09/81*	Ban Sale & Import (V)	63/15	10/1/81	
Kwethluk (M)	10/12/81*	Ban Sale & Import (V)	82/30	3/1/82	
Lime Village (V)	1/21/82*	--	--	--	
Lower Kalskag (M)	1/15/82*	Ban Sale & Import (C)	--	--	Petition died.
Marshall (M)	--	Ban Sale & Import (V)	42/16	8/1/81	Not assisted by ALSC.
Mekoryuk (M)	5/21/81*	Ban Sale & Import (V)	48/10	10/1/81	
Mountain Village (M)	5/21/81*	--	--	--	
Napakiak (M)	10/02/81*	Ban Sale & Import (V)	54/14	4/1/82	
Napaskiak (M)	9/08/82*	Ban Sale & Import (V)	55/04	12/1/82	
Newtok (M)	11/26/82	--	--	--	Petition received 11/26/82.
Nightmute (M)	9/08/82*	Ban Sale (V)	39/03	1/1/83	Second election expected.
Nunapitchuk (EV)	7/10/81*	--	--	--	Using emergency ordinance.
Pilot Station (M)	7/10/81*	--	--	--	Using emergency ordinance.
Platinum (M)	--	Ban Sale & Import (V)	11/08	2/1/82	CRA[3] assisted with election.
Quinhagak (M)	9/14/81*	Ban Sale & Import (V)	79/26	11/1/81	
Red Devil (V)	1/21/82	Ban Sale (V)	12/22	--	ALOL[3] did not pass.
St. Mary's (M)	9/01/81*	Ban Sale & Import (V)	63/48	10/1/81	
Scammon Bay (M)	11/09/81*	Ban Sale & Import (V)	57/10	1/1/82	
Shageluk (M)	6/22/82*	Ban Sale & Import (V)	--	--	ALOL[3] did not pass.

Village (Municipality or Village)	Petition Sent (ALSC Visit*)	Option Considered or Voted Upon	Election Results (yes/no[2])	Effective Dates	Notes
Sheldon Point (M)	9/03/81*	--	--	--	
Sleetmute (V)	8/10/82*	Ban Sale & Import (V)	23/20	8/1/82	
Stony River (V)	8/12/82*	--	--	--	
Toksook Bay (M)	10/03/81*	Ban Sale & Import (V)	78/32	12/1/81	
Tuluksak (M)	9/09/82*	Ban Sale & Import (V)	61/16	11/1/82	
Tununak (M)	5/21/81*	Ban Sale & Import (V)	90/11	9/1/81	
Tuntutuliak (V)	12/01/81*	Ban Sale & Import (V)	47/20	9/1/82	
Upper Kalskag (M)	1/15/82*	--	--	--	

NOTE[1]: The four option choices for municipalities (first and second class and homerule cities) are:

1. Selected liquor license;
2. Community liquor license;
3. Banning the sale of alcoholic beverages;
4. Banning the sale and importation of alcoholic beverages.

Established villages may choose option 1, 3, or 4.

NOTE[2]: For those villages which have chosen the option to ban sale and importation, a "yes" vote means that a voter wishes to stop the sale and importation of alcoholic beverages. A "no" vote means that a voter does not wish to stop the sale and importation of alcoholic beverages under the state alcohol local option law.

NOTE[3]: ALOL -- Alcohol Local Option Law.
ALOE -- Alcohol Local Option Election.
CRA -- Community and Regional Affairs; Division of Local Government Assistance.

NOTE[4]: As of May 18, 1982, the United States Department of Justice approved the Alaska State Title 4 alcohol local option law submission under Section 5 of the Voting Rights Act. The state of Alaska is a "Voting

Rights Act State," which means that when there is any "change in the standard practice or procedure" in voting, the state or other appropriate agency is required to obtain approval from the United States Department of Justice.

This approval means that the alcohol local option law elections already held by municipalities in the state of Alaska are valid. This approval also means that the established villages can hold alcohol local option law elections with the assistance of the Division of Elections.

This approval means that no objection under the Voting Rights Act can be raised with respect to the alcohol local option law elections held unless someone has actually been denied his or her right to vote, thus prejudicing the election.

NOTE[5]: After receiving encouragement from many rural Alaskan priests, religious organizations and residents, the Alaska House of Representatives and Senate passed a law, Senate Bill 765, dealing with the sacramental wine exception to the state Title 4 alcohol local option law.

The new law changed A.S. 04.11.496 (b), which is the law allowing communities to vote to prohibit the sale and importation of alcoholic beverages. The amendment of A.S. 04.11.496 (b) stated that if a majority of the people in a community vote to prohibit the sale and importation of alcoholic beverages, a person "may not knowingly send, transport, or bring an alcoholic beverage into the municipality or established village, unless the alcoholic beverage is sacramental wine to be used for bona fide religious purposes based on tenets or teachings of a church, is limited in quantity to the amount necessary for religious purposes, and is dispensed only for religious purposes by a person authorized by the church or religious body to dispense sacramental wine."

This language means that the only alcoholic beverages which can come legally into a community which has voted to stop sale and importation of alcoholic beverages is wine to be used only in a religious service. The wine is to be an amount to be used only in religious service. Only a priest or someone authorized by the priest can receive the wine and give it to people in a religious ceremony.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

March 9, 1983

Position Paper

Re: HB 158

Sponsor: Representative M.M. Miller

Program Effects of Bill

Amends the number of liquor licenses that may be issued in Alaska.

Comments

No comments.

Mark Lewis, Commissioner
Community and Regional Affairs

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 158 Date on Bill: 2/4/83
Title: Limitation of Liquor Licenses
Sponsor: Representative M.M. Miller
Requestor: House Community and Regional Affairs

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

No fiscal impact upon any state agency.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery Phone: 465-4703
Division: Commissioner's Office Date: 3/9/83

Approved by Commissioner: Date: 3/9/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 158 Date on Bill: 2/4/83
Title: "An act limiting number of liquor licenses."
Sponsor: M.M. Miller
Requestor: House Community and Regional Affairs; & Judiciary

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			-0-					
Operating			-0-					
Total			-0-					

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

This bill has no fiscal impact.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Mary Pehlsad Phone: 465-2300
Division: Commissioner's Office Date: 2/23/83
Approved by Commissioner: Robert O Heath Date: 2/22/83
Department: Revenue

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

Contingency 150 per Sq foot

$11,550 Sq. ft.

$600,000.00

~~HB 119~~

HB 158

Kubley - AK Distributors

— Lobbied for 1500 limit (population)

—

Clockson to Kubley is the intent to stop all types of licenses?

John Paden — News Committee in general "It's for moderation" ~~In favor~~ In favor

— Skymanski - Bill will only make longer lines at bars, liquor stores.

—

Mike Miller (D) Juneau — Committee could exempt restaurant licenses ok for Beer & Wine.

— Restrict Licenses - Do not allow any more hard liquor = miller's bottom line

SCAMAN — Anchorage

Speaker from Cordova has ~~two~~ 1 package Store per 400 people, Said alcohol Control Board Said 1 license per 930 people in the state

Journal of Studies on Alcohol, Vol. 40, No. 11, 1979

Relationship between the Number of On-Premise Outlets and Alcoholism

Thomas C. Harford, Ph.D.,[1] Douglas A. Parker, Ph.D.[2]
Charles Pautler[3] and Michael Wolz[4]

SUMMARY. *Rates of on-premise outlets and urbanism were significantly related to rates of alcoholism in 38 states and the District of Columbia.*

Studies of the relationships between alcohol availability, per-capita consumption and the prevalence of alcoholism have generated both critical discussions and policy recommendations relating to the prevention of alcoholism (1–5).

In 1977 Smart (3) reported on the relationships between over-all availability of beverage alcohol (6) and per-capita consumption and alcoholism rates in the U.S.A. He gave equal weighting to each of the control factors making up the index; these included the legal minimum purchasing age and restrictions on off- and on-premise sales on weekdays and Sundays, on hours of business and on outlet density. He found that availability was not related to alcoholism rates or per-capita consumption when per-capita income and the percentage of the population living in urban areas were controlled. Since Smart made no statistical analysis of the internal properties of the index, nor adjustments for legal restrictions on the number of outlets by population in certain jurisdictions, and since the empirical status of the relationships between several of the control factors in the index (e.g., outlet density, legal age) and alcoholism rates is far from conclusive, further studies are required.

The purpose of the present study was to examine the effects of alcohol availability, as measured by the number of on-premise outlets per 100,000 persons, on alcoholism rates in the U.S. On-premise outlets

[1] Research Psychologist, Epidemiological and Special Studies Branch, National Institute on Alcohol Abuse and Alcoholism, Rm 16C-21, 5600 Fishers Lane, Rockville, Maryland 20857.

[2] National Institute on Aging, National Institutes on Health, Bethesda, Maryland 20205.

[3] Statistician, Statistical and Mathematical Applications Branch, Alcohol, Drug Abuse and Mental Health Administration.

[4] Statistical Assistant, NIAAA.

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serve to specify both a context of drinking and a subgroup of drinkers within the population at large (7).[5, 6]

Clark[5] examined the relationship between heavy drinking and tavern patronage and concluded that heavy drinking was related to the frequency of going to taverns and that heavy drinkers are more likely to be found in taverns than are other drinking groups. Harford et al.[6] found that the frequency of bar patronage was significantly related to daily and total weekly alcohol consumption among both men and women. Cahalan and Room (7) have shown that the frequency of visiting bars is related to heavy and problem drinking. Although there is a great variety of bars, their patrons differ demographically in several important ways from those who do not patronize bars,[5] and they do not drink exclusively in bars (8). Thus, patrons of on-premise outlets would appear to be heavy drinkers who contribute substantially to total alcohol consumption.

We hypothesized that the number of on-premise outlets would be significantly related to alcoholism rates when per-capita consumption, per-capita income and urbanism are controlled. Per-capita consumption was entered into the model because it has been shown (3) to be significantly related to each of the other variables.

Method

Data on the number of on-premise outlets were taken from a 1964 survey by Licensed Beverage Industries (9).[7] Rates of on-premise outlets were based on the population aged 15+. Data on the number of on-premise outlets were not available for 12 states. Of the remaining 39 states (including the District of Columbia), 22 reported legal restrictions on the number of on-premise outlets by population and 17 reported no restrictions (10).[8] Per-capita consumption was based on U.S. gallons of absolute alcohol consumed by the population aged 15+ (11). Data on per-capita income and the percentage of the population living in urban areas (urbanism) were provided by the Bureau of the Census (12). Alcoholism rates were based on the Jellinek formula (13). Smart (3) used the same data for consumption, income, urbanism and alcoholism.

[5] Also, Clark, W. Contextual and situational variables in drinking behavior. [Unpublished manuscript.]

[6] Also, Harford, T., Gerstel, E. K., Paulter, C. and Hoban, M. Social activity level and drinking patterns. Presented at the annual Medical–Scientific Conference of the National Alcoholism Forum, Washington, D. C., May 1979.

[7] Since the hypothesis being tested relates availability to alcoholism rates, it seemed reasonable to allow for a lag between the time for which the survey reported rates of on-premises outlets and a time when the effects would appear in alcoholism rates. An estimated time lag is not critical to the present analysis, however, in view of the high correlation ($r = 98$) obtained between 1964 and 1975 rates of on-premises outlets.

[8] States with restrictions are Alabama, Alaska, Arizona, California, Florida, Idaho, Indiana, Kentucky, Massachusetts, Michigan, Minnesota, Montana, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Washington, Wisconsin and Wyoming; states with no restrictions are Colorado, Connecticut, Delaware, Georgia, Hawaii, Iowa, Louisiana, Maine, Maryland, Missouri, Nebraska, Nevada, New Hampshire, New York, North Dakota and Vermont, as well as the District of Columbia.

Results

Table 1 shows the Pearson product-moment correlations between the variables for the sample of 38 states and the District of Columbia and for the 50 states and the District of Columbia reported by Smart (3). The coefficients of the 2 studies are similar, except that Smart found a significant correlation between availability and income. The 2 measures of availability also yielded similar results for consumption and alcoholism. On-premise rates correlated significantly and positively with the over-all availability measure used by Smart ($r = .44$, 38 df, $p < .01$).

To test the hypothesis that rates of on-premise outlets are significantly related to alcoholism rates when other factors are controlled, alcoholism rates (Y) were regressed on on-premise outlet rates ($X1$), per-capita consumption ($X2$), per-capita income ($X3$) and percentage of urban population ($X4$). Several different polynominal regressions were tested and it was found that the term $X4^2$ should be in any equation relating Y to $X4$ and any other set of variables because the nonlinear relationship between urbanism and alcoholism rates was significant. Accordingly, the present regression was based on the following model: $Y = X1 + X2 + X3 + X4 + X4^2$. Finally, a statistical analysis indicated that the two groups of states (presence and absence of legal restrictions) were not statistically different for this model and therefore the regression analysis was based on the total state data ($N = 39$).

The results of the regression analysis indicated that on-premise rates were significantly related to alcoholism rates ($p < .01$) when consumption, income and urbanism were controlled. In addition, the results indicated that urbanism was significantly related in a nonlinear manner to alcoholism rates ($p < .05$) when on-premise rates, consumption and income were controlled. Neither consumption nor income was significantly related to alcoholism when the other variables were controlled.

Although the 2 groups, those with and without legal restrictions, did not differ significantly on this model, regressions were made separately

Table 1.—*Pearson Product-Moment Correlations between Measures of Availability, Per-Capita Consumption, Per-Capita Income, Urbanism and Alcoholism Rate*[a]

	Availability							
	On-Premise Rates	*Over-all*	*Consumption*		*Income*		*Urbanism*	
	(N = 39)	*(51)*	*(39)*	*(51)*	*(39)*	*(51)*	*(39)*	*(51)*
Consumption	.49†	.41†						
Income	.23	.39†	.54†	.60†				
Urbanism	.09	.25	.28	.34*	.71†	.72†		
Alcoholism rates[b]	.45†	.42†	.47†	–	.52†	.59†	–	.53†

[a] Availability measures are the over-all availability of beverage alcohol, which Smart (3) examined in 50 states and the District of Columbia, and the rate of on-premise outlets as assessed by the present study in 38 states and the District of Columbia.

[b] Smart (3) did not report the correlation between alcoholism rates and per-capita consumption; alcoholism rates were not linearly related to urbanism in the present study.

* $P < .05$. † $P < .01$.

for the groups because they provide greater conceptual if not statistical homogeneity (14). The results of the regression analysis in states with restrictions ($N = 22$) were identical to those presented above. In the 16 states (and the District of Columbia) with no restrictions only on-premise rates were related to alcoholism ($p < .10$). The removal of 1 outlier, the District of Columbia, increased the strength of the relationship between on-premise rates and alcoholism ($p < .05$).

While the major objective in the present study was to examine the relationship between availability and alcoholism after adjusting for consumption, income and urbanism, other forms of the equation were examined with the same variables. Since certain interactions might exist, squared and cross-product terms were tested. These regression analyses show that if prediction of alcoholism rates was the objective then the model $Y = X1 + X4 + X4^2$ was the best one to use based on Mallows' Cp criteria (15). This equation yields a squared multiple correlation of .54. The two groups of states (presence and absence of restrictions) were not statistically different according to this model.

Because of the nonlinear relationship between urbanism and alcoholism rates, we reexamined the relationship between Smart's index of over-all availability and alcoholism rates using the complete set of state data ($N = 51$). The same regression model was used except that the index of over-all availability replaced that of on-premise outlet rates. The results of this analysis indicated that over-all availability scores, per-capita income and urbanism were not related to alcoholism rates, while per-capita consumption was related ($p < .08$).

Discussion

The results of the regression analyses indicated that both the rates of on-premise outlets and urbanism contributed to alcoholism rates when per-capita consumption and income were controlled. Urbanism, however, contributed significantly to alcoholism rates only in states which placed restrictions on the number of outlets according to population.

Further research is needed to determine the mechanisms underlying the relationship between availability and alcoholism and whether subsequent changes in numbers of outlets will influence alcoholism rates. The present findings suggest that a high rate of on-premise outlets indicates the presence of a heavy-drinking population that is at risk with respect to alcoholism. The fact that the index of over-all availability was not significantly related to alcoholism rates is consistent with this interpretation. Also consistent is the finding that per-capita consumption was not significantly related to alcoholism rates when on-premise rates were controlled.

There are several obvious limitations in the present data. The heterogeneity of state jurisdictions and the small sample sizes available for analysis indicate the need for other units of analysis (e.g., Standard Metropolitan Statistical Areas or counties). In the present study classification was based solely on the presence and absence of restrictions

on outlet rates by population. Other classifications (e.g., location and type of outlet) may yield different results.

More attention should be given to the development of a comprehensive model of alcohol availability. The incorporation of different measures of availability, as well as other variables, may yield different results. Different results may also be obtained when alcoholism rates are based on indicators other than liver cirrhosis mortality.

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15. Mallows, C. I. Some comments on Cp. Technometrics 15: 661–675, 1973.

Table 10. Total Number of Licenses by Type,[1] by Year, Alaska 1978 - 1982.*

	1978	1979	1980	1981	1982
Beverage Dispensary	483	583	592	624	629
Club	51	61	62	66	66
Commercial Carrier	64	78	79	83	84
Restaurant	181	218	222	234	236
Retail	351	424	431	454	458
Pub	1	1	1	1	1
Total	1,131	1,365	1,387	1,462	1,474
On	780	941	956	1,008	1,016
Off	351	424	431	454	458

1. Department of Revenue: Alcohol Beverage Control Board
* The total number of Liquor License's was made available by the ABC Board. The distribution of license's by type was based on the percentage breakout for 1981 a year for which data on number of each type of license was available. Data on the exact type breakout for previous years was unavailable.

Table 10c. Number of persons per license, Alaska , 1978-1982

	1978	1979	1980	1981	1982
ON PREMISE LICENSE'S	780	941	956	1008	1016
19+ Population	345	288	277	258	269
State Population	525	431	418	404	410
OFF PREMISE LICENSE'S	351	424	431	454	458
19+ Population	766	639	614	572	596
State Population	1168	957	928	896	910
TOTAL LICENSE'S	1131	1365	1387	1462	1474
19+ Population	237	198	191	179	185
State Population	363	297	288	278	283
STATE POP. (000's)[1]					
19+ years	269	271	265	260	273
State Pop.	410	406	400	407	417

1. Department of Labor: Annual Population Statistics.

Table 10. Liquor Licenses, by Type of License, and Rate per 1000 population, Alaska, 1981.

TYPE OF LICENSE	NUMBER	RATE PER 1000 POPULATION
On-premises	873	2.12
Off-premises	549	1.33
TOTAL	1,422	3.46

OK

Table 9. Per Capita Sales, Total Sales and Sales by Beverage Class, Beverage Alcohol and Absolute Alcohol, for Persons 19 Years of Age and Older, Alaska, 1976-1982.

YEAR	BEVERAGE CLASS	GALLONS PER CAPITA		19 YRS. & OLDER POPULATION
		Beverage Alcohol	Beverage Alcohol	
1982	Distilled Spirits	4.81	1.98	272,796
	Wine	4.92	.63	
	Beer	43.69	1.97	
	TOTAL	---	4.58	
1981	Distilled Spirits	4.83	1.99	259,806
	Wine	4.65	.60	
	Beer	42.05	1.89	
	TOTAL	---	4.48	
1980	Distilled Spirits	4.26	1.75	264,991
	Wine	3.92	.51	
	Beer	37.13	1.67	
	TOTAL	---	3.93	
1979	Distilled Spirits	4.17	1.71	271,439
	Wine	3.62	.47	
	Beer	34.15	1.54	
	TOTAL	---	3.72	
1978	Distilled Spirits	4.39	1.80	269,570
	Wine	3.51	.45	
	Beer	34.21	1.54	
	TOTAL	---	3.79	
1977	Distilled Spirits	4.63	1.90	271,546
	Wine	3.44	.44	
	Beer	34.03	1.53	
	TOTAL	---	3.87	
1976	Distilled Spirits	4.83	1.99	263,375
	Wine	3.28	.42	
	Beer	33.89	1.53	
	TOTAL	---	3.44	

Cities of Alaska ABC Board Statistics for Incorporated Cities

	City	Population	Beverage Dispensary	Package Store	Restaurant	Club	Total # of Lic
1	Anchorage	180740	114	113	112	15	381
2	Pop Required for new lic		216000	169500	168000	22500	
3	Cordova	2223	6	6	+0-	2	14
4	Pop Required ✓		9000	9000		3000	
5	Fairbanks	25588	43	24	15	5	87
6	Pop Required -		64500	36000	22500	7500	
7	Haines	1017	5	3	1	2	11
8	Pop Required ✓		7500	4500	1500	3000	
9	Homer	2588	9	7	2	1	19
10	Pop Required ✓		13500	10500	3000	1500	
11	Juneau	21060	27	45	15	2	89
12	Pop Required -		40500	22500	22500	3000	
13	Kenai	4558	11	4	4	3	27
14	Pop Required -		16500	6000	6000	4500	
15	Ketchikan	7200	23	16	6	6	51
16	Pop Required ✓		31500	24000	9000	7000	
17	Kodiak	4678	12	6	4	2	24
18	Pop Required -		18000	9000	6000	3000	
19	Mc Grath	313	2	3	-0-	-0-	5
20	Pop Required -		3000	4500	-	-	
21	Nome	3039	7	4	2	1	14
22	Pop Required ✓		10500	6000	3000	1500	
23	Palmer	2275	6	3	2	2	13
24	Pop Required ✓		9000	4500	3000	3000	
25	Wrangle	2345	5	6	-0-	1	12
26	Pop Required ✓		7500	9000	-	1500	
27	Total	132086	300	210	163	42	245
28	Persons Per Lic		274	1405	1124	5526	325
29							
30							
31							

Bev. Dispensary Licenses do not include public convenience or duplicates.

Article 2. Licenses and Permits.

Section	Section
80. Types of licenses and permits	170. Distillery license
90. Beverage dispensary license	180. Common carrier dispensary license
100. Restaurant or eating place license	190. Community liquor license
110. Club license	200. Retail stock sale license
120. Bottling works license	210. Recreational site license
130. Brewery license	220. Pub license
140. Winery license	230. Caterer's permit
150. Package store license	240. Special events permit
160. Wholesale licenses	250. Conditional contractor's permit

Sec. 04.11.080. Types of licenses and permits. Licenses and permits issued under this title are as follows:

(1) beverage dispensary license;
(2) duplicate beverage dispensary license for additional rooms;
(3) restaurant or eating place license;
(4) club license;
(5) bottling works license;
(6) brewery license;
(7) package store license;
(8) general wholesale license;
(9) wholesale malt beverage and wine license;
(10) distillery license;
(11) common carrier dispensary license;
(12) retail stock sale license;
(13) recreational site license;
(14) community liquor license;
(15) pub license;
(16) winery license;
(17) caterer's permit;
(18) special events permit;
(19) conditional contractor's permit. (§ 2 ch 131 SLA 1980)

Am. Jur. 2d and C.J.S. references. — 48 C.J.S. Intoxicating Liquors §§ 121-128.
45 Am. Jur. 2d, Intoxicating Liquors, §§ 124-133.

Sec. 04.11.090. Beverage dispensary license. (a) A beverage dispensary license authorizes the holder to sell or serve on the licensed premises alcoholic beverages for consumption on the licensed premises only.

(b) The annual beverage dispensary license fee is $1,250.

(c) An applicant for a beverage dispensary license must file with the application a cash bond or a surety bond executed by a surety company approved by the board. The bond shall be in the sum of $2,500. Upon revocation of the license under AS 04.11.370(4), the bond shall be forfeited and the amount deposited in the general fund of the state.

Article 4. Denial, Suspension, or Revocation of Licenses and Permits.

Section
320. Denial of new licenses and permits
330. Denial of license or permit renewal
340. Denial of transfer of location
360. Denial of transfer of a license to another person
370. Suspension and revocation of licenses and permits

Sec. 04.11.320. Denial of new licenses and permits. (a) An application requesting issuance of a new license shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the license would not be in the best interests of the public;

(2) issuance of the license is prohibited by AS 04.11.390, relating to residency, or AS 04.11.410, relating to location of premises near churches and schools;

(3) the application has not been completed in accordance with AS 04.11.260;

(4) issuance of the license would violate the restrictions pertaining to the particular license imposed under this title;

(5) issuance of the license is prohibited under this title as a result of an election conducted in accordance with AS 04.11.502;

(6) the requirements of AS 04.11.420 — 04.11.450 relating to zoning, ownership and location of the license, and the identity and financing of a licensee have not been met;

(7) the licensed premises are to be located in a municipality, the type of license sought is a beverage dispensary or package store license, and that type of license is already in effect in the municipality under a community liquor license, unless the new license is to become effective after the community liquor license is no longer effective, whether as the result of a local option election or otherwise;

(8) the authority sought is authority to operate a beverage dispensary or package store under a community liquor license for premises to be located in a municipality where the authority sought is already held by a private licensee under a beverage dispensary or package store license, unless the community liquor license is to become effective after the privately held license is no longer effective, whether as the result of a local option election or otherwise;

(9) issuance of the license is prohibited under AS 04.11.400(a) or prohibition of issuance of the license is found necessary under AS 04.11.400(b);

(10) the application contains false statements of material fact;

(11) the license is sought for the sale of alcoholic beverages in a first or second class city in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490, or have voted "yes" on a question set out in AS 04.11.492 or 04.11.500;

(12) the license is sought for the sale of alcoholic beverages in an established village in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490 or have voted "yes" on the question set out in AS 04.11.500.

(b) An application requesting issuance of a new permit shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the permit would not be in the best interests of the public;

(2) the board finds that any of the statements made in the application are untrue;

(3) the application has not been completed in accordance with AS 04.11.260;

(4) the permit is sought for the sale of alcoholic beverages in a first or second class city or established village in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490. (§ 2 ch 131 SLA 1980)

Cross reference. — As to application for new license or permit, see AS 04.11.260.

Sec. 04.11.330. Denial of license or permit renewal. (a) An application requesting renewal of a license shall be denied if

(1) the board finds, after review of all relevant information, that renewal of the license would not be in the best interests of the public;

(2) the license has been revoked for any cause;

(3) the applicant has not operated the licensed premises for at least 30 eight-hour days during the immediately preceding calendar year, unless the board determines that the licensed premises are under construction or cannot be operated through no fault of the applicant;

(4) the board finds that issuance of an existing license under AS 04.11.400(g) has not encouraged tourist trade;

(5) the requirements of AS 04.11.420 — 04.11.450 relating to zoning, ownership of the license, and financing of the licensee have not been met;

(6) renewal of the license would violate the restrictions pertaining to the particular license under this title;

(7) renewal of the license is prohibited under this title as a result of an election conducted in accordance with AS 04.11.502;

(8) the application has not been completed in accordance with AS 04.11.270;

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 March 30, 1983

SUBJECT: Limitation of liquor licenses (SSHB 158)

TO: Representative M. Mike Miller

FROM: RJ Russ Josephson
Legislative Counsel

Enclosed is a draft of the sponsor substitute you requested for HB 158. I thought it would be useful to explain the contents of the draft.

Sections 1 through 6 and sec. 8 all contain technical changes necessitated by the repeal of the tourist trade exception and the public convenience exception provisions in sec. 9. The remaining section, sec. 7, is the "guts" of the bill, changing the population requirements for bar and package store licenses. Rather than the present figure of 1,500 persons per license, the bill would require 3,000 persons per license for those two types of licenses.

RJ:ljb

Enclosure
12/040

Barb —
attached is M. Miller's revised HB 158 - limiting liquor licenses. He wants to know if you prefer a committee substitute or a Sponsor Sub.?
If you want to hear it again, I'll get a sectional analysis.

HB
162

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

2/4/85

Date: _____

Mr. Speaker:

The Committee on C & RA has had HB 162

An Act authorizing general law municipalities to limit the number of consecutive full terms certain municipal officials may serve.

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 162 CS
Title: Limit Terms of Municipal Officials Rec ID 664
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Phone: 465-4750
Division: Municipal & Regional Assistance
Date: 12/29/83

Approved by Commissioner:
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 162 CS(C&RA)
Title: Limit Terms of Municipal Officials
Rec ID 664

ANALYSIS:

Assumptions:

No fiscal impact on Community and Regional Affairs.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

file

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

TO: All members of the Community and Regional Affairs Committee.

FROM: Representative Barbara Lacher
Chair of the House Community and Regional Affairs Committee.

DATE: April 8th, 1983

RE: House Bill 162 BL

Attached is a copy of the Attorney General's opinion on limiting terms of municipal officials as requested by the committee members on April 6th, 1983.

MEMORANDUM State of Alaska

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

DATE: January 20, 1982

FILE NO: 366-150-82

TELEPHONE NO: 465-3600

FROM: WILSON L. CONDON
ATTORNEY GENERAL

By: James L. Baldwin
James L. Baldwin
Assistant Attorney General

SUBJECT: Tenure limitation for mayor of general law municipality

We have reviewed the opinion of the borough attorney for the Fairbanks North Star Borough dated February 12, 1981. That opinion concerns the power of a second class borough, which is a general law municipality, to limit the number of successive terms of the borough mayor. By ordinance #79-38, the assembly provided that an elected borough mayor may only serve for two consecutive terms.

A limit on the number of consecutive terms for a municipal officer creates a qualification for office. See Benzow v. Cooley, 199 N.Y.S.2d 22 (Sup. Ct. 1960). The qualifications for the office of borough mayor are established by AS 29.23.-130(b), which provides:

> A borough voter is eligible to be borough mayor. The assembly may by ordinance establish residence requirements for candidates for borough mayor not exceeding three years.

A review of AS 29.48 discloses that general law municipalities have not been expressly granted the power to prescribe the qualifications of elected municipal officers. See AS 29.48.010. It is also evident that an express power does not exist to which the power to establish these qualifications may be inferred. See AS 29.48.010(1) and (2). Other evidence of a legislative intent to reserve this power may be inferred by comparing the limitations concerning the term of mayor imposed on a home rule city. See AS 29.13.100(4). We believe that if the legislature limited the power of a home rule city to adopt inconsistent qualifications, then it is reasonable to assume that a general law municipality may not exercise an unlimited power to create new qualifications for the office of mayor.

We hope this letter answers your question.

JLB:pjg:CLY

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

TO: House Community and Regional Affairs Committee

FROM: House Community and Regional Affairs Staff

DATE: April 6th, 1983

RE: House Bill 162

Under current statutes, municipalities do not have the authority to limit the number of terms elected officials may serve.

House Bill 162 provides that General Law Boroughs and cities may limit, by ordinance, the number of terms that may be served by assembly members, borough mayors, city council members, and city mayors.

Proposed CS HB 162 expands the provisions of HB 162 in that it is applicable to home rule as well as general law municipalities and, requires that limitations on the number of terms served by members of the governing bodies be ratified by the voters.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

APR 1 1983

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

M E M O R A N D U M March 31, 1983

SUBJECT: Limits on terms of municipal officials (CSHB 162 (C&RA))

TO: Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel TBC

Here is the sectional analysis of the draft of CSHB 162 (C&RA) that you requested.

Section 1. This makes material added in secs. 3 - 5 of this draft applicable to home rule municipalities as home rule limitations. Since AS 29.23.050 is a home rule limitation now under AS 29.13.100(3), no addition is needed to include the material in sec. 2 as a home rule limitation.

Section 2. Unless ratified by the voters, no limit may be placed on the total number of terms or number of consecutive terms that a person may serve on the assembly of a home rule or general law borough.

Section 3. Unless ratified by the voters, no limit may be placed on the number of terms or number of consecutive terms a person may serve as mayor of a home rule or general law borough.

Section 4. Unless ratified by the voters, no limit may be placed on the number of terms or number of consecutive terms a person may serve as mayor of a home rule or general law city.

You have also asked me to compare this draft to HB 172. Under sec. 29.20.140 of that bill, no limit may be placed on the number of terms or number of consecutive terms a person may serve on the governing body. This applies to all home rule and general law municipalities. The section is made a

home rule limitation under sec. 29.10.200(4). Under sec. 29.20.230(c) of HB 172 no limit may be placed on the number of terms or number of consecutive terms a person may serve as mayor of a general law city or borough. That section does not apply as a home rule limitation. HB 172 differs from this draft in that the restrictions on limiting the terms of mayors do not apply to home rule municipalities. Otherwise, the restrictions on limiting terms are the same in that bill and in the draft of CSHB 162 (C&RA).

TBC:ljb

13/001

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 6, 1983

POSITION PAPER

RE: HB 162

SPONSOR: Representative Ward

PROGRAM EFFECTS OF BILL

This bill allows municipalities to limit, by ordinance, the number of consecutive full terms that a person may serve as mayor or as a member of the assembly or council.

COMMENTS

This bill would give each municipality an option regarding whether or not individual elected officials should be turned out of office not by the voters but by a limitation on the consecutive number of terms they may serve. There are advantages and disadvantages to limiting terms of office, but the Department will not debate them here. The overriding consideration is that this legislation provides for a local option on the question, a philosophy this Department generally favors.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 162
Title: Limit terms of Municipal Officials
Sponsor: Ward, et al
Requestor: HCRA

II. FISCAL DETAIL

Agency Affected: DCRA
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Local Government Assistance Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING		-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-
CAPITAL		-0-	-0-	-0-	-0-	-0-
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 Rainery
Phone: 465-4703
Division: Commissioner's Office
Date: 4/6/83

Approved by Commissioner:
Date: 4/6/83
Department: Community & Regional Affairs

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
Copy to Requestor (if different from Sponsor)

3/8/83

FEB 10 1983

Alaska State Legislature

House of Representatives

REPRESENTATIVE JERRY WARD
DISTRICT 13

MEMBER FINANCE COMMITTEE
CHAIRMAN OF SUBCOMMITTEE ON
COMMERCE & ECONOMIC DEVELOPMENT
CHAIRMAN OF SUBCOMMITTEE ON LABOR

P.O. BOX 2716
ANCHORAGE, ALASKA 99510

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

February 9, 1983

The Honorable Barbara Lacher, Chairman
Alaska State Legislature
House Committee on Community and Regional Affairs

Dear Representative Lacher:

In support of House Bill No. 162 which I have introduced, I have attached a copy of a letter from Fairbanks North Star Borough discussing the problem as well as a copy of a resolution passed by Fairbanks North Star Borough. The voters of both Fairbanks North Star Borough and Matanuska-Susitna Borough have passed advisory propositions on this matter.

Briefly, the legislation simply puts the power to limit the number of terms of elected officials back into the hands of the local governments where it belongs.

Yours very truly,

Jerry Ward
State Representative

Attachments

fairbanks north star borough

p.o. box 1267 520 fifth ave. fairbanks, alaska 99707 907-452-4761

January 26, 1983

JAN 31 1983

The Honorable Jerry Ward
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Representative Ward:

Enclosed please find the following resolutions which were adopted at the regular meeting of the Fairbanks North Star Borough Assembly on January 13, 1983, which was reconvened on January 19, 1983.

Resolution No. 83-2. A Resolution Relating To Limitation Of Terms For The Assembly And Mayor.

Resolution No. 83-3. A Resolution Requesting The Alaska State Legislature For Funding Of An Annual Spring Hockey Tournament.

Please note that Resolution No. 83-2 has been extensively discussed and we would certainly like to see some action during this 13th Session of the Legislature.

If you have any further questions, please feel free to contact me.

Sincerely,

Gaye J. Patrick

GAYE J. PATRICK
Borough Clerk

GJP:mgc

enclosures (2)

By: Bob Blake
Juanita Helms
B. B. Allen
Bruce Wammack
Mike Ribar
Bill Walley
Sandra Stringer
Paul Chizmar
Buzz Otis
Introduced: 01/13/83
Adopted: 01/13/83

RESOLUTION NO. 83-2

A RESOLUTION RELATING TO LIMITATION OF TERMS FOR THE ASSEMBLY AND MAYOR

WHEREAS, an advisory proposition on the question of limiting the terms of assemblymen and the mayor was placed on the October 5, 1982, ballot; and

WHEREAS, this advisory proposition was passed 11520 - 5197 by the voters of the Fairbanks North Star Borough; and

WHEREAS, this question was also passed 2700 - 1100 by the voters of the Matanuska-Susitna Borough on October 6, 1981; and

WHEREAS, an Attorney General's opinion has been rendered stating general law municipalities do not have the power to place such a limitation on elected officials:

NOW, THEREFORE, BE IT RESOLVED by the Fairbanks North Star Borough Assembly that the Twelfth Legislature of the State of Alaska is urged to revise Title 29 to allow general law municipalities the option of placing a limitation on the number of consecutive full terms a person may serve.

PASSED AND APPROVED THIS 13th DAY OF JANUARY, 1983.

Presiding Officer

ATTEST:

Clerk of the Assembly

MEMORANDUM State of Alaska

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

DATE: January 20, 1982

FILE NO: J66-150-82

TELEPHONE NO: 465-3600

FROM: WILSON L. CONDON
ATTORNEY GENERAL

By: James L. Baldwin
James L. Baldwin
Assistant Attorney General

SUBJECT: Tenure limitation for mayor of general law municipality

We have reviewed the opinion of the borough attorney for the Fairbanks North Star Borough dated February 12, 1981. That opinion concerns the power of a second class borough, which is a general law municipality, to limit the number of successive terms of the borough mayor. By ordinance #79-38, the assembly provided that an elected borough mayor may only serve for two consecutive terms.

A limit on the number of consecutive terms for a municipal officer creates a qualification for office. See Benzow v. Cooley, 199 N.Y.S.2d 22 (Sup. Ct. 1960). The qualifications for the office of borough mayor are established by AS 29.23.-130(b), which provides:

> A borough voter is eligible to be borough mayor. The assembly may by ordinance establish residence requirements for candidates for borough mayor not exceeding three years.

A review of AS 29.48 discloses that general law municipalities have not been expressly granted the power to prescribe the qualifications of elected municipal officers. See AS 29.48.010. It is also evident that an express power does not exist to which the power to establish these qualifications may be inferred. See AS 29.48.010(1) and (2). Other evidence of a legislative intent to reserve this power may be inferred by comparing the limitations concerning the term of mayor imposed on a home rule city. See AS 29.13.100(4). We believe that if the legislature limited the power of a home rule city to adopt inconsistent qualifications, then it is reasonable to assume that a general law municipality may not exercise an unlimited power to create new qualifications for the office of mayor.

We hope this letter answers your question.

JLB:pjg:CLY

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

HOUSE COMMUNITY AND REGIONAL AFFAIRS AGENDA

APRIL 6th, 1983

1). Call to order.

2). Roll Call.

3). The first order of business will be HB 162.

4). Witnesses presentation.

5). Closing.

6). Adjournment.

302

HB

172

#1

(7)

COMMITTEE REPORT

HOUSE

JUDICIARY

FURTHER:

Date: 3-7-83

3/7/83

Mr. Speaker:

The Committee on C & RA has had HR 172

An Act relating to municipal government; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 340 (am) [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [X] New Fiscal Note Sept #100
[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Mr. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mr. Miller
CHAIRMAN

H 60

Alaska State Legislature

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

Room 104
State Capitol
Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff Lacher

DATE: April 25, 1983

RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

Page 35, line 5:
Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";"

Page 35, after line 8:
Insert "(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

passed Keep

Alaska State Legislature

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

Room 104
State Capitol
Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 2

The following changes are proposed by Ginny Chitwood, Alaska Municipal League.

Page 68, lines 5-7:
Delete section 29.26.250.

Page 68, line 15:
Delete "grounds of", insert "reasons for".

Page 68, line 24:
Delete "grounds" insert "reasons".

Page 69, lines 20,24:
Delete "25", insert "35".

Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a concensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

adopted

revoke

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 24, 1983

SUBJECT: Recall of municipal officials
(Work Order No. 13-0837)

TO: Representative Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have asked what the responsibility of the clerk is in reviewing recall petitions for sufficiency.

What a recall petition must contain and the method of determining the sufficiency of a petition depends on the specific statute involved and these types of laws vary from state to state. Some statutes require only a general statement of the grounds for recall and an official may be recalled for purely political reasons. However, other statutes require grounds for recall that are more than simple disagreement with matters of policy and the grounds stated must actually constitute misfeasance, malfeasance or nonfeasance in office. McQuillan, Municipal Corporations, vol. 4, sec. 12.251b: Noel v. Oakland County Clerk, 284 N.W.2d 761 (Michigan 1979); Bent v. Ballantyne, 368 S.2d 351 (Florida 1979); Tolar v. Johns, 147 S.2d 196 (Florida 1962); Jacobsen v. Nagel, 96 N.W.2d 569 (Minnesota 1959).

Where petitioners are required to state only general grounds, the recall petition need not state the cause for removal with the same particularity as where the requirement is that reasons for removal be stated clearly. The purpose of a general statement of grounds is to furnish information to electors upon which a political and not a legal issue may be raised. Under statutes providing that a statement of grounds for recall is for the information of the electors, the question of the sufficiency of those grounds is also for the electors, but under provisions authorizing recall for malfeasance or similar language, the sufficiency of the grounds provided is a legal question. 63 Am. Jur.2d, Public

Officers and Employees, sec. 245; Pybus v. Smith, 141 P. 203 (Washington 1914).

Statutory provisions as to recall are to be liberally construed in favor of the electorate's right to exercise recall. Hazelwood v. Saul, 619 P.2d 199 (Colorado 1980). Under this principle and in the absence of statutory language limiting the recall to specific, indicated reasons, the adequacy of grounds stated in a petition is treated as a political matter and courts refuse to enjoin recall petitions on complaints that charges are insufficient. However, where recall is limited to specified grounds of malfeasance or similar language it is generally held that

> . . . petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Municipal Corporation Law, sec. 22.200, pages 22-304 - 22-305.

The officer designated to ascertain the sufficiency of a petition in a particular statute may be required to determine legal sufficiency rather than matters of form only. Unless an appeal is specifically provided for, the officer's determination as to sufficiency of a recall petition is final and subject only to judicial correction if the determination is capricious, arbitrary, or plainly erroneous as a matter of law. McQuillan, supra., vol. 4, sec. 12.251(d); Hold v. Trantham, 575 S.W.2d 83 (Texas 1979).

Article XI, section 8 of the Constitution of the State of Alaska provides:

> All elected public officials, in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedure and grounds for recall shall be prescribed by the legislature. (Emphasis added)

In carrying out this constitutional responsibility the legislature has provided under AS 29.28.140 that misconduct in office, incompetence, and failure to perform prescribed duties are the grounds for recall. In addition, under AS 29.28.150(a)(3), a petition for recall must contain ". . . a statement of the grounds of the recall stated with particularity as to specific instances". (Emphasis added)

The municipal clerk is required to review the petition ". . . for content and signatures . . ." under AS 29.28.160.

These statutory provisions dealing with recall have not been judicially construed by the Supreme Court in this state, so it cannot be determine with certainty whether the clerk is required to review the petition for signatures and form only or whether the clerk must determine as a legal matter whether the specific instances set out in a petition, if true, constitute misconduct in office, incompetence or failure to perform prescribed duties. Under the principles set out previously in this memorandum it appears that the clerk is required to determine whether the specific instances set out support a claim of misconduct in office, incompetence or failure to perform prescribed duties because AS 29.28.150 demands more than just a general statement of the grounds for recall and does not specifically indicate that the stated grounds are for the information of the voters only.

Under both versions of the bill revising Title 29, SB 1 and HB 172, the grounds for recall remain unchanged although the procedure for recall has been substantially changed. Nevertheless, an applicant for a recall petition under Sec. 29.26.260(a)(3) is still required to set out the grounds ". . . with particularity". The clerk must prepare a recall petition only if the clerk determines that the application for the petition meets the requirements of AS 29.26.260, including the requirement that grounds be ". . . stated with particularity" (Sec. 29.26.280). After a petition is filed the clerk must again determine whether the petition is sufficient and, if insufficient, ". . . identify the insufficiency and notify the sponsors. . ." (Sec. 29.-26.290). It seems clear that since the clerk must identify the insufficiency, a determination of sufficiency is not limited to review of signatures, even though (b) and (c) of the section only provide for correcting a petition insufficient for lack of signatures. It appears under these sections that the clerk would still be required to determine whether the grounds stated, if true, actually constitute misconduct in office, incompetence, or failure to perform prescribed duties.

I believe that this interpretation conforms to the intent of the policy committee that produced the original version of a Title 29 revision bill. There was considerable discussion of the recall provisions by that committee and at one point

the committee considered requiring only a general statement of reasons for recall and allowing recall to proceed upon purely political grounds. It was even suggested that grounds for recall be eliminated entirely. That approach was specifically rejected by the committee. Consequently, I would recommend that HB 172 be amended to clearly reflect the fact that the clerk is to review a recall petition for form and signatures only, and not to determine whether grounds stated actually constitute misconduct in office, incompetence, or failure to perform prescribed duties, if that is the result intended by the legislature.

TBC:ljb

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:
Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to excercise the right of eminent domain to acquire certificates or property.

adopted

Kerp

Alaska State Legislature

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

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "$100,000.00" insert "$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a concessus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high ($100,000.00).

adopted
Kerp

Alaska State Legislature

Barbara Lacher, Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 5

Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

adopted

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 6

The attached letter of intent and proposed language for implementation was prepared during hearings of SB 1, comparison legislation to HB 172.

Present law requires first class and home rule cities in the unorganized borough to accept the responsibility for delivery of Educational services. It is perceived that the requirement to be responsible for educational services may be a deterrant to certain cities or areas to organizing or upgrading to first class or home rule status. The opposition for a city to assume the educational powers could come either from an existing REAA or the city.

The proposed change to HB 172 would resolve the issue of the assumption of education powers by vote of the residents in the city and in the REAA.

failed

failed

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 9

LETTER OF INTENT
TO CSSB 1

February 24, 1983

It is the intent of the Senate Community and Regional Affairs Committee that the assumption of the education power by newly formed or upgraded first class or home rule cities be dependent upon a vote in the existing Regional Education Attendance Area. If the vote both within the city and in the remainder of the REAA was not in favor of the city assuming the education power, it would not.

This Letter of Intent was discussed and unanimously approved by the Senate C & RA Committee. The attached page labelled "Proposed Amendment #10" is what the committee members had in front of them when the Letter of Intent was endorsed. The longer attached amendment, drafted by Legal Services, represents all of the actual changes that need to be made to SB 1 to carry out the Letter of Intent.

Though the committee strongly endorses this concept it was felt the full amendment should be available for review before it was adopted, which is why this method of presentation was followed. The Community and Regional Affairs Committee urges the Finance Committee to incorporate the intent of the attached proposed Amendment #10 into SB 1.

Senator Frank R. Ferguson
Chairman

S-E-N-A-T-E---A-M-E-N-D-M-E-N-T

PROPOSED SENATE AMENDMENT

By Community & Regional Affairs Committ

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: LINE:

Note: This change is listed as a proposal rather than an amendment because of the complex drafting that will be required to make sure all the necessary sections are cross referenced. Legal Services has reviewed this proposal and suggested this approach because of time constraints. If the Committee approves this proposal, Legal Services will incorporate it as part of the Committee Substitute.

Page 10, after line 19, insert new section:

"29.05.145. ASSUMPTION OF THE EDUCATION POWER. (a) When an unincorporated area or second class city that is part of a Regional Education Attendance Area incorporates or upgrades to first class or home rule city status, the assumption of the education power shall be in accordance with this section

(b) When an unincorporated area or city that is part of a REAA incorporates or upgrades to first class or home rule city status, that Director of Elections shall conduct an election in the REAA within 90 days of the incorporation.

(c) At this election, voters of the REAA shall be given an opportunity to approve or disapprove the assumption of the education power by the newly incorporated or upgraded first class or home rule city.

(1) The vote shall be counted separately within the city limits of the newly incorporated or upgraded city and in the remainder of the REAA.

(2) A majority of voters in both areas must approve the assumption of the education power by the newly incorporated or upgraded city or it may not assume the education power"

Alter other sections as necessary to conform.

A M E N D M E N T

Offered in the SENATE

TO: CSSB 1 (C&RA)

By the Community and Regio:
Affairs Committee

Page 2, after line 25 insert:

"(f) A second class city in a regional educational attenda area that reclassifies to first class status after July 1, 1983 mains part of the regional educational attendance area unless education power is acquired under AS 29.35.270."

Page 10, after line 18 insert:

"(d) A first class or home rule city in a regional educatic attendance area that incorporates after July 1, 1983 remains part the regional educational attendance area unless the education powe acquired under AS 29.35.270."

Reletter the following subsection accordingly.

Page 34, after line 20 insert:

"(36) AS 29.35.270. (acquisition of education power)"

Renumber the following paragraphs accordingly.

Page 85, line 23:

Delete "A" and insert "Subject to AS 29.35.270, a"

Page 86, after line 5 insert:

"Sec. 29.35.270. ACQUISITION OF EDUCATION POWER. (a) A h rule or first class city formed in a regional educational attenda area after July 1, 1983 remains part of the regional educatio attendance area and may not establish a city school district unl the education power is acquired by the city under this section.

(b) Within 90 days after a community in a regional educatio attendance area is incorporated as a home rule or first class city a second class city in a regional educational attendance a reclassifies to first class status or adopts a home rule charter director of elections shall conduct an election in the regio educational attendance area on the question of whether the city sho acquire the education power and form a city school district.

(c) After an election under this section the vote shall counted separately within the boundaries of the newly formed city within the area of the regional educational attendance area outside the city.

(d) If a majority of voters within the newly formed city and majority of the voters within the area of the regional educatio attendance area outside of the newly formed city approve, the ci shall assume the education power and form a school district. If majority of voters in both areas do not approve, the city remains part of the regional educational attendance area.

(e) This section applies to home rule and general law cities."

Page 186, after line 6 insert:

"* Sec. 21. AS 14.08.031 is amended by adding a new subsection to rea

(e) A first class or home rule city in a regional educatic attendance area that incorporates after July 1, 1983 and a sec class city in a regional educational attendance area that reclassif to first class status or adopts a home rule charter after July 1, 1 shall be included in the regional educational attendance area bound unless the city acquires the education power under AS 29.35.270."

Renumber following sections accordingly.

Page 186, after line 29 insert:

"* Sec. 24. AS 14.12.010(1) is amended to read:

(1) each home rule and first class city in the unorgani borough is a city school district, except as provided under AS 2 35.270;

* Sec. 25. AS 14.12.010(3) is amended to read:

(3) the area outside organized boroughs and outside h rule and first class cities is divided into regional educatio attendance areas, except that a home rule or first class city may included in a regional educational attendance area in accordance w AS 29.35.270."

Renumber following sections accordingly.

Page 205, line 20:

Delete "86" and insert "89"

Page 205, line 23:

Delete "86" and insert "89"

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 7

During Committee review of HB 172 there was discussion but no apparent concensus concerning the exemption of greenhouses from assessement at full valuation for taxation purposes (Page 109, line 22).

The existing law does not give special treatment for greenhouses. The intent of providing special tax treatment for farm lands (not including barns, houses, sheds, etc.) was to assist the farmer in resisting the pressures of urban growth rather than being forced to subdivide farm land because of inflated land values. The effect of the new language is to provide a special tax treatment for greenhouses, including commercial greenhouses raising ornimental flowers.

adopted
move
special commercial
on farm use.

Alaska State Legislature

Barbara Lacher, Chairman
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Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "developed" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substanative or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation.

introduced –
need to fail –
taken care of in
Amend #10

THIRTEENTH ALASKA LEGISLATURE

FIRST SESSION

HB172 Suggested Amendments - Cape Fox Corporation

Line 15, Page 105

(1) (m) (1) ... gainful and [or] productive present use...

Line 18-19, Page 105

(2) (m) (1) ... process even though income may be derived from related incidental timber harvesting, utility usage, or similar activities;

Line 3, Page 106 - Add New Subsection:

(3) (m) (4) "Gainful" means a condition resulting in net taxable income or when revenue derived from an activity taking place over the tax year of the property owner exceeds the expenses and deductions related to the activity.

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

April 6, 1983

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

Dear Barbara:

Subject: HB 172 "DEVELOPED" DEFINITION

The present version of HB 172 provides for a tax exemption as required by 43 U.S.C. 16.20(d) for certain Native lands. This exemption provides a definition of "developed" for implementing the federal law. I recommend that this matter be treated in a separate bill rather than in HB 172 or SB 1, the parallel bills intended as housekeeping measures to revamp Title 29.

During the last legislative session certain amendments were made to the Title 29 bill on the House floor which caused a great deal of controversy. In re-introducing the Title 29 in the present legislature, all of these amendments were removed except for the provisions for implementing the tax exemptions under 43 U.S.C. 16.20(d). This amendment was incorporated in AS 29.45.030 of the bill.

Pursuant to federal law, certain Native lands are not taxable until "developed". The intent of the proposed definition in AS 29.45.030 is to clarify what improvements of land will constitute "development" for tax exemption status.

I believe that the intent of this section is to assure that lands will not be taxed simply because an access road is constructed to the property or improvements are placed on the property in anticipation of future development. However, the language is sufficiently ambiguous to permit the interpretation that even a regular, residential or commercial subdivision development would not be taxable until the lots were sold. Once land is subdivided, roads are constructed and other improvements are put in place, the available lots become the sale inventory of the real estate developer. An exemption from taxation of these lots would give the exempted developer an unfair advantage over other developers with which it was in competition.

Because this provision is not in existing Title 29 and because there is potential controversy involved, I recommend that

it not be included in HB 172, a housekeeping bill. As a separate bill, I believe that the Borough would support a definition between a taxable subdivision development and tax exempt lands which have been surveyed and have constructed roads.

Sincerely,

Steven H. Morrissett
Borough Attorney

er

cc: Steve VanSant, Borough Assessor

KENAI PENINSULA BOROUGH

BOX 850 · SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

February 24, 1983

TO: Stan Thompson, Mayor

FROM: Don Thomas, Assessor

SUBJECT: Native Lands, Title 29 Revisions – Sec M #1 Lines 28 + 29 Page 100 - 101

By the definition included in the work draft of Title 29 the Kenai Peninsula Borough would loose approximately 13.9 Million in assessed valuation. This would equal about $41,727 based on a 3 mill average.

This would also put the Native lands in a better position to develope and compete in the open market, if they wished. They could do all the preliminary work, such as roads, utilities, survey, and hold the property for the highest return, and still not pay taxes. – this would only [illegible]. We currently have 13.9 million in assessed value that the different regions have been paying taxes on. We have had them on the tax rolls for 4 or 5 years and they paid their taxes without paying under protest.

Cook Inlet	7,281,205
Ninilchik	924,950
Seldovia Native	2,882,300
Slamatoff	589,500
English Bay	2,708,800
Port Graham	1,068,000
Total	15,454,755

Also within 20 years one up + Native lands would be on the tax rolls – then they would be Exempt at a tremendous loss to the Boro – [illegible] until Sold

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

May 20, 1983

Bob Harris
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

FILE: HB 172

SUBJECT: Substitute Utility Language
for Title 29 Revision

Dear Bob:

If the House Community and Regional Affairs Committee would like to consider alternative language to that which has been proposed for the utilities section of the Title 29 revision, may I suggest the following. This language, I believe, accommodates the interests of the municipalities and of the utilities. It would exempt from municipal regulation those utilities, including co-ops, which have elected to exempt themselves from APUC regulation by a vote of the subscribers or members. It would also exempt from municipal regulation those small electric, telephone and garbage utilities which are presently exempt from APUC regulation but which may come under APUC regulation if 25% of the subscribers petition the commission for regulation. In addition, it would exempt from municipal regulation those utilities which the APUC itself exempts upon a finding of no legitimate public interest in regulation if the commission also finds that the utility should also be exempt from municipal regulation. If cable TV is given an exemption from APUC regulation, and the legislature believes that it should also be exempt from municipal regulation, a simple amendment to the following language making reference to the statute exempting cable TV would extend the exemption to municipal regulation of cable TV also. The substitute language would be as follows:

> AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).
>
> (b) A municipality may not regulate a utility
>
> (1) to the extent it is subject to regulation under AS 42.05; or

(2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or

(3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(e), (f), (g), (h) or (i); or

(4) specifically exempted by law from municipal regulation.

(c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(e) This section applies to home rule and general law municipalities.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
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Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 proposed amendment number 9

The attached amendment proposed by representatives of utility companies is a significant change from present law.

The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is also subject to regulation by the Alaska Public Utilities Commission. Stated in another way, if the Alaska Public Utilities Commission does not or can not regulate a utility or a matter pertaining to a utility, then a municipality may not impose a regulation.

Present law provides municipalities the power to regulate utilities and matters pertaining to utility services to the extent the utilities are not regulated by the Alaska Public Utility Commission.

In several instances, the regulation of a condition of service by a utility company, or the regulation of a utility company is optional for the Public Utilities Commission, or optional for the utility.

In cases where utilities are not regulated by the Alaska Public Utilities Commission, Municipalities generally feel they need to have the authority to exercise regulatory powers. On the other hand, utility companies believe that; if the Alaska Public Utility Commission does not regulate them, then the municipalities should not have the authority to provide regulation.

introduced - needs to be voted down - taken care of in Amend # 10

SENATE AMENDMENT

BY Community & Regional Affairs Committ

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: 27 28

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

Page 33, line 29, insert:

"(28) 29.35.075 (disputes and conflicts with state certificated utilities)"

Page 77, after line 26, insert:

"(c) This section applies to home rule and general law municipalities."

Page 77, line 7-22, delete Section 29.35.070 and insert:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service, and may fix, establish, and change the rates and the charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or otherwise specifically prohibited by law.

(b) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality establishing

the procedures for regulating service and procedures for establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(d) This section applies to home rule and general law municipalities.

Page 77, after line 22, insert:

"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES. (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251.

(b) In case of a conflict between the provisions of AS 29.35.070 or AS 42.05 or an action taken under either as to the regulation of service, rates or charges of a utility, the provisions of AS 42.05.641 apply.

(c) This section applies to home rule and general law municipalities.

Page 195, after line 22, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

delete [(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711."

Renumber following sections accordingly.

Lee Sharp
City-Boro attorney Juneau

Chugach Elec. Ass'n, Sup. Ct. Op. No. 1636 (File Nos. 2969, 2993), 580 P.2d 687 (1978); B-C Cable Co. v. City of Juneau. Sup. Ct. Op. No. 2112 (File No. 4587), 613 P.2d 616 (1980).

Sec. 42.05.711. Exemptions. (a) The provisions of AS 42.05.010 — 42.05.721 do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon, or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which he has an "affiliated interest."

(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of AS 42.05.010 — 42.05.721, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of AS 42.05.010 — 42.05.721.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of AS 42.05.010 — 42.05.721.

(e) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, any electric or telephone utility that does not gross $50,000 annually is exempt from regulation under AS 42.05.010 — 42.05.721 unless 25 percent of the subscribers petition the commission for regulation.

(f) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, an electric or telephone utility that does not gross $325,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(g) A utility, other than a telephone or electric utility, that does not gross $100,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(h) A cooperative organized under AS 10.25.010 — 10.25.650 may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721, other than AS 42.05.221 — 42.05.281, under the procedure described in AS 42.05.712.

(i) A utility which furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of $200,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 — 42.05.281,

unless 25 percent of the subscribers or subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation.

(j) The provisions of this chapter do not apply to sales, exchanges or gifts of energy to an electric utility certificated under AS 42.05.010 — 42.05.721 when the energy which is the subject of the sale, exchange or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange or gift of energy exempt under this subsection does not make the supplier a public utility, and does not transfer the responsibility to provide utility services from a certificated utility to any other person. (§ 6 ch 113 SLA 1970; am § 3 ch 76 SLA 1973; am § 8 ch 83 SLA 1980; am §§ 7-9 ch 136 SLA 1980; am § 89 ch 59 SLA 1982)

Revisor's notes. — As enacted by chs. 83 and 136, SLA 1960, present subsections (j) and (i) were designated as subsections (f) and (j), respectively, but were redesignated by the revisor of statutes pursuant to AS 01.05.031(b). Former subsection (i) of this section was transferred as § 13, ch. 136, SLA 1980 to the 1980 Temporary and Special Acts and Resolutions by the revisor of statutes pursuant to AS 01.05.031(b).

Effect of amendments. — The first 1980 amendment added subsection (j).

The second 1980 amendment deleted "excepting the furnishing of collection and disposal service of garbage, refuse, trash or other waste material" following "none of whose utilities" near the beginning of subsection (b), deleted the former second sentence in subsection (b), which read: "Notwithstanding any other provisions of this chapter, municipalities providing collection and disposal service of garbage, refuse, trash or other waste material within their corporate boundaries are not subject to regulation by the Alaska Public Utilities Commission unless the municipality elects to be subject to the provisions of this chapter," substituted "$50,000" for "$25,000" following "does not gross" near the middle of subsection (e), substituted "under this chapter" for "hereunder" following "exempt from regulation" near the middle of subsection (e), and added subsections (f) through (i).

The 1982 amendment, effective May 28, 1982, deleted "on June 30, 1980" preceding "a utility," and inserted "annual" preceding "gross revenue" in subsection (i).

Editor's notes. — Section 13, ch. 136, SLA 1980, as revised by the revisor of statutes, provides: "Cable television systems are exempt from the provisions of AS 42.05 [AS 42.05.010 — 42.05.721], other than the provisions of AS 42.05.221 — 42.05.281, until July 1, 1983. This exemption does not apply in cities or villages which have a population of less than 3,500 people and which are not located on a state road or marine highway. The effects of the exemption of cable television systems from rate regulation by the Alaska Public Utilities Commission provided in this section shall be reviewed by the legislature before July 1, 1983. If the legislature fails to extend the exemption before July 1, 1983, this section is repealed on that date and cable television systems lose their exempt status on that date and become subject to regulation by the Alaska Public Utilities Commission."

Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Don Clocksin
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Mike Szymanski

Room 104
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House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

To: Committee On Community and Regional Affairs

From: Staff

Re: HB 172, proposed utilities amendment.

The attached amendment to HB 172 has been requested by Mr. Dave Hutchins, representing the Alaska Rural Electric Cooperative Association.

The controversy over the proposed amendment is based on the authority of municipalities, or lack of authority, to regulate utilities that are not subject to regulation by the Alaska Public Utilities Commission under AS 42.05.

A summary of the controversial portions of the three options presented to the committee is as follows:

1. Present Statues:
   a. Municipalities cannot regulate or grant franchises to any utility that is regulated by the Alaska Public Utilities Commission (APUC) under AS 42.05.

   b. APUC approval is required for a municipality to extend a municipal utility's service area.

The present laws are silent on the authority--or lack of authority-- of municipalities to regulate non-municipal owned utilities that are not regulated under AS 42.05. Since a General Law municipality has only the powers granted by law, it would probably be upheld that a General Law municipality does not have the authority to regulate a non-municipal owned utility that is not regulated by APUC. This limitation does not apply to a Home Rule municipality.

2. HB 172 Provides:
   a. Municipalities may grant franchises and regulate utilities to the extent they are not subject to regulation by APUC under AS 42.05, or not otherwise prohibited by law.

   b. Municipal owned utility services may be extended outside of the municipal boundaries (subject to approval by APUC).

3. Amendment requested by utilties:
   a. Whenever a utility is exempted from regulation by APUC or subject to regulation under AS 42.05, a municipality may not regulate the utility.

   b. A municipality may only extend utility services to an area adjacent to the municipal boundaries. This provision would prevent a municipal utility from providing utility services to an area that is not adjacent to the municipal boundaries.

The utilties that are, or may be, exempted from APUC regulation and as such are the utilties that are at the center of this issue are identified in AS 42.05.711 (copy attached).

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

PROPOSED AMENDMENT TO

HB 172

Page 33, after line 28, insert:

"(26) AS 29.35.060 (franchise and permits)"
Renumber following paragraphs accordingly.

Page 33, after line 29, insert:

"(28) AS 29.35.075 (disputes and conflicts with state certificated utilities)"
Renumber following paragraphs accordingly.

Page 74, line 12, delete:

"utility services,"

Page 77, after line 6 add a new subsection to read:

"(c) This section applies to home rule and general law municipalities."

Page 77, lines 7 through 22, delete present language and replace it with the following:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly for the area outside all cities in the borough and the council acting for the area in a city may regulate a utility service and fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or other law.

(b) A municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing

rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

(e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

(g) This section applies to home rule and general law municipalities."

Page 195, after line 22, add a new section to read:

"* Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) A public utility that is exempt or partially exempt under (d) through (j) of this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a muncipality."

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

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(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of AS 42.05.010 — 42.05.721, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of AS 42.05.010 — 42.05.721.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of AS 42.05.010 — 42.05.721.

(e) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, any electric or telephone utility that does not gross $50,000 annually is exempt from regulation under AS 42.05.010 — 42.05.721 unless 25 percent of the subscribers petition the commission for regulation.

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Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.

Sec. 29.48.050. FRANCHISES AND PERMITS. Present LAW

(a) The assembly acting for the area outside cities and the council acting for the area within a city may grant franchises, including exclusive franchise privileges, for the construction, operation and maintenance of bus transportation systems and public utilities not regulated under AS 42.05 and may permit them the use of streets and other public places under regulations prescribed by ordinance.

(b) No franchise is valid until it has been submitted to the qualified voters of the city or borough area outside cities in which it applies, and at least 55 per cent of the votes cast are in favor of the franchise. At least 30 days notice of a franchise referendum election shall be given in the same manner as is provided for notice of regular municipal elections, and the notice shall specify the purpose of the election. The ordinance granting a franchise shall provide for its submission for ratification to the qualified voters of the city or borough area outside cities at either a regular or special election, and the result of the election shall be canvassed publicly by the council or assembly and spread upon the records of the minutes and the result declared and certified in the same manner as in a regular election.

(c) Public utilities regulated under AS 42.05 have the right to use the streets and other public places, upon payment of a reasonable permit fee and on reasonable terms and conditions and with reasonable exceptions the assembly or council requires. A dispute as to whether fees, terms, conditions, or exceptions are

reasonable shall be decided by the Alaska Public Utilities Commission.

Sec. 29.48.060. PUBLIC UTILITIES RATES.

The assembly acting for the area outside cities and the council acting for the area within a city may regulate, fix, establish and change, as it considers proper, the rates and charges imposed for utilities services given to the municipality or its inhabitants by a municipally owned utility not regulated under AS 42.05.010 - 42.05.721 and may regulate and provide what is a reasonable deposit for meters and security for service to be given, provided that interest is paid on the deposit. All rates, charges and regulations shall be reasonable and shall permit a fair and reasonable return on invested capital.

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Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Jack McBride
Mike Szymanski

Room 104
State Capitol
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House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D O M

TO: Committee on Community and Regional Affairs

From: Staff

Date: May 20, 1983

Re: Amendments to HB 172

The Committee has completed action on proposed amendments One through eight; except that representatives of the Cape Fox Corporation were offered an opportunity to prepare new language for amendment No. 8.

Amendment No. 8 deals with a definition of developed lands for tax exempt status. A revised definition has been prepared for Committee review.

Amendment No.9 has been requested by representatives of the Alaska Rural Electric Cooperative Association. A staff summary has been prepared in an attempt to clarify the basis of the issue.

Following Committee decision on the above proposed amendments, staff will request a Committee Substitute HB 172 that will incorporate all approved amendments.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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TO: Committee on Community and Regional Affairs

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Date: May 20, 1983

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Following Committee decision on the above proposed amendments, staff will request a Committee Substitute HB 172 that will incorporate all approved amendments.

Fairbanks
North
Star
Borough

Mayor: B.B. Allen

April 6, 1984

Honorable Mike W. Miller
Alaska State Legislature
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Mike:

Over the past eleven years a number of amendments to Title 29, the Municipal Code, have resulted in numerous conflicts and inconsistencies which make the title very difficult to use, let alone read and understand. Because of the difficulties with Title 29, a proposed revision of the entire title is before you which clarifies the municipal code without making major policy changes. I would like to request that you work to insure the adoption of this critical piece of legislation in this session. Though local governments are the only direct constituency for this legislation, all citizens of this state are affected.

I would also hope that this legislation could be passed without the type of controversial amendments which lead to its veto two years ago. Such a "clean" bill would provide us with the basis from which major policy changes could be addressed.

Thank you in advance for your positive consideration of this legislation.

Sincerely,

Bill

B.B. Allen
Borough Mayor

BBA:rlf

cc: Fairbanks North Star Borough Assembly

P.O. Box 1267 Fairbanks, Alaska 99707 (907) 452-4761

A M E N D M E N T

Offered in the HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

TO: HB 172

Page 35, line 4:

After "request" insert "by a member of the governing body"

Page 35, line 5:

Delete "and"

Page 35, line 6:

After "request" insert "by a member of the governing body"

Page 35, line 8:

Delete "." and insert ";"

Page 35, after line 8:

Insert:

"(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:

Delete "(b)" and insert "(c)"

Page 163, Line 24

Delete "allocable" and insert "allocatable"

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801
LAW DEPARTMENT - 586-5242

May 16, 1983

Tony Strong
Sealaska Building
One Sealaska Plaza
Juneau, Alaska 99801

#8

Kellus Sewell
8489 Jennifer Drive
Juneau, Alaska 99801

FILE: Legislature - 1983/84 - SB 260

SUBJECT: Proposed Substitute

Gentlemen:

Enclosed is a proposed substitute for Senate Bill 260 which I believe incorporates the changes we agreed could be made to help clarify the definition of "developed" in the bill. As you requested, I have shown the changes which the three of us propose by using brackets and underlining.

I appreciate the time you spent with me in discussing the changes. Please note that I still feel that subsection (1) should be deleted as it will lead to a changing tax status for property which cannot be pinned down to some specific event such as a transfer of ownership. While I recognize that such a system may be beneficial to the native corporations, it creates a situation which will undoubtedly lead to disagreements (and perhaps court battles) between municipalities and native corporations.

While I believe the language in the attached proposed substitute is more clear than that in Senate Bill 260, I strongly suggest that this proposal be reviewed by the attorneys and assessors in other municipalities as well as other native corporations. The situation varies from municipality to municipality and from native corporation to native corporation. It may even be profitable to try to set up a meeting of officials from concerned municipalities and native corporations to try to work out something to which a majority of us can agree.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr
Enclosure

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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House of Representatives
Committee on Community & Regional Affairs

all in favor except Fischer
H 296/Jan 28

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

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Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";"

Page 35, after line 8:
Insert "(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 2

phillips

The following changes are proposed by ~~Ginny Chitwood~~, Alaska Municipal League.

Page 68, lines 5-7:
Delete section 29.26.250.

Page 68, line 15:
Delete "grounds of", insert "reasons for".

Page 68, line 24:
Delete "grounds" insert "reasons".

Page 69, lines 20,24:
Delete "25", insert "35".

Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a concensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

Alaska State Legislature

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House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:
Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to excercise the right of eminent domain to acquire certificates or property.

Alaska State Legislature

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House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "$100,000.00" insert "$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a concessus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high ($100,000.00).

Alaska State Legislature

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Room 104
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Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 5

Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

Alaska State Legislature

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Room 104
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Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 6

The attached letter of intent and proposed language for implementation was prepared during hearings of SB 1, comparison legislation to HB 172.

Present law requires first class and home rule cities in the unorganized borough to accept the responsibility for delivery of Educational services. It is perceived that the requirement to be responsible for educational services may be a deterrant to certain cities or areas to organizing or upgrading to first class or home rule status. The opposition for a city to assume the educational powers could come either from an existing REAA or the city.

The proposed change to HB 172 would resolve the issue of the assumption of education powers by vote of the residents in the city and in the REAA.

Alaska State Legislature

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Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 7

During Committee review of HB 172 there was discussion but no apparent concensus concerning the exemption of greenhouses from assessement at full valuation for taxation purposes (Page 109, line 22).

The existing law does not give special treatment for greenhouses. The intent of providing special tax treatment for farm lands (not including barns, houses, sheds, etc.) was to assist the farmer in resisting the pressures of urban growth rather than being forced to subdivide farm land because of inflated land values. The effect of the new language is to provide a special tax treatment for greenhouses, including commercial greenhouses raising ornimental flowers.

Alaska State Legislature

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Room 104
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Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "developed" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substanative or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 proposed amendment number 9

The attached amendment proposed by representatives of utility companies is a significant change from present law.

The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is also subject to regulation by the Alaska Public Utilities Commission. Stated in another way, if the Alaska Public Utilities Commission does not or can not regulate a utility or a matter pertaining to a utility, then a municipality may not impose a regulation.

Present law provides municipalities the power to regulate utilities and matters pertaining to utility services to the extent the utilities are not regulated by the Alaska Public Utility Commission.

In several instances, the regulation of a condition of service by a utility company, or the regulation of a utility company is optional for the Public Utilities Commission, or optional for the utility.

In cases where utilities are not regulated by the Alaska Public Utilities Commission, Municipalities generally feel they need to have the authority to exercise regulatory powers. On the other hand, utility companies believe that; if the Alaska Public Utility Commission does not regulate them, then the municipalities should not have the authority to provide regulation.

City of Fairbanks

MEMORANDUM

APR 2 '84

The Fairbanks City Council has requested the attached Resolutions, passed and approved at their meeting of 3/26/84, be forwarded to your office.

Thank you,

Carma Roberson

Carma B. Roberson, City Clerk

Introduced by: Mayor Bill Walley
Date : March 26, 1984

RESOLUTION NO. 2515

A RESOLUTION REQUESTING THE THIRTEENTH LEGISLATURE TO ADOPT THE REVISED ALASKA STATUTE TITLE 29 AS PROPOSED.

WHEREAS, Title 29 of the Alaska Statutes, the Municipal Code, has not been revised since 1972; and

WHEREAS, eleven years of amendments to Title 29 have created a confusing patchwork that is very difficult to read and understand; and

WHEREAS, the proposed revision of Title 29 reorganizes and clarifies the Municipal Code without making major policy changes; and

WHEREAS, major policy changes to Title 29 should be considered in separate legislation in order to keep the Title 29 revision a "clean" bill;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. That the thirteenth legislature is respectfully requested to adopt in this legislative session the revised Title 29, of the Alaska Statutes, as proposed, without any controversial amendments.

SECTION 2. That the City Clerk is hereby directed to send to each member of the thirteenth legislature a copy of this Resolution.

PASSED and APPROVED this 26th day of March, 1984.

Bill Walley
BILL WALLEY, Mayor

ATTEST:

Carma B. Roberson
CARMA B. ROBERSON, City Clerk

Introduced by: Mayor Bill Walley
Date : March 26, 1984

RESOLUTION NO. 2516

A RESOLUTION REQUESTING THE THIRTEENTH LEGISLATURE TO FULLY FUND THE MUNICIPAL ASSISTANCE PROGRAM.

WHEREAS, the Alaska State Legislature adopted a formula funding the program for Municipal Assistance, which is thirty percent of the previous year's corporate income tax; and

WHEREAS, that amount for fiscal year 1985 is estimated to be $90.9 million, which is $20.4 million more than the $70.5 million requested by Governor Bill Sheffield in his fiscal year 1985 budget request; and

WHEREAS, the municipalities of Alaska base their fiscal planning on this formula and rely on the law; and

WHEREAS, partial and irregular funding of the formula causes major budgeting problems for municipalities because local budgets must be approved before the state budget is adopted; and

WHEREAS, reduced funding for the municipalities will result in either increased local property taxes or reduced local services;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. That the thirteenth legislature is respectfully requested to fully fund at the statutory adopted formula the Municipal Assistance Program for fiscal year 1985 at $90.9 million.

SECTION 2. That the City Clerk is directed to send to each member of the thirteenth legislature a copy of this Resolution.

PASSED and APPROVED this 26th day of March, 1984.

Bill Walley
BILL WALLEY, Mayor

ATTEST:

Carma B. Roberson
CARMA B. ROBERSON, City Clerk

Alaska State Legislature

Representative Milo Fritz
District 5
P.O. Box 158
Anchor Point, Alaska 99556
(907) 235-8366

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4833

House of Representatives

MILO FRITZ

MEMORANDUM

TO: Representative Mike W. Miller
Chairman, House C & RA Committee

FROM: Representative Milo H. Fritz
Interim Chairman, House C & RA Committee MHF

DATE: January 17, 1984

SUBJ: HB 172 Amendments

During the interim, my staff and I have studied HB 172 and its effects and implications. I have changes and alternatives to suggest that the Committee consider. These ideas come from my review of this legislation during the first session and an analysis of the Interim Report on HB 172. I will briefly outline my reasoning for each change in the hope that my ideas will be of assistance to you and the committee.

I believe that current amendments #2 and #7 will not have the effect which is desired, and that the legislation should be left as currently written in HB 172. Amendment #2 eliminates the "legal grounds" for a recall election. Although this would remove the legal problem of determining the sufficiency of grounds, it leaves totally open the right to pursue a recall. If any group has an inclination to start a recall, they state "a reason" and start collecting signatures. It would indeed be difficult to gather the amount of signatures necessary to have a recall election. However, the group will have received much media attention, the person who they are trying to recall has had his/her image tarnished, and the whole political process put into a state of turmoil. This is not even considering the mental anguish caused by this action.

I do not want to see any group have the ability to singularly influence the destiny of a city or borough by the use of a threat of recalling one or more members of the governing body. If we do not have the "grounds" of a "recall", we will be allowing the recall system to be used for purely political/personal interest purposes.

Amendment #7 would eliminate the exemption of greenhouses from assessment at full valuation for tax purposes. The argument against this exemption was that "the purpose of the exemption was to allow farms to continue in spite of otherwise inflated land prices, and the corresponding taxes. I believe that the greenhouses in our state also need this help. If a greenhouse is to be successful, it must have the ability to get its produce to market, which is the urban population centers. The law is written so that a highly prosperous greenhouse, will be taxed at a high "true value of farm use", thereby seeing that equitable taxes are paid. This exemption will allow our fledgling greenhouse industry a chance to grow.

Amendments #8 and #9 should be withdrawn from consideration. The 13th Legislature, as a whole and with concurrence of the Governor, has dealt with these issues by the passage of SB 260 and HB 274, respectively. This decision should be incorporated into the Committee Substitute as recommended by amendment #10.

Amendment #11 was requested by the Alaska State Hospital Association and should be judged on its merits. Their claim of discrimination against a "special" hospital seems to be valid.

Amendment #12 was placed in the Interim Report because it is a part of the information, and is an alternative. However, I strongly urge the rejection of this amendment. The differences between the two bills, were caused in a large part, by the rejection of proposed amendment #6 during the first session. I believe the Senate may change their bill or accept our version if it passes first. The proper time to discuss any remaining differences will be in Conference Committee.

Amendment #13 is a matter of housekeeping.

In addition to the Municipal Code revision, the report to the 13th State Legislature examining court decisions and opinions of the Attorney General construing Alaska Statutes revealed a problem with the local preference law. AS 04.11.502 states that one or "several questions" can be placed before the voters. The preceding paragraphs which have been updated specifically state that only one question can be placed before the voters at a time. Correcting this oversight will only take a short amendment removing the words "or several questions" from A.S. 04.011.502 (a) and (b). This action was suggested on page 78 of the report.

PHONE MEMO

TO Shirley
FROM Mollie O'Brien
OF Houston, AK
DATE 2/29
TIME 2:00 AM PM
AREA CODE 279
NUMBER [illegible]
EXTENSION

MESSAGE

would like to talk w/you about fiscal impact, etc. of Amendment in HB 172. She is the City Clerk for Houston, also on the Legislative Committee for the Alaska Municipal League. Please call her back tomorrow morning. 892-6591.

Dorothy Jones
Box 109
TALKEETNA 99676

SIGNED

PHONED ☐ CALL BACK ☐ RETURNED CALL ☐ WANTS TO SEE YOU ☐ WILL CALL AGAIN ☐ WAS IN ☐ URGENT ☐

AICO FORM NO. 50-176

MSNG 17007 MARY/MATSU

TO. REP. M. W. MILLER

892-6638
6869
6591

FR: ELSIE O'BRYAN
MEMBER, LEGISLATIVE COMMITTEE - ALASKA MUNICIPAL LEAGUE
P O BOX 24
HOUSTON 99694

RE: HB 172 - TITLE 29 REVISION

HAVE BEEN INFORMED THAT H. C&RA HAS REQUESTED A LEGAL OPINION ON HB 172. RESULTS NOT SCHEDULED TO BE AVAILABLE UNTIL MIDMARCH. CONSIDERING THE LEGISLATURE'S TIME SCHEDULE OF 120 DAYS, MARCH DATE MAY JEOPARDIZE PASSAGE OF THIS MUCH NEEDED LEGISLATION.

****

called lady 2/31/84
explained about bill -
she is anticipated to
have us handle bill

MSG 84-00019924 PRTY 1 03/02/84 08:48:13 ORIG: LM00 IN= 0006 OUT= 0019
FROM: MARY/MATSU TO: JNU INFO
TARGET: LJHK SUBJ: P O M 8

TO: REPS. M.W. MILLER, CATO, HURLBURT, LACHER, PHILLIPS, LINDAUER, MCBRIDE

FR: DOROTHY JONES
ELSIE O'BRYAN
MEMBERS OF THE ALASKA MUNICIPAL LEAGUE LEGISLATIVE COMMITTEE
P O BOX 24
HOUSTON 99694

RE: HB 172 - MUNICIPAL GOVERNMENT

THANK YOU FOR RESCINDING THE VOTE ON THE AMENDMENT WHICH WAS OFFERED BY COMMISSION NOTTI. WE UNDERSTAND IT IS THE COMMITTEE'S INTENT TO EXPEDITE PASSAGE OF THIS LEGISLATION WITHOUT ADDITION CHANGES. THIS PASSAGE COMPLIES WITH THE INTENT OF WHAT THE ALASKA MUNICIPAL LEAGUE HAS IDENTIFIED AS A MAJOR PRIORITY OF HAVING THIS BILL PASSED.

Contact

279-1441

452-1527

Anchorage, FAIRBANKS,

586-5210

Juneau P.O.'s

for Position PAPERS

on HB 562.

B.B. KAUER.

Nome - 443-5262

Valdez - 835-4560 pat Skelly

Palmer - 745-4811 McKiven

Ruth Rockwell

733-2395

Dorothy Jones
Box 109
Talkeetna
99676

TITLE 29 FACT SHEET

SUMMARY OF HB 172/SB 1 - TITLE 29 (MUNICIPAL CODE)

HB 172 and SB 1 are comprehensive bills that reorganize and clarify Title 29 (Municipal Code), but do not substantially change that part of the state statutes that direct the operation of local government in Alaska.

History: The current Title 29, last revised in 1972, is a hodgepodge of 13 years worth of amendments. It is very difficult for the average citizen to read and understand.

Recognizing the problem, the Legislature adopted SCR 66 in 1980, directing the rewrite of Title 29. A broadly representative policy committee, with the assistance of a technical committee, prepared a revised code after an exhaustive series of meetings, hearings, and public presentations.

HB 170 and SB 180 were introduced in 1981. More hearings were held during the 1981 legislative session, during the interim, and continuing through the 1982 session. SB 180 passed the legislature, but because of controversial floor amendments, Governor Hammond vetoed the bill.

In 1983, SB 1 was introduced by Senators Sturgulewski and Gilman; HB 172, by Governor Sheffield. Both bills are basically the same as the bill that had passed the previous year minus the controversial amendments. More committee work was done in both the House and Senate on the 204 page bill.

Changes: For the most part, these bills reorganize and reword Title 29 for clarity and flexibility. Policy changes of any substance are very few. The main changes are:

Third Class Boroughs: The existing third class borough, Haines Borough, continues in existence, but there is no provision for incorporating new third class boroughs in the future.

Home Rule Status: Second class cities and unincorporated areas are authorized to adopt home rule charters, which must be ratified by a vote of the people.

Municipal Powers: A general grant of municipal powers is given to municipalities, instead of a long list of enumerated powers. The difference is more semantic than actual, since the list includes almost every conceivable municipal power. There is no change in the manner in which boroughs acquire powers.

Organizational Grants/Feasibility Studies: The organizational grants are increased and expanded, depending on the category of local government. Studies for the feasibility of local government are authorized.

Incorporation Requirements: The minimum number of people required for incorporation as either a first class or home rule city is increased from 400 to 600.

Ordinance Violation: Penalties for ordinance violations are increased from a maximum $500 and 30-days to class B misdemeanor penalties, which are a maximum of $1000 and 90-days.

Extraterritorial Jurisdiction: Solid and septic waste disposal, utility services, wharves, harbors, and other marine services are added to the list of powers that may be exercised outside the boundaries of the municipality, if the municipality has the authority to exercise the power inside its boundaries.

Economic Development: Allow economic development as a non-areawide power for second class

boroughs, without requiring a vote of the people to exercise it.

Franchise: Requires a vote on franchises of more than 5 years; current law requires a vote on all franchises.

Eminent Domain: Removes the requirement that second class cities get permission from the Department of Community and Regional Affairs and the voters before exercising the power of eminent domain.

Planning, Platting, and Land Use: Updates the language, changing "zoning" to "land use".

Run-Off Elections: Allows run-off election procedures and requirements to be changed by ordinance.

Personal Property: Allows exemption of personal property from taxation.

Taxation of Boats: Removes the $5 and $15 property tax limit on boats if assessed on the basis of net tonnage.

Penalties and Interest: Increases the maximum penalty on delinquent property and sales tax from 10% to 20% and interest from 8% to 15%.

Revenue Bonds: Authorizes revenue bonds to be payable solely from the revenue and property of the project.

Municipal Assistance Fund: Moves the administration of the Municipal Assistance Fund from the Department of Revenue to the Department of Community & Regional Affairs.

Municipal Property Disposal: Requires municipalities to adopt formal procedures by ordinance; current law sets out procedures including requiring an election on the disposal of any property valued at more than $25,000.

The substantive differences between SB 1 and HB 172 are:

Hospital Definition: Proposed CSHB 172 (CRA) adds "special" hospitals to the definition section for revenue sharing eligibility.

Farm Use Greenhouses: Senate CRA amendment to SB 1 provides for the assessing of farm use greenhouses on the basis of full and true value for farm use.

Annexation and Detachment: Senate CRA amendment to SB 1 adds detachment language to the annexation sections and establishes a time deadline for Local Boundary Commission action.

Education Powers: Senate CRA recommends amending the powers section to provide for a double majority vote before a second class city or an unincorporated area in an REAA can assume the education power when incorporating as a first class or home rule city. The vote would be both in the proposed incorporating area and the rest of the REAA.

Alaska Municipal League
Prepared February 23, 1984

AMENDMENT TO CSHB 172:

Add in AS 29.60.140 after the word borough "or within an organized borough"

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM March 1, 1984

SUBJECT: Proposed amendment to the municipal code revision bill (CSHB 172 C&RA))

TO: Representative Mike W. Miller
Chairman
House Community and Regional Affairs

FROM: Tamara Brandt Cook TBC
Deputy Director
Division of Legal Services

You have asked what the legal effect would be of adding language to Sec. 29.60.140(b) in CSHB 172 (C&RA) so that the subsection would read:

> (b) In this section "unincorporated community" means a place in the unorganized borough or within an organized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit. (New language underlined)

That section provides for aid to unincorporated communities. It replaces the current program of aid to Native village governments contained in AS 29.89.050 to reflect the way the program has actually been administered. Under sec. 29.60.140 each unincorporated community in the unorganized borough may receive an annual entitlement of $25,000 if there is a qualified entity in the community to receive and spend the money. The amendment changes the definition of "unincorporated community" to include communities in boroughs as well as communities outside of boroughs. Under this amendment, an unincorporated community, no matter where it is located in the state, can qualify to receive a grant.

You have also asked whether this amendment would have any fiscal impact. Since under the section as it now appears, only certain communities may receive a grant (those in the unorganized borough), and since the amendment would have the effect of increasing the number of communities that would

qualify for a grant by including communities in all the organized boroughs, it seems that the number of grants awarded under the section could increase substantially. Assuming an effort is made to fully fund the program, the program as amended will probably be significantly more expensive than it would have been under the original section. I have no way to determine how much additional money would be needed to fully fund the program.

You have also asked whether this amendment will encourage the formation of municipalities. I can think of no legal reason that this amendment would have that effect. Granting money to communities would not remove the limitation on incorporation of a cities under sec. 29.05.020 of the bill. In addition, some communities that would qualify for a grant on the basis of population would not be able to incorporate as a city for lack of 25 voters required to sign an incorporation petition. This is the minimum number of voters necessary for incorporation of a city. (See 29.05.060 (12)). To receive a grant, all that is needed is 25 residents, including children and others who might not be voters.

TBC:ojb
J4/029

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

Amend #1

TO: House C & R A Committee

FROM: Staff

SUBJECT: Difference between CSSB 1 and HB 172

DATE: March 22, 1983

HB 172 amendments needed to make it the same as CSSB 1:

p. 33, after line 28, insert new line (26) 29.35.060 (franchise and permits) and renumber following paragraphs accordingly.

p. 77, after line 6, add a new subsection
(c) this section applies to home rule and general law municipalities.

p. 77, line 9, after "regulate" delete [,] and add a utility service and"

p. 77, line 12 after "is" delete [not]
after AS 42.05, delete [and] and add "or"

p. 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

p. 77, line 17 -20, delete subsection (c) and add a new subsection
(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

p. 77, lines 21-22, delete subsection (d) and add a new subsection
(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges

do not adopt

Rep. Lacher's copy

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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House of Representatives
Committee on Community & Regional Affairs

TO: House C & R A Committee

FROM: Staff

SUBJECT: Difference between CSSB 1 and HB 172

DATE: March 22, 1983

HB 172 amendments needed to make it the same as CSSB 1:

p. 33, after line 28, insert new line (26) 29.35.060 (franchise and permits) and renumber following paragraphs accordingly.

p. 77, after line 6, add a new subsection
(c) this section applies to home rule and general law municipalities.

p. 77, line 9, after "regulate" delete [,] and add a utility service and"

p. 77, line 12 after "is" delete [not]
after AS 42.05, delete [and] and add "or"

p. 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

Enabled if Amendment #9

p. 77, line 17 -20, delete subsection (c) and add a new subsection
(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

p. 77, lines 21-22, delete subsection (d) and add a new subsection
(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges

established under this section shall be reasonable and permit a fair return on invested capital. p. 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

p. 77, Sec. 29.35.070, add a new subsection

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

p. 77, Sec. 29.35.070, add a new subsection
(g) This section applies to home rule and general law municipalities.

p. 195, line 22, add
*Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber following sections accordingly.

1. p. 107, line 29, after "borough" delete [including...period;]

2. p. 61, line 10, after "(3) delete [is] and add "has been
after "elections" add for at least 30 days immediately preceeding the municipal election; and

3. p. 14, lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

p. 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

p. 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

p. 14, line 24 after "annexed" add or detached

p. 14, after subsection (3) add a new subsection
(4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition.

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

Page 35, line 5:
Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";"

Page 35, after line 8:
Insert "(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

Amendment #1

All housekeeping changes, except for the two which are starred.

*1 - The muni. must adopt a conflict of interest ordinance that provides that (read #1)

*2 - If the muni. doesn't adopt a conflict of interest ordinance w/in 180 days after

Alaska State Legislature

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 2

Randy Phillips, Mike Szymanski

The following changes are proposed by ~~Ginny Chitwood, Alaska Municipal League.~~

1. Page 68, lines 5-7:
Delete section 29.26.250.

2. Page 68, line 15:
Delete "grounds of", insert "reasons for".

3. Page 68, line 24:
Delete "grounds" insert "reasons".

4. Page 69, lines 20,24:
Delete "25", insert "35".

5. Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a concensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

Amendment #2

#s 1, 2, 3, & 5 eliminate the specified "grounds for recall" which are: misconduct in office, incompetence, or failure to perform prescribed duties.

#4 increases the signatory requirements for petitioners from 25% to 35%.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU ALASKA 9981[illegible]
907-465 3800

MEMORANDUM February 24, 1983

SUBJECT: Recall of municipal officials
(Work Order No. 13-0837)

TO: Representative Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have asked what the responsibility of the clerk is in reviewing recall petitions for sufficiency.

What a recall petition must contain and the method of determining the sufficiency of a petition depends on the specific statute involved and these types of laws vary from state to state. Some statutes require only a general statement of the grounds for recall and an official may be recalled for purely political reasons. However, other statutes require grounds for recall that are more than simple disagreement with matters of policy and the grounds stated must actually constitute misfeasance, malfeasance or nonfeasance in office. McQuillan, Municipal Corporations, vol. 4, sec. 12.251b: Noel v. Oakland County Clerk, 284 N.W.2d 761 (Michigan 1979); Bent v. Ballantyne, 368 S.2d 351 (Florida 1979); Tolar v. Johns, 147 S.2d 196 (Florida 1962); Jacobsen v. Nagel, 96 N.W.2d 569 (Minnesota 1959).

Where petitioners are required to state only general grounds, the recall petition need not state the cause for removal with the same particularity as where the requirement is that reasons for removal be stated clearly. The purpose of a general statement of grounds is to furnish information to electors upon which a political and not a legal issue may be raised. Under statutes providing that a statement of grounds for recall is for the information of the electors, the question of the sufficiency of those grounds is also for the electors, but under provisions authorizing recall for malfeasance or similar language, the sufficiency of the grounds provided is a legal question. 63 Am. Jur.2d, Public

Officers and Employees, sec. 245; Pybus v. Smith, 141 P. 203 (Washington 1914).

Statutory provisions as to recall are to be liberally construed in favor of the electorate's right to exercise recall. Hazelwood v. Saul, 619 P.2d 199 (Colorado 1980). Under this principle and in the absence of statutory language limiting the recall to specific, indicated reasons, the adequacy of grounds stated in a petition is treated as a political matter and courts refuse to enjoin recall petitions on complaints that charges are insufficient. However, where recall is limited to specified grounds of malfeasance or similar language it is generally held that

> . . . petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Municipal Corporation Law, sec. 22.200, pages 22-304 - 22-305.

The officer designated to ascertain the sufficiency of a petition in a particular statute may be required to determine legal sufficiency rather than matters of form only. Unless an appeal is specifically provided for, the officer's determination as to sufficiency of a recall petition is final and subject only to judicial correction if the determination is capricious, arbitrary, or plainly erroneous as a matter of law. McQuillan, supra., vol. 4, sec. 12.251(d); Hold v. Trantham, 575 S.W.2d 83 (Texas 1979).

Article XI, section 8 of the Constitution of the State of Alaska provides:

> All elected public officials, in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedure and grounds for recall shall be prescribed by the legislature. (Emphasis added)

In carrying out this constitutional responsibility the legislature has provided under AS 29.28.140 that misconduct in office, incompetence, and failure to perform prescribed duties are the grounds for recall. In addition, under AS 29.28.150(a)(3), a petition for recall must contain ". . . a statement of the grounds of the recall stated with particularity as to specific instances". (Emphasis added)

The municipal clerk is required to review the petition ". . . for content and signatures . . ." under AS 29.28.160.

These statutory provisions dealing with recall have not been judicially construed by the Supreme Court in this state, so it cannot be determine with certainty whether the clerk is required to review the petition for signatures and form only or whether the clerk must determine as a legal matter whether the specific instances set out in a petition, if true, constitute misconduct in office, incompetence or failure to perform prescribed duties. Under the principles set out previously in this memorandum it appears that the clerk is required to determine whether the specific instances set out support a claim of misconduct in office, incompetence or failure to perform prescribed duties because AS 29.28.150 demands more than just a general statement of the grounds for recall and does not specifically indicate that the stated grounds are for the information of the voters only.

Under both versions of the bill revising Title 29, SB 1 and HB 172, the grounds for recall remain unchanged although the procedure for recall has been substantially changed. Nevertheless, an applicant for a recall petition under Sec. 29.26.260(a)(3) is still required to set out the grounds ". . . with particularity". The clerk must prepare a recall petition only if the clerk determines that the application for the petition meets the requirements of AS 29.26.260, including the requirement that grounds be ". . . stated with particularity" (Sec. 29.26.280). After a petition is filed the clerk must again determine whether the petition is sufficient and, if insufficient, ". . . identify the insufficiency and notify the sponsors. . ." (Sec. 29.-26.290). It seems clear that since the clerk must identify the insufficiency, a determination of sufficiency is not limited to review of signatures, even though (b) and (c) of the section only provide for correcting a petition insufficient for lack of signatures. It appears under these sections that the clerk would still be required to determine whether the grounds stated, if true, actually constitute misconduct in office, incompetence, or failure to perform prescribed duties.

I believe that this interpretation conforms to the intent of the policy committee that produced the original version of a Title 29 revision bill. There was considerable discussion of the recall provisions by that committee and at one point

the committee considered requiring only a general statement of reasons for recall and allowing recall to proceed upon purely political grounds. It was even suggested that grounds for recall be eliminated entirely. That approach was specifically rejected by the committee. Consequently, I would recommend that HB 172 be amended to clearly reflect the fact that the clerk is to review a recall petition for form and signatures only, and not to determine whether grounds stated actually constitute misconduct in office, incompetence, or failure to perform prescribed duties, if that is the result intended by the legislature.

TBC:ljb

NOTES APPLICABLE TO FOLLOWING IMAGE

Editorial Comments

Amendments on this subject should be:

1) Pg. 75, delete lines 19-21.
2) Pg. 75, delete lines 27-29

> These sections give the municipality the Authority to REQUIRE inaividuals to use the govt. provided garbage collection service rather than another method.

Boy, That's some "free market" when the government is allowed to come in & force A garbage collection company out of business & buy them out at a government-determined price!!

Amendment #3

This would clarify exactly what eminent domain is used for: (to acquire the certificate, equipment & facilities of the carrier, or that portion of the certificate that would be affected).

Enid's suggested amendment

Pg. 76, lines 18-20, Delete "A municipality may exercise the right of eminent domain to determine fair market value."

Alaska State Legislature

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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:
Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to excercise the right of eminent domain to acquire certificates or property.

Passed
I objected,
voted no

Alaska State Legislature

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Room 104
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House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "$100,000.00" insert "$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a concessus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high ($100,000.00).

Amendment #4

The bill currently requires notice to all holders of a mortgage or lien on property only if the assessed value is $100,000 or more. This would reduce the minimum to $20,000.

Alaska State Legislature

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House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 5

Passed

Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

Sec. 29.40.210. ACTIVITIES AUTHORIZED BY STATE OR FEDERAL AGENCIES. (a) Ordinances, regulations, permit decisions, coastal management or other land use plans adopted or promulgated under AS 29.35.180, AS 29.40 or AS 46.40 may not preclude or otherwise impede a hydrocarbon, mineral or geothermal exploration, development or production activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.

(b) The provisions of this section apply to home rule and general home rule and general law municipalities.

AMENDMENT #1

SENATE AMENDMENT

MAR 15 1983

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: 27

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

Page 33, line 29, insert:

"(28) 29.35.075 (disputes and conflicts with state certificated utilities)"

Page 77, after line 3, insert:

"(c) This section applies to home rule and general law municipalities."

Page 77, line 4-19, delete Section 29.35.070 and insert:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service, and may fix, establish, and change the rates and the charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or otherwise specifically prohibited by law.

(b) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality establishing

the procedures for regulating service and procedures for establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(d) This section applies to home rule and general law municipalities.

Page 77, after line 19, insert:

"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES. (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251.

(b) In case of a conflict between the provisions of AS 29.35.070 or AS 42.05 or an action taken under either as to the regulation of service rates or charges of a utility, the provisions of AS 42.05.641 apply.

(c) This section applies to home rule and general law municipalities.

Page 195, after line 19, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711."

Renumber following sections accordingly.

SENATE AMENDMENT

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 74 LINE: 9

Delete "utility services,"

Page 77, after line 17, insert:

"(d) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain and operate utility facilities together with necessary interests in real property outside its municipal boundaries."

Page 77, line 18, delete:

"(d)" and insert "(e)"

Alaska State Legislature

Representative Milo Fritz
District 5
P.O. Box 158
Anchor Point, Alaska 99556
(907) 235-8366

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4833

House of Representatives

MILO FRITZ

MEMORANDUM

TO: Representative Milo H. Fritz
FROM: David Schade, Staff
DATE: August 16, 1983
RE: C&RA Interim Proposal

The House Community and Regional Affairs Committee has 25 Bills and Resolutions in committee at this time. 15 of these bills and resolutions can be researched and prepared for commitee hearings in Juneau. 7 of these Bills are no longer valid and 3 Bills will require extensive research.

HB 92 Repeal AK Coastal Management Program by Bettisworth would require extensive research and public hearings. There seems to be much opposition to this bill by Boroughs and Cities around the state, and I do not know if the House Majority Coalition is in favor of this bill.

HB 172 RE: Municiple Government by Rules has had its hearings and is ready to be passed out of committee. I would suggest that staff prepare a report explaining how the different issues have been solved. As we discussed it will be important that the bill is not amended by poorly informed legislators after the bill is passed out of committee.

HB 317 RE: State Revenue Sharing/Municipal Assistance by Rules by request of the Governor is a complex bill. This bill was designed to combine existing revenue sharing and municipal assistance programs into a single program. It would also give increased minimum entitlements for local governments. According to Representative Lachers' Interim Proposal "... the legislation is deficient in equity and may cause unnecessary administrative burdens." It would seem to be beneficial to have public hearings around the state on this bill before session and to have researched and defined the problem areas.

Representative Lacher also proposed to hold public hearings and develop legislation to assist the unincorporated boroughs in the organization process. This was recommended by the Local BoundaryCommission, but I do not know anything about this issue.

As you can see there is more work for the committee to do than time available. With only 4½ months before we return to Juneau it will be important to identify the projects that the coalition wants pursued, and allocate our time accordingly.

The following amendment is the differences between House Bill 172 and CS Senate Bill 1 at present. If adopted, both bills would be in line.

AMENDMENT #12 - page 33, after line 28, insert new line (26) 29.3-5.060 (franchise and permits) and renumber following paragraphs accordingly.

page 77, after line 6, add a new subsection - (c) this section applies to home rule and general law municipalities.

page 77, line 9, after "regulate" delete [,] and add a utility service and"

page 77, line 12 after "is" delete [not] and after AS 42.05, delete [and] and add "or"

page 77, line 14 delete [(2)...law.] and add (2) municipal regulat... is prohibited by AS 42.05.711 (k) or other law.

page 77, line 17-20, delete subsection (c) and add a new subsection (c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

page 77, lines 21-22, delete subsection (d) and add a new subsection (d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

not introduced — should not be — might be bargaining tool for Senate!

page 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

page 77, Sec. 29.35.070, add a new subsection (f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

page 77, Sec. 29.35.070, add a new subsection (g) This section applies to home rule and general law municipalities.

page 195, line 22, add Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber the following sections accordingly.

page 107, line 29, after "borough" delete [including...period;]

page 61, line 10, after "(3) delete [is] and add "has been
after "elections" add for at least 30 days immediately preceding the municipal election; and

page 14, lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

page 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

page 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

page 14, line 24 after "annexed" add or detached

page 14, after subsection (3) add a new subsection (4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition. (S.D.#20)

~~AMENDMENT #13 - Change effective dates to present year.~~

~~END~~

TO: House C & R A Committee

FROM: Staff

SUBJ: HB172 - Amendment #11

DATE: February 9, 1984

The following change is proposed in the definition section of Article 15, General Provisions, Section 29.60.800(2):

(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general OR SPECIAL hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

adopt

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hospital
association

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American Hospital
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an Member of
Berger, M.D.

dent
s L. DeWitt
u

March 17, 1983

The Honorable Bill Ray
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Subject: Senate Bill 1

Dear Senator Ray:

You have before you SB 1, the municipal code revision which includes in it revisions to the existing law, AS 29.89, state aid to municipalities and other eligible recipients for health facilities and hospitals.

That section as currently drafted, AS 29.60.120 in SB 1, continues to discriminate against the Juneau Regional Rehabilitation Hospital by excluding it from hospital revenue sharing. This, inspite of the fact that the facility was required to be built to acute hospital standards and functions as an acute facility with a specialty license. The specific problem is caused in the definition section of Article 15, General Provisions, Section 29.60.800(2). This should be changed to read as follows:

> (2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

Your assistance in securing this amendment would be greatly appreciated.

Sincerely,

Dennis L. DeWitt
President

cc: Representative Mike Miller
Matthew Felix

TO: House Community and Regional Affairs Committee

FROM: Staff

SUBJ: HB172 - Amendment #13

DATE: February 8, 1984

All effective dates should be changed to the present year.

needs introduction + adoption

TO: House C & R A Committee

FROM: Staff

SUBJ: HB172 - Amendment #11

DATE: February 9, 1984

The following change is proposed in the definition section of Article 15, General Provisions, Section 29.60.800(2):

(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general OR SPECIAL hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

needs introduction + adoption

alaska state hospital association

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REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

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Delegate to the American
Hospital Association
Sr. M. Camosso
Providence Hospital
Anchorage

Alternate Delegate to the
American Hospital Assoc.
Michael Lockwood
Central Peninsula Hospital
Soldotna

Delegate to the American
Health Care Association
[illegible]
Anna Nursing Home
Juneau

Alternate Delegate to the
American Health Care
Association
Irma G. Ivy
Mangell General Hospital
Mangell

Delegate to the Association
of Western Hospitals
Michael Herring
Central Peninsula Hospital
Soldotna

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American Hospital Assoc.
Jim Kadish
Trustee, Providence
Hospital
Anchorage

Alternate Trustee Delegate
to American Hospital
Association
Bert Jensen
Central Peninsula Hospital
Soldotna

Physician Member of
[illegible]
[illegible] Sperger, M.D.
[illegible]

President
Dennis L. DeWitt
Juneau

March 17, 1983

The Honorable Bill Ray
Alaska State Senate
Pouch V
Juneau, Alaska 99811

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> (2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

Your assistance in securing this amendment would be greatly appreciated.

Sincerely,

Dennis L. DeWitt
President

cc: Representative Mike Miller
Matthew Felix

AMENDMENTS

The following is a list that presents a brief explanation of the amendments that were discussed and that received approval from the House Committee on Community and Regional Affairs during the 1983 legislative session. The following amendments 1 through 10, cover the concerns brought out from the proposals previously conducted by the Hammond Administration as well as progressively bringing further clarity and flexibility to Title 29.

passed

AMENDMENT #1 - clarifies the participation of a municipal employee or official in instances where the employee or official has substantial financial interest that may constitute a conflict of interest. Other items on the amendment are grammatical changes and general house keeping changes to further clarify the language (S.D.#9).

delete

AMENDMENT #2 - removes the requirement of determining the "sufficiency of grounds" for a recall election. It replaces "providing legal grounds" with "providing reasons for" and amends the percentage amount of signatures required to constitute a recall election from 25% to 35% (S.D.#10).

passed

AMENDMENT #3 - defines the intent of eminent domain process. As written, the statement may have not met the intent of allowing municipalities to exercise the right of eminent domain to acquire specific certificates or properties (S.D.#11).

passed

AMENDMENT #4 - lowers the minimum value of property to be foreclosed upon without notification to the owner by certified mail to $20,000.00 from the proposed limit of $100,000.00 (S.D.#12). Presently, property of any value must be notified.

passed

AMENDMENT #5 - specifies the date that Chapter 45 of Title 29 as written in House Bill 172 will go into effect. The amendment will avoid the possibility of a split tax year and will provide lead time for municipal planning and department assistance for mandated state and federal programs (S.D.#13).

AMENDMENTS

The following is a list that presents a brief explanation of the amendments that were discussed and that received approval from the House Committee on Community and Regional Affairs during the 1983 legislative session. The following amendments 1 through 10, cover the concerns brought out from the proposals previouslv conducted by the Hammond Administration as well as progressively bringing further clarity and flexibility to Title 29.

AMENDMENT #1 - clarifies the participation of a municipal employee or official in instances where the employee or official has substantial financial interest that may constitute a conflict of interest. Other items on the amendment are grammatical changes and general house keeping changes to further clarify the language (S.D.#9).

AMENDMENT #2 - removes the requirement of determining the "sufficiency of grounds" for a recall election. It replaces "providing legal grounds" with "providing reasons for" and amends the percentage amount of signatures required to constitute a recall election from 25% to 35% (S.D.#10).

AMENDMENT #3 - defines the intent of eminent domain process. As written, the statement may have not met the intent of allowing municipalities to exercise the right of eminent domain to acquire specific certificates or properties (S.D.#11).

AMENDMENT #4 - lowers the minimum value of property to be foreclosed upon without notification to the owner by certified mail to $20,000.00 from the proposed limit of $100,000.00 (S.D.#12). Presently, property of $10,000 value must be notified.

AMENDMENT #5 - specifies the date that Chapter 45 of Title 29 as written in House Bill 172 will go into effect. The amendment will avoid the possibility of a split tax year and will provide lead time for municipal planning and department assistance for mandated state and federal programs (S.D.#13).

failed

AMENDMENT #6 - This amendment did not receive committee approval (S.D. #14).

delete

AMENDMENT #7 - deletes "greenhouses" from being considered under a special lower assessment for property taxes on farm use land. The special taxing provisions for farm use land is designed to help farmers resist pressures to sub-divide their land (S.D.#15).

not voted on motion for delete

AMENDMENT #8 - deals with required tax exemptions which contain new language that defines "developed" for the implementation of a required federal tax program. This concern was addressed and resolved in Senate Bill 260 (S.D.#16).

not voted on motion delete

AMENDMENT #9 - relates to the Alaska Public Utilities Commission. The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is not subject to regulation by the Alaska Public Utilities Commission (S.D.#17). Please review HB274 (S.D.#5) which dealt with this issue.

PROPOSED AMENDMENTS FOR CONSIDERATION DURING 1984 SESSION

adopt

AMENDMENT #10 - Legal Services is preparing this amendment, by request of the Chairman, to be considered by the Committee on Community and Regional Affairs during the 1984 legislative session. It will encompass all legislation that was signed into law during the 1983 session that pertains to Title 29. This action is necessary in order to reflect changes made to Title 29 that are not now incorporated in the revision bill.

Three separate pieces of legislation became law. SB85 relates to the certificate of need program and construction funding for health facilities (S.D.#18).

Senate Bill 260 which provides for the definition of "developed" as it relates to lands that are exempt from taxation as stated by federal law (S.D.#4). House Bill 274 would exempt a utility which furnishes cable television from the provisions of the Alaska Public Utilities Commission Act (AS 42.05.010 thru AS 42.05.721) with the exception of provisions requiring a certificate of public convenience and necessity (AS 42.05.221 thru AS 42.05.281), unless 25 percent of the subscribers petition the commission for regulation (S.D.#5).

adopt

AMENDMENT #11 - "special hospitals" to be included in definition of health facilities - AS 29.60.800(2), page 169, line 3 of House Bill 172. That section as currently drafted discriminates against special hospitals by excluding them from hospital revenue sharing. Since these facilities are required to be built to acute hospital standards and function as an acute facility with a specialty license, language to resolve this discrepancy may read as follows:

> AS 29.60.800(2),
> "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state of the federal government (S.D.#19).

The following amendment is the differences between House Bill 172 and CS Senate Bill 1 at present. If adopted, both bills would be in line.

AMENDMENT #12 - page 33, after line 28, insert new line (26) 29.3-5.060 (franchise and permits) and renumber following paragraphs accordingly.

page 77, after line 6, add a new subsection - (c) this section applies to home rule and general law municipalities.

page 77, line 9, after "regulate" delete [,] and add a utility service and"

page 77, line 12 after "is" delete [not] and after AS 42.05, delete [and] and add "or"

page 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

page 77, line 17-20, delete subsection (c) and add a new subsection (c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

page 77, lines 21-22, delete subsection (d) and add a new subsection (d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

page 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

page 77, Sec. 29.35.070, add a new subsection (f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

page 77, Sec. 29.35.070, add a new subsection (g) This section applies to home rule and general law municipalities.

page 195, line 22, add Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber the following sections accordingly.

page 107, line 29, after "borough" delete [including...period;]

page 61, line 10, after "(3) delete [is] and add "has been
after "elections" add for at least 30 days immediately preceding the municipal election; and

page 14, lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

page 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

page 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

page 14, line 24 after "annexed" add or detached

page 14, after subsection (3) add a new subsection (4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition. (S.D.#20)

adopted

AMENDMENT #13 - Change effective dates to present year.

END

TO: House Community and Regional Affairs Committee

FROM: Staff

SUBJ: HB172 - Amendment #13

DATE: February 8, 1984

All effective dates should be changed to the present year.

P.O.Box 1166
Fairbanks, Alaska 99707
452-4275

March 29, 1984

To: All members of House Judiciary Committee
and Fairbanks Delegation

Re.: Opposition to CSHB 172 (C&RA), an act changing local government law

Dear Legislators:

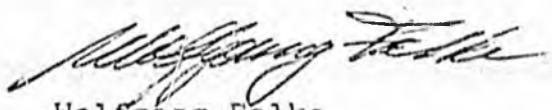
CSHB 172 conflicts with numerous constitutional provisions. In the past I have written extensively and pointed out the problems with this bill (attached is a copy of my twelfth letter to all Legislators, a letter to the editor and one addressed to Governor Hammond in 1982 concerning the basically same bill then, that was stopped by veto).

Now, like then, the public is not aware that this notorious administration-pushed bill is moving again. The public is uninformed of the changes in present law should CSHB 172 be passed and in fact is denied a fair opportunity to comment. This bill is to the public like a thief in the night that will rob the people of their constitutional right to maximum local self-government, to property, etc.

(Upon your request I will gladly, within a reasonable time, prepare a more detailed analysis of this bill with respect to the the provisions of the Alaska Constitution and the people as a whole.)

Without further public input, this bill should die in your committee. Present law provides adequately for the necessary administration and for maximum local self-government.

Very truly yours,



Wolfgang Falke

P.O. Box 1166
Fairbanks, Ak. 99707
452-4275

Twelfth open letter to all
Legislators of the State of Alaska

May 19, 1982

Re.: HCS CSSB 180(2d Fin) "An Act relating to municipal government"

Dear Legislator:

We have spent much time reviewing this version of SB 180 as well as the other committee versions. We only can react to a bill that comes out of a committee and the comments we make seem to be of no concern to the next committee scrutinizing and amending the same bill from their special point of interest. Therefore please consider the objections expressed from the viewpoint of the voters as enumerated in the letters I previously mailed to you plus the following:

With respect to the proposed procedures for the incorporation of home rule municipalities - in order to assure maximum local voter approval and local self-determination - the following changes must be made:

Delete proposed AS 29.05.060(13) "for a home rule municipality a proposed home rule charter" (at page 6);
delete proposed AS 29.05.110(d) "A home charter included in an incorporation petition under AS 29.05.060(13) is considered to be part of the incorporation question. The home rule charter is adopted if the voters approve incorporation of the municipality." (at page 8);
add "Because a home rule municipality has all legislative powers not prohibited by law or charter, a listing of each additional municipal power (additional to the mandatory powers of tax assessment and collection, education etc.) must appear separately on the ballot so that each could be voted on for the purpose of exclusion from exercise by the proposed new municipality.";
delete proposed AS 29.10.010(g) "The proposed charter for an unincorporated community or an area of the unorganized borough shall be filed with the incorporation petition filed under AS 29.05.060." (at page 28); and
add the following to AS 29.10.020:
"Model charters may serve only as an example or as a guideline to the members of the charter commission and must not be made a part of the incorporation petition under AS 29.05.060."

With respect to penalties (AS 29.25.070 at page 57), violation (AS 29.-40.180 at page 92) and remedies (AS 29.40.190 at page 92) - in addition to the objections expressed in my previous letters - the following ought to be added:

"Harm must be established in an action under this Title. Harmless violation of a provision under this Title or of an ordinance or regulation shall not be construed as a punishable offence."

HB 170 or SB 180 in any form must not become law.

Very truly yours,

Wolfgang Falke

P.S.
The third class borough form of local government is not "only a school district"! Please see AS 29.41.010(b), and my 10th and 4th open letter to all Legislators.
The third class borough must remain law as a first step to borough organization.

P.O. Box 1166
Fairbanks, Alaska 99707
452-4275

Jay S. Hammond, Governor
3rd Floor State Capitol
Pouch A
Juneau, Alaska 99811

June 3, 1982

Re.: HCS-CSSB-180(Jud)amH,"An Act relating to municipal government"

Dear Governor Hammond:

HCS-CSSB-180(Jud)amH,"An Act relating to municipal government", having passed both the House and the Senate, now comes across your desk for approval, inaction, or veto. Before you decide the fate of this bill, please consider the following comments for the good of the people of Alaska as a whole:

This bill has received little publicity and only in recent weeks was labeled by the Municipal League and the Associated Press as just revising or reorganizing "chaotic laws regulating cities". In reality this bill is fundamentally changing the form of borough government and eliminating local voter approval of additional municipal powers to be exercised by second class boroughs, as well as deleting the reclassification option from second to third class status and the formation of new third class boroughs. Among other fundamental changes, it will, without the vote of the people, allow second class boroughs to provide for economic development, i.e. unrestricted government business and government industrial development. That is something the Voters of Fairbanks turned down by about 75% "No"-votes at the last general election.

By conferring authority to exercise additional municipal powers without the approval of the local electorate, and by prohibiting the formation of new third class boroughs the legislature is violating the constitutional mandate to provide for maximum local self-government. The Municipal League is pushing for passage of the bill and hiding the bills true intention of stripping the local citizens of their right to voter approval for the exercise of additional powers by the borough governments. This is also evidenced in my recent letter to the Editor of the Fairbanks Daily News-Miner, copy of which is attached hereto.

At the time the people of Alaska adopted the Constitution of the State of Alaska it was their will to retain the right of self-determination over local government, and that any additional exercise of municipal powers or special services must be approved by the voters of the locality affected. It is your duty as Governor of the State of Alaska to support and defend the Constitution of the State of Alaska, therefore you are obligated, pursuant to Article I, Sections 2, 15, and 21, Article II Sections 13 and 19, and Article X of our Alaska Constitution to exercise your veto power over this unconstitutional enactment created in HCS-CSSB-180-(Jud)-am-H by our legislators.

For the good of the people as a whole I urge you to veto this bill.

Very truly yours,

Wolfgang Falke

Wolfgang Falke

cc: Editors of
Alaska newspapers

P.O.Box 1166
Fairbanks, Alaska 99707

May 29, 1982

Fairbanks Daily News-Miner
200 No. Cushman St.
Fairbanks, Alaska 99701

Dear Editor:

This is in response to the Juneau AP report in your May 26, 1982 issue regarding Senate Bill 180, "An act relating to municipal government", wherein it was stated:

> "Alaska Municipal League Executive Director Ginny Chitwood defended the bill. She said city officials have struggled for years with Alaska's disorganized set of rules regulating their decisions, and the bill would straighten out the complicated municipal code."

A quick look at SB 180 and present law will convince overwhelmingly that the contrary is true! The proposed new law will allow existing second class boroughs to exercise many new additional powers circumventing local voter approval. Among such additional powers are the powers to provide for unrestricted government business and government industrial development, something that the voters of Fairbanks turned down by about 75 % "No" votes at the last general election. It is unconstitutional and unlawful for the legislature to "confer" the authority to exercise such powers to second class boroughs without the consent of the local voters.

The Municipal League's further statement, that

> "... local governments formed under other law (general law, other than home-rule) may do only what is specifically allowed in the municipal code."

<u>is false</u>! Present law confers undiscriminatingly all municipal powers to any class of borough or city. Third class boroughs must exercise the areawide powers of tax assessment and collection, and education; second class boroughs must exercise the areawide powers of tax assessment and collection, education, and planning, platting and zoning. Any additional powers proposed for exercise by a second or third class borough must be approved by the local voters affected; and if more than one power is proposed, each must appear separately on the ballot. That is the law that was approved by the citizens when they voted to incorporate as a second or third class borough, and the legislature cannot legally change that law without the approval of the voters of

existing second or third class boroughs.

The Municipal League's further statement, that

> "The reason for prohibiting any new third class boroughs is that state law limits the powers of third class boroughs making it difficult for the locality to spend revenue sharing money they collect from the state."

is a careless misconstrual. State law does not limit the powers of a second or third class borough - the citizens do, by a majority vote of the electorate! The citizens of a third class borough can approve by majority vote any additional municipal power they would like their local government to exercise on a service area basis, and should they desire their local government to exercise areawide or non-areawide additional powers they would vote to reclassify to second or first class status. It's not the legislature that limits the powers to be exercised by the local government, the local citizens do. The Alaska Constitution, Article X, Section 1, demands that the legislature shall prescribe law for maximum local self-government, and for different classes of boroughs and cities, and to provide for their reclassification. Therefore new incorporation of third class boroughs, as well as reclassification from second to third class borough status, must not be tampered with!

SB 180 MUST NOT BECOME LAW IN ANY FORM!

Very truly yours,

Wolfgang Falke

Wolfgang Falke

HB

172

#2

SENATE AMENDMENT

MAR 15 1982

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

file #B 172
C+RA
Title 29

PAGE: 33 LINE: 27

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

Page 33, line 29, insert:

"(28) 29.35.075 (disputes and conflicts with state certificated utilities)"

Page 77, after line 3, insert:

"(c) This section applies to home rule and general law municipalities."

Page 77, line 4-19, delete Section 29.35.070 and insert:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service, and may fix, establish, and change the rates and the charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or otherwise specifically prohibited by law.

(b) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality establishing

the procedures for regulating service and procedures for establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(d) This section applies to home rule and general law municipalities.

Page 77, after line 19, insert:

"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES. (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251.

(b) In case of a conflict between the provisions of AS 29.35.070 or AS 42.05 or an action taken under either as to the regulation of service rates or charges of a utility, the provisions of AS 42.05.641 apply.

(c) This section applies to home rule and general law municipalities.

Page 195, after line 19, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711."

Renumber following sections accordingly.

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 74 LINE: 9

Delete "utility services,"

Page 77, after line 17, insert:

"(d) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain and operate utility facilities together with necessary interests in real property outside its municipal boundaries."

Page 77, line 18, delete:

"(d)" and insert "(e)"

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

March 3, 1983

SUBJECT: Impact of land use regulation on development of energy resources (Work Order No. 13-0881)

TO: Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel TBC

You have asked whether the changes in HB 172 to the provisions dealing with land use regulation discourage development of energy resources as compared to existing laws that authorize land use regulation by municipalities.

Under AS 29.33.090, a municipality is required to regulate the use of land in accordance with a comprehensive plan through zoning by districts. The zoning regulations must be uniform for each type of building or area within a particular district, but the regulations may differ between the various districts. In addition, a municipality is authorized to rezone property to a less restricted use if the owner of the property agrees to place restrictions on the use of the land beyond those restrictions imposed under the general zoning requirements. Subsection (b) of that section contains a list of the types of restrictions that may be imposed through zoning. While paragraphs (2) - (6) deal with very specific restrictions relating to buildings, paragraph (1) grants broad authority to restrict "land use". It should be noted that the list is by way of example of various zoning restrictions and does not limit the types of restrictions that a municipality may impose through zoning. However, under this section a municipality is authorized to regulate land use only through zoning and may not use other land use techniques.

In contrast to existing law, under sec. 29.40.040 of HB 172, a municipality may implement the comprehensive plan through zoning, land use permit requirements, or any other method of

land use regulation. To the extent that greater flexibility is authorized in the implementation of a comprehensive plan, HB 172 makes it more practical for a municipality to adopt measures that may have the effect of discouraging the development of energy resources. Nevertheless, under both HB 172 and under existing law a municipality has the general authority to regulate land use regardless of whether this regulation places burdens on the development of energy resources and thereby discourages that development. In addition, the change in HB 172 that allows municipalities to use other techniques in addition to zoning impacts only general law municipalities, since under existing law home rule municipalities are not limited to the use of zoning in regulating land use.

In considering whether the changes in HB 172 may discourage development of energy resources it is necessary to determine whether the power to regulate land use has been significantly expanded under this bill with respect to each class of municipality. Under secs. 29.10.200(32), 29.35.180(b), 29.35.250(c), and 29.35.260(c) of HB 172, a home rule borough and home rule city in the organized borough or in the third class borough must provide for land use regulation, but a home rule municipality is not bound by the general provisions dealing with land use regulation set out in Title 29. Under existing law, although some provisions appear contradictory, most home rule municipalities are not required to provide land use regulation, nor are they restricted from providing land use regulation. A home rule municipality that does regulate land is not required to comply with provisions contained in Title 29 dealing with land use regulation except for provisions dealing with zoning and platting of state land (AS 29.13.100(37) and (39)). The general requirement that boroughs provide for planning, platting and zoning contained in AS 29.33.070 is not a home rule limitation. Under AS 29.43.040 home rule cities in third class boroughs and outside boroughs are required to provide for planning, platting and zoning ". . . as provided for boroughs". This is a home rule limitation under AS 29.13.100(12). Since, under AS 29.43.010, powers incorporated by reference to laws governing boroughs apply to home rule cities outside boroughs only if applicable to home rule boroughs and home rule boroughs are not required to provide for planning, platting and zoning, the net result is that only home rule cities in third class boroughs are required to provide land use regulation.

In summary, under HB 172, home rule boroughs and home rule cities in the third class borough or in the unorganized borough must provide land use regulation, but need not comply with provisions dealing with land use regulation contained in Title 29. Under existing law, only home rule cities in the third class borough are required to provide land use regulation, but home rule boroughs and home rule cities in the unorganized borough are not prohibited from providing land use regulation. No home rule municipality must comply with provisions contained in Title 29 dealing with land use regulation, with the minor exception of the provisions dealing with state land. The changes in HB 172 do not appear to confer broader authority upon home rule municipalities than they now have in the area of land use regulation, and consequently should not present any special discouragement to the development of energy resources in home rule municipalities.

HB 172 does not appear to expand the authority of the various classes of general law municipalities to provide land use regulation. As in existing law, these must comply with specific provisions regarding land use regulation contained in Title 29. Under AS 29.33.070, first and second class boroughs must provide for planning, platting and zoning. Under secs. 29.35.180(a) and 29..40.010 of HB 172 first and second class boroughs must provide for land use regulation. AS 29.41.010(b) allows third class boroughs to exercise the power of planning, platting and zoning in service areas. Secs. 29.35.220 and 29.35.300(b) of HB 172 provide for exercise of the power of land use regulation by third class boroughs in service areas. AS 29.43.040 authorizes first class cities and second class cities in the unorganized borough or in the third class borough to provide for planning, platting and zoning. Secs. 29.35.250 and 29.35.260 of HB 172 grant the same authority to regulate land use to these cities. HB 172 does not grant the power to regulate land use to any general law municipality that does not have that power under existing law, so, in that respect, does not present additional impediments to development of energy resources.

TBC:ljb
9/039

Sec. 29.40.210. ACTIVITIES AUTHORIZED BY STATE OR FEDERAL AGENCIES. (a) Ordinances, regulations, permit decisions, coastal management or other land use plans adopted or promulgated under AS 29.35.180, AS 29.40 or AS 46.40 may not preclude or otherwise impede a hydrocarbon, mineral or geothermal exploration, development or production activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.

(b) The provisions of this section apply to home rule and general home rule and general law municipalities.

=Voted down=

CITY OF BETHEL

P.O. Box 388 • Bethel, Alaska 99559

543-2297—Area Code 907

MAR 28 1983

March 10, 1983

Rep. Barbara Lacher
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Representative Lacher:

As presented in the enclosed Resolution #398. the City of Bethel has gone on record fully supporting the adoption of legislation revising and reorganizing Title 29 of the Alaska Statutes.

A great deal of work has gone into this most important piece of legislation; but more importantly, the communities of Alaska need Title 29 revised. Not only does this piece of legislation make the municipal code more understandable, but it also grants to local governments greater flexibility in handling local problems. Bethel's difficulty in moving Home Rule status demonstrates the need for such flexibility in the municipal code statute. At the present time Bethel is a second class city. The community has considered the option of becoming a first class city and assuming the administration of the Bethel school system. However, Bethel is reluctant to do so because first class status is more restrictive than Home Rule. But Bethel is precluded from going directly to the more favorable Home Rule status under the present Title 29 provisions. The flexibility given to local governments under the proposed Title 29 revisions would save Bethel the unneeded expense and time delay now required by Title 29 to achieve its goal of Home Rule.

The City of Bethel requests your full support for the Title 29 revision now before the Legislature in the form of SB 1.

Thank you.

Sincerely,

Lyman Hoffman

Lyman Hoffman
City Manager

LH:skj

MAR 29 1983

RESOLUTION #393

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA, FULLY SUPPORTING THE ADOPTION OF LEGISLATION REVISING AND REORGANIZING THE MUNICIPAL CODE AS PRESENT IN THE FORM OF SENATE BILL NO. 1.

WHEREAS, the existing Alaska Statute, Title 29, Municipal Government, has been amended numerous times; and

WHEREAS, the revision of the Municipal Government Statute was mandated in 1980 by SCR66 "Directing the Alaska Legislative Council to revise AS 29 (Municipal Government)"; and

WHEREAS, a thirteen (13) member Policy Advisory Group was appointed from the Legislature and various levels of local government to draft a revision of AS 29; and

WHEREAS, the present Senate Bill No. 1 revision represents a simplification of the title's organization and provides for maximum flexibility in the structure and functioning of local government; and

WHEREAS, several drafts and much work at numerous meetings have resulted in this revision; and

WHEREAS, communities across the State of Alaska are awaiting the adoption of this most important piece of legislation,

NOW THEREFORE BE IT RESOLVED that the City Council of Bethel, Alaska, fully supports the adoption of legislation revising and reorganizing the Municipal Code as present in the form of Senate Bill No. 1.

PASSED AND APPROVED THIS 28th DAY OF February, 1983.

John Guinn, Mayor

ATTEST:

Wayne J. Maiers, City Clerk

check HB172

check w/ Ky Cambell
Ingram

check w/ Dalan Gabinelli
Dempsey office

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

February 8, 1983

Senate Community and
Regional Affairs Committee
Juneau, Alaska

File: Legislature - 1983 - Senate Bill 1

Gentlemen:

Please consider the following recommendations in your deliberations on Senate Bill 1.

On page 42, line 22, insert the phrase "charter or" immediately before the word "ordinance." In at least one community, and possibly others, this matter is dealt with by a charter provision rather than by ordinance.

On page 56, beginning at line 25, I suggest that lines 25 through 29 be deleted along with the reference to this section under the home rule laundry list at line 17 on page 23. Alaska Statute 36.25.025 applies to all municipalities whether home rule or general law. If a home rule municipality wishes to exempt its contractors from those provisions it must do so in accordance with the procedures set out in AS 36.25.025. Those procedures clearly specify the use of an ordinance to establish the exemption.

Page 76, line 17. Although this is the language used in the present law, I think it is inartful. Municipalities do not exercise the right of eminent domain merely to determine fair market value. Eminent domain is used to acquire property. The determination of fair market value is merely one of the incidences of acquiring property through the use of eminent domain. I suggest the phrase "determine fair market value" which starts in line 16 be deleted and replaced with the phrase "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Page 78, beginning at line 25 and extending through line 8 on page 80. I think this entire section is unneeded. The authority for a municipality to enter into a joint agreement for the exercise of one of its powers or functions with other municipalities, the state and the federal government is found in Section 13 of Article 10 of the Alaska Constitution. The subject section in the Bill just provides unnecessary details. It is my recollection that this section was included in the revision because it was adopted either while the Title 29 Revision Committee was revising Title 29 or shortly after the committee produced its revision. It was incorporated in the revision without substantive review. We do not have provisions in the code detailing the procedures for entering into joint

agreements with the Forest Service for fire protection of rural properties of mutual concern, or for joint state, federal, and local drug enforcement operations or for a host of other municipal functions which are exercised jointly or in cooperation with state or federal agencies or other municipalities. I strongly suggest that this section be eliminated as it is not only superfluous, but its existence may lead courts to two unfortunate conclusions; first, that the only way municipalities may engage in a cooperative or joint emergency service communication center is as provided in the subject section; and second that inasmuch as the legislature went to great pains to detail the procedures and structures for joint operation of emergency communication centers, other similar joint operations must have specific and detailed legislative authorization. It was for these types of reasons that the technical committee for the Title 29 revision recommended striking or generalizing such detailed procedures found in the present Title 29. If there is some feeling that striking this section would jeopardize the authority of municipalities to enter into such arrangements, I suggest the section be struck and replaced with a new section under the general powers portion of the Bill which would authorize a municipality to enter into an agreement or association, including membership in a corporation, with any other municipality, the state, or federal agencies, for the purpose of exercising any power or function of the municipality. 29.35.010(13)

Page 96, beginning at line 5. Subsection (c) of this section makes subsections (a) and (b) applicable to all home rule municipalities. Actually, there appears to be little need to have this apply to any home rule municipality; however, because subsection (a) deals with the different disposition of a vacated public square depending on whether the square is within a city or outside a city but within the borough, it may be appropriate to make subsection (a) applicable only to home rule boroughs and general law municipalities. In addition, the last sentence of subsection (a) which begins in line 17 could lead to some very awkward situations. If, in the original plat, a lot is dedicated as a holding area for storm waters, or as a park or for some other non-street use and is later vacated because the lot is no longer needed for that purpose it may be very difficult to determine who is the "rightful" owner; and if this "rightful" owner is someone other than the abutting property owners, it may be impossible to locate the owner. I suggest deletion of the sentence which begins on line 17, and in line 14, just before the word "public" the insertion of the phrase "lot or".

Page 105, beginning at line 7. I don't think that the definition of "developed" clarifies anything. For example, when a native corporation subdivides some of its property and puts in roads and

utilities, that would seem to be "developed" under the common use of that word; however, this definition casts serious doubts as to whether such land would be developed for tax purposes. Lines 19 and 20 establish a situation which is contrary to the subdivision laws and will create problems if there is a tax foreclosure on non-exempt land. Unless I read this part of the section incorrectly, its intent is to limit the loss of the exemption to only that portion of the parcel which is developed. That is, if the corporation owns a U.S. Survey consisting of 25 acres and it develops three acres of that parcel with an industrial park, only the three acres would be taxable. The problem this approach creates is that if the municipality forecloses on the property it must foreclose on the parcel of record; that is, the 25 acre parcel and not some lesser parcel. If it were to foreclose on a parcel other than a parcel of record, the foreclosure proceeding would have the effect of subdividing the property without going through the platting procedure. Therefore, I suggest that the language relating to the loss of the exemption to the smallest practicable tract be deleted. The corporation may protect its remaining property by subdividing the parcel into two lots; one which will be developed and will lose its exemption, and one which will not be developed. This will protect the undeveloped property.

Page 106, beginning at line 1. I suggest you consider deleting this section (n) as municipalities are already going to have a difficult enough time determining <u>when</u> an exempt property is "developed." To foist on it the burden of also determining if the property has subsequently become "undeveloped" is merely adding more situations for conflict between the municipality and certain of its property owners. Once property becomes taxable because it is put to productive use, is there any real reason it should not remain taxable even though the productive use may cease?

Page 107, lines 24 through 28. I believe this section should be rewritten to eliminate the now superfluous reference to excluding personal property from taxation as this is now included as a specific power for all municipalities in line 22 above. I also believe the reference to extending the redemption period should be deleted as it has nothing to do with exemptions. It also appears that this language contemplates some sort of system of partial redemption of property. If you believe this is an appropriate option for municipalities, I suggest that it should be placed in the section of this chapter which deals with foreclosure and redemption.

Page 109, beginning at line 19. You may want to consider whether to leave greenhouses under this section. Exempting greenhouses does not fit at all with the policy or purpose of the special

procedure used to determine the value of farm or agricultural land for tax purposes. That purpose is to assist the owner of farm or agricultural land in resisting the pressures of urban growth so that he or she can afford to continue farming rather than being forced to subdivide farm land because of inflated land values. Note that only the farm land receives the special treatment, not improvements to the land such as barns, sheds, irrigation systems, etc. However, with greenhouses, the greenhouse, that is the improvement, also receives the special valuation. The effect of the addition of greenhouses to the existing farm land section results in special tax treatment for commercial greenhouses which raise dieffenbachia and cactus to be sold for use in hotel and office lobbies and to adorn file cabinets and kitchen windows. It has been my understanding that the special tax treatment for farm land was to help the industry which provides us with food to keep the price of this basic need to a minimum. Extending such special treatment to greenhouses which exist for the purpose of raising ornamental plants does not seem to fall within this lofty purpose. I believe the committee should consider incorporating the existing Title 29 language in this section by deleting the changes that were made to incorporate greenhouses.

In packet.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:jr

Copy & put in packets RECEIVED 4/11/85

THIRTEENTH ALASKA LEGISLATURE

FIRST SESSION

HB172 Suggested Amendments - Cape Fox Corporation

Line 15, Page 105

(1) (m) (1) ... gainful and [or] productive present use...

Line 18-19, Page 105

(2) (m) (1) ... process even though income may be derived from related incidental timber harvesting, utility usage, or similar activities.

Line 3, Page 106 - Add New Subsection:

(3) (m) (4) "Gainful" means a condition resulting in net taxable income or when revenue derived from an activity taking place over the tax year of the property owner exceeds the expenses and deductions related to the activity.

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

April 6, 1983

file w/ Bill

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

Dear Barbara:

Subject: HB 172 "DEVELOPED" DEFINITION

The present version of HB 172 provides for a tax exemption as required by 43 U.S.C. 16.20(d) for certain Native lands. This exemption provides a definition of "developed" for implementing the federal law. I recommend that this matter be treated in a separate bill rather than in HB 172 or SB 1, the parallel bills intended as housekeeping measures to revamp Title 29.

During the last legislative session certain amendments were made to the Title 29 bill on the House floor which caused a great deal of controversy. In re-introducing the Title 29 in the present legislature, all of these amendments were removed except for the provisions for implementing the tax exemptions under 43 U.S.C. 16.20(d). This amendment was incorporated in AS 29.45.030 of the bill.

Pursuant to federal law, certain Native lands are not taxable until "developed". The intent of the proposed definition in AS 29.45.030 is to clarify what improvements of land will constitute "development" for tax exemption status.

I believe that the intent of this section is to assure that lands will not be taxed simply because an access road is constructed to the property or improvements are placed on the property in anticipation of future development. However, the language is sufficiently ambiguous to permit the interpretation that even a regular, residential or commercial subdivision development would not be taxable until the lots were sold. Once land is subdivided, roads are constructed and other improvements are put in place, the available lots become the sale inventory of the real estate developer. An exemption from taxation of these lots would give the exempted developer an unfair advantage over other developers with which it was in competition.

Because this provision is not in existing Title 29 and because there is potential controversy involved, I recommend that

it not be included in HB 172, a housekeeping bill. As a separate bill, I believe that the Borough would support a definition between a taxable subdivision development and tax exempt lands which have been surveyed and have constructed roads.

Sincerely,

Steven H. Morrissett
Borough Attorney

er

cc: Steve VanSant, Borough Assessor

HB 172

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

February 24, 1983

TO: Stan Thompson, Mayor

FROM: Don Thomas, Assessor

SUBJECT: Native Lands, Title 29 Revisions – Sec M #1 Lines 28 + 29 page 100 ~ 101

By the definition included in the work draft of Title 29 the Kenai Peninsula Borough would loose approximately 13.9 Million in assessed valuation. This would equal about $41,727 based on a 3 mill average.

This would also put the Native lands in a better position to develope and compete in the open market, if they wished. They could do all the preliminary work, such as roads, utilities, survey, and hold the property for the highest return, and still not pay taxes. – this would only apply to native lands purchased by someone other than the Native Corp. as well as the Boro.
We currently have 13.9 million in assessed value that the different regions have been paying taxes on. We have had them on the tax rolls for 4 or 5 years and they paid their taxes without paying under protest.

Cook Inlet	7,281,205
Ninilchik	924,950
Seldovia Native	2,882,300
Slamatoff	589,500
English Bay	2,708,800
Port Graham	1,068,000
Total	15,454,755

Also when 20 years are up & Native lands would become taxable on the tax rolls – they they would be Exempt, at a tremendous loss to the Boro – taxed until sold

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

Page 35, line 5:
Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";"

Page 35, after line 8:
Insert "(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 2

The following changes are proposed by Ginny Chitwood, Alaska Municipal League.

Page 68, lines 5-7:
Delete section 29.26.250.

Page 68, line 15:
Delete "grounds of", insert "reasons for".

Page 68, line 24:
Delete "grounds" insert "reasons".

Page 69, lines 20,24:
Delete "25", insert "35".

Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a concensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:
Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to excercise the right of eminent domain to acquire certificates or property.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "$100,000.00" insert "$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a concessus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high ($100,000.00).

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 5

Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 6

The attached letter of intent and proposed language for implementation was prepared during hearings of SB 1, comparison legislation to HB 172.

Present law requires first class and home rule cities in the unorganized borough to accept the responsibility for delivery of Educational services. It is perceived that the requirement to be responsible for educational services may be a deterrant to certain cities or areas to organizing or upgrading to first class or home rule status. The opposition for a city to assume the educational powers could come either from an existing REAA or the city

The proposed change to HB 172 would resolve the issue of the assumption of education powers by vote of the residents in the city and in the REAA.

Alaska State Legislature

Barbara Lacher, Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 7

During Committee review of HB 172 there was discussion but no apparent concensus concerning the exemption of greenhouses from assessement at full valuation for taxation purposes (Page 109, line 22).

The existing law does not give special treatment for greenhouses. The intent of providing special tax treatment for farm lands (not including barns, houses, sheds, etc.) was to assist the farmer in resisting the pressures of urban growth rather than being forced to subdivide farm land because of inflated land values. The effect of the new language is to provide a special tax treatment for greenhouses, including commercial greenhouses raising ornimental flowers.

Alaska State Legislature

Barbara Lacher, Chairman
Mac Tischer, Vice-Chairman
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Jack McBride
Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "developed" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substanative or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation.

Alaska State Legislature

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

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 proposed amendment number 9

The attached amendment proposed by representatives of utility companies is a significant change from present law.

The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is also subject to regulation by the Alaska Public Utilities Commission. Stated in another way, if the Alaska Public Utilities Commission does not or can not regulate a utility or a matter pertaining to a utility, then a municipality may not impose a regulation.

Present law provides municipalities the power to regulate utilities and matters pertaining to utility services to the extent the utilities are not regulated by the Alaska Public Utility Commission.

In several instances, the regulation of a condition of service by a utility company, or the regulation of a utility company is optional for the Public Utilities Commission, or optional for the utility.

In cases where utilities are not regulated by the Alaska Public Utilities Commission, Municipalities generally feel they need to have the authority to exercise regulatory powers. On the other hand, utility companies believe that; if the Alaska Public Utility Commission does not regulate them, then the municipalities should not have the authority to provide regulation.

Sec. 29.40.210. ACTIVITIES AUTHORIZED BY STATE OR FEDERAL AGENCIES. (a) Ordinances, regulations, permit decisions, coastal management or other land use plans adopted or promulgated under AS 29.35.180, AS 29.40 or AS 46.40 may not preclude or otherwise impede a hydrocarbon, mineral or geothermal exploration, development or production activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.

(b) The provisions of this section apply to home rule and general home rule and general law municipalities.

PROPOSED AMENDMENT TO

HB 172

Page 33, after line 28, insert:

"(26) AS 29.35.060 (franchise and permits)"
Renumber following paragraphs accordingly.

Page 33, after line 29, insert:

"(28) AS 29.35.075 (disputes and conflicts with state certificated utilities)"
Renumber following paragraphs accordingly.

Page 74, line 12, delete:

"utility services,"

Page 77, after line 6 add a new subsection to read:

"(c) This section applies to home rule and general law municipalities."

Page 77, lines 7 through 22, delete present language and replace it with the following:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly for the area outside all cities in the borough and the council acting for the area in a city may regulate a utility service and fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or other law.

(b) A municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing

rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

(e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

(g) This section applies to home rule and general law municipalities."

Page 195, after line 22, add a new section to read:

"* Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) A public utility that is exempt or partially exempt under (d) through (j) of this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a muncipality."

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

May 20, 1983

Bob Harris
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

FILE: HB 172

SUBJECT: Substitute Utility Language
for Title 29 Revision

Dear Bob:

If the House Community and Regional Affairs Committee would like to consider alternative language to that which has been proposed for the utilities section of the Title 29 revision, may I suggest the following. This language, I believe, accommodates the interests of the municipalities and of the utilities. It would exempt from municipal regulation those utilities, including co-ops, which have elected to exempt themselves from APUC regulation by a vote of the subscribers or members. It would also exempt from municipal regulation those small electric, telephone and garbage utilities which are presently exempt from APUC regulation but which may come under APUC regulation if 25% of the subscribers petition the commission for regulation. In addition, it would exempt from municipal regulation those utilities which the APUC itself exempts upon a finding of no legitimate public interest in regulation if the commission also finds that the utility should also be exempt from municipal regulation. If cable TV is given an exemption from APUC regulation, and the legislature believes that it should also be exempt from municipal regulation, a simple amendment to the following language making reference to the statute exempting cable TV would extend the exemption to municipal regulation of cable TV also. The substitute language would be as follows:

> AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).
>
> (b) A municipality may not regulate a utility
>
> (1) to the extent it is subject to regulation under AS 42.05; or

(2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or

(3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(e), (f), (g), (h) or (i); or

(4) specifically exempted by law from municipal regulation.

(c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(e) This section applies to home rule and general law municipalities.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr

1984 DRAFT POLICY STATEMENT

Following is the 1984 draft policy statement prepared by the Alaska Municipal League Legislative Committee and Board of Directors at their summer meetings. Please review it in preparation for the policy section meetings that will be held on Wednesday afternoon and all day Thursday at the Annual Local Government Conference to be held in Juneau, November 2-5, 1983. Changes, additions, and deletions will be made at that time, to be voted on by all the delegates at the business meeting on Saturday, November 5.

PART I
TAXATION AND FINANCE

A. LOCAL TAX RELIEF

The League supports state-funded relief for local taxpayers where such relief does not reduce the tax base or the tax-levying authority of the municipality and does not adversely affect the marketability of municipal bonds.

B. STATE ASSISTANCE IN FINANCING LOCAL GOVERNMENT

1. Funding Legislation Passed in Timely Manner: In order to assist local governments in financial planning, the League urges the Governor and the Legislature to pass the necessary funding legislation for state revenue sharing and local school funding in sufficient time for municipalities to incorporate the additional revenues in the annual budgets. The League also urges the Governor and the Legislature to pass the necessary funding legislation for on-going, state-funded grant and contract programs to local governments in sufficient time to maintain an orderly continuation of operations, but in no case later than June 1 of each year. The League further advocates that if such funding legislation is not approved by that date, that the Legislature authorize funding and disbursement of the on-going programs for the first quarter of the year.

2. Administration of Grants & Entitlements: The League supports legislation eliminating delay, administrative regulations, and complexity associated with administration of municipal entitlements and grants programs by state departments and agencies. Administration of grants and entitlements should, when possible, be consolidated in a single state department. The League further supports elimination of administration fees deducted by state departments administering the grants.

3. Pass-Through Funds and Grants: The League encourages the Legislature to adopt policies for pass-through funds to non-profit corporations that do not cause any present or future liabilities to the municipality.

4. Population Determination and Impact: The League supports following federal census practices for determination of population based on residency and encourages the Legislature and Governor to recognize the need for a comprehensive policy to alleviate the social and economic impact of major development on municipalities by state funding from funds appropriated separately from revenue sharing and municipal assistance funding.

C. MUNICIPAL ASSISTANCE/REVENUE SHARING PROGRAMS

1. Consolidation of Municipal Assistance and State Revenue Sharing Programs: The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing Programs together with the funding of the consolidated program at a level of at least 8% of the prior year's state operating budget so that municipalities can continue to provide important, needed services while holding down taxes.

2. State Revenue Sharing: (a) If the Legislature does not consolidate the current State Revenue Sharing and Municipal Assistance programs, the League supports annual increases in the State Revenue Sharing Program. The annual appropriation by the Legislature to the State Revenue Sharing Program should include an increase of the FY 84 legislative appropriation based on such criteria as state population, inflation, cost of local government services, and other timely considerations.

(b) In those cases where legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients.

(c) The League supports an increase in the state revenue sharing minimum allocation to $100,000 for each city and $50,000 for each eligible unincorporated community.

(d) The League supports continued full state funding for road maintenance at levels determined by the First Session of the 11th State Legislature and adjusted annually to reflect increased cost of maintenance.

3. Municipal Assistance: (a) If the Legislature does not consolidate the current State Revenue Sharing and Municipal Assistance Programs, the League supports the funding of the FY 85 entitlement at the statutory level of at least 30% of the FY 84 corporate income tax proceeds.

(b) The League further endorses a change to the existing Municipal Assistance Program that would provide for the disbursement of municipal assistance funds to all municipalities on February 1 of each year.

4. FY 84 Supplemental Appropriation: The League supports the supplemental appropriation of $10.5 million FY 84 Municipal Assistance revenues to fully fund the entitlement at the level authorized by state statutes. The League further encourages the Legislature to appropriate and the Governor to approve this supplemental appropriation by April 15, 1984 so that local governments can use the additional funding in setting their 1984 mill levies.

D. OTHER STATE ASSISTANCE PROGRAMS

1. Permanent Endowment For Local Government: The League encourages legislation to place on the 1984 ballot a constitutional amendment to establish a permanent endowment for local governments. The purpose of the endowment would be to establish a predictable source of income to fund the programs of state assistance to municipalities. Criteria for developing any permanent endowment and allocation of income approach should include equity, predictability, and maximum local control.

2. State-Collected, Locally Shared Taxes: Municipalities in Alaska presently derive significant revenues from state-collected, locally shared taxes to help meet their basic operating expenses. The League, therefore, opposes reduction of such revenues through elimination of such taxes unless other equal sources of revenue are made available to local governments, or appropriations to compensate for lost revenues are made by the state.

3. Funding of Local Capital Projects: The League supports the establishment by statute of a "block grant" approach to the state funding of local capital projects in order to allow the decisions regarding local capital project priorities to be made at the local level.

E. LOCAL TAXES

1. State-Mandated Exemptions: The League opposes the imposition of state-mandated exemption of certain classes of property, individuals, organizations, or commodities from the application of taxes unless adequate compensation is made by the state to reimburse local governments for revenues lost due to these exemptions.

2. Payments-in-Lieu: The League endorses the position whereby the state would pay to the local governments a payment-in-lieu of ad valorum taxes for the state-owned property as well as payments for its share of the cost of improvements and services which specially benefit such property.

3. Right To Tax: The League opposes any further effort on the part of the state to levy a property tax which would infringe upon the rights of local governments to levy the same rate of tax as levied on other property within the taxing jurisdiction.

4. Personal Property: The League supports legislation which would provide for the optional exemption or a partial exemption of personal property.

5. Interest Rate Limit: The League supports legislation to remove the limits established in Title 29, the Municipal Code on the penalty and interest rate for deliquent property and sales tax payments and allow municipalities to set their own rates.

6. Waiver of Tax Collection: The League endorses legislation to permit the waiver of collection of taxes when collection costs exceed taxes due.

F. FORMATION OF NEW MUNICIPALITIES

The League supports legislation to provide adequate funds to assist in the study of the feasibility of forming new municipalities and in the formation of newly organized municipalities.

G. PUBLIC EMPLOYEES RETIREMENT

The League urges that in any legislation passed which increases benefits under the Public Employees Retirement System and Teachers Retirement System, the increased cost 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 and TRS.

.. LOCAL HOSPITAL USE

1. Utilization of Local Health Facilities: The League 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 necessary services are not available.

2. Increased State Funding: The League strongly supports increased state funding of hospital construction costs and of special hospital and health facility construction and operating costs.

3. Separate Funding For Hospitals: The League strongly supports funding of hospital and health facility grants outside the municipal revenue sharing program.

4. Funding for Air Ambulance Services: The League supports a program to cover the cost of transporting patients to regional health care facilities for treatment in a medical emergency.

I. FISCAL NOTES/STATE MANDATES

1. Fiscal Notes: The League supports enactment of legislation requiring preparation of notes assessing the fiscal impact on local government of any proposed bill or regulation, including pass-through grants.

2. State Mandates: The League urges passage of legislation which would require the state to reimburse municipalities for costs they incur in programs or activities mandated by the State of Alaska.

PART II
EDUCATION

A. SCHOOL SUPPORT

1. Permanent Endowment: The League supports the concept of a permanent endowment for funding public school education. The income from this endowment would be made available for use for public school education expenses and/or capital programs.

2. Funding for Schools: The Constitution of Alaska is very specific in its requirement that education is the responsibility of the state. Therefore, the League urges the Legislature to modify the foundation program formula to reflect the actual cost of public school education with awareness toward the different funding needs of public education in the rural and urban areas including special education, student transportation (including kindergarten, inclement weather, and hazardous bus routes), and community schools. Full funding should not be used as a reason for the state to infringe upon the rights of local people to supplement the foundation formula or to administer local schools.

3. Funding for School Construction: The League urges the Legislature to support school capital projects at full construction level (as defined by the rules and regulations established by the Department of Education), and calls upon the Legislature and Governor to fund this amount annually. The League also supports legislation under which the state will provide funding for all approved school capital projects to the local district at the time of approval, including value of land provided by municipalities for school sites. The League also urges the Legislature to assume the total state approved school capital indebtedness incurred by municipalities.

4. Funding of State Programs: The League recommends that the Legislature fully fund all special programs required by state law.

5. Education Program on Abuse: The League recommends passage of legislation that funds educational programs in the area of substance and person abuse, including staff training, with such programs to be optional by each school district.

6. PSFP Unit Value: The League strongly urges the Legislature to resume the policy establishing the amount of the public school foundation support unit value two years in advance.

7. Bilingual Programs: The League recommends that the Legislature continue to provide funding for multi-cultural programs and for bilingual programs to assist those for whom English is not their first language.

8. Rural BIA Schools: The League urges the Legislature and the Office of the Governor to continue considering the impact of the transfer of BIA schools in rural areas of the state and taking the leadership in acquiring the funds needed to bring these facilities up to state standards.

9. Reclassification Guidelines: The League urges the Legislature to set up guidelines to assist communities considering municipal reclassification with the educational system aspects of

the transfer, to include, but not be limited to, feasibility studies, transfer of funds and control, transfer of assets, and resolution of disputes.

B. ASSEMBLY/COUNCIL-SCHOOL BOARD RELATIONSHIPS

The League supports legislation to clarify assembly/council-school board relationships and opposes legislation which would diminish assembly/council authority in education matters.

C. PUBLIC COMMUNICATIONS

1. Education by Satellite: The League encourages state and federal governments to improve satellite communication facilities for education in the state. The telecommunications system should provide a harmonious balance of instruction for student-teacher interaction.

2. Televising of Legislative Sessions: The League urges full funding of the limited televising of legislative sessions to assure that the general public has the greatest access possible, not only to floor sessions, but also to major committee hearings and teleconferencing, but not to interfere with the normal state satellite program.

PART III
PUBLIC SAFETY

A. ALCOHOL/DRUGS

1. Public Intoxication: The League supports legislation which would amend the State Alcoholism Act to include public intoxication as an offense so as to provide the court with alcoholism treatment as an alternative to incarceration in order to provide a measure of control in the initial phase of rehabilitation and, additionally, to streamline the process of involuntary commitment within the State Alcoholism Act.

2. Alcohol & Substance Abuse and Domestic Violence: The League recognizes the serious individual and public safety problems that exist in all communities in Alaska as a result of alcohol and substance abuse and domestic violence. It supports the enforcement of the Domestic Violence sections of Title 9, Code of Civil Procedure (AS 09.55.600 - AS 09.55.640) in all parts of the state as a public safety priority. It further supports financial support for shelters and programs within communities to meet the needs of victims. The League further supports the establishment and utilization of mandatory rehabilitation programs for offenders in domestic violence cases as an alternative to incarceration.

3. Drug Enforcement Units: Recognizing the state-wide and interstate nature of narcotic and dangerous drug traffic, the League recommends full state support of state-wide and metropolitan drug enforcement units.

B. PUBLIC SAFETY TRAINING

1. Local Safety Training: The demand for trained competent local police and fire departments is accelerating throughout Alaska. The League urges the Legislature to assure that full-time and volunteer police, fire, and emergency medical personnel throughout the state have access to adequate facilities and program resources for training of local safety people and to provide financial support to assist the communities who participate.

2. Public Fire Education and Arson Investigation: The League urges the state to establish a comprehensive public fire education program and a comprehensive statewide arson investigation

program, through the state fire marshall's office, that will utilize professionally trained fire educators.

3. Village Public Safety: The League supports the Village Public Safety Officer Program to include all village communities in Alaska. The League further supports the continuation and expansion of the VPSO Program, which constitutes the only access to law and order available within small rural communities. The League urges the Legislature to ascertain that adequate funding continues to be made available to provide for the salaries, support, and training of these officers.

C. COURT SYSTEM

1. Use of TV Capacity: The League encourages the Court System to make maximum use of TV capacity for arraignment, grand jury, and similar court functions to release the burden on highly trained public safety personnel.

2. Judicial Presence: The League supports the funding of a judicial system that would assure the presence of a judicial officer in each community in the state when the need arises.

D. STATE ASSISTANCE PROGRAMS

1. Police Standards Council: The League supports full state funding for the Alaska Police Standards Council to provide the training necessary for municipal police officers to meet the requirements of the Police Standards Act and recommends increased funding to the Council for specialized police training programs.

2. Detention Costs: The League recommends that costs associated with prisoner care and prisoner transportation be borne by the state. When a municipal police officer makes an arrest for a violation of either a state or municipal law, the state should assume the legal and financial responsibility for the prisoner as soon as the prisoner is presented to a magistrate or a correctional facility.

3. Civil Defense: The League supports full state and federal funding of civil defense and emergency preparedness activities, particularly in regards to emergency communications, medical and food supplies.

4. Fire Fighting Equipment: The League supports full funding for basic fire fighting equipment which meets minimum Insurance Services Office (ISO) or state criteria for small Alaska cities and fire service districts.

E. CORRECTIONS FACILITIES

1. Short Term Detention: Recognizing that corrections is a state function, the League urges the state to fund the construction and operation of short-term detention facilities within local communities, or pay the cost of construction of new facilities to local communities and contract with local communities for the care of prisoners.

2. Long-Term Maximum Security: Recognizing that the determinate sentencing provisions of the State Crime Code will increase the volume of long-term state prisoners and the fact that the Federal Correctional System which currently houses this state's long-term prisoners has reduced its level of prisoner acceptance from the state, the League urges the immediate funding and construction of a long-term maximum security correctional facility within the state.

F. ANIMAL CONTROL

The League requests an amendment to Prohibited Use of Decompression Chambers sections of Title 3, Agriculture and Animals (AS 03.60.005) to state that the use of decompression chambers shall be regulated by the Department of Environmental Conservation. DEC regulations shall contain all the information necessary to ensure the humane disposal of animals.

PART IV
LAND USE

A. LOCAL OPTIONS

The League feels strongly that laws pertaining to the powers of local planning and zoning must allow for the greatest flexibility at the local level.

B. LAND SELECTION

1. Easements: The League urges modification of state statutes which encourage the undesirable practice of blanketing all waterways within municipal selections with reservations for public easements and unnecessariiy encumbering patents with undefined easements. The League, however, supports the policy of preserving needed specific rights-of-way and easements which provide for present and future public access.

2. Conveyance and Land Use: The League urges (A) immediate conveyance of native and state lands presently identified and jointly agreed upon for selection, and (B) the state move expeditiously to convey lands to municipalities with the least amount of encumbrance and restrictions. The League encourages (C) funding of a cooperative intergovernmental land use planning commission to expedite land conveyance that considers municipal, state, and federal lands affected by the land selection process.

related

3. Energy Project Sites and ^Rights-of-Way: The League urges the state selection of potential hydroelectric and alternative energy project sites by providing headwater rights, sites for dam sites, corridors for water and electric transmission lines, power houses, associated substations, and all attendant facilities. ~~The league further supports the preservation of rights-of-way across all land selected and classified for the purpose of providing for future construction of public access of various types.~~

4. Fish Ladder and Hatchery Sites: The League urges that potential fish ladder ^and fish hatchery sites be selected by the state. The sites would be those identified by the FRED division of ADF&G and aquaculture organizations, formally organized within the State of Alaska.

5.

^ = add stream enhancement

C. HISTORIC AND RECREATION SITES

1. Monuments & Hiscoric Sites: In order to help municipalities to retain as much as possible of Alaska's colorful and historic past, the League supports continuation of a state matching grant program and funding for acquisition, maintenance, and rehabilitation of monuments, historic sites, and rights-of-way.

2. Outdoor Recreation Sites: In order to help municipalities to provide local outdoor recreation sites, the League supports the establishment of a state matching grant program to be used to assist in the cost of projects initiated by communities to acquire, develop, or extend local outdoor recreation sites and facilities.

5. Support legislation this session to allow State to retain land with proven native allotments to BLM for adjudication & conveyance to rightful owners.

3. Recreational Opportunities: Since many of Alaska's citizens recreate outside of local government jurisdictions in which they reside, the League urges the state to exercise its responsibility to provide a broad spectrum of recreation opportunities for all Alaskans. The League strongly supports adequate funding for improved development and maintenance of accessible parks, recreation areas, and trails.

D. COASTAL MANAGEMENT

1. Local Control: The League supports continued and maximum local control in the development, management and implementation of coastal planning and policies.

2. Extra-Territorial Planning: The League supports the concept of "extra-territorial" planning by municipalities in the unorganized borough with statutory provisions to permit the Alaska Coastal Policy Council to adopt the "extra-territorial" planning as part of the Alaska Coastal Management Program, provided that the planning process allows for participation and comment by all affected private and quasi-public parties and is mutually agreed on by affected local governments, until such time as a resource district plan is adopted.

3. Agency Review of Local District Programs: All state and federal agency comments and recommendations must be made expeditiously by these agencies prior to local government conceptual approval of the district plan.

4. Coastal Leasing: The League discourages the state from pursuing oil, gas, tideland, or mineral leasing activity in a coastal area until a local coastal management plan is in effect or the deadlines for establishment of that plan have expired.

5. Financial Support: The League encourages state financial support of the Alaska Coastal Management Program.

E. SUBDIVISIONS

1. Proof of Approval: Subdivision of land is a major factor in community development, creating patterns which have long lasting effects. Although present legislation clearly recognizes the need for regulation of subdivisions, means of enforcement are inadequate. The League supports legislation which would require proof of approval by local authorities prior to the filing of an instrument, including those filed by the state, which would change the boundaries of land and prior to any judicial partition of real property.

2. Compliance with Local Ordinances: The League urges 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.

F. STATE LAND DISPOSAL

1. Improvement Funding: Recognizing the pressure on both state and municipal governments to dispose of land, the League supports a cooperative effort by the state and municipalities to dispose of land in a continuous and orderly manner. The League also supports state funding to provide planning grants, funds for necessary access roads, survey costs for land scheduled for disposal, and state, borough and city subdivision roads, sewers and utilities to meet local subdivision improvement ordinances.

2. Mandated Programs: The League continues to oppose any state mandated program regarding disposal of municipal selected land relative to timing, size, or use.

3. Compliance with Municipal Planning: The League supports state legislation or administration policy which would require state land disposals to recognize local planning efforts, such as comprehensive plans and coastal management plans, including existing or planned municipally approved trails, by means of right-of-way dedication.

PART V
TRANSPORTATION, DOCKS, AND PORTS

A. TRANSPORTATION PLANNING

1. DOT/PF Reorganization: The League supports the further regionalization and localization, where appropriate, of the Department of Transportation and Public Facilities to increase local knowledge and efficiency of the department.

2. Rights-of-Way: With the difficulty in acquiring public rights-of-way throughout the state, primarily due to different land classification and ownerships, the League supports the identification of adequate corridors for construction for public access through such lands and early acquisition of adequate rights-of-way.

3. Transportation Systems: (a) The League continues to support state planning for a state transportation system comprised of marine and land highway components. This system would embody: (1) shorter ferry runs between communities with extensions to the land highway system and by the utilization of high speed ferries and end-loading vessels with more frequent ferry service with minimal on-board facilities for passengers, and (2) transportation of freight by surface, water, and air and to include specific provisions addressing the needs of individual communities for docks, dredging, and riverbank stabilization, with priority consideration to communities not connected to the state's highway or rail system.

(b) The League urges the review of all transportation resources within a community in the development and support of transit programs to meet local mobility needs.

4. Ports and Harbors: Since Alaska's economy depends heavily upon ocean and inland water shipping, fishing, and other marine travel, the League finds the existing port and harbor grant programs to be inadequately funded and urges expansion of these programs. Major port and harbor facility plans should be prepared and developed consonant with the municipalities' plans.

B. SURFACE TRANSPORTATION

1. Railroad System: The League supports efforts towards an expanded and improved railroad system to better serve all areas of Alaska, including, but not limited to, extension to additional tide-water ports, and to link the State of Alaska with Canadian rail facilities. The League supports the transfer of the Alaska Railroad, including all present and future needed rights-of-way.

2. Highways and Trails: a. The League supports implementation of a scheduled maintenance program encompassing the entire Alaska primary road system.

b. Since the Alaska economy depends on the existence of transportation routes, the League supports the continued use and expansion of the state highways and trails systems. In view of the increased use of bicycles, the League urges that new state roads and state road construction, whenever feasible, have provisions for safe use by bicyclists and pedestrians.

c. The League urges that a program of permanent trail marking be established and funded by the state.

C. AIR TRANSPORTATION

1. Construction Assistance: The League supports an equitable approach to state construction assistance for all airports and supports the concept of continued expansions and upgrading of airports, airport facilities, and air navigational aids in Alaska. The League urges the state to provide increased levels of funding to provide for these facilities.

2. Maintenance: The League supports the adequate funding and maintenance of airports, including dust control measures when appropriate.

3. Air Service: The League strongly recommends the State of Alaska maintain the level of essential air service established in the deregulation act for Alaska communities to maintain the provision that allows these communities to be served by large (jet) aircraft.

4. Land Transfer: The League supports transfer to municipalities of federal and state lands to provide for needed construction and expansion of municipal airport facilities and operations.

D. MARINE TRANSPORTATION

1. Citizens Advisory Committee: The League supports creation of a marine highway citizen's advisory committee to develop an action plan for correcting maintenance, scheduling, reservations, and personnel attitude problems and for implementing a program of major and minor in-state ferry maintenance.

2. Expansion of the Alaska Marine Highway: With the ongoing development of natural resources in Alaska, the League supports legislation which will expand the Alaska Marine Highway to Western Alaska and improve transportation to tie the Central Alaska ports in with the Aleutian Alaskan ports, and further supports the expeditious procurement of a number of appropriate ocean going vessels to accomplish the expansion of the Alaska Marine Highway System.

3. Efficiencies in Operation: The League supports efforts to provide efficiencies in the operation of the Alaska Marine Highway System providing these efficiencies are based on publicly available economic and technical data. However, the League strongly objects to any reduction in existing marine highway systems and strongly urges community input be required prior to establishing marine highway rates, schedules, and operational changes, and requests public input for studies affecting the operation of the Alaska Marine Highway System be solicited on a state-wide basis.

4. Jones Act: The League urges the state join in requesting modification of the Jones Act limits on the time permitted and number of port calls in Alaska by foreign bottom ships.

5. Shipping Corridors: The League requests that the State of Alaska support mandatory shipping corridors within Alaska waters whenever local communities request such mandatory shipping corridors.

6. Acquisition: The League supports transfer to municipalities of federal and state lands to provide for needed expansion of municipal port facilities and operations.

PART VI
UTILITIES

A. STATE REGULATION

1. Grants and Loans for Services: The League supports continued funding which would make available to the various essential utilities in the State of Alaska direct grants and/or low interest loans in order that they may meet the needs of the citizens served by the utilities.

2. APUC: The League supports the current statutory exemptions which allow municipal utilities to operate in the best interest of the consumer public without regulation by the APUC.

3. Grants and Loans for Energy Sources: The League supports the concept of direct grants and low interest loans from state funds for the construction of conventional and alternative energy sources, including fossil, hydroelectric, geothermal, wind power, and other means, and for the exploration of alternative energy sources, in order that rates paid by the Alaska consumer for these necessary services may be set at a reasonable level.

4. Acquisition: In order to eliminate service area conflicts between municipalities and utilities, the League supports legislation which would allow municipalities to acquire the facilities of a utility under specific terms which would fairly compensate the utility.

5. Utility Relocation Costs: The League opposes any effort to shift to municipalities the cost of all non-municipal utility relocation within existing rights-of-ways associated with municipal street work.

B. WATER, SEWER, AND SOLID WASTE

1. Clean Water Act: Amendments were passed by the US Congress to allow exemption to the Clean Water Act with respect to sewage disposal in marine waters with sufficient fluctuation. The League opposes any federal regulation for implementing Section 301(h) of the Clean Water Act which would unduly burden the Alaska community in receiving these exemptions.

2. Construction Grant Program: The League strongly endorses the concept of the state paying at least 75% for sewage, solid waste facilities, and water systems constructed by municipalities under the State of Alaska Construction Grant Program and that the replacement of out-moded systems be grant eligible in the same manner as the installation of new systems. The League strongly supports appropriation levels to meet statewide needs.

3. General Fund Support: The League endorses an amendment to federal law which would allow general fund support from the State of Alaska and municipalities for operation of sewage treatment facilities.

4. Rural Facilities: The League strongly urges the state, through the Department of Environmental Conservation, to assess the needs of rural communities and service districts for adequate and appropriate water treatment and waste disposal facilities, including the need for operator training and assistance with facility maintenance.

PART VII
MUNICIPAL ELECTIONS

A. PLURALITY

The League strongly supports legislation which would permit a municipality to opt out of

the 40% plurality requirement for election to office and which would clarify the 40% rule for municipalities that continue to use it.

B. POLL HOURS

Experience has proven that extension of polling hours has not increased voter turnout and has been costly. The League, therefore, opposes legislation which would expand the hours beyond the present 8:00 a.m. to 8:00 p.m.

C. REGISTRATION

1. State Voter Registration: The League opposes legislation which would eliminate or erode the state registration system and supports efforts to improve the processing and quality of the state voter registration system.

2. On-Line Computer Access: The League supports state funding to promote immediate on-line computer access for the election supervisor offices of Juneau, Fairbanks, Anchorage, and Nome.

D. ADMINISTRATION

The League strongly supports legislation which consolidates all functions pertaining to elections, conflict of interest, and campaign disclosure into one agency.

E. DISCLOSURE RESTRICTIONS

The League opposes imposition upon local governments of campaign and financial disclosure restrictions. The League urges the Legislature to review the laws and make the reporting requirements less onerous than presently in effect. The League specifically supports legislation which would exempt from campaign disclosure and/or financial disclosure elected or appointed advisory boards as defined in the Services Areas section of Title 29, The Municipal Code (AS 29.63.090).

F. VOTER QUALIFICATION

The League supports legislation that would allow a municipality, by ordinance, to require persons to be state registered voters in, and residents of, the precinct, district, or service area in which they seek to vote.

G. QUALIFICATION FOR ELECTIVE OFFICE

The League supports legislation that would include provisions in Title 29, the Municipal Code and Title 14, the Education Code for municipalities to set qualification for all elected municipal officials including school board members.

H. TITLE 29 REVISIONS

1. Signature Requirements: The League supports legislation which would clarify the Initiative and Referendum sections of Title 29, the Municipal Code (AS 29.28.070(b)) to specify that signature requirements for petitions be based upon the last regular municipal election held just preceding the date of first circulation of the petition.

2. Recall: The League supports legislation amending the Recall sections of Title 29, The Municipal Code (AS 29.28.070) to provide that the number of signatures required to initiate a petition for recall be 35% of the number of voters voting in the last regular municipal election

for that office regardless of population of the municipality, and to make recall procedures clearer, including provisions to make the grounds more specific.

PART VIII
LOCAL GOVERNMENT POWERS

A. LOCAL AUTONOMY

1. Effective Local Government: Because certain restrictions currently exist in the Alaska Statutes which impede effective independent local government, the League supports legislation which would promote more effective and independent local government in all organized boroughs and cities, and opposes any legislation which unduly restricts local government operations.

2. Lobbying: The League supports the continued exemption of municipal officials and employees from the lobbying reporting requirements under the Lobbying sections of Title 24, the Legislative Code (AS 24.45).

3. Anti-Trust Laws: The League supports legislation at both the state and federal levels placing municipalities in an equal posture with state governments with respect to federal anti-trust laws.

4. Enforcement of Municipal Ordinances: The League opposes state restriction on enforcement of municipal ordinances and supports legislation clearly establishing local autonomy in the creation of mandatory sentences and other remedies for violation of local ordinances.

5. Public Records: The League supports legislation ensuring that local governments are free to adopt, through ordinance or resolution, their own policies and procedures concerning local public records.

6. Utility Regulation: The League endorses the return to municipalities of the authority to regulate all utilities, other than co-op utilities and utilities that have opted out of the Alaska Public Utility Commission (APUC) regulation, within their jurisdiction to the extent not regulated or specifically exempted from municipal regulation under state law.

7. Interest on Retainage: The League supports repeal of the application to municipalities of the Public Construction Contract Payments section of Title 36, Public Contracts Code (AS - 36.90.001) relating to payment of interest on retainage on construction contracts. (check)

8. Eminent Domain: The League strongly supports legislation amending the Prerequisites to Taking of Private Property section of Title 9, Code of Civil Procedure (AS 9.55.270) to create a rebuttable presumption that the choice of the condemning authority has been made in a manner compatible with the greatest public good and least private injury.

9. Local Construction: Local governments should have autonomy to administer local construction projects. Title 36, the Public Contracts Code should be amended to permit local governments to establish their own notice, reporting, and prevailing wage requirements for local construction.

B. PUBLIC EMPLOYEE LABOR RELATIONS

1. Alaska Public Employees Labor Relations Act: The League strongly opposes any legislation which would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. The League opposes just as strongly any legislative efforts to

dictate the provisions of local public employees labor relations ordinances. The League supports legislation to allow each municipality at any time to reject or withdraw from the terms of the Alaska Public Employees Relations Act.

2. Binding Arbitration: The League opposes legislation imposing binding arbitration on local governments. Such legislation would hinder local governments' ability to determine their personnel costs and prevent local governments from having complete control of determining the local tax rate.

C. CLASSIFICATION OF MUNICIPAL GOVERNMENTS

The League urges the Legislature to address the classification of municipal governments, including the organization of the unorganized borough.

D. TRIBAL/LOCAL GOVERNMENT RELATIONS

The League supports and encourages efforts on the part of the Legislature and other concerned parties to address tribal/local government relations. → BIA

E. TITLE 29 REVISIONS

1. Fundamental Elements: The League encourages the Governor and Legislature to recognize the significance of the effort to revise Title 29, the Municipal Code and the importance of maintaining this legislation in a basic form and of insuring that the legislation contain only the fundamental elements and guidelines for a basic municipal code.

2. Other Proposals: The League requests other proposals which would constitute ~~s~~ or policy revisions or innovations in the function of local government be considered in separate legislation which, if approved, would be incorporated into Title 29 once the revised basic code has been adopted.

* 3. THE LEAGUE SUPPORTS OF TITLE 29 REVISION TO ALSO ALLOW THE ELECTION AT LARGE MAYOR OF A 2ND CLASS CITY.

PART IX
RESOURCES

A. NON-RENEWABLE

1. Oil and Gas Policy: The League supports a clear policy for gas and oil encouraging the exploration, production, and processing of state royalty oil and gas within Alaska with due consideration for local municipalities.

2. Energy Efficiency: (a) The League urges the federal government, the State of Alaska, and League members to design, construct, and use their facilities with an emphasis on energy efficiency, as a part of life cycle cost considerations.

(b) The League urges regionalized studies by the state recommending changes in building codes which would achieve maximum cost effective energy savings over the lifetime of new facilities.

3. Coal: In consideration of having a diversified, dynamic Alaska mineral industry and recognizing the current importance of petroleum products for energy production and the potential for a considerable coal export market, the League urges the state to vigorously encourage the development of Alaska's coal resources by private industry.

4. Mineral Policy: The League strongly urges the administration and legislature to establish a clear mineral policy to encourage resource development and in-state ore concentration and/or reduction.

5. Gas Liquids: The League strongly supports optimum use of gas liquids as feed stocks for in-state petrochemical development, with coal or other energy sources to be used for the processing.

6. Site Reclamation: The League enccurages the state and federal agencies to vigorously enforce reasonable and best use of regulations for the reclamation of mined areas.

7. Alternate Fuels: The League strongly supports the use of alternate fuels (compressed natural gas), as a substitute to gasoline or diesel in areas where it is feasible.

B. RENEWABLE

1. Development and Processing Policy: The League requests that the executive and legislative branches of the state establish a policy strongly encouraging the development and processing of renewable resources in Alaska, and through appropriate inventory and management practices make all renewable resources available for development and processing on a sustained yield basis. The League encourages a federal/state policy requiring out-of-state and foreign processors to comply with federal and state regulations.

2. Study and Development: The League requests the executive and legislative branches of the state to accelerate the study, research, development, and marketing of Alaska's renewable resources.

3. Fisheries: (a) The League supports legislation for the development of aggressive and substantially accelerated marketing studies and market development for Alaska's seafood industry, with emphasis on a quality assurance program.

(b) The League requests the State of Alaska take a stronger stance in negotiating with respect to salmon interception treaties with foreign nations as well as negotiations with the North Pacific Fisheries Management Council with regards to salmon harvest quotas. The League urges the state to carefully evaluate, identify, and attempt to minimize the negative economic impact to communities caused as a result of these negotiations.

(c) The League urges the state to provide adequate funding for the full operation of viable FRED hatcheries and continue to support and provide sufficient loans to regional non-profit aquaculture associations for expansion of their programs.

(d) The League encourages the state to support modification of the Fisheries Management Act (FMA) so that the North Pacific Fisheries Management Council has a greater representation of Alaskan delegates.

(e) The League urges the State of Alaska to take a stronger stance in negotiating with the North Pacific Fisheries Management Council in opposition to the proposed share-quota system in the halibut fishery.

4. Agriculture: The League supports state encouragement of agriculture through farmland preservation and opening up of new agriculture lands, with adequate road access within a farm area and by encouraging the development, processing, and marketing of Alaska agriculture products.

C. HUMAN RESOURCES

1. Alaska Hire: The League supports and encourages, within the confines of the constitution and human resource limitations, any efforts on the part of the Governor and the Legislature to implement an Alaska hire policy particularly within state government.

2. Resources of Institutions of Higher Learning: The League encourages the Legislature and Administration to use both human resources and technical resources of the institutions of higher learning inside the state over institutions outside the state.

3. Training Incentives: The League supports the development of incentives that would encourage contractors and other employers to train and apprentice local workers and encourage their employment.

4. Day Care: The League supports state funding for day care at a sufficient level to insure that a high standard of day care is available to Alaska families who desire day care and pre-school services.

D. PLANNING

1. Resource Development Projects: The League supports resource development and funding policies which provide that state assisted resource development projects substantially impacting communities should be approved by the municipalities.

2. Waste Disposal: The League encourages the state to maintain high standards concerning waste disposal from processing of all resources.

3. Cooperative Planning: The League recognizes the many of the state's most valuable resource lands are already under private control through mining claims, leases, and conveyances pursuant to the Alaska Native Claims Settlement Act. Thus, in furthering its goals of both resource development and the protection of Alaska's environment, the League urges meaningful, cooperative planning between the state, municipalities, and appropriate private parties, particularly Alaska Native Corporations.

PART X
ECONOMIC DEVELOPMENT

A. IMPACT

The exploration, development, and industrial utilization of renewable and non-renewable resources, both inside and outside municipal boundaries, creates a substantial and immediate impact on the need for municipal facilities and services which exceeds the financial ability of most municipalities to meet in the short period of time available to have such facilities and services operational. The League urges adoption of legislation which would provide financial assistance to municipalities which are facing such impacts. Such legislation needs to establish criteria for impact assistance with appropriate trigger mechanisms to activate such assistance.

B. INCENTIVES

1. Resources: The League supports legislation that will aid in the exploration, development, and in-state processing of Alaska's raw materials and vast mineral wealth, and urges the state to provide incentives to those industries engaging in in-state primary and secondary processing of Alaska's resources.

2. Economic Development: The League urges that legislation be enacted to allow local municipalities to adopt and implement incentives for economic development, such as economic development corporations and tax increment financing authorities.

3. Permanent Fund: The League supports maximum investment of the Permanent Fund in the state.

C. PAPERWORK REDUCTION

The League supports a reduction of state regulations requiring redundant reports for small business and local governments.

D. LOANS

1. State Funding: The League supports the continued state funding for small business loans. The League also supports the Alaska Industrial Development Authority concept where appropriate, but recognizes as well a need for smaller businesses and projects to obtain funding, and most importantly, the inclusion of working capital providing lower interest rates and more flexibility in its application process and provisions.

2. Financial Institutions: The League supports a program to educate the lending institutions so as to expedite loans to small businesses. The League encourages the administration to revamp current Alaska Industrial Development Authority policy to encourage greater service on the part of local financial institutions, where the business loan needs of smaller communities are not being met.

E. TOURISM DEVELOPMENT

The League recognizes the importance of tourism to the economy of the State of Alaska and encourages increased assistance to municipalities for tourism promotion and attraction programs, especially within the Visitor Information Center and Tourist Attraction Development Grant Programs administered by the Division of Tourism.

F. BONDED INDEBTEDNESS

The League supports the adoption of legislation which would raise the level of bonded indebtedness for the Alaska Municipal Bond Bank to $300 million and approve a suitable level of bonded indebtedness for revenue bonds.

fill with
senate

There are currently three procedures in practice within the state regarding taxation of motor vehicles. When the present statute [AS 28.10.411 (d)] was written, it took into account only one of those practices, leaving the other two as problem areas.

In the case where a municipality has opted to have the state collect taxes on motor vehicles for the municipality, the senior citizen is exempt, and the municipality is reimbursed. That is the way the program was intended to work.

One of the problems occurs in a municipalities where a local property tax is levied on motor vehicles. Based on the current statute, the State reimburses those municipalities. However, Title 29 presently does not allow the municipalities to exempt Seniors, therefore the Senior pays the tax and the State "reimburses" the municipality, producing a double payment.

The second problem occurs in municipalities which do not tax motor vehicles. Under the current statute, the state reimburses those municipalities for revenues which they <u>might have</u> lost had they assessed and exempted the motor vehicles.

Currently, the Seniors complete an exemption form when they buy their license plates. That form is forwarded to the Department f Community and Regional Affairs, and the affected municipality is subsequently reimbursed based on the schedule located in AS 28.10.431 (b).

The following suggested language would correct the problems which exist under current law and would allow the State to continue with the current very simple and inexpensive administrative procedure.

AS 28.10.411 (d) The state shall reimburse a municipality for revenues lost to it under (c) of this section. The payment shall be an amount equal to the tax levied under AS 28.10.431 (b) for each vehicle for which a senior citizen exemption form is approved.

1566X/MW/nk

Alaska State Legislature

HB 172

FEB 7 1983

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

February 4, 1983

Mr. Wayne Mabry
Ombudsman
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Wayne:

Thank you for your recent letter regarding the lack of clarification in statutes and case history as it refers to recall petitions. I am aware of the recent problems this has caused in Anchorage and can appreciate the position you have been put in.

A complete revision of Title 29, Municipal Code, is indeed taking place agin this year. Last year, as I am sure you are aware, a similar bill passed but later became mired in controversy and was vetoed. SB 1 is now in the Senate committee process and is the vehicle which is being used to address this question. Eventually, should it pass the Senate, it will be referred to the Community and Regional affairs committee in the House chaired by Representative Barbara Lacher.

I am forwarding your letter and backup to her at this time for investigation and consideration. This matter could be taken up as a separate issue or incorporated as part of the overall Title 29 examination. In anv case, it warrants investigation and Representatuve Lacher's committee has propoer jurisdiction over this matter. I will keep in touch with her to monitor the progress on this situation. You may wish to contact her as well at 465-4894.

I hope we can reach an acceptable solution. Please feel free to contact me at any time if I can be of assistance.

Very truly yours,

Joe L. Hayes
Speaker

JLH/jkd

Barbara- Joe has asked that you take this into consideration as you review Title 29- Thanks. Jeff

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 264-4461

OFFICE OF THE OMBUDSMAN

FEB 3 1983

FEB 3 1983

February 1, 1983

Joe L. Hayes, Legislator
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Joe:

I have recently investigated a complaint about a recall petition for A Municipal Assemblyman. My investigation found that the State Law (AS 29.28.130) on recall petitions is not clear as to the legislative intent regarding a clerk's authority and/or responsibility. The legal opinions regarding similar cases are, in my view, conflicting. In the case I reviewed, the Anchorage Municipal Clerk ruled that the "grounds" stated in the recall petition did not "constitute incompetence or failure to perform prescribed duties" and rejected it. The Municipal CLerk's decision was based on several legal opinions which stated the Clerk had the responsibility and authority to review the grounds based on the word "content" in AS 29.28.160.

My case summary disagrees with those legal opinions and states that a recall petition can only be rejected for one of the reasons stated in AS 29.28.150. I feel that no individual can rule the grounds for recall insufficient except the voters in a duly called recall election. A copy of my case summary is enclosed with four attachments covering the legal opinions. Also enclosed is a copy of the Anchorage Municipal's Clerks January 11th letter to the complainant, Tom Staudenmaier.

I understand that you are involved in revising this portion of the Alaska Statutes and ask that you review my case summary. I would appreciate your comments on this problem and would like to be informed of any proposed changes to this state law. Also, if any hearings are being planned, please let me know as I would like to testify.

If you have any questions, please don't hesitate to call.

Sincerely yours,

Wayne

Wayne D. Mabry
Ombudsman

WDM:sl

cc: Ruby Smith, Municipal Clerk
Jerry Wertzbaugher, Municipal Attorney
Steve Morrissett, Matanuska-Susitna Borough Attorney
Tom Staudenmaier, complainant

Attachments

AKC PAC

3 JAN 83 13:

CLERKS OFFICE

PETITION FOR RECALL

OF GERRY O'CONNER, ASSEMBLYMAN

SECTION (2) TWO, SEAT C

P.O. BOX 8-9110
ANCHORAGE, AK
694-4982
694-2322

We the undersigned registered voters of Section (2) two, Seat C, of the Municipality of Anchorage, which includes Fort Richardson, Eagle River and Chugiak, hereby petition for the recall of Assembly Member Gerry O'Conner under the Anchorage Municipal Charter, Article III, Section 3.03, Recall; Title 29, Section 29.28.140 for incompetence and failure to perform prescribed duties.

Said recall is based upon dereliction of duty of this representative of Eagle River and Chugiak. At the December 2nd, 1982 Municipal Assembly Meeting, Gerry O'Connor joined Tony Knowles, Mayor of Anchorage and voted to increase property taxes up to 50%. His other past actions and this tax increase are contrary to the best interest of the citizens of Eagle River and Chugiak.

	Print first and last name	Signature	Date	Full Residence Address (No P. O. Box Numbers)
1.	JEANNE BLANCHETT	Jeanne Blanchett	12-31-82	[illegible] Eagle River (Ak 99577)
2.	Christopher Walters	Christ Walters	12/31/82	PO Box 1334 Chugiak
3.	Roger R Rasmussen	Roger R Rasmussen	12/31/82	P.O. Box 447 Eagle River 99577
4.	Sang Laing McCall	Sang D Lee	12/31/82	133 Manchu St E.R. 9957
5.	Ronald Wild	Ronald Wild	12/31/82	[illegible] Chugiak
6.	Sharon Wild	Sharon Wild	12/31/82	" "
7.	Clifford Wilson	Clifford Wilson	12/31/82	Po Box 1252 Chugiak 99567
8.	RITA E WILSON	Rita E Wilson	12/31/82	Box 1252 Chugiak 99567
9.	Jean Copper	Jean Copper	12-31-82	Box 7713 Chugiak AK 99567
10.	Jean Copper	Jean Copper	12-31-82	" "
11.	Glenn Kiddy	Gloria Kiddy	1-2-83	Box 70 Eagle River 99577
12.	Lester Kiddy	Lester Kiddy	1-2-83	" " " " "
13.	R A Morris	R A Morris	1/2/83	Lot 6 Blk 4 Harvard
14.	[illegible]	[illegible]	1/2/83	Lot 5 Muldrick Drive
15.	JENNIFER LYNN	Jennifer Lynn	1/2/83	28 Carlson
16.	[illegible]	Mary Ann Smith	1/2/83	Box 393 Eagle River AK

Date Petition Started: Dec. 29, 1982

ALASKA CONSERVATIVE POLITICAL ACTION COMMITTEE

Paid for by AKC-PAC Tom Staudenmaier, Chairman P.O. Box 8-9110 Anchorage, AK 99508

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502-0650
(907) 264-4311

OFFICE OF THE CLERK

January 11, 1983

RECEIVED
JAN 11 1983
OFFICE OF THE OMBUDSMAN

Mr. Tom Staudenmaier, Chairman
AKC-PAC
P.O. Box 8-9110
Anchorage, AK 99508

Dear Mr. Staudenmaier:

On January 3, 1983, you presented to the Municipal Clerk a petition for recall of Assemblyman Gerry O'Connor. In accordance with AS. Section 29.28.160, the Municipal Clerk shall, within 10 days, review the petition for content and signatures and shall certify on the petition whether it is accepted or rejected.

A review of the signatures was made and of the 509 signatures, 354 were registered voters. In reviewing the grounds, the petition was found to be insufficient because the act i.e., voting on the municipal budget, does not constitute incompetence or failure to perform prescribed duties.

It is the decision of the Municipal Clerk the petition is insufficient and it is therefore rejected and will be filed for public record.

A copy of the legal opinion from the Municipal Attorney is enclosed for your information.

If you have any questions, please contact this office.

Sincerely,

Ruby E. Smith
Municipal Clerk

Municipality of Anchorage

MEMORANDUM

DATE: January 20, 1983

TO: Ruby Smith, Municipal Clerk

FROM: Office of the Ombudsman

SUBJECT: CASE SUMMARY, NO. 82-3

The following case summary is provided for your information and review. If you have any questions, clarifying information, or comments regarding our determination or any other aspect of the case, please bring them to our attention so that we can incorporate them into this summary.

CASE SUMMARY

Investigator Wayne D. Mabry In Date: 1-11-83 Close Date: 1-17-83

Category: MUNICIPAL CLERK'S OFFICE

Complaint Summary: The complainant presented a petition for the recall of Assemblyman Gerry O'Conner to the Municipal Clerk's office on January 3, 1983. On January 11, 1983, the Municipal Clerk rejected the petition as being insufficient on the grounds that "voting on the Municipal budget does not constitute incompetence or failure to perform prescribed duties". The complaint is that the Clerk's office does not have the authority under state law (AS 29.28.160) to rule on the alleged grounds.

Case Description: The complainant approached this office on January 3, 1983, after delivering the petition to the Clerk's office, and wished to file a complaint that the petition was going to be rejected based on an opinion by the Municipal Attorney. The complainant felt the Clerk had no right to solicit the Municipal Attorney's opinion. On that date, I informed the complainant the Clerk did have the right to solicit the Municipal Attorney's opinion and since no action had been taken by either the Clerk or the Municipal Attorney, this office could not investigate.

Based on the complainant's contact I did discuss the matter with the Municipal Clerk and Attorney explaining that an official complaint was probably going to be filed with this office if the petition was rejected. At that time, neither the Clerk nor the Attorney had made their determination; a reply by the Clerk to the petition was required by January 11, 1983.

In anticipation of a complaint being filed with this office and a decision to look into the matter on this office's "own motion", I then contacted the Matanuska-Susitna Borough attorney's office and the State Attorney General's office in Anchorage. I spoke with Steven H. Morrissett, Matanuska-Susitna Borough Attorney, about recall petitions because his office has gone through several in the last few years. Mr. Morrissett had given his opinion on the last recall petition filed in the Borough in a memorandum dated August 13, 1981, (attachment #1) which determined that the recall petition was insufficient. I provided a copy of this memorandum to the Municipal Clerk.

On January 11, 1983, the complainant came to this office to lodge a formal complaint based on the Clerk's rejection of the recall petition he had filed. His specific

complaint was that the Municipal Clerk did not have the authority to review the grounds and determine if they constituted "incompetency or failure to perform prescribed duties". I explained to the complainant that this office would accept the complaint and open a case file; however, any recommendation from this office could not change the outcome. Furthermore, the only possible way to change the outcome of the Clerk's decision is through the court system. This was based on my assumption that once the Clerk made a decision, within the 10 day time limit allowed by state law, there is no mechanism to allow the Clerk to change that decision.

I contacted Mr. David LeBlond at the State Attorney General's office. He helped me locate two memorandums regarding recall that had been prepared by the Attorney General's office in 1977. I went to the Attorney General's office, reviewed their files and made copies of the two memorandums regarding a recall petition of a School Board member located in the upper Railbelt School District. In this case there was no municipal clerk involved to handle the recall petition, so the Commissioner of the State Department of Education was handling it. [Later in this Case Summary, I will be quoting from the memorandums by the Assistant Attorneys General, Roger W. Pegues, dated April 12, 1977 and Ronald W. Lorensen, dated June 6, 1977 (attachment #2, #3).]

I then met with the Municipal Clerk, Ruby Smith, to discuss her decision and she informed me that she had contacted numerous Municipal Clerks around the State and had requested an opinion from the Muncipal Attorney, Jerry Wertzbaugher. Ms. Smith tended to agree with my analysis that the term "content" in Section 29.28.160 of the State Statutes, Examinations of Sufficiency, did not relate to determining if the grounds stated in the recall petition were sufficient. She made her decision based on legal opinions she had reviewed and discussions with other clerks around the State, giving the overwhelming opinion that state law did require her to rule on weather the grounds constituted "incompetence or failure to perform prescribed duties". Ms. Smith had contacted Mr. Rubini of the State Attorney General's office in Juneau and the discussion included the opinion by the lawyer that the petition was valid and should go on the ballot. When Ms. Smith requested this opinion in writing the response was that the State Attorney General's office would not give an opinion as the Municipality of Anchorage had an attorney for that purpose.

Basis for Determination: After my first contact with the complaint I reviewed a copy of the applicable state law regarding recall petitions. My first impression of the state law was that there was no legislative intent to have municipal clerks across the state of Alaska determine if the grounds stated in a recall petition were, in fact, "misconduct in office, incompetence, or failure to perform prescribed duties". I then discussed this concept with the Muncipal Clerk and the Municipal Attorney, but neither had yet formed a specific opinion although the Municipal Clerk did tend to agree with my concerns. I then met with the Matanuska-Susitna Borough attorney and also reviewed the files of the State Attorney General's office here in Anchorage. There were several other memorandums in the State Attorney General's files regarding recall petitions, but the two attached were the only ones that related to the specific question of "content".

In reading the January 11, 1983, opinion by Jerry Wertzbaugher, Municipal Attorney, (attachment #4) to the Municipal Clerk, I find that his basic premise revolves around the word "content" located in Section 29.28.160 and that this word "content" means the Municipal Clerk can determine if the grounds stated in the recall petition are in fact grounds for recall as stated in Section 29.28.140. Mr. Wertzbaugher's memorandum goes to great lengths to prove that the term "content" could only refer to the statement of grounds.

My position regarding the term "content" as used in the state law is that it does not nor could not refer to the grounds. In the State Statues regarding recall petitions, Section 29.28.140 states the grounds for recall. Then Section 29.28.150 entitled "Petition" states:

> (a) A petition seeking recall of one or more municipal officials is filed with the Municipal Clerk. The petition shall contain
>
> (1) the signatures and residence addresses of a number of voters as prescribed in §70(b) of this chapter for initiative and referendum;
>
> (2) the date each voter signed the petition; and
>
> (3) a statement of the grounds of the recall stated with particularity as to specific instances; B. A petition for recall must be filed with the Clerk within 60 days after the date of the earliest signature on the petition. (§2 ch 118 SLA 1972)

Then comes Section 29.28.160, Examination for Sufficiency. It states "The Municipal Clerk shall review the petition for content and signatures and shall certify the petition within 10 days of the filing date whether it is accepted or rejected ... ." In my non-legalistic mind it appears that the term "content" in Section 29.28.160 refers to the words "shall contain" in Section 29.28.150 and the only thing the Clerk can look at relating to the grounds is stated in number 3 above: that the grounds will be particular and specific. There is nothing in the law that says the Clerk can determine if the grounds, if assumed to be true, must fit the test of being "misconduct in office, incompetence or failure to perform prescribed duties". As stated in Mr. Morrissett's August 13, 1981 memorandum, I feel the charges must be definite enough to allow the public to determine the truth or falsity of those charges. Mr. Morrissett's memorandum rejecting the recall petition submitted was rejected on the basis that all five charges were too vague and would not give the voter a chance to determine if the Assemblyman should be recalled or not. I think Mr. Morrissett's memorandum tends to support my opinion because the reason for rejecting that recall petition was based on vagueness.

Also, two other recall petitions in 1980 were accepted by the Matanuska-Susitna Borought Clerk based on grounds related to how a particular Assemblyman voted on issues similar to the one in this case (copies of the two 1980 petitions are attached to Mr. Morrissett's memorandum).

It is difficult for me to imagine that the legislative intent was to have any clerk make this decision on the grounds for recall as it could relate to one or more of their bosses. If the clerk is appointed by a manager, the clerk's action could be construed as a political move by the administrative branch against the legislative branch. This would be a terrible position for a clerk to be put in; to have to say one of the members of the legislative body is guilty of "incompetence, misconduct in office or failure to perform prescribed duties" and could put a clerk's job in jeopardy.

The April 12, 1977 memorandum from the Assistant Attorney General regarding the recall of a School Board member states " The recall petition must contain a statement of grounds 'with particularity as to specific instances.'" The petition in question stated that its aim was to correct the incompetency of the School Board and cited two particular instances: "(1) the Board's approving a new position of Assistant Superintendent and (2) the Board's approving funds for a computer." The memorandum further goes on to state:

> It is not the role of the officer charged with ascertaining the petition's sufficiency to judge the merit or truth of the grounds asserted (68 Am. Jur.2d Public Officers and Employees § 245) It suffices that the reasons have been stated and with sufficient particularity to inform the office holder and the electorate. The latter will determine the merit of the charges.

I feel these "grounds" are similar in nature to the ones filed by the complainant and these were acceptable enough to call for a recall election. Also, it is clear that the electorate should determine the merits of the charges, not the clerk.

The second memorandum from the Attorney General's office dated June 6, 1977, goes into even further detail regarding the allegations and what exactly can or cannot be determined by the Commissioner in this case. The first part of the memorandum speaks to the fact that the allegation's truth or untruth is irrelevant to the question of whether or not the recall petition is legally sufficient. The memo goes on to say:

> The decisions of those courts are virtually unanimous in their holding that the question as to whether or not the charges contained in the

> petition are true or false is irrelevant. ... the only question to be decided is whether or not the charges which have been made are sufficiently specific to allege incompetence or misfeasance if they were in fact true. ... 'recall is political in nature and it is for the people and not the courts to decide the merits of the reasons stated in the petition'.

Further, the memo goes on to say:

> In those states where the power of recall is constitutionally established, the courts have viewed recall as a 'fundamental right' and have consistently said that statutes dealing with recall should be liberally interpreted and that any restrictions which are placed on the power of recall must be strictly construed. ... Consequently, neither you nor the Board may determine the propriety of the policy in this area or the sufficiency of the petitions based on potential factual inaccuracies. A good general description of the judicial approach to recall can be found in State ex rel. Citizens Against Mandatory Bussing v. Brooks, 492 P.2d 536 (Wash., 1972):
>
> > First, in determining the validity of recall charges, courts are limited to examination of the charges stated and cannot inquire into factual matters extraneous to the allegations. Second, courts must assume the truth of the charges in determining whether legally sufficient grounds for recall

> have been stated. Third, just as there can be no inquiry into the truth or falsity of the charges, there can be no inquiry into the motives of those filing the charges. Fourth, recall charges are sufficiently specific if they are definite enough to allow the charged official to meet them before the tribunal of the people.

These statements lead me to believe that rejecting the petition because the grounds are political is invalid as everything a politician does is political. Also, rejecting the petition because it does not fit the definitions of "incompetence or failure to perform prescribed duties" is a right that can only be exercised by the voters.

My concern is if the legal opinion stated by Jerry Wertzbaugher and Steven Morrissett is correct. Then, what I hear this saying to those voters who wish to submit a recall petition, is to make allegations that, although possibly blatant lies, could be determined non-political statements and therefore allow a recall election. I do not think this concept is the intent of the state law. I totally agree with the statement that the recall petition is a "fundamental right" and that these petitions should be liberally interpreted and that restrictions placed on the power of recall must be strictly construed. Otherwise, the voters, as in this case, are not being allowed their fundamental right to a recall election.

Based on all of the above information, my opinion is that the state law does not allow the Municipal Clerk to review the content of a recall petition as it relates to the grounds for recall as stated in the state law, I have determined this case to be JUSTIFIED.

Note: I did not seek another legal opinion for two reasons. The first is my assumption that this matter will have to be settled in the courts which will generate additional legal opinions. Secondly, I felt I had enough information on which to base my determination.

Case Action:

This investigation leads me to the opinion that the state law needs to be revised in such a way that this question of content can be cleared up and made very specific as to what the legislature's intent is in regards to review by any municipal clerk within the State. Based on that I will be forwarding my memorandum on to members of the State Legislature who are interested in amending the Alaskan Statues regarding recall petitions. It is my understanding that some changes were recently passed by the State Legislature but vetoed by the Governor.

In my discussions with the complainant I stated that I felt the recall effort was premature if based on a Municipal tax increase. My reasoning is that approving the budget does not automatically raise taxes. Taxes are set in April or May by the Assembly only when it approves a specific mill rate for each Municipality service area. At this time the Assembly still retains the option to not raise the mill rate which, in effect, would lower the budget.

Wayne D. Mabry

WAYNE D. MABRY, OMBUDSMAN

WDM:sl

Attachments (4)

cc: Complainant
Assembly Representatives
Jerry Wertzbaugher, Municipal Attorney
Steve Morrissett, Matanuska-Susitna Borought Attorney

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ATTORNEY'S OFFICE

August 13, 1981

RECEIVED

JAN 07 1983

OFFICE OF THE OMBUDSMAN

MEMORANDUM

To: Evelyn Thompson, Borough Clerk

From: Steven K. Morrissett, Borough Attorney

Subject: Recall of an Elected Official--Procedures

The recall of an elected official is governed by AS 29.28.130--.250. Any elected official of the Borough may be recalled by the voters after he or she has served six months in office, subject to the provisions of those sections. The subject of this memorandum is discussed in relation to a petition received on August 6, 1981, to recall Assemblyperson Dorothy Jones.

Recall Charges

It is for the voters to decide whether the charges in the recall petition are true and, if true, whether they are enough reason for recalling the elected official. However, it is the duty of the Borough Clerk to determine whether the charges alleged, if taken as true, constitute "misconduct in office, incompetence or failure to perform prescribed duties" within the meaning of the law. Bocek v. Bagley, 505 P. 2d 814 (Wash 1973). AS 29.28.140.

The requirement that reasons be provided means that a recall petition is not sufficient if it is submitted solely for political reasons. However, the Clerk must look only to the language of the charge in determining whether adequate reasons are alleged in the petition.

Charges must be made which "state the grounds with particularity as to specific instances." AS 29.28.150(a)(3). An allegation of "misconduct", for instance, must be supplemented by specific facts which demonstrate "misconduct". The charges must be definite enough to allow the public to determine the truth or falsity of the charges. If even one charge, or if all together meet these requirements then the petition is sufficient.

"Misconduct in office" includes any wrongful conduct which affects or interferes with performance of official duty and includes misfeasance or malfeasance: the performance of a duty in an improper manner or the doing of an unlawful or unethical act. Knowledge by the official that the act was "misconduct" may not be relevant except to the extent that knowledge is required to show misconduct.

"Incompentence" ordinarily means intellectual, physical or moral inability to carry out a required task. It may include serious ignorance of basic information or a lack of mental or emotional ability necessary to carry on the duties of the official. It would not include making decisions which were politically unpopular.

"Failure to perform prescribed duties" means a failure to carry out those responsibilities of the office set out in state or local laws. Prescribed duties are numerous, from the obligation to attend Assembly meetings unless excused, to ordering elections on the acquisition of Borough powers if requested by the voters. MSB 2.12.070(F), 2.04.050. A "prescribed" duty may be created by implication; e.g., when the Assembly as a whole is required to perform a function, it is the implicit duty of each official who is a member to aid in the performance of that function. However, it is not a "prescribed duty" of each Assemblyperson to take every conceivable action which might make that official a more informed or more popular representative. Thus, it is not a "prescribed duty" to attend meetings which are not official or are sponsored by other non-Borough organizations. It is not a "prescribed duty" of an Assemblyperson to inform all constitutents of the economic impact of an Assembly decision.

On the Jones recall petition, five charges were made, as set forth in the footnote below.1/ The petition characterizes these charges as "incompetency and/or failure to perform prescribed duties." However, the sufficiency of the petition is not determined by this characterization, but by whether any charge, or all of the charges together, constitutes misconduct in office, incompetency or failure to perform prescribed duties.

The first charge is that Assemblyperson Jones has generally failed to consult with constitutents or keep them informed. Taking this as true, it fails to allege specific instances which would constitute

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1/ (1) Has generally failed to consult with constituents and has failed to keep citizens informed concerning the various activities of the Borough Assembly and Borough Government; (2) Has failed to inform constituents concerning the true size and scope of Borough Government and the sources of revenues for the operation of Borough Government. This was especially true during early 1981 at Borough budget meetings; (3) Has failed to inform and/or consult with constituents concerning future property tax liabilities if and when present sources of state and federal revenues should cease to be available for the operation of the Borough Government. Specifically, she failed to discuss these matters at Borough budget meetings in 1981; (4) Has failed to recognize the desires of many constituents to lead quiet, peaceful, and uncomplicated lifestyles with a minimum of government regulation, intrusion, and interference. Has sponsored and/or voted for ordinances which interfere with privacy rights and individual freedoms of citizens; and (5) Has favored and/or voted for more expensive and burdensome Borough Government despite the objections of many of her constituents. Specifically, in May 1981, she ignored a petition signed by approximately 50 of her constituents, the purpose of w was to inform the Borough Assembly that many Borough citizens were against the addition of permanent employees to the general Borough Government staff.

statutory grounds for recall. It does not allege refusal to talk with constitutents in specific cases , nor does it state the nature of the failure to inform. It is not a prescribed duty of an Assemblyperson to inform all constitutents of all matters. The charge is not specifically clear to establish a valid reason for recall, nor would it generally be a sufficient charge if referenced to a specific instance.

The second charge is that Jones has failed to inform constitutents concerning the true size and scope of the government and its sources of revenue, particularly during the 1981 Budget hearings. This charge sets a specific time, but is as vague as the first charge in showing an act constituting misconduct, incompetence or failure of duty. The "true size and scope of government" is no more specific a subject than "various activities". There is no catagorical duty of Assemblypersons to inform all constitutents of all matters in a representative form of government.

The third charge is that Jones has failed to inform constitutents of future tax liability "if and when present sources of state and federal revenues should cease to be available..." This is so vague as to be impossible to respond to or for voters to determine whether the charge is true. It also fails for the reasons stated previously.

The fourth charge is that Jones has "failed to recognize the desires of many constitutents..." This is strictly a "political" reason for wanting a different representative. It is inevitable that some voters will be disappointed by every action taken by an Assemblyman. The elective process is the remedy. Recall requires specific, limited grounds for removal of an official before the end of his or her regular term.

The fifth charge is that Assemblyperson Jones has voted for "expensive Borough government", despite objections and a petition signed by 50 constitutents. If true, this is a charge that the elected official has acted contrary to the wishes of certain voters, not that the official is guilty of misconduct or failure of duty.

No charge states an allegation of incompetence, i.e. that Assemblyperson Jones is incapable of performing her duties. No charge alleges misconduct in office, i.e. an illegal or unethical act. Allegations directed towards claims of failure to perform prescribed duties establish no duties that were not performed. No allegation is made by the petition which is a basis for recall and which could be considered by informed voters as to its truth. The charges set forth in the recall petition are therefore insufficient. 2/

2/ This opinion is consistent with two previous written opinions of attorneys Allen Tesche and Harland Davis, provided at the request of the Clerk in 1980. Each of those opinions, issued in relation to petitions for the recall of Assemblypersons Schmall and Hitchcock, concluded that certain reasons on the petition were not legally sufficient. The charges that Schmall and Hitchcock failed to discuss "certain matters and general charges were noted not to be sufficient. However, charges of a specific instance of slander, excessive absences from meetings and illegal actions related to dismissal of the manager in violation of the law were detailed and sufficient to present to the voters.

Form of Petition Signatures

A recall petition must have a statement of the grounds of the recall stated with particularity. It must have the signature, residence address and signing date for each signer.

There is no requirement that the petition be on one page. Where the petition extends to several pages, each page should be attached to the others which form a complete petition and should be identified clearly as to the purpose of the petition to assure no signer is misinformed as to what he is signing. However, it is permissible to circulate more than one petition, each of which can be filed in a joint petition, if the form of each petition is identical.

It is preferable if each page of a petition has a full statement of the petition or a summary clearly setting forth the purpose. There is no apparent requirement that proof be provided that all sheets in a petition were circulated as a unit; some states require an affidavit to that effect.

The signatures on the petition must meet certain statutory requirements. If the area concerned by the petition in the Borough has fewer than 7,500 persons, the petition must contain the signatures of persons who are registered to vote in and living in the concerned area equal to 25% of the total number of votes cast at the last general election within that area. If the concerned area has 7,500 persons or more, the petition must be signed by voters equal in number to at least 15% of the total votes cast in the last general election in that area. In this case, the concerned area is District 5 only.

The signature must be in ink or indelible pencil. To be valid a signature must be followed by the date of signature and the person's current residence address. Each and every signature on the petition must have been signed within 60 days of the filing of the petition with the clerk.

Only those persons who are currently registered voters within the concerned area may be counted toward the petition. The petition itself is not an affidavit of residency; the required voter registration establishes the validity of a person's signature, residence and right to sign the petition. Because of the lack of specific residence addresses within the Borough, certain leeway must be granted to describing the location of residence. However, a signature may not be counted if it cannot be ascertained from the address that the person lives within the area concerned.

Processing a Petition

The municipal clerk is required to review the petition for content and signatures and accept the petition within ten days of the filing date. Until such time as the petition is accepted, any signer of the petition may withdraw his signature upon written application to the clerk.

RECALL PETITION
THE PETITION FOR RECALL OF ASSEMBLYPERSON DOROTHY JONES (Rejected)

(13)

THE UNDERSIGNED VOTERS of the Matanuska-Susitna Borough Assembly District 5, currently composed of Precincts 3, 8, 15, 17, 21, and 50, seek the recall of DOROTHY JONES due to incompetency and/or failure to perform prescribed duties. Each of the undersigned states that he/she petitions for the recall of DOROTHY JONES for each of the instances of incompetency and/or failure to perform prescribed duties cited below with or without the other, and whether such instances constitutes incompetence, failure to perform assigned duties, or both: (1) Has generally failed to consult with constituents and has failed to keep citizens informed concerning the various activities of the Borough Assembly and Borough Government; (2) Has failed to inform constituents concerning the true size and scope of Borough Government and the sources of revenues for the operation of Borough Government. This was especially true during early 1981 at Borough budget meetings; (3) Has failed to inform and/or consult with constituents concerning future property tax liabilities if and when present sources of state and federal revenues should cease to be available for the operation of the Borough Government. Specifically, she failed to discuss these matters at Borough budget meetings in 1981; (4) Has failed to recognize the desires of many constituents to lead quiet, peaceful, and uncomplicated lifestyles with a minimum of government regulation, intrusion, and interference. Has sponsored and/or voted for ordinances which interfere with privacy rights and individual freedoms of citizens; and (5) Has favored and/or voted for more expensive and burdensome Borough Government despite the objections of many of her constituents. Specifically, in May 1981, she ignored a petition signed by approximately 50 of her constituents, the purpose of which was to inform the Borough Assembly that many Borough citizens were against the addition of permanent employees to the general Borough Government staff.

RECEIVED
JAN 10 1983
OFFICE OF THE OMBUDSMAN

THE VOTERS OF ASSEMBLY DISTRICT 5 RESPECTFULLY REQUEST THAT A RECALL ELECTION BE HELD AS SOON AS POSSIBLE.

PRINTED NAME	SIGNATURE	MAILING ADDRESS	RESIDENCE ADDRESS	DATE
A E Frantz	A E Frantz	Box 17-351 Big Lake	Same	7-15-81
JUDY RIFE	Judy Rife	P.O. BOX 2687 Palmer	KNIK RD ½ mile APT # 6	7-15-81
JAMES OLSON	James Olson	P.O. Box 17-248 BIG LAKE	Same Big Lake	7-15-81
RAYMOND A PAHL	Raymond A Pahl	PO Box 17306 Big Lake	Lot 25 Bunkhouse	7-15-81
Bethel C. Pahl	Bethel C Pahl	Po Box 17306 Big Lake	Lot 25 Bunkhouse	7-15-81
Mike Winchester	Mike Winchester	P.O. Box 17229 BigLake	Lot 22 Butler Sub	7-15-81
LOLA J JENSEN-Winchester	Lola Jean Winchester	P.O Box 17229 Big Lake	Lot 22 Butler Sub	7-15-81
Herbert L Rien	Herbert L Rien	St. Rt A Box 470, Willow	Mile 91½ PHW	8-1-81
MARGARET S. RIEN	Margaret S. Rien	SRA-Box 470, Willow, AK.	Mile 91½, Parks Highway	8-1-81
Paula Sue Agger	Paula S. Agger	Box 133 Happy Camp, Ca.	Mile 1 Talkeetna Spur Rd	8/1/81
Stephanie Cordill	Stephanie Cordill	P.O. Box 17048 Big Lake	mile 2½ Big Lake Rd.	8/2/81
Mary J Oberg	Mary J. Oberg	Box 17-034 Big Lake	Knollwood Heights Big Lake	8/2/81

RECALL PETITION

THE PETITION FOR RECALL OF ASSEMBLYPERSON KATHRYN R. SCHMALL

The undersigned voters of the Matanuska-Susitna Borough Assembly District 4, currently composed of precincts 18, 19 and 35, seek the recall of Kathryn R. Schmall due to incompetence and/or misconduct. Each of the undersigned states that he/she petitions for the recall of Kathryn R. Schmall for each of the instances of incompetence and/or misconduct cited below with or without the others, and whether such instance constitutes misconduct, incompetence, or both.

A. Voting at the Assembly meeting on June 3, 1980 to dismiss the Borough Manager, constituting incompetence because (1) the vote was based upon unsubstantiated charges presented at an executive session, which charges affected the character and reputation of the Manager, without allowing the Manager an opportunity to respond to the charges or confront the witnesses against him; (2) failing to publish the topic of the Manager's dismissal on the Assembly's agenda, not allowing for appropriate input from all interested segments of the community; and (3) voting to dismiss the Manager capriciously, without making any provision for a smooth administrative transition at a critical period in the development of several major economic development projects in the Point McKenzie area, generating the likelihood of great economic loss to the Borough and its residents.

B. Voting to hold executive sessions beyond the authority granted by statutes, in derogation of the people's right to attend and observe the Assembly's deliberations.

C. Refusing to discuss Borough Assembly actions with constituents, who have a right to know.

D. Making slanderous remarks against the Borough Manager at the Wasilla Chamber of Commerce meeting of May 20, 1980.

RECEIVED
JAN 07 1983
OFFICE OF THE OMBUDSMAN

The voters of Assembly District 4 respectfully request that a recall election be held as soon as possible.

PRINTED NAME	SIGNATURE	MAILING ADDRESS	RESIDENCE ADDRESS	DATE
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Charlotte Cremer	Charlotte Cremer	P O Box 657 Wasilla 99687	687 Southway Ave	6/30/80
Theodore Cremer	Theodore E Cremer	P O Box 657 Wasilla 99687	687 Southway Ave	6/30/80
John Polis	John Polis	Box 525 Wasilla	Terrestway + Cynthia Rd	7/4/80
[illegible]	[illegible]	Box 1155 Wasilla Ak	Suburban Country Co	7/4/80
Colleen G. Cottle	Colleen G Cottle	P O Box 341 Wasilla	Lakeview Ave	7-6-80
[illegible]	[illegible]	P.O. Box 455 Wasilla	Suburban Est.	7-7-80

If the petition is sufficient, the clerk should immediately submit it to the Borough Assembly to be placed on the ballot within 75 days of submission of the petition to the clerk. If the clerk finds that there are insufficient signatures, or that the petition is otherwise inadequate, the clerk must let the petitioners know within the ten day period for review of the petition. The petitioners are entitled to an additional ten days from the date of rejection to provide additional signatures.

If the petition is insufficient for any reason other thatn insufficient signatures, it must be rejected in its entirety. If insufficient signatures are provided within a supplemental ten day period, the petition shall also be rejected. A new recall petition cannot be filed for six months after rejection of the first petition.

The recall petition must be placed on the ballot within 75 days of submission of the petition. The question on the ballot must include:

(1) The grounds for recall as stated in the recall petition.

(2) The elected officer's response to the petition, in 200 words or less.

(3) The proposition questions: "Shall (the elected official) be recalled from the office of (office)? Yes___ No___

A majority vote on the question is required to recall an officer. Failure to recall an elected official prevents the filing of a new recall petition within six months after the election. A successful recall requires that an election be conducted for its successor at least ten but not more than 45 days after the date of the recall election, except that the election for the successor may be held at a regular election if occurring within 75 days of the recall election.

Steven H. Morrissett
Borough Attorney

er

RECALL PETITION

THE PETITION FOR RECALL OF ASSEMBLYPERSON KATHRYN R. SCHMALL

Certified for circulation to electorate 261 signatures Evelyn Thompson Borough Clerk 8-1-80

The undersigned voters of the Matanuska-Susitna Borough Assembly District 4, currently composed of precincts 18, 19 and 35, seek the recall of Kathryn R. Schmall due to incompetence and/or misconduct. Each of the undersigned states that he/she petitions for the recall of Kathryn R. Schmall for each of the instances of incompetence and/or misconduct cited below with or without the others, and whether such instance constitutes misconduct, incompetence, or both.

A. Voting at the Assembly meeting on June 3, 1980 to dismiss the Borough Manager, constituting incompetence because (1) the vote was based upon unsubstantiated charges presented at an executive session, which charges affected the character and reputation of the Manager, without allowing the Manager an opportunity to respond to the charges or confront the witnesses against him; (2) failing to publish the topic of the Manager's dismissal on the Assembly's agenda, not allowing for appropriate input from all interested segments of the community; and (3) voting to dismiss the Manager capriciously, without making any provision for a smooth administrative transition at a critical period in the development of several major economic development projects in the Point McKenzie area, generating the likelihood of great economic loss to the Borough and its residents.

B. Voting to hold executive sessions beyond the authority granted by statutes, in derogation of the people's right to attend and observe the Assembly's deliberations.

C. Refusing to discuss Borough Assembly actions with constituents, who have a right to know.

D. Making slanderous remarks against the Borough Manager at the Wasilla Chamber of Commerce meeting of May 20, 1980.

RECEIVED JAN 07 1983 OFFICE OF THE OMBUDSMAN

The voters of Assembly District 4 respectfully request that a recall election be held as soon as possible.

PRINTED NAME	SIGNATURE	MAILING ADDRESS	RESIDENCE ADDRESS	DATE
[illegible]	[illegible]	Box 513 Wasilla 99687	[illegible]	6/30/80
Norine Jones	[illegible]	Box 513 Wasilla 99687	Southway Ave	6/30/80
Charlotte Cremer	Charlotte Cremer	P O Box 657 Wasilla 99687	687 Southway Ave	6/30/80
Theodore Cremer	Theodore E Cremer	PO BX 657 Wasilla 99687	687 Southway Ave	6/30/80
John Polis	John Polis	Box 525 Wasilla	Parkstrip & Talkeetna Rd	7/4/80
Thos Minnick	[illegible]	Box 455 Wasilla Ak	Suburban Country Club	7/4/1980
Colleen G. Cottle	Colleen G Cottle	Po Box 341 Wasilla	Lakeview Ave	7-6-80
Alice Minnick	Alice Minnick	P.O. Box 455 Wasilla	Suburban Est.	7-4-80

ATTACHMENT #2

Hon. Marshall L. Lind
Commissioner
Dept. of Education

April 12, 1977

RECEIVED
JAN 12 1983
OFFICE OF THE OMBUDSMAN

Avrum M. Gross
Attorney General

Petition for recall, Upper Railbelt school board

FM: Rodger W. Pegues
Assistant Attorney General

As you requested, we have reviewed the recall petition from REAA #14, the Upper Railbelt School District. In our opinion, the petition meets the statutory requirements, and we advise that it be accepted as sufficient in form and substance. */

By law, the grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties. AS 29.28.140. The recall petition must contain a statement of the grounds, "with particularity as to specific instances." AS 29.28.150(a)(3). **/ While certain of the recall petition's allegations are vague and do not meet the statutory requirements for particularity, the petition recites that the "aim is to correct the incompetency of the School Board," and the petition states two particular instances of alleged misconduct or incompetency: (1) the board's approving a new position of assistant superintendent, and (2) the board's approving funds for a computer. Accordingly, while far from a perfect instrument, the petition does facially meet the statutory requirements.

It is not the role of the officer charged with ascertaining the petition's sufficiency to judge the merit or truth of the grounds asserted. 63 Am. Jur.2d Public Officers and Employees § 245. It suffices that the reasons have been stated and with sufficient particularity to inform the office holder and the electorate. The latter will determine the merit of the charges.

*/ This assumes that a check of the signatures results in a determination that the petition has been signed by the required number of qualified voters.

**/ AS 14.08.081 makes REAA school board members subject to recall under AS 29.28.130--250, except that the commissioner of education performs the municipal clerk's functions and the state Board of Education performs the functions of the assembly. All elected public officials in Alaska, except judicial officers, are subject to recall. Alaska Const., art. XI, § 8.

In preparing the recall ballot, you are required to include on it "the grounds as stated in the recall petition." AS 29.28.210(1). In our view, this should be interpreted to mean the grounds as stated with particularity so as to comply with AS 29.28.150(a)(3), which requires particularity. Therefore, the statement of grounds on the ballot should exclude the non-specific grounds and include those stated "as to specific instances."

The first statement of grounds in the petition (consistently ignored the will, etc.) may or may not meet these criteria. It is probably sufficiently particular to advise the officers and the electorate in the district. It does not give "specific instances." You should exercise your own judgment as to whether it should be included on the ballot based on your knowledge of the situation, i.e., if you believe that, under the circumstances, the statement adequately recites the alleged misconduct, you should include it on the ballot.

The second statement (created dissension, etc.) is facially inadequate. It states a broad conclusion without the slightest reference to a particular act or instance. It should not be placed on the ballot.

The third statement (new position) and the fourth statement (allocated funds for a computer) are particularized and give specific instances. They should be placed on the ballot.

The statements of grounds placed on the ballot are to be "as stated in the recall petition." AS 29.28.210(1). Following these allegations, the official's rebuttal or defense of not more than 200 words is placed. AS 29.28.010(2).

This is a proceeding without precedent in Alaska, and if you require additional assistance, please do not hesitate to request it.

RWP:chp

ATTACHMENT #3

June 6, 1977

Marshall L. Lind
Commissioner
Department of Education

RECEIVED
JAN 12 1983
OFFICE OF THE OMBUDSMAN

Avrum M. Gross
Attorney General

By:
Ronald W. Lorensen
Assistant Attorney General

Recall petition of the Upper Railbelt School Board
A.G. File No. J-66-512-77

This will confirm my oral advice to you of May 19, 1977 in response to certain questions which you raised as to whether or not the charges contained in the recall petition filed in the above-referenced matter were legally sufficient to require that a recall election be undertaken. I advised you that those charges were in fact sufficient, despite some substantial questions which you had raised as to the apparent untruth of certain of the factual allegations.

While a review of the relevant school board minutes for the Upper Railbelt School District does seem to indicate that certain of the factual allegations contained in the petitions are indeed not correct, this factor, under applicable judicial decisions dealing with the question of recall elections, is irrelevant to the question of whether or not the recall petition is legally sufficient to bring on the holding of the recall election. This point has been addressed in numerous judicial decisions throughout the United States, although it has not yet been addressed in Alaska. The decisions of those courts are virtually unanimous in their holding that the question as to whether or not the charges contained in the petition are true or false is irrelevant. According to those decisions, the only question to be decided is whether or not the charges which have been made are sufficiently specific to allege incompetence or misfeasance if they were in fact true. As recently stated by the Wisconsin Supreme Court in In re Recall of Certain Officials, 217 N.W.2d 277 (1974), "recall is political in nature and it is for the people and not the courts to decide the merits of the reasons stated in the petition."

The power of the people to recall their elected officials is established by our state constitution in Article XI, Section 8 which provides as follows:

> All elected public officials in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedures and grounds for recall shall be prescribed by the legislature.

In those states where the power of recall is constitutionally established, the courts have viewed recall as a "fundamental right" and have consistently said that statutes dealing with recall should be liberally interpreted and that any restrictions which are placed on the power of recall must be strictly construed. See, for example, Bumgarner v. City of Boulder, 525 P.2d 416 (Col., 1974).

Although you and the state Board of Education may disagree with respect to the established policy behind the widespread judicial support for recall powers, and though you have substantial concerns over the truth of the factual allegations made in the petitions, neither of these areas are concerns with which either you or the Board in your respective roles in the recall procedure have any vested authority. Consequently, neither you nor the Board may determine the propriety of the policy in this area or the sufficiency of the petitions based on potential factual inaccuracies. A good general description of the judicial approach to recall can be found in State ex rel. Citizens Against Mandatory Busing v. Brooks, 492 P.2d 536 (Wash., 1972):

> This court has on numerous occasions interprated and applied these constitutional and statutory provisions. Some basic rules may be gleaned from these prior cases. First, in determining the validity of recall charges, courts are limited to examination of the charges stated and cannot inquire into factual matters extraneous to the allegations. Second, courts must assume the truth of the charges in determining whether legally sufficient grounds for recall have been stated. Third, just as there can be no inquiry into the truth of falsity of the charges, there can be no inquiry into the motives of those filing the charges. Fourth, recall charges are sufficiently specific if they are definite enough to allow the charged official to meet them before the tribunal of the people. Finally, any one sufficient charge requires the holding of a recall election. (Citations omitted.)

Consequently, as you can see from the above, I am able to reach only one conclusion in this matter and that is that you and the state Board must proceed to hold the recall election called for under AS 14.08.081.

RWL:jf

Municipality of Anchorage

MEMORANDUM

ATTACHMENT #4

DATE: January 11, 1983

TO: Municipal Clerk

FROM: Municipal Attorney

SUBJECT: Petition for Recall of Gerry O'Connor, Assemblyman, Section 2, Seat C

ISSUE PRESENTED

Are the grounds set forth in the above referenced recall petition sufficient as a matter of law under the provisions of AS 29.28.150 to permit a submission by the Clerk to the Municipal Assembly for the purpose of calling an election pursuant to AS 29.28.200?

CONCLUSION

The above referenced petition is legally insufficient and no recall election may therefore be called. Under AS 29.28.160 - .170, the Municipal Clerk is required within 10 days of submission to examine the sufficiency of the recall petition, both as to the adequacy of signatures and for content with respect to compliance with AS 29.28.130 - .150. On the basis of the authorities and the reasoning referenced below, it is my opinion that an individual assembly member's vote on an ordinance approving the municipal budget cannot, as a matter of law, constitute misconduct in office, incompetence, or failure to perform prescribed duties under the meaning of AS 29.28.140, if that vote was in compliance with state and municipal law governing ethics and conflicts of interest and if the measure passed was in all respects a lawful action.

DISCUSSION

The necessity and sufficiency of specific grounds to support a recall petition is a matter governed by applicable constitutional or statutory provisions. For this reason, the weight given to various legal precedents from other jurisdictions depends on an examination of the specific legal framework involved. Generally, there would be no examination of the legal sufficiency of grounds where the governing statute permits removal from office for any reason or where grounds must be stated in a general manner. This is the case in many states, including, for example, Colorado, Michigan, Oklahoma and Wisconsin. In those states, it is held that recall can be based merely on a disagreement with the policies of the officeholder. A different rule applies, however, where, as in Alaska, the governing statute dictates that only certain grounds are suf-

> finitely at the expense of the taxpayers. And suppose the faction seeking power through recall of those in office should be successful and the first, second, or third attempt, then the ousted faction could then in turn employ the same in repeated trials to regain its lost prestige, and the interminable wrangell and turmoil would go on. This would result in the fostering and maintaining of political feuds to the detriment of society and the great expense of the taxpayers. 121 S.E. at 493.

Additional support for this conclusion is found in AS 29.28.160 entitled, EXAMINATION FOR SUFFICIENCY. That section requires that the Municipal Clerk review a recall petition for content as well as for signatures. Since a petition is required to contain only dated signatures with addresses and a statement of grounds, the term "content" could refer only to the statement of grounds. Any other conclusion would make the use of the term "content" superfluous. On this point, note that AS 29.28.170(a) provides for a supplemental petition if, and only if, it is rejected on the basis of insufficient signatures. The statute also provides that "if the petition is insufficient for any other reason, it shall be rejected and filed as a public record." (emphasis added). Obvious from the emphasized language, the legislature contemplated that the Clerk's duties include an examination of the petition for compliance with other requirements. This interpretation of the Clerk's authority is consistent with the Alaska Supreme Court's decision in Warren v. Boucher, 543 P.2d 731. In that case, the Court approved the Lt. Governor's determination that an initiative petition was "substantially the same" as a measure passed by the legislature and therefore barred from the ballot. The Court's approval of the Lt. Governor's authority in that case involved a statute which, like the one under analysis here, permitted the highest election officer of the jurisdiction to make certain threshold decisions on the validity of a petition. This is not an unusual position. In the case of Steadman v. Halland, 641 P.2d 448, the Supreme Court of Montana addressed the same issue; "We agree that the statement of grounds for recall to be included in the petition is 'part of the form of the petition' and find that the filing officer not only is 'empowered to' but is required to reject the petition when it does not comply with statutory requirements." (emphasis added) 641 P.2d at p. 453.

The inquiry need not be confined to the governing statute alone as there exists precedent from other states with similar statutory language.

In states where the law permits recall to be based on political grounds alone, the above referenced statement (or any statement for that matter) would be sufficient. It is, however, insufficient to support the grounds of incompetence or failure to perform prescribed duties.

Relative to removal from public office, the terms "incompetence" and "dereliction of duty" have well established meanings. 63 Am.Jur.2d, Public Officers, §§ 191-192. The petition describes one act allegedly constituting incompetence. The allegation does not meet judicially defined standards for "incompetence" as that term has been defined by the courts. "Incompetence" means "some demonstrated lack of capacity or ability to perform the professional functions of office", Vivian v. Examining Board of Architects, 213 N.W.2d 359 (Wisc. 1974), including physical handicap inability to perform official functions; Tafoya v. New Mexico State Police Board, 472 P.2d 973 (N.M. 1970), or other legal disqualification, incapacity, or fitness to discharge the required duty. It means want of physical, intellectual, or moral ability, insufficiency, inadequacy, want of legal qualifications. Appeal of School District of Bethleham, 30 A.2d 726 (Pa. Super. 1943); Hughes v. Hughes, 271 P.2d 172 (C.A. 4th 1954). The allegation in the petition falls short of claiming lack of capacity, ability, or physical, educational or mental ability to perform official functions; rather the allegation merely recites an action of the Assembly to which petitioners object. Failure to perform prescribed duties means a failure to carry out those responsibilities of the office set out in state or local law. Prescribed duties are numerous, from the obligation to attend assembly meetings unless excused to voting on matters for which one is not excused on the basis of a conflict of interest. A prescribed duty may be created by implication, as for example, when the assembly as a whole is required to perform a function. It is the implicit duty of each official who is a member to aid in the performance of that function. It is not, however, a prescribed duty of each assembly person to take every conceivable action which might make that official more informed or a more popular representative. Thus, it is not a prescribed duty to attend meetings which are not official or are sponsored by other nonmunicipal organizations. It is not a prescribed duty of an assembly person to inform all constituents of the basis of his or her political decisions, nor is it a prescribed duty to follow the popular will of ones constituency on any particular issue.

While the Alaska Supreme Court has not ruled on the precise question addressed here, at least one Superior Court Judge has

Amendments to Recall Sections

page 68 Sec 29.26.250 - delete
Lines 5-7

p.68, Line 15 Sec 29.26.260(a)(3) - change "grounds of" to "reasons for"

p.69, Line 21 Sec 29.26.270(a)(2) - change "grounds" to "reasons"

p.69 Line 20, 24 Sec 29.26.280(b) - change "25" to "35" in both places

p.71, Line 8 Sec 29.26.330(1) - change "grounds of" to "reasons for"

Alaska Municipal League

Ginny Chitwood
Executive Director

204 N. Franklin St.
Juneau, Alaska 99801

Phone (907) 586-1325

recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.-130 - 29.28.250]. The lieutenant governor functions in place of the assembly or council and municipal clerk for receipt and review of recall petitions and the conduct of recall elections.

* Sec. 81. AS 46.40.210(2)(A) is amended to read:

(A) unified municipalities [ESTABLISHED UNDER AS 29.-68.240 - 29.68.440];

* Sec. 82. AS 47.35.010(b) is amended to read:

(b) The department shall, within 90 days after receiving a written request that it do so, delegate its powers relating to nurseries under this section and under AS 47.35.040, 47.35.050 and 47.-35.060 to a municipality which has adopted an ordinance providing for day care licensing under home rule powers or as authorized under AS 29.35.200 - 29.35.210 [AS 29.48.035(a)(20)]. A municipality to which these powers have been delegated may waive or modify any regulation or standard established by the department under the authority of AS 47.35.010 - 47.35.080 as it applies to nurseries or the application of any such regulation or standard as it applies to a particular day care licensee but must notify the department of any waiver.

* Sec. 83. The following laws are repealed: AS 04.11.400(c); AS 04.-21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6); AS 18.55.950-(10); AS 19.20.015(f); AS 24.55.330(3); AS 28.35.260(a)(10); AS 29.08; AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41; AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.-78; AS 29.88; AS 29.89; AS 29.90; AS 29.95; AS 30.15.070(3); AS 30.30.170-(2); AS 35.15.120(3); AS 42.06.630(6); AS 43.18.500(j)(6); AS 43.20.016; AS 43.56.210(8); AS 44.47.310(5); and AS 44.85.410(4).

* Sec. 84. A right or liability of a municipality existing on July 1, 1983, is not affected by the enactment of this Act. Ordinances and

regulations in effect on July 1, 1983, remain in effect unless they conflict with provisions of this Act. Ordinances and regulations in effect on July 1, 1983, that conflict with provisions of this Act remain in effect for 180 days after July 1, 1983. The terms of elected or appointed municipal officials in office on July 1, 1983, are not affected by this Act, and their terms expire as provided before July 1, 1983.

* Sec. 85. AS 29.45 as enacted in sec. 11 of this Act is retroactive to January 1, 1983. — for retroactivity

* Sec. 86. AS 29.45 as enacted in sec. 11 of this Act and sec. 85 of this Act take effect immediately in accordance with AS 01.10.070(c).

* Sec. 87. Except for AS 29.45 as enacted in sec. 11 of this Act and except for sec. 85 of this Act, this Act takes effect July 1, 1983.

~~SB~~ 20 April 83

~~HB~~ 172 -

End page 181 (top) Line 23

22 April -

Amend page 204, Line 8 -

to read beginning of tax year.

Start on amendments

~~23~~ 22 March 83 - HB 172

1. p. 105 'Developed' definition -

Get Thurbons opinion.

2. Class 'B' misdemeanor - throughout - too much? definition.

3. Page 126 - ~~$100,000~~ too much - ~~$20,000~~

Finished Line 3, page 126

amend population definition on page 161

- page 163 - allocatable spelling

- End page 163

SENATE AMENDMENT

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: ~~27~~ ~~28~~ 10

CSSB 1 OK Page 34.

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

NO Page 33, line 29, insert:

"(28) 29.35.07~~5~~ (disputes and conflicts with state certificated utilities)"

Page 77, after line ~~5~~ 20, insert:

OK in CSSB 1 — "(c) This section applies to home rule and general law municipalities."

Page 77, line ~~19~~ 22, delete Section 29.35.070 and insert:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service, and may fix, establish, and change the rates and the charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

OK CSSB 1

OK (1) the utility is subject to regulation under AS 42.05; or

OK (2) municipal regulation is prohibited by AS 42.05.711(k) or ~~otherwise specifically prohibited by law~~ other law.

(b) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

~~(d)~~(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established ~~under this section~~ by the municipality shall be established as in accordance with ~~provided by~~ an ordinance ~~of the municipality establishing~~ that

provides ~~the~~ procedures for regulating service and ~~procedures for~~ establishing and changing ~~the~~ rates and charges ~~of the utility~~. The ordinance shall provide for ~~notice, hearing and other~~ procedures necessary to guarantee due process, including notice and hearing requirements under this section. ~~The~~ Rates and charges established ~~shall~~ be reasonable and ~~shall~~ permit a fair return on invested capital.

(g) ~~(e)~~ This section applies to home rule and general law municipalities.

Page 7~~8~~, after line ~~19~~ 20, insert:

~~"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES.~~ (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251.

~~(b)~~ In case of a conflict between the provisions of ~~AS 29.35.070 or~~ AS 42.05 or an action taken under ~~either~~ as to the regulation of service, rates or charges of a utility, ~~the provisions of AS 42.05, and~~ the provisions of AS 42.05.641 apply.

(g) This section applies to home rule and general law municipalities.

Page 19~~6~~, after line ~~19~~ 29, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read: (k) a public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.241 may not be regulated by a municipality. those subsections does not apply to a public utility exempt under (b) of this section.

~~(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711.~~"

Renumber following sections accordingly.

p.7&, line 20

(e) a dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 74 LINE: ~~12~~

Delete "utility services," Parker?

Page ~~78~~, after line ~~17~~, insert:

OK "~~(c)~~ A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain and operate utility facilities together with necessary interests in real property outside its municipal boundaries."

Page 77, line ~~28~~, delete:

OK ~~"~~(d)" and insert "(e)"

AMENDMENT #8

SENATE AMENDMENT Lee Sharp

BY COMMUNITY & REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: ~~107~~ 109 LINE: ~~26~~ 29 Line 9

After "borough", delete:

"including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period"

ED

AMENDMENT #9

SENATE AMENDMENT Lee Sharp

BY COMMUNITY & REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 61 LINE:: ~~10~~ 21

OK After "(3)", delete "is", and insert "has been"

After "elections", insert "for 30 days immediately preceding the election"

TAM Cook

S-E-N-A-T-E---A-M-E-N-D-M-E-N-T

PROPOSED SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

Can't find this in CSSB 1

PAGE: LINE:

Note: This change is listed as a proposal rather than an amendment because of the complex drafting that will be required to make sure all the necessary sections are cross referenced. Legal Services has reviewed this proposal and suggested this approach because of time constraints. If the Committee approves this proposal, Legal Services will incorporate it as part of the Committee Substitute.

Page 10, after line ~~19~~ 20, insert new section:

"29.05.145. ASSUMPTION OF THE EDUCATION POWER. (a) When an unincorporated area or second class city that is part of a Regional Education Attendance Area incorporates or upgrades to first class or home rule city status, the assumption of the education power shall be in accordance with this section.

(b) When an unincorporated area or city that is part of a REAA incorporates or upgrades to first class or home rule city status, that Director of Elections shall conduct an election in the REAA within 90 days of the incorporation.

(c) At this election, voters of the REAA shall be given an opportunity to approve or disapprove the assumption of the education power by the newly incorporated or upgraded first class or home rule city.

(1) The vote shall be counted separately within the city limits of the newly incorporated or upgraded city and in the remainder of the REAA.

(2) A majority of voters in both areas must approve the assumption of the education power by the newly incorporated or upgraded city or it may not assume the education power"

Alter other sections as necessary to conform.

A M E N D M E N T

Offered in the SENATE

By Halford

TO: Senate Bill No. 1

Page 14, line 25:

Delete "." and insert ";"

Page 14, after line 25 insert:

"(4) standards and procedures governing detachment shall be identical to standards and procedures governing annexation, except that procedures governing detachment shall provide for equitable prorated payment of debts acquired by the municipality prior to the detachment."

~~The~~ S
Newly worded - see p 14 Line 17

A M E N D M E N T

Offered in the SENATE By Halford

TO: Senate Bill No. 1

Page 14, line 25:

Delete "." and insert ";"

Page ~~14~~ 15, after line ~~25~~ 4 insert:

OK "(4) within 90 days after receipt of a petition for annexation or detachment the Local Boundary Commission shall make a decision on the petition."

A M E N D M E N T

Offered in the HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

TO: HB 172

Page 35, line 4:

After "request" insert "by a member of the governing body"

Page 35, line 5:

Delete "and"

Page 35, line 6:

After "request" insert "by a member of the governing body"

Page 35, line 8:

Delete "." and insert ";"

Page 35, after line 8:

Insert:

"(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:

Delete "(b)" and insert "(c)"

agreements with the Forest Service for fire protection of rural properties of mutual concern, or for joint state, federal, and local drug enforcement operations or for a host of other municipal functions which are exercised jointly or in cooperation with state or federal agencies or other municipalities. I strongly suggest that this section be eliminated as it is not only superfluous, but its existence may lead courts to two unfortunate conclusions; first, that the only way municipalities may engage in a cooperative or joint emergency service communication center is as provided in the subject section; and second that inasmuch as the legislature went to great pains to detail the procedures and structures for joint operation of emergency communication centers, other similar joint operations must have specific and detailed legislative authorization. It was for these types of reasons that the technical committee for the Title 29 revision recommended striking or generalizing such detailed procedures found in the present Title 29. If there is some feeling that striking this section would jeopardize the authority of municipalities to enter into such arrangements, I suggest the section be struck and replaced with a new section under the general powers portion of the Bill which would authorize a municipality to enter into an agreement or association, including membership in a corporation, with any other municipality, the state, or federal agencies, for the purpose of exercising any power or function of the municipality. 29.35.010(13)

Page 96, beginning at line 5. Subsection (c) of this section makes subsections (a) and (b) applicable to all home rule municipalities. Actually, there appears to be little need to have this apply to any home rule municipality; however, because subsection (a) deals with the different disposition of a vacated public square depending on whether the square is within a city or outside a city but within the borough, it may be appropriate to make subsection (a) applicable only to home rule boroughs and general law municipalities. In addition, the last sentence of subsection (a) which begins in line 17 could lead to some very awkward situations. If, in the original plat, a lot is dedicated as a holding area for storm waters, or as a park or for some other non-street use and is later vacated because the lot is no longer needed for that purpose it may be very difficult to determine who is the "rightful" owner; and if this "rightful" owner is someone other than the abutting property owners, it may be impossible to locate the owner. I suggest deletion of the sentence which begins on line 17, and in line 14, just before the word "public" the insertion of the phrase "lot or".

Page 105, beginning at line 7. I don't think that the definition of "developed" clarifies anything. For example, when a native corporation subdivides some of its property and puts in roads and

(Now)
RS 29.48.260 Copies for Committee

Replaced by RS 29.35.090

Capt For Corp

Sewell & Gallagher letters -

taxation

Developed definitions: gain for by production present use -

change word or to land

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, 1983

SUBJECT: Mayor's veto power
(HB 172)

TO: Representative Barabara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel TBC

You have asked for a comparison of the veto power of a mayor under HB 172 as compared to the veto power of a mayor under existing law.

EXISTING

Under AS 29.23.170, the mayor of a borough is authorized to veto ". . . any ordinance, resolution, motion or other action of the assembly and may, by veto, strike or reduce items in appropriation ordinances except for school budget items". However, the mayor may not veto an action of the assembly calling for an election on adopting or abandoning a manager plan (AS 29.23.240(d)), or an action of the board of equalization or board of adjustment. The assembly sits as the board of equalization and hears appeals from decisions of the borough assessor, or the assembly may delegate this authority to another board (AS 29.53.135). An action taken by the board of equalization may not be vetoed, whether the assembly sits as the board or whether other appointed members form the board. The assembly is the board of adjustment for purposes of hearing appeals from land use decisions, but the assembly may delegate this function to a city for the area within the city's boundaries (AS 29.33.110). An action taken by the board of adjustment may not be vetoed by the borough mayor, whether the assembly is sitting as the board or a city board is involved.

In addition to general limitations on the veto power of a borough mayor, with respect to a third class borough AS 29.41.020 provides in part:

EXISTING

> The borough executive is the presiding officer of the borough assembly and president of the school board. The borough executive has all powers of a borough executive except for the veto power.

Under this language it appears that the mayor of a third class borough has no veto power, whether acting as presiding officer of the assembly or as president of the school board.

Existing

Under AS 29.23.270, the mayor of a first class city ". . . may veto any ordinance, resolution, motion, or other action of the council and may by veto strike or reduce items in appropriation ordinances except, in a city outside an organized borough, for school budget items". The mayor of a second class city may not veto any action. The section is silent as to whether the mayor of a first class city in a borough may veto an action of the council sitting as a board of equalization or adjustment pursuant to a delegation of authority by the borough assembly.

New

The veto provision contained in sec. 29.20.270 of HB 172 applies to both cities and boroughs. Just as in existing law, a mayor is authorized to veto ". . . an ordinance, resolution, motion, or other action of the governing body and may strike or reduce appropriation items". As in existing law, the mayor may not veto items in a school budget or adoption or repeal of a manager plan of government, and the mayor of a second class city may not exercise a veto at all. In addition, the mayor of a city or borough may not veto ". . . actions of the governing body sitting as the board of equalization or board of adjustment . . . " Since the mayor is authorized to veto only actions of the governing body and not actions of other boards, the result of this provision is the same as the existing prohibition against veto of an action of the board of equalization or board of adjustment even if the governing body delegates the functions under sec. 29.40.050 or sec. 29.45.200. However, under HB 172 it is clear that neither the mayor of a city nor the mayor of a borough may veto actions of the board of adjustment or board of equalization.

While, in HB 172, the mayor of a third class borough continues to have no power to veto actions of the assembly sitting as a school board, under sec. 29.20.300(b) the mayor is not precluded from vetoing other actions of the assembly.

TBC:ljb
9/021

subsection is limited to

(1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if the fire protection system is a fixture of the structure on January 1, 1981; or

(2) an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981.

(m) The tax exemption required by 43 U.S.C. 1620(d), as amended, shall be implemented according to the following conditions and interpretations:

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful or productive present use without further substantial modification; surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the condition described in this paragraph, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of

exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(n) If the property or interest in the property reverts to an undeveloped state, or if the lease is terminated, the exemption shall be reinstated, subject to the provisions of (m) of this section.

END

Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the department.

(b) For purposes of determining payments to eligible persons, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax

ALASKA ASSOCIATION OF ASSESSING OFFICERS

SENATE BILL NO. 260 (proposed substitute)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to exemption from municipal property

taxation of certain property exempt from taxation from federal law; and providing for 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:

(9) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended.

*Sec. 2. AS 20.53.020 is amended by adding new subsections to read:

(k) For the purpose of determining property exempt under (a)(9) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) unless superseded by applicable federal law:

(1) "developed" means a purposeful modification of the property from its original state that affectuates a condition of productive present use or makes the property marketable for use or development in accordance with local ordinances and state statutes without further subdivision or substantial modification. Developed property, in order to remove the exemption, must be developed for purposes other than exploration and be limited to the smallest practicable tract of the property actually used in the developed state;

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to the portion of the leased tract that is used solely for the purpose of exploration.

(4) If property or an interest in property that is determined not to be exempt under (a)(9) of this section reverts to an undeveloped state, or if the lease is terminated, the exemption shall be granted, subject to the provisions of (a)(9) and (k) of this section

*Sec. 3. AS 209.53.060 is amended by adding a new subsection (c) reading

(c) The assessment of property which has lost its exempt status under 43 U.S.C. 1620(d) because it is developed or leased shall be based on the full and true value of the improvements to the property and of so much of the property and/or natural resource as is used or useful in connection with the improvements.

*Sec. [3]4. This Act takes effect January 1, 1984

NOTE OF INTENTION

Attached is a proposed substitute for Senate Bill 260, which is an act relating to the exemption from municipal property taxation of certain property exempt from taxation under federal law; and providing for an effective date.

The proposal was drafted at a quarterly meeting of the Alaska Association of Assessing Officers held in Soldotna on May 23 and 24, 1983.

It was the opinion of the assessing officers that the original Senate Bill 260 was unfair, as it related to other persons in the State of Alaska who are involved in the subdividing and developing of property. The original bill allowed Native organizations to completely develop a subdivision, including survey, roads and utilities, and still not be obligated to pay local taxes until such time as the property was sold. We realized that it was probably the intent of the federal government in passing the Native Land Claim Settlement Act to allow a moratorium on local taxes so that the Native organizations could get their feet on the ground and not forfeit their property to taxes in the early years. We felt the original Senate Bill 260 allowed the corporations not only to get their feet on the ground, but to remain in a tax exempt status virtually in perpetuity, as far as purposeful modifications to their property are concerned.

Our proposed bill would allow a future subdivision in the state of being developed a tax exemption, but as such time as the subdivision is completed in conformance with the subdivision agreement, it would become taxable. This, in essence, gives the Native organizations developing subdivisions or natural resources a tax free period of time during the development process, but once the development criteria has been met it places the property on the tax roll of local taxing jurisdictions.

The proposal also provides in section 2(k)(l) for the taxation of only a small portion of a a larger tract, if only that portion has been developed. It eliminates taxation as does the original Senate Bill 260 of land being used for exploration. It allows, as did the original bill, for property that has been leased to be taxed, but deletes this property from the tax roll should the lease be terminated. If the lease is terminated, and due to the lease, a portion of the property was developed, that portion would remain taxable to the Native corporation.

Our proposed bill would bestow an additional benefit on the Native corporations over what most of them have at the present time. Most of the assessing jurisdictions within the State begin to assess the property at the time it is surveyed, and continue through the development stage. As mentioned above, the proposed bill by our association would allow the development to take place prior to beginning the assessment procedures.

Should you have any questions concerning our position, please contact the undersigned.

Glenn M. "Pat" McKee, CRA 264-6595
Chairman, Legislative Committee
Alaska Association of Assessing Officers
Pouch 6-650
Anchorage, Alaska 99502

Alaska State Legislature

REPRESENTATIVE
BETTE CATO
DISTRICT 6
BOX 775
VALDEZ, ALASKA 99686
(907) 835-4568

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4858
(907) 586-2660

House of Representatives

COMMITTEES

CHAIRMAN
HOUSE TRANSPORTATION

MEMBER
COALITION POLICY COMMITTEE
HOUSE HEALTH EDUCATION AND SOCIAL SERVICES

April 12, 1983

Lyman Hoffman, City Manager
CITY OF BETHEL
P.O. Box 388
Bethel, Alaska 99559

Dear Lyman:

Thank you for your recent letter requesting my support for SB 1. As I'm sure you know, HB 172 is the House version of the Municipal Code revision bill.

The bills in question are monolithic, and due to their size and impact there will be a considerable amount of time spent on them in committee. SB 1 has gone from Senate C&RA to Judiciary. At this time, hearing dates in Judiciary have not been set. Once the bill gets through Judiciary, it will then go to the Finance and Rules Committees respectively. On the House side, the C&RA Committee will be passing the bill out sometime near the end of April. HB 172 has the same committee referrals as SB 1. Obviously, unless we're here till August, it looks like the bills will be carried over to the second session.

Lyman, I believe that the majority of legislators, including myself, support the concept of revising and reorganizing Title 29. However, at this time I cannot make a commitment to the bill until I see how it is amended. I'm sure you understand. In any event, you can always feel free to contact me on this.

Thank you for writing. Please give my best to my friends in Bethel.

Most sincerely,

Bette Cato

Bette Cato
Alaska State Representative
District 6

cc: Representative Barbara Lacher, Chairman
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Bill Ray, Chairman
SENATE JUDICIARY COMMITTEE

BC:er

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 4, 1982

SUBJECT: Chapter summary of Municipal Code Revision [CSHB 170] (Work Order No. 12-2379)

TO: Representative Patrick M. O'Connell
Chairman, House Community and Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel

You have requested a chapter summary of the municipal code revision (CSHB 170) highlighting significant changes to existing law. For your convenience, I have attached a table of contents by chapter and article to the revision. Corresponding chapter numbers in the existing Title 29 are included in parentheses.

Chapter 03. The Unorganized Borough. No significant change.

Chapter 04. Classification of Municipalities. No significant change.

Chapter 05. Incorporation. Does not authorize incorporation of a third class borough.

Chapter 06. Alteration of Municipalities. Does not authorize incorporation of a third class borough through merger or consolidation.

Chapter 10. Home Rule Municipalities. Authorizes a second class city to adopt a home rule charter if the city has at least 400 permanent residents. Requires home rule municipalities to provide land use regulation.

Chapter 14. Capital City. No significant change.

Chapter 20. Municipal Officers and Employees. Requires a municipality to adopt a conflict of interest ordinance that requires a member of the governing body to declare a substantial financial interest he has in an official action. The presiding officer must then determine whether to excuse him from a vote and this decision may be overturned by majority vote of the membership. Allows a special meeting to be called if a majority of the members are given at least 24 hours notice and reasonable efforts are made to notify all members. A special meeting may be conducted with less than 24 hours notice if all members are present or if absent members waive in writing the required notice. Requires the governing body to appoint within 7 days the number of members needed for a quorum if the membership is reduced to fewer than the number needed. Requires that a veto be overridden at the next regular meeting or within 21 days after exercise of the veto. Grants authority to a municipality to establish advisory, administrative, technical, or quasi-judicial boards and commissions. Allows the governing body to provide for a classified service and to designate positions that are wholly or partially exempt from the classified service.

Chapter 25. Municipal Enactments. A penalty not to exceed that imposed for a class B misdemeanor may be imposed for a violation of an ordinance. A mandatory, nonsuspendable term of imprisonment for 5 days may be imposed for violation of an ordinance. A civil action may be instituted against a person who violates an ordinance and a civil penalty of up to $1,000 may be imposed for each violation. An action to enjoin a violation may be brought and the court must grant the injunction on finding a violation. Each day a violation continues is a separate violation.

Chapter 26. Elections. The judge of a precinct must be a voter of the precinct for which he is appointed unless no voter is willing to serve. Both general law and home rule municipalities are required to give at least 20 days notice of a regular or special election. A runoff election shall be held if no candidate receives over 40 percent of the votes cast for the office of mayor or member of the governing body or school board. There is no super majority requirement for other elected offices, and a municipality

Bad!

clarify at large elections

may change the requirement for mayor, member of the governing body, or member of the council by ordinance. The initiative and referendum process and the recall process have been substantially altered. An application must be filed with the clerk for a petition. The clerk prepares the petition and provides it to the voters who will sponsor the petition. When a petition is returned, the clerk certifies whether it is sufficient and notifies the sponsors. The petition may be supplemented with additional signatures obtained and filed within 10 days after the petition is first rejected, except that a recall petition may only be supplemented if it contains an adequate number of signatures, counting both valid and invalid. A person may not be recalled until after he has served 120 days and may not be recalled if there are only 180 days left in his term.

Chapter 35. Municipal Powers and Duties. The following have been included in the list of facilities that a municipality may provide outside its boundaries: solid and septic waste facilities, utility services, transportation facilities, wharves, harbors and other marine facilities. A municipality that provides a facility outside its boundaries may regulate its use only to the extent that the jurisdiction in which the facility is located does not. Extends eminent domain and declaration of taking power to second class cities as it may be exercised by other municipalities. Unless a grant of a franchise or permanent permit is made on a competitive basis, the grant of an exclusive right to use a public street or right-of-way for more than five years to a utility or transportation system that is not certified is valid only if approved by vote. (Under existing law no franchise is valid unless it is submitted to the voters for approval.) The governing body is required by ordinance to establish a formal procedure for acquisition and disposal of land, but is not otherwise limited in its ability to dispose of land. A first class borough is allowed to exercise on a nonareawide basis any power, and on an areawide basis any power that is acquired, so long as exercise of the power is not specifically prohibited by law. Allows a second class borough to exercise on a nonareawide basis any power approved by the voters living outside cities, unless the power is prohibited by law. Allows a second class borough to exercise an areawide power if it is approved by the voters or transferred by the cities in the borough, unless prohibited by law. A city may exercise any power not prohibited by law.

Chapter 40. Planning, Platting, and Land Use Regulation. A planning commission is authorized to utilize methods other than zoning to implement a comprehensive plan. The governing body must update the plan as necessary. Requires the assembly to provide for an appeal from the application of a land use regulation before a hearing officer or board of adjustment. The governing body must establish a platting authority, but the planning commission need not act as platting authority. Plat requirements may not be waived, but in certain cases a short plat procedure may be followed rather than the regular procedure. A person who violates a land use regulation or condition imposed by a platting authority is subject to the penalties that may be imposed for violation of an ordinance.

Chapter 45. Municipal Taxation. Allows a municipality to exempt by ordinance personal property from taxation. Extends the limit on assessing farm use land to greenhouses so that they are assessed at full and true value for farm use. A penalty not to exceed 20 percent of the tax due may be added to delinquent taxes, and interest not to exceed 15 percent shall accrue on unpaid taxes. The right to repurchase foreclosed property is cut off after 10 years. If, in the absence of a suit, it becomes obvious to the governing body that judgment for recovery of taxes would be obtained the municipality must refund the taxes. A petition for incorporation of a second class city may be combined with a sales and use tax proposal, so the incorporation proposition fails if the tax proposal fails.

Chapter 46. Special Assessments. Costs that may be included in a special assessment are listed. These may not exceed actual costs, but may include reasonable estimates of the costs of issuing bonds. If an assessment is increased a new public hearing must be held unless all owners of property subject to the increase agree to the increase in writing. A municipality may issue notes for the costs of a local improvement project to be eventually paid from assessments for the improvement.

Chapter 47. Municipal Debt. The issuance of revenue bonds and use of proceeds from revenue bonds are not subject to the prohibition against a political subdivision making a subscription to the capital stock of a corporation, lending its credit for the use of a corporation, or borrowing money for the use of a corporation. Refunding bonds may be

exchanged at the discretion of the governing body and need not be exchanges at par for bonds being refunded. Revenue bonds may be issued to finance any project and to be secured solely from the revenue and property of that project. Bonds and notes may be sold in the manner and at the price determined by the municipality regardless of the par value. Allows the interest rate payable on bonds or notes to exceed the contract usury rate. Indebtedness of a service area remains a debt even though a court subsequently determines that the service area was not validly formed under law.

Chapter 55. Municipal Programs. No significant change.

Chapter 60. State Programs. No significant change.

Chapter 65. General Grant Land. No significant change.

Chapter 71. General Provisions. Dedication of streets, rights-of-way, easements of other areas for public use may not be construed to require the municipality to maintain, improve or provide for municipal services in the area dedicated.

TBC:ljb

Attachment

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HISTORY
TITLE 29 LEGISLATION
SB 180

CSSB 180(CRA)am	PAGE # HOUSE CSSB 180(CRA)
1) 600 Pop. requirement for reclassification	2. & 3. 400 Pop. requirement for reclassification
2) Temp. Law Sect. added for pending applications (relating to 600 pop.)	No change
3) No change	60. notification of certification 65. of petitions/recall & initiative
SENATE FLOOR ACTIONS	
4) Allow borough mayors to vote in event of a tie (2nd class w/mgr. govt)	43. Adopted by (concurred) House CRA Committee
5) Deleted language of mandatory, nonsuspendable imprisonment for violation of ordinance	55. Adopted by House CRA (concurred)
6) Changed (may) to shall re/short plat procedure	86. Adopted "Abbreviated Plat or Waiver"
7) Retained current law regarding tonnage taxation $5 min/$15 max	97. Deleted $5 max & $15 min tax on tonnage
8) Retained Rates of Penalty & Interest at 10% - 8% - 10%	110. Increased Penalty & Interest Rates 20% - 15% - 20%
CSSB 180(CRA)am	
9) Amended definition of subdivision	169. Retained current law definition of subdivision
10) No change	175. Self-Insurance Amendment

==========

*PAGE NUMBER RELATED TO SPECIFIC VERSION OF BILL

	HOUSE CSSB 180(Jud)
11) No change	71. 29.35.060 - Franchised & Permits lines 18 & 19. Inserted language
12) No change	81. Added new Article 8 to Chapter 35 Definition of "Powers" - 29.35.700
13) No change	137. 29.47.390 - lines 25 & 26 Municipal Revenue bonds secured and payable from project only and not municipal revenues, including tax revenues
14) Retained current language "Aid to Native Village Govts" - no change -	149. 29.60.140 Rewritten: State Aid to Unincorporated Communities (language by Ted Bearnes)

==========

CSSB 180(CRA)am		HOUSE CSSB 180(Fin)
15) same (600 Pop)	2-3-4	Reinserted 600 Pop. figure
16) Temp. Law Sect. re/600 pop. for pending applications		no change
17) No change	10-12	Inserted SB 735 & 737 Home Rule & Organization Grants 29.05.180 FY 83 - 405,000
18) No change	98.	Inserted SB 314 CRA am - Motor Vehicle Exempt/Senior Citizens - 0 Fiscal
19) No change	96.	Line 13 - added sub (7)(8) Exempt Forest Land as in 41.17.950 - 0 Fiscal
20) No Change	99.	Inserted SB 802 Definitions of "developed", "exploration" and "lease" (m)(n) ANCSA Lands
21) No Change	146.	Amended 29.60.020 amended "Determination of Population" for purposes of revenue sharing to include "isolated job sites"
22) No Change - Retained current law "Aid to Native Village Governments"	159.	Inserted SB 830: Moves Municipal Assistance Program to Revenue and adds Dept. language to 29.60.140 "State Aid to Unincorporated Community (Different from (Jud) language) Fiscal - FY 83 38,000

CSSB 180(CRA)am	Page #	House CSSB 180(Fin)
23) No Change	189-191	Inserted SB 240 Feasibility Studies for Proposed Boroughs- Added new Section 69 to Amend Title 44 Fiscal FY 83 $375,000

CSSB 180(CRA)	Page #	2nd House CSSB 180(Fin)
24) No Change	106 Line 21	"Determination of Population" for purposes of revenue sharing to include "isolated job sites"
	107 Line 23	"
	108 Line 1&2	"
	146 Line 29	"
	147 Line 1-9	"
	153 Line 17-24	"

POSSIBLE FLOOR AMENDMENTS

By Bettisworth through House Finance Committee

Page 75- 29.35.120 "Firearms Amendment - No municipality may regulate firearms"

Rick Lauber/Roger Painter
By_____to amend 29.45.050 Optional Exemptions and Exclusions -

(b)(1) Re-insert limit on tonnage fees to current language $5 min. and $15 max.

Alaska State Legislature

Barbara Lacher, Chairman
Mac 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

M E M O R A N D O M

TO: Committee on Community and Regional Affairs

From: Staff

Date: May 20, 1983

Re: Amendments to HB 172

The Committee has completed action on proposed amendments One through eight; except that representatives of the Cape Fox Corporation were offered an opportunity to prepare new language for amendment No. 8.

Amendment No. 8 deals with a definition of developed lands for tax exempt status. A revised definition has been prepared for Committee review.

Amendment No.9 has been requested by representatives of the Alaska Rural Electric Cooperative Association. A staff summary has been prepared in an attempt to clarify the basis of the issue.

Following Committee decision on the above proposed amendments, staff will request a Committee Substitute HB 172 that will incorporate all approved amendments.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801
LAW DEPARTMENT - 586-5242

May 16, 1983

#8

Tony Strong
Sealaska Building
One Sealaska Plaza
Juneau, Alaska 99801

Kellus Sewell
8489 Jennifer Drive
Juneau, Alaska 99801

FILE: Legislature - 1983/84 - SB 260

SUBJECT: Proposed Substitute

Gentlemen:

Enclosed is a proposed substitute for Senate Bill 260 which I believe incorporates the changes we agreed could be made to help clarify the definition of "developed" in the bill. As you requested, I have shown the changes which the three of us propose by using brackets and underlining.

I appreciate the time you spent with me in discussing the changes. Please note that I still feel that subsection (1) should be deleted as it will lead to a changing tax status for property which cannot be pinned down to some specific event such as a transfer of ownership. While I recognize that such a system may be beneficial to the native corporations, it creates a situation which will undoubtedly lead to disagreements (and perhaps court battles) between municipalities and native corporations.

While I believe the language in the attached proposed substitute is more clear than that in Senate Bill 260, I strongly suggest that this proposal be reviewed by the attorneys and assessors in other municipalities as well as other native corporations. The situation varies from municipality to municipality and from native corporation to native corporation. It may even be profitable to try to set up a meeting of officials from concerned municipalities and native corporations to try to work out something to which a majority of us can agree.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr
Enclosure

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

M E M O R A N D U M

To: Committee On Community and Regional Affairs

From: Staff

Re: HB 172, proposed utilities amendment. (#9)

The attached amendment to HB 172 has been requested by Mr. Dave Hutchins, representing the Alaska Rural Electric Cooperative Association.

The controversy over the proposed amendment is based on the authority of municipalities, or lack of authority, to regulate utilities that are not subject to regulation by the Alaska Public Utilities Commission under AS 42.05.

A summary of the controversial portions of the three options presented to the committee is as follows:

1. Present Statues:
   a. Municipalities cannot regulate or grant franchises to any utility that is regulated by the Alaska Public Utilities Commission (APUC) under AS 42.05.

   b. APUC approval is required for a municipality to extend a municipal utility's service area.

The present laws are silent on the authority--or lack of authority-- of municipalities to regulate non-municipal owned utilities that are not regulated under AS 42.05. Since a General Law municipality has only the powers granted by law, it would probably be upheld that a General Law municipality does not have the authority to regulate a non-municipal owned utility that is not regulated by APUC.

2. HB 172 Provides:
   a. Municipalities may grant franchises and regulate utilities to the extent they are not subject to regulation by APUC under AS 42.05, or not otherwise prohibited by law.

   b. Municipal owned utility services may be extended outside of the municipal boundaries (subject to approval by APUC).

3. Amendment requested by utilties:

   a. Whenever a utility is exempted from regulation by APUC or subject to regulation under AS 42.05, a municipality may not regulate the utility.

   b. A municipality may only extend utility services to an area adjacent to the municipal boundaries. This provision would prevent a municipal utility from providing utility services to an area that is not adjacent to the municipal boundaries.

The utilties that are, or may be, exempted from APUC regulation and as such are the utilties that are at the center of this issue are identified in AS 42.05.711 (copy attached).

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

PROPOSED AMENDMENT TO

HB 172

Page 33, after line 28, insert:

"(26) AS 29.35.060 (franchise and permits)"

Renumber following paragraphs accordingly.

Page 33, after line 29, insert:

"(28) AS 29.35.075 (disputes and conflicts with state certificated utilities)."

Renumber following paragraphs accordingly.

Page 74, line 12, delete:

"utility services,"

Page 77, after line 6 add a new subsection to read:

"(c) This section applies to home rule and general law municipalities."

Page 77, lines 7 through 22, delete present language and replace it with the following:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly for the area outside all cities in the borough and the council acting for the area in a city may regulate a utility service and fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or other law.

(b) A municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing

rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

(e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

(g) This section applies to home rule and general law municipalities."

Page 195, after line 22, add a new section to read:

"* Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) A public utility that is exempt or partially exempt under (d) through (j) of this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a muncipality."

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

Chugach Elec. Ass'n, Sup. Ct. Op. No. 1636 (File Nos. 2969, 2993), 580 P.2d 687 (1978); B-C Cable Co. v. City of Juneau, Sup. Ct. Op. No. 2112 (File No. 4587), 613 P.2d 616 (1980).

Sec. 42.05.711. Exemptions. (a) The provisions of AS 42.05.010 — 42.05.721 do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon. or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which he has an "affiliated interest."

(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of AS 42.05.010 — 42.05.721, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of AS 42.05.010 — 42.05.721.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of AS 42.05.010 — 42.05.721.

(e) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, any electric or telephone utility that does not gross $50,000 annually is exempt from regulation under AS 42.05.010 — 42.05.721 unless 25 percent of the subscribers petition the commission for regulation.

(f) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, an electric or telephone utility that does not gross $325,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(g) A utility, other than a telephone or electric utility, that does not gross $100,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(h) A cooperative organized under AS 10.25.010 — 10.25.650 may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721, other than AS 42.05.221 — 42.05.281, under the procedure described in AS 42.05.712.

(i) A utility which furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of $200,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 — 42.05.281,

unless 25 percent of the subscribers or subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation.

(j) The provisions of this chapter do not apply to sales, exchanges or gifts of energy to an electric utility certificated under AS 42.05.010 — 42.05.721 when the energy which is the subject of the sale, exchange or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange or gift of energy exempt under this subsection does not make the supplier a public utility, and does not transfer the responsibility to provide utility services from a certificated utility to any other person. (§ 6 ch 113 SLA 1970; am § 3 ch 76 SLA 1973; am § 8 ch 83 SLA 1980; am §§ 7-9 ch 136 SLA 1980; am § 89 ch 59 SLA 1982)

Revisor's notes. — As enacted by chs. 83 and 136, SLA 1980, present subsections (j) and (i) were designated as subsections (f) and (j), respectively, but were redesignated by the revisor of statutes pursuant to AS 01.05.031(b). Former subsection (i) of this section was transferred as § 13, ch. 136, SLA 1980 to the 1980 Temporary and Special Acts and Resolutions by the revisor of statutes pursuant to AS 01.05.031(b).

Effect of amendments. — The first 1980 amendment added subsection (j).

The second 1980 amendment deleted "excepting the furnishing of collection and disposal service of garbage, refuse, trash or other waste material" following "none of whose utilities" near the beginning of subsection (b), deleted the former second sentence in subsection (b), which read: "Notwithstanding any other provisions of this chapter, municipalities providing collection and disposal service of garbage, refuse, trash or other waste material within their corporate boundaries are not subject to regulation by the Alaska Public Utilities Commission unless the municipality elects to be subject to the provisions of this chapter," substituted "$50,000" for "$25,000" following "does not gross" near the middle of subsection (e), substituted "under this chapter" for "hereunder" following "exempt from regulation" near the middle of subsection (e), and added subsections (f) through (i).

The 1982 amendment, effective May 28, 1982, deleted "on June 30, 1980" preceding "a utility," and inserted "annual" preceding "gross revenue" in subsection (i).

Editor's notes. — Section 13, ch. 136, SLA 1980, as revised by the revisor of statutes, provides: "Cable television systems are exempt from the provisions of AS 42.05 [AS 42.05.010 — 42.05.721], other than the provisions of AS 42.05.221 — 42.05.281, until July 1, 1983. This exemption does not apply in cities or villages which have a population of less than 3,500 people and which are not located on a state road or marine highway. The effects of the exemption of cable television systems from rate regulation by the Alaska Public Utilities Commission provided in this section shall be reviewed by the legislature before July 1, 1983. If the legislature fails to extend the exemption before July 1, 1983, this section is repealed on that date and cable television systems lose their exempt status on that date and become subject to regulation by the Alaska Public Utilities Commission."

Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.

Sec. 29.48.050. FRANCHISES AND PERMITS. Present LAW

(a) The assembly acting for the area outside cities and the council acting for the area within a city may grant franchises, including exclusive franchise privileges, for the construction, operation and maintenance of bus transportation systems and public utilities not regulated under AS 42.05 and may permit them the use of streets and other public places under regulations prescribed by ordinance.

(b) No franchise is valid until it has been submitted to the qualified voters of the city or borough area outside cities in which it applies, and at least 55 per cent of the votes cast are in favor of the franchise. At least 30 days notice of a franchise referendum election shall be given in the same manner as is provided for notice of regular municipal elections, and the notice shall specify the purpose of the election. The ordinance granting a franchise shall provide for its submission for ratification to the qualified voters of the city or borough area outside cities at either a regular or special election, and the result of the election shall be canvassed publicly by the council or assembly and spread upon the records of the minutes and the result declared and certified in the same manner as in a regular election.

(c) Public utilities regulated under AS 42.05 have the right to use the streets and other public places, upon payment of a reasonable permit fee and on reasonable terms and conditions and with reasonable exceptions the assembly or council requires. A dispute as to whether fees, terms, conditions, or exceptions are

reasonable shall be decided by the Alaska Public Utilities Commission.

Sec. 29.48.060. PUBLIC UTILITIES RATES.

The assembly acting for the area outside cities and the council acting for the area within a city may regulate, fix, establish and change, as it considers proper, the rates and charges imposed for utilities services given to the municipality or its inhabitants by a municipally owned utility not regulated under AS 42.05.010 - 42.05.721 and may regulate and provide what is a reasonable deposit for meters and security for service to be given, provided that interest is paid on the deposit. All rates, charges and regulations shall be reasonable and shall permit a fair and reasonable return on invested capital.

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

Alaska MUNICIPAL League

Juneau ★ November 2-5, 1983

33rd Annual Local Government Conference

HB 172

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

HB 172 was accompanied by a fiscal note which appears in House Journal Supplement No. 4, and the following letter:

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill revising the municipal code (AS 29). By our using the data base prepared by the Legislative Affairs Agency, this bill is identical to the bill introduced this session as Senate Bill No. 1, except for the correction of a typographical error (page 35, line 5 -- "overridden"), the justification of the right-hand-margin on several pages, and 11 rather technical changes that are described below. The bill was modeled on the bill approved last session by the House Finance Committee as HCS CSSB 180 (Fin). A detailed section-by-section analysis of SB 1 is being prepared by the Legislative Affairs Agency.

The bill does not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982 veto message for HCS CSSB 180(Jud) am H. See 1982 Senate Journal, pages 1788 -- 1792. This bill makes many non-controversial improvements to our municipal code and I urge its prompt consideration and passage. It is my hope that the AS 29 issues on which last year's amendments created such a controversy will be addressed by separate legislation so that this needed code revision is not once again delayed.

For your convenience in comparing SB 1 and this bill, here is a list of the 11 changes from SB 1 which are contained in this bill (with page and line numbers referring to SB 1):

1. page 8, line 26 -- following "council" the phrase "in a first class city" is added;

2. page 11, line 1 -- between the words "city" and "incorporated," the phrase "in the unorganized borough" is added;

3. page 29, line 8 -- following the first use of "commission," the phrase "of seven elected members" is added;

HB 172

4. page 29, lines 14 and 15 -- following "shall be" on line 14, the phrase "prepared by the petitioners and" is added and the word "incorporation" is deleted; following "petition" on line 15, the phrase "to incorporate a home rule municipality" is added;

5. page 62, line 3 -- a sentence to read "The runoff election shall be between the two candidates receiving the greatest number of votes for the seat." is added to sec. 29.26.060(c);

6. page 63, lines 7 and 26, and page 64, line 15 -- replace the words "bill" and "Act" with the phrase "ordinance or resolution";

7. page 82, line 18 -- following "emergency," the word "services" is added, and following "center," the phrase "under AS 29.35.130" is added;

8. page 85, lines 4 and 5 -- subsection (c) is amended as follows:

> (c) A third class borough acquires an additional power to exercise in a service area in accordance with AS 29.35.490(b) and (c) [AREAS BY HOLDING AN ELECTION ON THE QUESTION IN WHICH EACH PERSON WHO IS A VOTER OF THE BOROUGH MAY VOTE].

9. page 106, line 8 -- the first sentence of sec. 29.45.040(b) is amended as follows:

> (b) For purposes of determining payments to eligible persons, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax [AT THE RATE OF ONE PERCENT PER MILL].

10. page 161, line 20 -- "29.60.120" is replaced with "29.60.130;"

11. page 182, line 1 -- following "general law," the phrase "first or second class" is deleted.

Sincerely,

Bill Sheffield

Bill Sheffield
Governor

TITLE 29 FACT SHEET

SUMMARY OF HB 172/SB 1 - TITLE 29 (MUNICIPAL CODE)

HB 172 and SB 1 are comprehensive bills that reorganize and clarify Title 29 (Municipal Code), but do not substantially change that part of the state statutes that direct the operation of local government in Alaska.

History: The current Title 29, last revised in 1972, is a hodgepodge of 13 years worth of amendments. It is very difficult for the average citizen to read and understand.

Recognizing the problem, the Legislature adopted SCR 66 in 1980, directing the rewrite of Title 29. A broadly representative policy committee, with the assistance of a technical committee, prepared a revised code after an exhaustive series of meetings, hearings, and public presentations.

HB 170 and SB 180 were introduced in 1981. More hearings were held during the 1981 legislative session, during the interim, and continuing through the 1982 session. SB 180 passed the legislature, but because of controversial floor amendments, Governor Hammond vetoed the bill.

In 1983, SB 1 was introduced by Senators Sturgulewski and Gilman; HB 172, by Governor Sheffield. Both bills are basically the same as the bill that had passed the previous year minus the controversial amendments. More committee work was done in both the House and Senate on the 204 page bill.

Changes: For the most part, these bills reorganize and reword Title 29 for clarity and flexibility. Policy changes of any substance are very few. The main changes are:

Third Class Boroughs: The existing third class borough, Haines Borough, continues in existence, but there is no provision for incorporating new third class boroughs in the future.

Home Rule Status: Second class cities and unincorporated areas are authorized to adopt home rule charters, which must be ratified by a vote of the people.

Municipal Powers: A general grant of municipal powers is given to municipalities, instead of a long list of enumerated powers. The difference is more semantic than actual, since the list includes almost every conceivable municipal power. There is no change in the manner in which boroughs acquire powers.

Organizational Grants/Feasibility Studies: The organizational grants are increased and expanded, depending on the category of local government. Studies for the feasibility of local government are authorized.

Incorporation Requirements: The minimum number of people required for incorporation as either a first class or home rule city is increased from 400 to 600.

Ordinance Violation: Penalties for ordinance violations are increased from a maximum $500 and 30-days to class B misdemeanor penalties, which are a maximum of $1000 and 90-days.

Extraterritorial Jurisdiction: Solid and septic waste disposal, utility services, wharves, harbors, and other marine services are added to the list of powers that may be exercised outside the boundaries of the municipality, if the municipality has the authority to exercise the power inside its boundaries.

Economic Development: Allow economic development as a non-areawide power for second class

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No._____
Title "An Act Relating to Municipal Government"
Requested by Governor's Office Date 1/5/83

II. FISCAL DETAIL
Agency Affected Department of 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL				175.0	175.0	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.		100	150	450.0	350.0	250.0
TOTAL		100.0	150.0	625.0	525.0	250.0

FUNDING (Thousands of Dollars)

GENERAL FUND		100.0	150.0	625.0	525.0	250.0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

SEE ATTACHED

IV. DATE 1/5/83 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. 12/82)

CJR1

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. _____
Title "An Act Relating To Municipal Government"
Requested by Committee by request of Governor Date _____

II. FISCAL DETAIL
Agency Affected Dept. of 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	0	100.0	150.0	625.0		

FUNDING (Thousands of Dollars)

GENERAL FUND	0	100.0	150.0	625.0		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

RECEIVED
FEB 10 1983
LEGISLATIVE FINANCE

IV. DATE 1/27/83 PREPARED BY Terry Parker
AGENCY Community & Regional Affairs
PHONE 465-4730

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

33-001 (Rev. 12/82)

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

FISCAL NOTE
"An Act Relating to Municipal Government"

Article 3 of the Bill appears to be the only portion that has fiscal impact on this Division. That Article "TRANSITIONAL ASSISTANCE" provides for organizational grants to newly formed and newly reclassified cities. These grants are $50,000 the first year and $25,000 the second year.

Additionally, the bill provides for organization grants to newly formed Boroughs in the following amounts:

$300,000 for the first fiscal year
$200,000 for the second fiscal year
$100,000 for the third fiscal year

Finally, it provides for the department to establish an initial sales tax structure and an initial property tax structure.

Assumptions: In estimating the fiscal impact of the bill the following assumptions were made.

1. There would be two incorporations or reclassifications each year. This would produce an FY 84 cost of $100,000 and an annual cost of $150,000 from that point forward.

2. There will be one Borough Incorporation in 1986. This incorporation would necessitate expenditure of the 3 step organization grant in 1986, 1987, and 1988. Based on this assumption it is also estimated that contractual costs for setting up the two tax systems would be $350,000 in contractual costs spread over a 2 year period.

LAND MANAGEMENT REGULATIONS

NORTH SLOPE BOROUGH

WICKERSHAM & FLAVIN
PLANNING CONSULTANTS
1577 "C" ST. SUITE 226
ANCHORAGE, ALASKA 99501
(907) 272-9061

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CHAPTER 10
INTRODUCTION, PURPOSE, SCOPE AND MISC. PROVISIONS

19.10.010 Introduction. This Title creates a unique set of land management principles and procedures for development in the North Slope Borough. The ideas contained in this Title were developed by officials and residents of the Borough in many public meetings held between 1979 and 1982 to develop the Borough's Comprehensive Plan, Coastal Management Program, and other planning studies. Reliance has also been placed on the Borough's previous interim zoning ordinance and other draft regulations. Procedural and administrative matters are designed to be as efficient and fair as possible to all concerned, and to comply with legal requirements.

19.10.020 **Purposes.** This Title 19 is adopted:

(a) To achieve the goals and objectives, and implement the policies, of the Borough Comprehensive Plan, including its Coastal Management Program;

(b) To ensure that the future growth and development of theBorough is in accord with the values of its residents;

(c) To identify and secure, for present and future residents, the beneficial impacts of growth;

(d) To identify and avoid, mitigate, or prohibit the negative impacts of growth; and

(e) To ensure that future growth is of the proper type, design and location, and is served by a proper range of public services and facilities.

19.10.030 **Geographic Scope.** This Title applies to all private, State-, Borough- and Municipally-owned land in the Borough. To the extent allowed by law or administrative regulation or policy, it also applies to federal lands in the Borough.

19.10.040 **Severability.** Should any provision of this Title be held to be in violation of State law, the State Constitution or the United States Constitution, such holding shall not affect the validity of any other provision.

19.10.050 **Consistency with Coastal Management Plan.** Issuance of a Use Permit pursuant to an adopted Resource Development Master Plan, or issuance of a Development Permit for a conditional use, together with conditions on approval if any, is conclusive evidence of the Development's compliance with the North Slope Borough Coastal Management Plan when adopted.

19.10.060 **Effective Date.** This ordinance shall become effective on January 1, 1983.

CHAPTER 20
DEFINITIONS

19.20.010 Rules of Construction.

For the purpose of this Title, certain terms or words used herein shall be interpreted as follows:

(a) Words used in the present tense include the future tense;

(b) The singular number includes the plural;

(c) The word "person" includes a corporation, partnership, joint venture, the Borough and any other public agency, as well as an individual or individuals;

(d) The word "lot" also includes the words "plot," "parcel," or "tract;"

(e) The term "shall" is mandatory and the word "may" is permissive;

(f) The word "used" or "occupied" as applied to any land, or structure or building includes the words "intended," "arranged," or "designed" to be used or occupied;

(g) The word "including" means including but not limited to.

19.20.020 Definitions. The following words shall have the following meanings for the purpose of this Title 19:

Accessory Use or **Structure** means a use or structure customarily subordinate or incidental to, and located on the same lot with a principal use, building or structure.

Administrator means the Borough Land Management Administrator, or his designee.

Agenda Item. An agenda item shall state the address or location of the site, a brief description of the proposed Development (including variances and incentives if any), the action requested and the Administrator's decision or recommendation thereon.

Agenda, Posted. The agenda shall state the name of the hearing body; the time, date and place of the meeting; and a list of each agenda item. The Commission shall establish, by resolution, at least one location in each Village and two locations in Barrow, in addition to the Borough offices, for the posting of the agenda. The agenda shall be posted at the Borough office and the Village location, if applicable, at least five days prior to the date of the meeting.

Alteration. Means a change to a use or development. A **Minor Alteration** is a change which has no appreciable affect on its surroundings as conclusively determined by the Administrator. A **Major Alteration** is any alteration except a minor alteration.

Animal Husbandry is a use involving the keeping of any animal other than household pets or working dogs.

Area Special Area, or Area, is a term used to indicate the geographic extent of a policy or policies, such as the Coastal **Area**, where the Coastal Management Program policies apply. Areas may overlap each other and the various zoning districts.

Area, Building means the total of areas taken on a horizontal plane at the main grade level of the principal building, and all accessory buildings or structures, exclusive of steps and porches.

Assembly means the North Slope Borough Assembly.

Best Available Technology means the technology or technologies that best and most safely implements the relevant policy and that is available to the applicant at the time of application or within a reasonable time thereafter.

Best Efforts means the best available technology or (where that term is inapplicable) the methodology or course of conduct, which will most likely result in minimizing the negative impacts of the Development.

Block. A piece or parcel of land entirely surrounded by public highways, streets, shorelines, streams, railroads right-of-way, survey lines or a combination thereof.

Borough Means the North Slope Borough, Alaska.

Building means any structure which is enclosed on the top and sides, including dome-shaped structures.

Coastal Area means the area within the Borough below 200 feet in elevation, and certain other areas, as indicated on CMP Map II-6.

Commercial Use is a use involving the storing, wholesaling or retailing of any substance, and accessory uses.

Commission means the Borough Planning Commission.

Conditional Use means any use except uses-by-right and prohibited uses. It is subject to a Development Permit pursuant to Chapter 60.

Density means the number of square feet of lot area per dwelling unit in any residential development except a group home or rooming house.

Developer means the person who makes the application for a Development Permit, and his successors in title or interest. If the Developer is other than the owner of the land subject to the application, the owner must also sign the application.

Development, unless specifically exempted below, means any of the following:

(a) Construction, reconstruction or major alteration of a structure;

(b) A Preliminary Subdivision Plat and the initial lease or sale of a parcel for resource exploration, extraction or development purposes;

(c) Change in the use of a site, including any structure thereon, from one type of development to another;

(d) Installation of a mobile home;

(e) Construction or enlargement of a public, quasi-public or private facility or improvement, including airports, roads and trails, ice roads, water or sewer mains or treatment facilities; electric, telecommunications, telephone, cable TV and similar lines, substations, generating facilities, transmission facilities, etc.; schools, hospitals and clinics, fire stations, police and other public safety facilities; parks, recreation facilities and buildings; cemetaries; and meeting halls;

(f) Disturbance of the surface of the ground (including submerged grounds) including but not limited to dredge or fill activities; construction of roads, or parking areas; creation of airstrips, piers, jetties, gravel pads, etc; creation of an equipment or material storage site, or tailing pile; creation of a refuse pile, dump or landfill; creation of a reservoir, settling or evaporation pond, or leach field; and creation of placer mining sites;

(g) Setting off flares, fires or explosions, or vibrations,specifically including seismic exploration; and

(h) Any site work in preparation or anticipation of the above except surveying.

The following are specifically excluded from the term "Development":

(i) A single family dwelling or duplex, other than a mobile home, on a single lot;

(j) Conduct of a home occupation;

(k) Subsistence, including the construction or emplacement of structures in furtherance of subsistence activities;

(l) Existing uses and minor alterations thereto;

(m) Alterations to uses set forth in (i), (j), and (k) above;

(n) Uses or structures accessory to those set forth in (i), (j), (k), and (l) above.

(o) Projects adopted as part of the Borough's annual Capital Improvements Program.

Development Permit means the permit for development as set forth in Chapter 60, including Revocable Development Permits.

Duplex means a building designed for or occupied exclusively by two families and constituting two dwelling units.

Dwelling Unit means a building or portion thereof providing independent and complete cooking, living, sleeping and toilet facilities for one family.

Dwelling, Multifamily means a building designed for or occupied by three or more families, with the number of families in residence not exceeding the number of dwelling units provided.

Dwelling, Single-family means a detached building designed for long-term human habitation exclusively by one family, having complete living facilities and constituting one dwelling unit. The term includes factory-built and prefabricated dwellings, but not mobile homes.

Easement. A grant by the property owner to another person or to the public of the use of any designated part of his property for specific purposes.

Existing Use means a structure in existence and the use or uses to which it is put on the effective date of this Title 19.

Family means one or more persons occupying a physically secure premises and living as a single housekeeping unit, as distinguished from a group home, or rooming house.

Feasible and Prudent Alternative means an alternative to the Development's proposed conduct or method which is consistent with sound engineering practice and which does not cause environmental, social, or economic impacts that outweigh the net public benefit to be derived from compliance with the relevant policy.

Floor Area Ratio is the ratio of the floor area of all buildings on the site to the gross area of the site, or (if applicable) the area of the built-up surface (pads, roads, airstrips, etc.) to the area of the lease.

Floor Area means the total horizontal area of all of the floors of a building or structure, measured on the exterior perimeter.

Gross Area means the total site area, excluding bodies of water, to be included within a proposed development as indicted on a site plan.

Group Home is a use, which serves as a dwelling either for persons seeking rehabilitation or recovery from any physical, mental, emotional, or legal infirmity, or for the elderly.

Home Occupation is a commercial use conducted in a dwelling unit, by the occupants of that dwelling unit.

Industrial Use is a use involving manufacturing, processing, warehousing, storage, landfills and dumps, resource extraction, and any use which is not a residential, commercial, service/professional, or public facility; and accessory uses.

Intensity of Use means the density of residential developments, and the floor area ratio of nonresidential developments.

Lot means a distinct parcel of land for ownership and tax purposes unless otherwise specified, the lot will be deemed to be the site for a development. See **site.**

Master Plan is the program for development of a Resource Development District, and constitutes an amendment to the Comprehensive Plan and these Regulations. See Section 19.40.056.

Mobile Home is a use involving a detached, single-family dwelling designed for long-term human habitation and having complete living facilities, constructed and fabricated into a complete unit at a factory and capable of being transported to location of use on its own chassis and wheels, identified by a model number and serial number by its manufacturer, and designed primarily for placement on an impermanent foundation, and accessory uses.

Net Public Benefit means that the beneficial impacts of a Development outweigh its detrimental impacts, as set forth in the policies contained in Chapter 80. Impacts shall be measured on the Borough and its residents, with consideration given to residents of any Village Area of Influence.

Nonresidential Use means a commercial, service/professional, subsistence, resource extraction, recreational or industrial use, or a public facility.

Notice, Meeting. For variances, incentives, appeals and rezonings, notice shall consist of both of the following:

(a) An agenda item in the posted agenda; and

(b) Public notice

Notice, Public Public notice shall consist of: a minimum of five days prior to the date of the meeting:

(a) Publication of the agenda item in a newspaper of general circulation in the Borough, and on Barrow radio;

(b) Mailing a copy of the agenda item to the Developer, and to the Village Council(s) if the Development is in a Village Area of Influence; and

(c) Delivering a copy of the agenda item to the Commission and the Mayor.

Plan means the North Slope Borough Comprehensive Plan, as amended from time to time.

Prohibited Use means a use not allowed in the zone.

Public Facility is a use involving a building or structure owned or used by a public body or utility company, or a dump or landfill, and accessory uses.

Recreational Use is a use involving activities or structures for recreational activities not for commercial or subsistence purposes, including but not limited to hunting, fishing, touring, sightseeing, boating, hiking, or athletics.

Regulations or **Land Management Regulations** means this Title 19, as amended from time to time.

Residential Use means a use involving the occupation of a building or structure for living. cooking, sleeping and associated recreation, and accessory uses.

Resource Extraction is a use involving the removal for commercial purposes of native vegetation, topsoil, fill, sand, gravel, rock, petroleum, natural gas, coal, metal ore, or any other mineral, and other operations having similar characteristics.

Revocable Development Permit means a Development Permit issued pursuant to Sections 19.60.090 and 19.70.080.

Rooming House is a use in which three or more persons either individually or as families are housed or lodged, with or without meals. Oilfield or pipeline camps, base facilities and boarding houses are specifically included in the term.

Service/Professional Use is a use involving the provision of personal services, whether for profit or not, churches, and accessory uses.

Sign is an accessory structure involving any lettered or pictorial device designed to inform or attract attention. The surface area of a sign is the entire area used for the above purpose, including all of the elements of the matter displayed, but not including black masking, frames, or structural elements outside the advertising elements of the sign which bear no advertising matter.

Site The location of a development. The site is the lot in all cases except resource extraction and accessory uses, in which case the site is the surface area to be disturbed, plus a radius of 100 feet.

Special Habitat is either: Discrete geographical areas which support essential life functions of significant fish or wildlife species including breeding, nesting, pupping, calving, spawning, rearing, feeding and hauling out areas; or which provide unique population elements including very high concentrations or isolated occurrence; or which provide habitat essential to the maintenance of endangered species; or

Habitat which supports seasonal concentrations of a significant fish or wildlife species including winter, spring, summer or fall concentrations; supports highly productive fish or wildlife populations; provides elements necessary for special uses including migration corridors and feeding areas; or provides supporting habitat essential to the maintenance of critical habitat (i.e. stream banks).

Street. Any right-of-way, private or public, which provides for vehicular or pedestrian circulation, including snow machines and related vehicles commonly used in the Arctic.

Structure means anything which is placed, constructed or erected and located on or under the ground, or attached to something fixed to the ground, such as a floating structure anchored to submerged ground, regardless of size, purpose or temporality, including but not limited to:

(a) A building;

(b) A tower, sign, antenna, pole or similar structure;

(c) Drilling or excavating apparatus, pipelines, pump stations and similar structures;

(d) A foundation, or gravel pad

(e) A fence;

(f) A sign;

(g) A street, road, ice road, parking area, pad or storage area;

Structure, Principal means a structure in which is conducted the main use of the lot on which the structure is situated.

Subdivision means the division of a tract or parcel of land into two or more lots or other divisions for the purpose, whether immediate or future, of sale, financing, lease, development or the transfer of any interest, including any resubdivision, and when appropriate to the context, relates to the process of subdividing or to the lands or areas subdivided. For the purposes of this title, "subdivision" does not include a division of land by the lease of subsurface right solely for the purpose of exploring such rights. The extraction of subsurface resources pursuant to each lease and related surface development, such as the construction of non-seasonal streets, utilities and structures necessarily incident to the extraction of subsurface resources shall be considered a "subdivision" subject to the provisions of this title.

Subsistence Use is a use and includes hunting, whaling, fishing, trapping camping, food gathering, and other traditional, and cultural activities performed in support of the basic beliefs and needs of the residents of the Borough.

Use-By-Right means a use, determined pursuant to the process for rezoning to the Resource Development District, as set forth in Section 19.40.052.

Use Permit is a permit issued for a use-by-right pursuant to Chapter 50.

Variance means the relaxation of the strict application of the terms of a Mandatory Policy. It does not apply to Best Efforts or Beneficial Policies, or use or intensity restrictions. See Sections 19.60.060.

Village means the communities of Point Hope, Point Lay, Wainwright, Atqasuk, Barrow, Nuiqsut, Anaktuvuk Pass, and Kaktovik.

Village Area of Influence means the area outside the City limits of a Village which is used in common by some or all of the residents thereof for subsistence, transportation, public facilities or other purposes, as indicated on Maps 11 A, B and C.

Village Council means the City Council of incorporated cities and the IRA Council of unincorporated villages.

Wetlands include areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

CHAPTER 30
ADMINISTRATIVE PROVISIONS

19.30.010 **Administrator.** The Administrator is authorized and empowered to carry out all of the duties set forth for him in this Chapter, and shall have all other power and authority reasonably necessary or desirable to carry out those duties, including the power to delegate those duties to other employees of the Borough.

19.30.020 **Planning Commission — Creation and Membership.** There is hereby recreated the North Slope Borough Planning Commission (the "Commission") to consist of eight registered voters of the Borough. Members shall be appointed by the Mayor subject to confirmation by the Assembly for staggered terms of three years. Vacancies in the Commission shall be determined by the Mayor and shall be filled only for the unexpired portion of the term.

19.30.030 **Commission Procedures.** The Commission shall elect a chairman and such other officers as it deems advisable. It may establish such subcommittees as it deems necessary or desirable in the discharge of its powers and duties.

No action set forth in Section 19.30.040 below, shall be undertaken by the Commission except by the affirmative vote of a majority of members present and voting at a properly noticed public hearing.

The Commission shall meet on the last Friday of each month, and upon call of the Chairman.

The Commission shall keep a permanent record of its meetings and its actions.

The Commission shall make such other rules and regulations governing the conduct of its business as it deems necessary or desirable.

19.30.040 **Commission - Powers and Duties**

19.30.041 **Comprehensive Plan and Land Management Regulations.** The Commission may, from time to time, and shall at least once every five years, consider amendments to the Comprehensive Plan and Land Management Regulations, and if appropriate, recommended amendments to the Assembly for adoption. In this regard, it is the policy of the Borough to incorporate and integrate future environmental, sociocultural, capital improvements, and other studies into the Plan. The Borough intends to adopt the policy recommendations of these studies into the Plan

and these Regulations, to the end that there be a consistent body of policy to guide and direct public and private activities in the Borough.

The text of the Plan and the Regulations shall remain as consistent with each other as possible, and the policies set forth in each shall be substantially identical. Therefore, any proposed change should be examined for its effect on the goals, objectives and policies contained in the Plan, and any change in the Plan policies (i.e. addition, deletion or rewording of one or more policies) must automatically trigger an amendment to the comparable provisions of these Regulations.

19.30.042 **Coastal Management Plan.** The Commission shall consider and recommend adoption of a Coastal Management Plan for the Borough, and any future amendments thereto. The Coastal Management Plan, when adopted by all relevant parties, will become a component of the Comprehensive Plan, and the policies contained in the Coastal Management Plan shall be adopted as part of these Regulations and govern (together with all other applicable policies) development in the Coastal Area.

19.30.043 **Development Permits Involving Density Bonuses and Variances from Mandatory Policies.** The Commission shall hear and decide all permit applications involving a request for density bonus or a variance from a Mandatory Policy, and all appeals of permit decisions, and impose conditions and modifications thereon.

19.30.044 **Other Incentives and Rezonings.** The Commission shall make recommendations to the Borough Assembly on all permit applications involving incentives other than density bonuses and all proposed rezonings, indicating its opinion on the proposed Development's compliance with the Policies, and recommended conditions or modifications.

19.30.045 **Review of the Capital Improvements Program.** The Commission shall review annually the Capital Improvements Program of the Borough and submit its recommendations thereon to the Borough Assembly. The Mayor shall submit the Capital Improvements Program to the Commission in a reasonable period in advance of the fiscal year.

19.30.046 **Reports and Recommendations on Public Improvements.** The Commission shall review and report to the Borough Assembly regarding the location, design, construction, demolition or disposition of any public building, facility, collector or arterial street, park, greenbelt, playground or other public facility. The report and recommendation of

the Commission shall be based upon the Policies, the Plan, and the Capital Improvements Program.

19.30.047 **Subdivisions.** The Commission shall decide Preliminary Plats except for minor subdivisions. The decision shall be based on the Policies, the Plan, the Capital Improvements Program, and the Subdivision Regulations. The existing subdivision ordinance shall be a component of the Comprehensive Plan. The new draft subdivision ordinance shall, when adopted by the Borough Assembly, become a component of the Comprehensive Plan and all policies, standards and guidelines shall be adopted as part of these regulations.

19.30.048 **Rules.** The Commission may, by motion, establish its own rules of procedure and committees, meeting times, dates and places; media for public notice, development application and evidentiary forms, referral and review agencies and procedures, and any other matter reasonably necessary or desirable for the full and complete conduct of its duties, and those of the Administrator, pursuant to this Title 19 and any other provision of Borough or State law.

19.30.049 Statute. In addition, the Commission has all powers and duties of planning commissions of a Home Rule Borough as set forth in law.

19.30.050 Fees. The fee for a Use Permit shall be $25.00. The fee for a Development Permit shall be $100.00. The fee for a rezoning shall be $1,000.00.

19.30.060 Enforcement.

19.30.061 Compliance. The developer of a use-by-right shall apply for and obtain a Use Permit prior to any initial site work, except surveying. The developer of all other Development shall apply for and obtain a Development Permit prior to any site work, except surveying.

19.30.062 Enforcement Orders. The Administrator may order:

(a) The discontinuance of activity for any development which does not comply with the terms of this Title 19;

(b) The removal or abatement of buildings or structures subject to the Revocable Development Permit provisions of Section 19.60.090; or

(c) Any other action necessary to ensure compliance with all provisions of this Title 19, including, but not limited to, suspension of Use Permits and Development Permits.

Any such enforcement order shall be signed bythe Administrator and served upon the developer or his agent or supervisor on the site (if known), or (if not known) posted in a conspicuous place on the site. The Administrator shall transmit a copy of the enforcement order to the Chairman of the Commission, and shall keep a copy thereof in permanent record.

Upon application of the developer, or upon its own motion, the Commission shall review the enforcement order at its next regular meeting. The review shall be limited to the presence of the violations stated in the enforcement order, and in such review the burden shall be upon the developer to prove that the violation does not exist or did not occur. The Commission, by resolution, may modify or rescind the enforcement order.

19.30.063 Violations, Penalties and Remedies.

(a) **Civil Remedies.** Upon violation of any of the provisions of this Title 19, or any of the conditions placed upon any permit issued pursuant hereto, the Administrator, on behalf of the Borough, or any aggrieved citizen, may institute or cause to be instituted any appropriate civil action to prevent, enjoin, abate, estop, remove or punish such violation and to obtain monetary damages suffered

by such party. In addition to injunctive and compensatory relief, each violation shall be subject to a civil penalty not to exceed $10,000.00 and attorney's fees as provided by law. An action to enjoin a violation of this Title 19 may be brought notwithstanding the availability of any other remedy. Upon application for injunctive relief and the finding of an existing or threatened violation, the Court shall grant injunctive relief to restrain the violation.

(b) **Criminal Remedies.** Every act where the maintenance of any condition prohibited by this Title 19, or by any condition placed upon any permit issued pursuant hereto, is unlawful, and the willful commission of such act or maintenance of such condition is a misdemeanor. Every person convicted of a violation of any provision of this Title 19 or of any condition placed upon any permit issued pursuant hereto shall be punished by a fine of not more than $500.00, a jail term not to exceed 30 days, or both.

Each unlawful act or condition, and every day upon which such shall occur, shall constitute a separate violation of this section.

(c) **Parties.** A proper party for any enforcement action under Subsections (a) and (b) hereof shall include, but shall not be limited to, the owner of the site

or any part thereof; any lessee or occupant of the site or any part thereof; and the developer, and its agents, contractors and subcontractors, and employees who participate in, assist, commit, or maintain a violation.

19.30.070 **Interpretation.** All questions of interpretation of the provisions of this Title 19 shall be treated as an appeal, either pursuant to the provisions of Section 19.50.040 or the provisions of 19.60.070, respectively.

CHAPTER 40
ZONING DISTRICTS

19.40.010 Map Adoption. North Slope Borough Maps 1-10 and 11A, B and C, inclusive, are hereby adopted and made a part of this Title 19. The map attached hereto entitled, **Zoning Districts Map of the North Slope Borough, Alaska,** together with the Special Area Overlays thereto, is hereby adopted and made a part of this Title 19.

19.40.011 Effect and Interpretation of the Zoning Districts Map. Map 1 - Zoning Districts - graphically depicts the geographic location of the zoning districts set forth in Sections 19.40.020, 19.40.030, 19.40.040 and 19.40.050. The map is binding and may be amended only by the process set forth in Sections 19.40.060 et seq. The map is not accurate because of scale, and therefore the following principles of interpretation apply:

(a) The City limits of Barrow and each incorporated village are the boundaries of the applicable B and V districts, respectively;

(b) The limits of the V district for Point Lay are the lots, tracts and right-of-way indicated on the H.V. Lounsbury and Associates Plot, which is adopted and incorporated herein by reference;

(c) The limits of the seven designated unitization fields are the boundaries of the respective Resource Development Districts;

(d) The Conservation District extends seaward to the full limit of the Borough's jurisdiction.

19.40.012 Other Maps — Effect and Interpretation. Comprehensive Plan Maps 2-10 and 11A, B and C, inclusive, indicate the probable existence of areas where various special policies apply. These maps are representational only, and in all instances, policies will be applied on an actual occurrence basis. The maps create a rebuttable presumption of the occurrence or nonoccurrence of the indicated element and, since this is their only legal effect, they may be amended merely by motion of the Commission.

19.40.020 Village (V) Districts.

19.40.021 **Intent.** The Village Districts govern the city limits of each incorporated Village, and the sites and immediate environs of unincorporated Villages in the Borough. The intent of the various Village Districts is to accomodate Development which:

(a) Reinforces traditional values and lifestyles;

(b) Is in accord with the Capital Improvements Program and Comprehensive Development Plan for the Village;

(c) Is in accord with the desires of the residents of the Village.

19.40.022 **Uses By Right.** There are no uses-by-right in the Village Districts. (It should be noted that these Regulations only govern "Development", and uses and activities excluded from the definition of that term may take place without any form of regulation under this title).

19.40.023 **Prohibited Uses.** Industrial uses (except warehousing or storage of supplies or commercial goods to be used in the Village by the residents thereof) are prohibited in the Village Districts.

19.40.024 **Conditional Uses.** All other types of Development are conditional uses in the Village Districts, and are subject to a Development Permit pursuant to Chapter 60.

19.40.025 **Special Policies.** Special policies in the various Village Districts may be adopted as part of the Village Comprehensive Development Plan, if so, shall be incorporated into Chapter 80 by ordinance.

19.40.030 Barrow (B) District.

19.40.031 Intent. The Barrow District encompasses the city limits of the City of Barrow. The intent of the Barrow District is to accomodate a full range of urban development which:

(a) Does not materially adversely impact existing and future subsistence activities by residents of the City;

(b) Recognize and reinforces, through special policies, various existing neighborhoods in the City;

(c) Is in accord with the Capital Improvements Program and Comprehensive Development Plan for the City; and

(d) Is in accord with the desires of the residents of the City.

19.40.032 Uses-by-Right. There are no uses-by-right in the Barrow District. (It should be noted that these Regulations only govern "Development", and uses and activities excluded from the definition of that term may take place without any form of regulation under this title).

19.40.033 Prohibited Uses. Resource extraction is prohibited in the Barrow District.

19.40.034 Conditional Uses. All other types of Development are conditional uses in the Barrow District, and are subject to a Development Permit pursuant to Chapter 60.

19.40.035 **Special Policies.** Special policies governing the BarrowDistrict may be adopted as part of the Barrow Comprehensive Development Plan and, if so, shall be incorporated into Chapter 80 by ordinance.

19.40.040 **Conservation (C) District.**

19.40.041 **Intent.** The Conservation District encompasses the entire area of the Borough, except the Villages, the City of Barrow, and areas specifically zoned for Resource Development pursuant to Sections 19.40.060 et seq., below. The District is intended to conserve the natural ecosystem for all the various species upon which Borough residents depend for subsistence. Subject to this overall intent, it can accomodate resource exploration and development on a limited scale, but major resource development projects will find it advantageous to apply for rezoning to the Resource Development District.

19.40.042 **Uses-by-Right.** There are no uses-by-right in the Conservation District. (It should be noted that these Regulations only govern "Development", and uses and activities excluded from the definition of that term may take place without any form of regulation under this title).

19.40.043 **Prohibited Uses.** There are no prohibited uses in the Conservation District.

19.40.044 Conditional Uses. All types of Development are conditional uses in the Conservation District, and are subject to a Development Permit pursuant to Chapter 60.

19.40.050 Resource Development (RD) District.

19.40.051 Intent. The intent of the Resource Development District is to accomodate large scale resource extraction and related activities which:

(a) Does not permanently and seriously impair the capacity of the surrounding ecosystem to support the species upon which Borough residents depend for the major portion of their subsistence;

(b) Is planned, phased and developed as a unit, or series of interrelated units, (the "Master Plan"), with provisions made for all necessary public and private facilities;

(c) Meets the various special policies set forth for all Resource Development Districts, as well as those imposed on each individual Resource Development District at the time of designation.

The Resource Development District is designed and intended to handle the cumulative impacts of large scale development, and to offer developers quick, inexpensive, predictable permit approvals.

19.40.052 **Uses-by-Right.** All Development indicated on the approved Master Plan, and minor alterations thereto, is a use-by-right in the Resource Development District, subject to any conditions on the Master Plan imposed pursuant to Chapter 70.

19.040.053 **Prohibited Uses.** No type of Development is prohibited in the Resource Development District per se, although certain uses and activities may be restricted or prohibited by the Master Plan or by conditions imposed on it at the time of adoption.

19.040.054 **Conditional Uses.** All uses not indicated on the approved Master Plan as uses-by-right or prohibited uses, and major alterations to uses-by-right, are conditional uses in the Resource Development District.

19.040.055 **Application.** An application for a rezoning to the Resource Development District shall be accompanied by:

(a) Maps, at a scale to be determined by the Administrator, indicating the site requested to be rezoned, the occurrence of all Special Areas on and within two miles of the site, all existing Development on the site and within two miles of the site, and all proposed Development, as defined in these Regulations, on the site to be governed by the proposed district;

(b) Engineering drawings and analyses of all proposed public or quasi-public facilities, and architectural renderings of all other proposed structures;

(c) A phasing program for development of the proposed uses-by-right;

(d) An analysis of the cumulative impact of the proposed Development in the proposed district pursuant to each applicable Policy in Chapter 80.

(e) Requested policy changes (modification in wording or application of policies, additions of new policies, or suspension of existing applicable policies) for the proposed district, and an analysis of the cumulative impact of the proposed Development in the proposed district pursuant to the policies if changed;

(f) Incentives, if any, requested pursuant to Chapter 90.

(g) A Preliminary Plat;

(h) The unitization Plan of Development if applicable; and

(i) Such other information as the Commission by rule may prescribe.

19.040.056 **Master Plan.** Adoption of a Resource Development District shall be accomplished pursuant to the procedures set forth in Sections 19.40-020 et seq. for rezonings.

The ordinance shall contain a Master Plan consisting of:

(a) A map or maps indicating all Development activity which will be a uses-by-right and conditional uses, identified as such;

(b) Prohibited uses;

(c) Special policies applicable in the District, and relevant supporting information if available;

(d) Conditions on approval of the District, or on approval of any Development in it, pursuant to Chapter 70;

(e) Incentives, if any, pursuant to Chapter 90; and

(f) The approved final Plat; and

(g) Such other material as the Commission and Assembly deem advisable.

19.40.057 **Prudhoe Bay; Milne Point and Kuparuk River.** The Prudhoe Bay, Milne Point and Kuparuk River unit fields are hereby zoned to the Resource Development District, and the relevant Plan of Development and Operations for the unitized fields as approved by the Alaska Department of Natural Resources on the effective date of this Ordinance, are hereby adopted as the Master Plan for each of those Districts.

19.40.058 **Gwydyr Bay, Duck Island, West Mikkelsen and Point Thompson.** The Gwydyr Bay, Duck Island, West Mikkelsen and Point Thompson unit fields are hereby zoned to the Resource Development District. No Master Plan is approved for any part of these districts, and until such time as a Master Plan is approved for all or part thereof pursuant to Sections 19.40.060 et. seq., there are no uses-by-right or prohibited uses in these districts, and all Development is subject to a Development Permit pursuant

to Chapter 60.

19.40.060 Rezonings.

19.40.061 Initiation. A rezoning may be initiated by the Administrator, the Commission, a Village Council, the Borough Assembly, or the owner or developer of the land. A rezoning from the Conservation District (but not the Resource Development District) to the Village or Barrow Districts, as applicable, will take place automatically upon official notification to the Borough that the boundaries of a City have been altered.

19.40.062 Restrictions on Rezonings. Rezonings covering less than ten acres may not be considered, unless the rezoning constitutes the expansion of an existing contiguous zone, or unless it comprises the alteration of City boundaries mentioned in Subsection 19.40.021, above. Rezonings which are substantially the same as a proposed amendment which was rejected within the previous three months may not be considered.

19.40.063 Procedure. A rezoning shall follow the procedure set forth in Sections 19.60.060 et seq. for variances, except that the Commission's decision shall merely constitute a recommendation to the Borough Assembly. As soon as possible after the Commission recommendation, the Borough Assembly shall post public notice and hold a public hearing on the proposed rezoning. At such hearing, the recommendation of the Commission shall be rebuttably

presumed to be correct, which presumption may be overcome with a preponderance of the evidence.

A rezoning shall be adopted by ordinance, and any conditions thereon shall be contained in the ordinance. Upon adoption of any rezoning, the Administrator shall cause the official zoning map to be changed, to reflect the operation of the ordinance.

CHAPTER 50
USE PERMITS FOR USES-BY-RIGHT IN RESOURCE DEVELOPMENT DISTRICTS

19.50.010 Permit Required. All uses-by-right are required to obtain a Use Permit pursuant to this Chapter 50 prior to commencement of site work.

19.50.020 Burden of Proof. In all applications for a Use Permit the burden shall be on the Administrator to prove by a preponderance of the evidence that the Development does not implement a policy.

19.50.030 Procedure - Administrator Decision.

19.50.031 Submission. The Developer shall submit one copy of a completed and properly executed Use Permit application to the Administrator.

19.50.032 Staff Procedure. The Administrator will:

(a) On the same business day determine whether: (1) the Development contains no use other than uses-by-right; (2) whether the submission requirements are met; and (3) whether the

application is void of any major alterations. If not, he shall return the application to the Developer.

(b) If the application for a use-by-right is complete and contains no major alterations, he shall determine, within three business days, whether the Development meets the requirements of the adopted Master Plan. He shall also indicate in the appropriate place on the application form any Master Plan conditions pursuant to Chapter 70 placed on his approval.

(c) **Major Alterations.** The Administrator does not have the authority to process Use Permit applications for Development which contains a major alteration from the approved Master Plan. Such Development is processed as a conditional use pursuant to Chapter 60.

19.50.033 **Decision.** If the Development meets the requirements of the adopted Master Plan, the Administrator shall issue a Use Permit and the Master Plan conditions shall be part of the approved permit. If the Development does not meet the requirements, the Administrator shall deny the permit and note his reasons. The Administrator shall issue his decision within five business days of submission of the application.

The Administrator shall mail a copy of the application and the decision to the Developer and the Chairman of the Commission, and shall keep a permanent record thereof.

19.50.040 **Appeals.** An appeal to the Commission of the Administrator's decision on any Use Permit may be undertaken in the manner set forth in Sections 19.60.070 et seq.

CHAPTER 60
DEVELOPMENT PERMITS FOR CONDITIONAL USES IN ALL DISTRICTS

19.60.010 **Permit Required.** All conditional uses, and uses-by-right which contain major alterations from the approved Master Plan, are required to obtain a Development Permit prior to commencement of site work. Permits are decided by the Administrator unless a variance or a density bonus is requested by the Developer, in which case they are decided by the Commission.

19.60.020 **Burden of Proof.** In all applications for a Development Permit, the burden of proof shall be as follows:

(a) **Permit Decision.** Except as noted below, the burden shall be on the Developer to prove, by a preponderance of the evidence, that the standards set forth in Section 19.60.030 are met, or that a variance should be granted from a Mandatory Policy.

(b) **Appeals.** For the purposes of appeals from the Administrators decision to the Commission or from the Commission to the Assembly, the initial decision is presumed to be correct, but that presumption may be rebutted by a preponderance of the evidence.

(c) **Village Districts and Village Areas of Influence.** Within the Village Districts and Village Areas of Influence, consideration will be given to the opinions of residents of the Village on all matters in which they have a special expertise.

(d) **Special Areas Maps.** The Special Areas Maps are presumed correct, which presumption may be rebutted by a preponderance of the evidence.

(e) **Referral Agencies.** Consideration will be given to the comments and recommendations of referral agencies, including regulations and lease stipulations by State and Federal agencies, if any.

19.60.030 Decision-Making Standards. The Borough shall issue a Development permit if it finds that all four of the standards set forth below are met by the Development, and shall not issue the permit otherwise:

19.60.031 Mandatory Policies. The Development implements each relevant Policy, or the grounds for granting a variance are met where a variance is requested;

19.60.032 **Best Efforts and Minimization Policies.** The Developmentrepresents the best effort possible to implement the Best Efforts and Minimization Policies;

19.60.033 **Beneficial Policies.** On the basis of its performance on the Policies taken as a whole, the Development represents a net public benefit; and

19.60.034 **Conditions.** The conditions imposed will be sufficient to guarantee compliance with the relevant policies.

Prior to denying, or placing a condition more restrictive than that placed by the State government upon a permit for a Use of State Concern as defined in Title 46, Alaska Statutes, or a Resource Development District Master Plan, the Administrator shall specifically:

(a) consult with and consider the views of appropriate federal, state and regional agencies;

(b) consider the availability of reasonable alternative sites in an adjacent location the use of which is authorized by the Administrator; and

(c) base his decision on an analysis showing that the proposed Development is incompatible with the proposed site on the basis of the policies set forth in Chapter 80.

19.60.040 Application.

19.60.041 Pre-Application Conference. Prior to submission of an application, the Developer shall meet with or telephone the Administrator for the purpose of discussing the site, the proposed Development, and the Development Permit procedure. The Administrator shall discuss these matters with the Developer, with special attention to policies which may pose problems or constraints on the site or the proposed Development activity, (especially policies for which the Development may need a variance), and Beneficial Policies which may create opportunities for the Developer.

19.60.042 Submission. The Developer shall submit a completed and properly executed Development Permit application in the number of copies established by rule of the Commission. The application shall contain such information as the Commission, by rule, may prescribe, and shall be accompanied by maps, architectural drawings, and engineering plans as prescribed by rule of the Commission, and a completed evidentary form for each relevant policy. To the maximum extent possible without violating the intent of the policies set forth in Chapter 80, submission requirements shall conform to the submission requirements of State and/or Federal agencies.

19.60.050 Procedure and Decision - Normal Application. Within three days of submission, the Administrator shall:

(a) Determine whether the application is complete and thesubmission requirements of Section 19.60.042 are met. If not, the Administrator shall return the application to the Developer. If so, the Administrator shall;

(b) Determine whether a variance or an incentive is requested. If so, he shall follow the procedure set forth in Sections 19.060.060 et seq. If not, he shall then:

19.60.051 Cause public notice to be made and transmit copies of the application (or the relevant portions thereof) to designated referral agencies, including Villages for Development within a Village Area of Influence. Such referral agencies shall be indicated by rule of the Commission and may vary depending on the location of the site and the type of use proposed. Referral agencies and the public shall have fifteen days to respond, or longer if allowed by rule of the Commission.

19.60.052 Within twenty days of his determination that the requirements of Section 19.60.042 are met, or longer if the response time for referral agencies and the public has been extended, the Administrator shall determine:

(a) Whether the Development meets the requirements of each Mandatory Policy. He shall indicate in the appropriate place on the evidentiary form: 1) whether the policy is applicable to the Development; and 2) (if so) whether the Development implements the policy or does not implement the policy; and 3) any conditions or

requirements for guarantees pursuant to Chapter 70;

(b) The Development's performance on each Best Efforts, Minimization and Beneficial Policy. He shall indicate on the appropriate place on the evidentiary form: 1) whether he agrees or disagrees with the Developer's statement of performance for the policy; and 2) (if he disagrees) his reasons for disagreement and; 3) any conditions pursuant to Chapter 70.

(c) His decision on the permit application, pursuant to the standards set forth in Section 19.60.030, with the conditions set forth on the evidentiary forms.

19.60.053 On or before the close of business on the last available day, he shall transmit his decision to the Developer and to the Commission.

19.60.060 **Variance From A Mandatory Policy.** For applications involving a violation of a Mandatory Policy, the Development Permit application shall be denied unless the Developer applies for, and obtains, a variance.

19.60.061 **Grounds for Variances.** No variances may be granted from the terms of a Best Efforts, Minimization or Beneficial Policy. Variances from the terms of a Mandatory Policy may be granted by the Commission if, and only if, the Developer shows by a preponderance of evidence that both of the following requirements have been met:

(a) The development implements the spirit, but not theletter, of the Mandatory Policy; and

(b) Enforcement of the strict terms of the Mandatory Policy would either:

* Work an undue hardship on the developer and/or the future occupants or users of the Development, without a concomitant public purpose; or

* Require a site design or building design which is completely out of character with the surroundings, and which is not justified by a concomitant public benefit.

19.60.062 **Administrator's Recommendation.** Within three days of submission the Administrator shall determine whether the application is complete and the submission requirements of Section 19.60.042 are met. If not, the Administrator shall return the application to the Developer. If so, the Administrator shall as soon as reasonably possible:

(a) Schedule the application for a public hearing, notify the Developer of the date of the hearing, and cause notice of the meeting to be made;

(b) Transmit copies of the application (or the relevant portions thereof) to designated referral agencies, including Villages for Development within a Village Area of Influence. Such referral agencies shall be indicated by rule of the Commission and may vary depending on the location of the site and the type of use proposed. Referral agencies and the public

have fifteen days to respond, or longer if allowed by rule of the Commission.

(c) Within twenty days of his determination that the requirements of Section 19.60.042 are met, or longer if the response time for referral agencies and the public has been extended, the Administrator shall determine:

* Whether the development meets the requirements of each relevant Mandatory Policy. He shall indicate in the appropriate place on the evidentiary form: 1) whether the policy is applicable to the Development; and 2) (if so) whether the Development implements the policy or does not implement the policy; and 3) any conditions or requirements for guarantees pursuant to Chapter 70; or 4) (if the Development does not implement the policy) whether he recommends that a variance be granted therefrom together with his reasons.

* The Development's performance on each Best Efforts, Minimization and Beneficial Policy. He shall indicate on the appropriate place on the evidentiary form: 1) whether he agrees or disagrees with the Developer's statement of performance for the policy: and 2) (if he disagrees) his reasons for disagreement and; 3) any conditions pursuant to Chapter 70.

* His recommendation for action by the Commission, pursuant to Section 19.60.030.

(d) On or before the close of business on the last available day he shall transmit his recommendations to the Developer and to the Commission.

19.60.063 **Commission's Action and Decision.** The Commission shall hold a public hearing on the Development Permit application. If the proposed Development is located in a Village District or a Village Area of Influence, it may hold the hearing in the affected Village (or Villages) and may hold another hearing in Barrow if such is deemed necessary or desirable. The Commission shall adopt the Administrator's recommendation on each policy unless it finds, by a preponderance of the evidence, that the Administrator's recommendation was in error, and states its reasoning for such finding with particularity. In addition, for good cause, the Commission in its discretion may alter the conditions on approval recommended by the Administrator.

If the Commission finds that the Development meets all the standards of Section 19.60.030, it shall issue a Development Permit and the conditions and requirements shall be part of the approved permit. If the Development does not meet the standards of Section 19.60.030, the Commission shall deny the permit and note with particularity its reasons for the decision.

The Administrator shall then transmit a copy of thedecision to the Developer and the Borough Assembly, and shall keep a permanent record thereof.

19.60.070 Appeals.

19.60.071 Appeals to the Commission.

Any aggrieved person, including the Developer, may appeal the Administrator's decision on any Use or Development Permit by serving written notice to the secretary of the Commission and the Developer prior to the Commission's next regularly scheduled meeting. The notice shall state the policy or policies on which the appellant disagrees with the Administrator and the reasons why the appellant believes the Administrator is incorrect. The Commission may, but need not, hold a hearing on the appeal. The issues before the Commission shall be limited to those raised on appeal, and the evidence shall be limited to a review of the record, although further argument may be allowed. The burden of proof shall be on the appellant. The Commission may affirm or reverse the Administrator's decision, return the matter to the Administrator for further evidence, or change the conditions on approval.

19.60.072 Appeal to the Assembly.

An appeal to the Assembly of a Commission decision may be made in the same manner as set forth in Section 19.60.071 for appeals to the Commission. The Assembly's decision shall be final.

19.60.080 Duration of Permits. Development Permits are valid for the duration of the occupancy and existence of the Development and the Developer's compliance with the terms and conditions thereof, except that they expire automatically upon the earliest of any of the following:

(a) Twelve months after approval if no actual construction has commenced; or

(b) The expiration date of a Revocable Development Permit.

19.60.090 Revocable Development Permits.

19.60.091 Issuance. Revocable Development Permits may be issued for any Development except uses-by-right, pursuant to Section 19.70.080. Revocable Development Permits are issued pursuant to the same standards and procedures as set forth for Development Permits in this Chapter 60.

19.60.092 Effect. On or before the expiration date of a Revocable Development Permit, the Developer shall cease the use or occupancy subject thereto. The Developer may apply for a new Development Permit or Revocable Development Permit prior to expiration but, unless specifically allowed by the Commission in advance, the pendency of such application shall not extend the expiration date.

CHAPTER 70
CONDITIONS ON APPROVAL

The Administrator may place conditions upon issuance of a permit which he deems necessary or desirable to ensure that a policy will be implemented in the manner indicated in the application. To the maximum extent possible without violating the intent of the policies set forth in Chapter 80, the Administrator shall conform the conditions to the conditions, restrictions and stipulations contained in State or Federal permits, leases or similar instruments. The conditions may consist of one or more of the following:

19.70.010 **Development Schedule.** The conditions may place a reasonable time limit on construction activity associated with the Development, or any portion thereof, to prevent speculation in permits, to enable new applications or revisions to come forward for unviable projects, to minimize construction-related disruption to ensure that Development is not used or occupied prior to substantial completion of required public or quasi-public facilities, or to implement other policies.

19.70.020 **Use.** The conditions may restrict the future use of the Development to that indicated in the application and uses of similar impact or effect on the policies.

19.70.030 **Common Maintenance Agreement.** The conditions may require that if an agreement among Developers or users, or a homeowner's association or special district is necessary or desirable to hold or maintain common property, that it be created prior to occupancy.

19.70.040 **Dedications.** The conditions may require conveyances of title or easements to the public, to public utilities or to a common entity. They may require construction to public standards, and then dedication, of public facilities to serve the Development and the public.

19.70.050 **Construction Guarantees.** The conditions may require the posting of a bond or other surety or collateral (which may provide for partial releases), to ensure that all construction features required by a policy are in fact constructed as represented and approved.

19.70.060 **Commitment Letter.** The conditions may require a letter from a utility company or public agency legally committing it to serve the Development.

19.70.070 **Covenants.** The conditions may require the recording of covenants on the site to ensure continued implementation of a policy by future owners or occupants.

19.70.080 **Revocation of Permits.** The conditions may provide that the permit shall be automatically revoked upon the occurrence of a certain event or events, or at a date certain. In such case, it shall be the sole responsiblity of the owner to apply for a new permit. Any condition mandating the revocation of a permit shall state with particularity, the grounds therefor and the policy or policies to be reviewed upon reissuance. Thereafter, reissuance shall be determined solely on the issue of the Development's compliance with the specified policy or policies.

CHAPTER 80
POLICIES

19.80.010 Introduction The policies contained in this Chapter constitute the rules by which a Development other than a use-by-right is reviewed and approved or denied. They are reformatted from the Development Policies in the Comprehensive Plan, and the citations are to the relevant Development Policy in the Plan.

19.80.020 Mandatory Policies All Development must comply with each of the policies set out in Section 19.80.021 and 19.80.025 unless:

(a) The Administrator determines that the policy is not applicable to the Development; or

(b) The Commission grants a variance from the policy pursuant to Sections 19.60.060 et seq.

19.80.021 Prohibited Development The following Development is prohibited:

(a) Development which will likely result in depleting a subsistence resource, as set forth in Section 3.5.1 of the Plan, below the subsistence needs of local residents of the Borough. (3-1.1, 5-1.2)

(b) Drilling and other high-impact activities within the area of bowhead whale migration routes during the migration season. (3-3.1)

(c) Development that does not meet the standards of the Borough Coastal Management Program, when adopted, for management of Sensitive Areas such as estuaries, wetlands, tideflats, beaches, rivers, streams and lakes, permafrost landscape, and high energy ice impacted shorelines. (3-3.3)

(d) Deposition of toxic materials and untreated solid waste on the barrier islands, sea ice, artificial islands, at sea, in any wetlands, rivers or lakes which support or are capable of supporting significant populations of fish and wildlife. (3-7.1, 5-7.2)

(e) Development which precludes subsistence user access to asubsistence resource. (3-1.4

(f) Development which significantly disturbs cultural or historic sites listed on the National Register of Historic Places or eligible for inclusion on the National Register. (4-1).

(g) Development which significantly interferes with traditional activities at cultural or historic sites identified in this Plan. (4-1).

(h) Surface disturbance of newly discovered historic sites prior to archaeological investigation. (4-2)

(i) Development which grossly violates guidelines on the rate or amount of growth adopted by a Village as a part of its Comprehensive Development Plan. (4-3)

(j) Mining during portions of the year when there would likely be substantial harm to the environment, such as the excessive silting of rivers and streams. (5-5.5)

(k) Any development located outside the Prudhoe Bay Base Area, Pump Station 3, or the Chandalar Base Area, and tourist and recreational facilities located anywhere, within the Haul Road Corridor Special Area. (7-3)

19.80.025 Required Features The following policies are required for applicable development:

(a) Vehicles, vessels, and aircraft usage in Special Habitat Areas is required to be confined to corridors designated in the permit. (3-2.3)

(b) Offshore exploration, development and production drilling outside the landfast ice area (Plan Map 9, CMP Map I-2 and Plan Section 5.5.3.5 Zone AO) is required to be sited on a barrier island or artificial islands. A variance from this policy to allow offshore platforms will be granted only if the requirements of Sections 19.60.060 et seq. are met and, in addition, the Developer demonstrates the actual capability of the structure to withstand all natural forces, specifically including ice. (3-5.3)

(c) Development with water or airborne emissions is required to comply with all State Department of Environmental requirements. (5-5.2)

(d) Industrial and commercial development is required to be served by solid waste disposal facilities which meet state and federal regulations. (5-7.1)

(e) Development not on a sewer system is required to impound and process effluent to state and federal quality standards. (5-7.3)

(f) Marine tankers to be utilized in offshore areas must be specially designed to withstand environmental hazards specifically including sea ice. (3-6.8).

(g) Residential development associated with industrial and resource extraction development must be removed when the industrial or extractive use is completed unless pursuant to Plan policies removal is more harmful than non-removal. (5-3.2, 3-8.3)

(h) Development in a Village is required to be consistent with the relevant Village Comprehensive Development Plan, when adopted. (3-8.1)

19.080.030 Best Efforts Policies All Development must comply with each of the policies set out in Sections 19.80.031 and 19.80.032 unless:

(a) The Administrator determines that the policy is not applicable to the Development; or

(b) The Administrator determines that the Developer has used his best efforts to comply with the policy and that there is no feasible and prudent alternative to the proposed compliance:

19.80.031 Prohibited Development

(a) Development that will likely result in significantly decreased productivity of subsistence resources or their ecosystems. (3-1.2)

(b) Development which restricts subsistence user access to a subsistence resource (3-1.3, 3-7.4)

(c) Development within Special Habitat Areas identified in Section 10.4.1 of this Plan. (3-2.1)

(d) Resource extraction uses within a Special Habitat Area. (3-2.2)

(e) Development in Sensitive Areas such as estuaries, tideflats, beaches, rivers, streams and lakes, and high energy ice impacted shorelines. (3-3.2)

(f) Facility siting, drilling or other high-impact activities at Barrier Islands that are intensively used by Beluga whales as feeding and resting areas as identified on CMP Map II-3. (3-3.4)

(g) Development on a shoreline that does not require a shoreline location, landfills, fuel or toxic material storage areas and dumps on or near a shoreline. (3-4.2, 5-2.3)

(h) Public highway development, except for village roads and streets and highways indicated in the Capital Improvements Program. (3-6.3)

(i) Transportation development including pipelines which significantly obstructs wildlife migration. (3-6.5)

(j) Development to accomodate petroleum transportation via marine tankers. (3-6.6)

(k) Duplicative transportation corridors from resource extraction sites to tidewater or railroads. (3-6.7)

(l) Development associated with purely recreational uses of land and wildlife habitat, such as commercial hunting and fishing camps or lodges and recreational second home subdivisions. (3-9.1, 6-2.2.1)

(m) Development of tourist facilities except as provided for pursuant to a Village Comprehensive Plan. (3-9.2, 6-2.2.2)

(n) Development which significantly violates guidelines on the rate or amount of growth adopted by a Village and adopted as a part of its Comprehensive Development Plan. (4-3)

(o) Development which substantially pollutes the natural environment (including water, air, noise and vibration). (5-1.1)

(p) Development in flood plains and other geologic hazard areas. (5-4.1)

(q) Siting, design, construction, and maintenance of transportation and utility facilities (including ice roads) are required to minimize alteration of shorelines, water courses, wetlands, and tidal marshes and significant disturbance to special habitat; and to avoid critical fish migration periods. (7-5)

(r) Disturbance of subsistence resource habitat, or migration routes during migration periods, by transportation modes or development. (7-4)

(s) Resource development which uses suppliers or subcontractors from outside the Borough for work which can be accomplished competitively by local private businesses or regional or village corporations. (8-2.2)

(t) Resource development which will not significantly employ local Borough residents, unless residents of the local village expresses no interest in the work. (8-1.2)

19.80.032 Required Features The following features are required of applicable Development:

(a) Industrial and commercial development and resource extraction development are required to be located, designed, and maintained in a manner that prevents significant adverse impacts upon subsistence resources and their habitat, including water circulation and drainage patterns and coastal processes. (3-4.3, 3-5.1)

(b) Resource extraction development for administration, operations, residence and other uses not absoultely required in the field is required to be located in a designated service base which is sited, designed, constructed and

maintained to be as compact as possible; and to share facilities to the maximum extent possible. (5-5.1)

(c) Development is required to maintain the natural permafrost insulation quality of existing soil and vegetation. (5-4.3)

(d) New subdivisions or other residential development near the shoreline or in Special Habitat Areas are required to provide adequate water and sewer service to prevent damage to the environment and habitat of subsistence species. (5-3.1, 3-8.2)

(e) Mining on beaches or offshore is prohibited unless no alternatives exist for extraction of the resource, and in those circumstances substantial alteration of shoreline dynamics is prohibited. (5-5.6)

(f) Independent verification by a Borough approved agent is required for a developer's environmental assessment and design and engineering criteria for offshore development outside the landfast ice zone. [Plan Map 9, CMP Map I-2 and Section 5.5.3.5 Zone AO of this Plan] (5-4.5)

(g) Transportation facilities for resource development and extraction are required to be consolidated to the maximum extent possible. (7-1)

19.80.040 Minimization of Negative Impacts Applicable development is required to minimize its impact on the following features:

(a) Airports and helicopter pads are required to be sited, designed, constructed and operated to minimize their impact upon significant wildfowl migration routes, breeding grounds and nesting areas. (7-2, 3-6.1)

(b) Siting, design, construction and maintenance of transportation and utility facilities (including ice roads) are required to minimize alteration of shorelines, water courses, wetlands, and tidal marshes and significant disturbance to special habitat; and to avoid critical fish migration periods. (3-6.2, 3-4.1, 3-7.2, 5-2.2, 5-6.2, 5-7.4)

(c) When linear structures such as roads and pipelines are located in areas used as corridors by migratory species of wildlife, a means of crossing shall be included for those migratory species. Pipelines shall be designed, using the best available information, to minimize disruptions of migratory patterns and other major movements of wildlife. Above ground pipelines shall be elevated a minimum of

five (5) feet, except at those points where the pipeline intersects a road, pad or caribou ramp. (3-6.4)

(d) Development in floodplains, shoreline areas, and offshore is required to be sited, designed and constructed to minimize loss of life or property due to oceanic storms, sea waves, ice gouging and override, and shore erosion. (5-4.2)

(e) Mining and mineral processing in the coastal area is required to be designed and conducted to minimize impacts on subsistence species habitat, land and water resources, and general environmental conditions. (5-5.3)

19.80.050 Beneficial Impacts The Administrator will consider the following features when making the determination set forth in Section 10.60.030.

(a) The joint siting and use of facilities, and the concentration of development. (3-5.2, 5-2.1)

(b) Accomodation of free cross-migration of tuttu by pipelines. (3-6.4)

(c) Design and maintenance of residential development associated with industrial and resource extraction which provides for employees to be shuttled into the area for work periods then outside to their permanent residence. (3-8.4, 5-3.3)

(d) Development of nor more than the minimum number of borrow pits to serve all Development in an area. (5-5.4)

(e) Incorporation of utilities and multimodal transportation facilities in a single corridor. (5-6.1, 7-6)

(f) Employment of local Borough residents. (6-1.1, 8-1.1)

(g) Utilization of flexible employment procedures to allow subsistence pursuits by local Borough resident employees. (6-1.2, 8-3, 6-3.3)

(h) Incorporation of job training programs for local Borough residents. (6-1.3)

(i) Development which related to or encourages Inupiat arts and crafts. (6-2.1)

(j) Development which provides local employment in the villages. (6-3.1)

(k) Utilization of local private businesses or village or regional corporations as suppliers or subcontractors. (6-3.2, 8-2.1)

(l) Development which provides or materially contributes to lower cost fuel or power to adjacent villages. (6-4.1, 6-5)

(m) Utilization of locally obtained energy (such as locally produced coal and natural gas) or renewable sources of energy. (6-4.2)

(n) Resource extraction development that is consistent with subsistence resources and the Inupiat culture and Inupiaq character of life. (9-1)

(o) Excess of tax revenues over demand for expenditures. (9-2)

CHAPTER 90
DENSITY AND INCENTIVES

19.90.010 Basic Density/Intensity. The following chart sets forth the maximum basic density (for residential uses) and intensity (for nonresidential uses) for Development served by both public/quasi-public water and sewer systems:

STRICT	RESIDENTIAL (square feet of site per dwelling unit)		GROUP HOMES, ROOMING HOUSES * AND NONRESIDENTIAL (floor area ratio)	
	EXISTING SUBDIVISION	NEW SUBDIVISION	EXISTING SUBDIVISION	NEW SUBDIVISIO
Village	1 du/lot	7,000sq ft/du	1:3	1:3
Barrow Downtown Area	2 du/lot	1,000 sq ft/du	1:1.5	1:1
Barrow Residential Areas	1 du/lot	7,000 sq ft/du	1:2	1:1.5
Conservation	1 du/lot	7,000 sq ft/du	1:2	1:1.5
Resource Development	ESTABLISHED BY MASTER PLAN			

* Group homes and rooming houses shall have a minimum of 100 square feet per resident

19.90.020 **Basic Density/Intensity Non Public Facilities .** For Development not on both public/quasi-public water and sewer facilites, the density or intensity of use shall be determined by the Borough health department as the highest density or intensity which can be justified under public health standards. The density or intensity may not be altered pursuant to the provisions of Subsection 19.90.040, below.

19.90.030 **Incentives — Application and Eligibility.**

19.90.031 **Application.** Conditional Uses and rezonings to the Resource Development District may request, as part of their application, any of the incentives set forth in Section 19.90.040 et. seq.. Any application requesting incentives shall state, clearly and concisely, the isolated impact of the requested incentives. The application and evidentiary materials shall be prepared as if the requested incentives will be granted and the application should state whether it is dependent on the incentives being approved or whether the Developer will accept a permit only if some or all of the incentives are granted.

19.90.032 **Eligibility.** To approve incentives requested by a Development, the Commission must find, at the time of permit or rezoning approval, that:

(a) The Development, if proposed without the requested incentive(s) would represent a **significant** net public benefit; and

(b) The Development as proposed (with requested incentives) meets all the standards of Section 19.60.030.

(c) Conditions pursuant to Chapter 80 may be placed onapproval of incentives.

19.90.040 Density Bonus. Density bonuses up to 50% may be granted, by the Commission for Development served by both public/quasi-public water and sewer, which either;

* Increases public or private services to local residents; or

* Improves housing for local residents.

No reduction in the minimum living space set forth for residents of group homes or rooming houses may be granted.

19.90.050 Industrial Development Bonds. The Borough Assembly may approve Industrial Development Bond financing for any nonresidential Development with a viable, continuing program for hiring (and training if applicable) residents of the Borough.

19.90.060 Tap Fee Reduction. The Assembly may approve a reduction in water or sewer tap fees for any of the following:

19.90.061 Development by public or quasi-public agencies;

19.90.062 Rent-subsidized residential Development;

19.90.063 Development which constructs and dedicates to public use, water or sewer lines or treatment facilities in excess of its own needs.

19.90.070 **Operation, Security and Maintenance.** The Assembly may contract to operate and provide maintenance for some or all quasi-public facilities (such as water and sewer treatment facilities, roads, training facilities, recreation facilities, etc) and provide fire protection and security for private Development in Resource Development Districts where the Developer agrees to:

19.90.071 Construct the facilities at its own cost;

19.90.072 Provide a specific public benefit for the service provided by the Borough, such as (but not limited to) allowing limited or complete public access to the facility, agreeing to dedicate it to the public in the future, agreeing to a hiring program (in the case of job-training facilities), paying the Borough for the services, using unusually expensive design or techniques to mitigate negative impacts of the Development, or any other monetary or non-monetary public benefit which the Assembly, in its sole discretion, deems adequate.

19.90.080 **Procedure for Incentives.** A Development Permit application with a request for a density bonus will be decided pursuant to the procedure for variances set forth in Section 19.60.060. A Development Permit application with a request for any other type of incentive, and rezonings with a request for any type of incentives, will be decided pursuant to the procedure for rezonings set forth in Section 19.40.063.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

EXXON COMPANY, U.S.A.
POUCH 6601 • ANCHORAGE, ALASKA 99502 (907) 276-4552

ALASKA OPERATIONS
WESTERN DIVISION

RICHARD H. WEAVER
OPERATIONS MANAGER

December 7, 1982

Re: North Slope Borough Draft
Comprehensive Plan and
Land Management Regulations

Mr. James Stotts
Assembly Chairman
North Slope Borough
Box 69
Barrow, AK 99723

Dear Mr. Stotts:

Exxon appreciates this opportunity to present its comments concerning the referenced Comprehensive Plan and Regulations, scheduled for formal Assembly consideration in the near future. As you may know, Exxon has provided comments on earlier drafts to the Planning Commission. Our goal has been to persuade the Borough to adopt a planning ordinance which will meet its local planning needs without hampering the efforts of state and federal agencies and oil and gas lessees, as well as other developers, from exercising their property rights to develop resources on state and federal lands. To date, our efforts have met with only limited success.

The draft now before you espouses the same fundamental philosophy which has been a matter of primary concern to Exxon throughout the entire process. The planners and their consultants have failed to recognize that the Borough's needs will not be well-served by an ordinance which establishes a cumbersome and duplicative permitting process for activities over which the Borough has only very limited authority.

The current draft has been improved by its stated recognition of geographical limits on Borough authority, and further improved by zoning of existing units of oil and gas leases as Resource Development District. The draft fails, however, to properly recognize the paramount rights of lessees to develop existing and future state and federal leases and future units. Moreover, the draft would attempt to impose numerous technical and operational restrictions upon state and federally approved activities in areas outside the scope of the Borough's geographic authority, including the NPR-A, the Arctic National Wildlife Refuge, the Outer Continental Shelf and other state and federal lands.

The restrictions imposed by the draft ordinance are not only unauthorized by law, but they are also unsupported by scientifically verifiable information. The drafters of this ordinance have placed undue pre-eminence on subsistence uses to the exclusion and/or severe limitation of petroleum development. The drafters have opted for prohibiting development, mandating categorical prohibitions of some activities, and imposing stringent limitations that would effectively block development.

Further, the proposed ordinance does not take into consideration the inescapable fact that Exxon and other industry members have operated safely in the Arctic for many years without a single incident of serious, or even moderate, environmental damage and without any measurable negative effect on wildlife or the subsistence values of the North Slope. The drafters have failed to attribute this safety record to anything more than sheer good luck, ignoring industry's efforts in training personnel to operate safely, designing structures to withstand Arctic conditions, and developing the capability to handle any spills which might occur.

The permitting process which would be established by this proposed ordinance is for the most part unnecessary and, to the extent it applies to oil and gas operations, counterproductive. Although the Borough can and should implement a planning process for the protection of human health and safety, its efforts to establish detailed restrictions on development over a large geographical region are unwarranted for the following reasons: first, there exist state and federal regulatory processes capable of considering and responding to the legitimate concerns of the Borough; second, many of the concerns incorporated in the proposed ordinance are shared by industry as well as state and federal agencies so that the regulations are duplicative; third the provisions of the ordinance are insensitive to developing technology or varied operating conditions; and fourth, to the extent the Borough's restrictions would block development permitted by state and federal agencies having jurisdiction, those restrictions are unenforceable.

The Alaska Constitution, statutes and case law uniformly provide that the regulation of oil and gas activities is a matter of statewide concern. A home rule borough may not adopt regulations that interfere with oil and gas activities authorized by state agencies pursuant to state statute. Alaska cases hold that local regulations cannot block the implementation of a specific statewide policy.

With regard to the ability of a home rule borough to regulate oil and gas exploration and development authorized by a federal agency pursuant to federal law, the Borough's power is limited by the Supremacy Clause of the United States Constitution which provides that the laws of the United States "shall be the supreme law of the land." Federal cases hold that state and local

governments cannot enact regulations which obstruct the achievement of a Congressionally approved use of federal lands.

The Comprehensive Plan and Land Management Regulations before you today have been consciously drafted so as to exceed the limits of home rule authority. The almost certain result of the adoption of this ordinance would be that those limits will be shaped by costly, time-consuming litigation, to the detriment of the Borough, the State, and the nation, as well as our industry.

Exxon fully endorses the comments presented by AOGA. We urge you to carefully consider our comments today and to return the Comprehensive Plan and Land Use Regulations to the Planning Commission for amendment. As we have throughout this process, we wish to work with the Borough and its staff for the development of a workable plan.

Sincerely yours,

R. H. Weaver

RHW:cas/542

Alaska Oil and Gas Association

505 W. Northern Lights Boulevard
Suite 219
Anchorage, Alaska 99503
(907) 272-1481

December 7, 1982

Mr. James Stotts
Assembly Chairman
North Slope Borough
P.O. Box 69
Barrow, AK 99723

Re: North Slope Borough Draft Comprehensive Plan and Land Management Regulations

Dear Mr. Stotts:

The Alaska Oil and Gas Association (AOGA) is a trade association whose 39 member companies account for the bulk of oil and gas exploration, production and transportation in Alaska. AOGA appreciates this opportunity to present comments on draft 3 of the Comprehensive Plan and Land Management Regulations which is being considered for adoption by the Assembly at this time.

As you are aware, AOGA, its member companies and state agencies, have been involved in the planning efforts of the NSB since 1978, beginning with the Borough's Coastal Management Program, which was withdrawn in January, 1980. Other efforts of the NSB include the Interim Zoning Ordinance of 1979 and Comprehensive Plan and Zoning Ordinance of 1981. The oil and gas industry and state agencies have expressed serious legal, technical and administrative concerns with those documents. While the documents before us today represent improvements over those previous documents, many of our legitimate concerns remain and new ones have emerged. We hope that the Assembly will accept our expression of these concerns as constructive and will give them full consideration prior to final action. The following remarks highlight our major concerns and recommendations. Attachments to these remarks contain more detailed comments for use in your evaluations.

At the outset, it is important to note that extensive and serious legal problems with the Comprehensive Plan and Regulations still remain unresolved and should be addressed by the Assembly before adoption. These legal issues are detailed in Attachment 1 and will only be briefly addressed in these remarks.

AOGA firmly believes that the Borough is moving much too fast with the adoption of the Comprehensive Plan and Land Management Regulations. During the past three months, three drafts of the proposed Plan and Regulations have been issued in rapid succession for public review and consideration by the Planning Commission. During this period, the oil and gas industry raised a

number of legal, technical and administrative issues with respect to these draft proposals in an effort to assist the Borough in developing a Plan and Regulations which properly address the separate and mutual interests of all parties involved. Many of these issues, which are also important to the Borough's own future development plans, remain unresolved. It is our belief that the public and the Assembly have not had adequate time for consideration of the Plan and Regulations. The present draft is not suitable for adoption at this time.

Aside from the basic issue of the Borough's zoning jurisdiction over oil and gas development of state and federal lands, the petroleum industry is concerned that the proposed Plan and Regulations provide such broad discretionary powers to the Administrator and Planning Commission that oil and gas development projects vital to the state and nation may be seriously impeded. The proposed Plan and Regulations will surely result in many conflicts between the Borough and the state and federal governments. We believe that the only practical and reasonable approach is for the NSB to work through state and federal agencies on oil and gas matters at the various stages of leasing, plan approvals and permitting decisions. The goals, objectives and policies developed by the Borough in the preparation of the Comprehensive Plan and Land Management Regulations will provide the basis for the Borough's participation in state and federal decision-making processes. The establishment of a separate NSB permitting scheme and a Master Plan requirement for oil and gas development, however, would be counterproductive and result in lengthy and expensive litigation.

In addition to these two legal issues, there is a question regarding the ability of the Borough to effectively implement the proposed Comprehensive Plan and Regulations if enacted on January 1. To our knowledge the administrative procedures, forms and checklists necessary to implement the Plan and Regulations are not presently under development and therefore will not likely be available on January 1. Additionally, a major component of the Comprehensive Plan, the proposed Coastal Management Program, to which repeated references are made in the Plan and Regulations, will also not be in place on January 1. As a result, we urge the Assembly to seriously consider delaying adoption of the Plan and Regulations until the Borough's Coastal Management Program has been given conceptual approval. This would provide the necessary additional time to develop the administrative procedures for effective implementation and to more completely address the unresolved issues, thereby assuring an orderly transition from the present program under the Interim Zoning Ordinance.

Should the Assembly nevertheless decide to pursue adoption of the Comprehensive Plan and Land Management Regulations at this time, we offer the following technical changes found in Attachment II for your consideration. Although these changes would not resolve all of the remaining issues, they would go a long way toward facilitating Borough and industry development activities proceeding in a timely manner without significantly compromising the other interests and long range goals of the Borough. These suggested changes can be summarized as follows:

1. The portions of the Land Management Regulations which would require rezoning, master plan approvals and permits should be modified. We commend the Planning Commission for having made modifications in the Land Management Regulations which zone all existing unitized areas as

Resource Development Districts. However, these modifications fall short of satisfying the need that all existing and future state and federal leases and units within the territorial jurisdiction of the Borough be similarly rezoned as a matter of course.

2. The Planning Commission has correctly recognized the priority afforded to uses of state concern under the Alaska Coastal Management Act and has provided some protection for uses of state concern in the proposed Regulations. However, a separate Master Plan and permit approval by the Borough as contemplated in these Regulations will either lead to irreconcilable conflicts with decisions of state and federal permitting agencies or result in a mere duplication of state and federal regulations and permits. The NSB should use the policies developed as part of the Comprehensive Plan and Land Management Regulations and the NSB Coastal Management Program as a basis for its consultation with the appropriate state and federal agencies. Such consultation procedures are established under existing regulations and programs. Where consultation rights are not clearly established in existing processes, the NSB should seek to establish those rights by agreement between the Borough and the appropriate state or federal agency, primarily with the Department of Natural Resources and the Mineral Management Service on oil and gas matters.

3. Vague and discretionary policies which create uncertainty as to their meaning and application should be rewritten to require a conclusive finding of adverse effect and evaluation of possible mitigating measures before prohibitive policies are applied to decisions on development activities.

4. Policies which impose technical or design constraints should be eliminated. Performance criteria with appropriate mitigating measures should be applied on a case-by-case basis. Specific design criteria should not be adopted as Borough policy.

5. Policies not pertaining to land and water uses should be rewritten as goals or objectives, and should not be used as the basis for decisions on development activities.

6. Policies which allow participation by the villages in NSB planning efforts are an important concept adopted by this version of the Comprehensive Plan and Regulations. However, the Borough must ensure that it does not impermissibly delegate decision-making authority to local jurisdictions.

7. Many terms used in the Comprehensive Plan and Regulations are inadequately defined, or are not defined at all, and require further specification before this document is adopted.

8. Miscellaneous corrections, additions or deletions have been suggested to eliminate inconsistencies, clarify intent and otherwise improve the accuracy of the document.

The Alaska Oil and Gas Association recognizes the importance of this planning effort to the Borough. The Assembly must recognize, however, that this document, if adopted, will have far reaching implications for future development in the Borough. We, therefore, urge you to give careful consideration to adoption of our recommendations before this planning effort is brought to a

conclusion. We again urge that the Assembly not take action on the Comprehensive Plan and Regulations until the Borough's proposed Coastal Management Program has been adequately developed so that the two documents can be conceptually adopted in concert.

AOGA and its member companies continue to stand ready to offer our advise and assistance to the Borough in bringing these important planning efforts to a satisfactory conclusion.

Very truly yours,

WILLIAM W. HOPKINS
Executive Director

WWH:jlp
NSB008

xc: Mayor Eugene Brower
Members of the NSB Assembly
Mr. Bud Stevens

Attachment I

AOGA Comments

Legal Considerations

NSB Comprehensive Plan and Regulations

Procedural Problems

The North Slope Borough has been in the process of developing a land use management plan since 1978. Starting with its draft Coastal Management Program, which was eventually withdrawn from state consideration in January, 1980, the Borough has sought to gain control over petroleum development across the great expanse of the North Slope of Alaska. In late 1979, the NSB adopted its Interim Zoning Ordinance. Early in 1981, the NSB Planning Commission issued a draft Comprehensive Plan and Zoning Ordinance that has been under revision since August, 1981. Extensive changes were made and on September 15, 1982, the NSB Planning Department issued an entirely new document, entitled Comprehensive Plan and Land Management Regulations (draft 1). This document was the subject of a Comprehensive Plan Policies Workshop on September 24, 1982, in Barrow. Draft 1 was subsequently revised and a new version issued on October 8, 1982. On October 15, 1982, the Planning Commission held a public hearing on draft 2. Another draft, Draft 3, which was not a complete document but merely an addition and partial revision of draft 2, was made available to the public on November 5, 1982; that same day it was adopted by the Planning Commission after a number of amendments had been made. On November 9, 1982, the draft 3 version of the document was presented to the NSB Assembly for action and the Assembly scheduled a hearing for December 7,.

1982. As of this date, an approved complete copy of the Plan, as amended and adopted by the Planning Commission on November 5, has not been made available to the public. Since a complete copy of the Comprehensive Plan is not available, the Borough has failed to provide adequate notice as required by its Charter.

AOGA is very concerned with the lack of opportunity afforded by the NSB for meaningful public participation within the last three months. Members of AOGA have attempted to participate in the development of the Comprehensive Plan and implementing Regulations from the earliest drafts, however, public participation has been frustrated by not having the complete document under consideration by the NSB Assembly and the lack of adequate time for review. Furthermore, industry's comments and recommendations, legal and technical, have been largely ignored, including comments made by industry representatives at the September 24, 1982, workshop.

We firmly believe that the Borough is moving too fast for the adoption of this Plan and Regulations. The Plan is confusing and there are many inconsistencies between the Plan and the Regulations. In addition, it is not clear how the Plan and Regulations will be integrated with the NSB's Coastal Management Program which is currently under development. Lastly, there are serious legal, technical and administrative problems within the documents. We recommend that the NSB Assembly delay action on the proposed Plan and Regulations and develop them in concert with its Coastal Management Program (CMP), since the CMP is a major component of the Plan and Regulations. "Concept approval" by the Assembly should be given both documents simultaneously prior to being submitted to the state for approval.

Substantive Problems

The policies and regulations of the North Slope Borough's (NSB) draft Comprehensive Plan in many cases conflict with both state and federal law. Specifically, the draft Comprehensive Plan and implementing Regulations are in conflict with the Alaska Constitution, Alaska Coastal Management Act, Alaska Lands Act, the Alaska Oil and Gas Conservation Act, the U.S. Constitution, the Federal Coastal Zone Management Act, the Outer Continental Shelf Lands Act, and other federal and state statutes which regulate oil and gas activities.

The goals, objectives and policies of the Comprehensive Plan and implementing Regulations give priority and protection to subsistence activities by right throughout the Borough while restricting or prohibiting other legitimate uses of state and national concern. The proposed Plan and Regulations seek to give the Borough ultimate control over industrial activities (primarily oil, gas, and mineral development) or prohibit/restrict such activities in the Borough. A clear anti-development bias pervades the objectives and policies of the proposed Plan, and the Plan purports to exert control over not only Borough owned lands but also private, state, and federally owned lands. Many of the objectives and policies in the Plan demonstrate the Borough's intention to frustrate oil and gas exploration, development and production operations which are authorized pursuant to federal and state statutes.

The NSB's power to regulate oil and gas activities is limited by the State of Alaska's interest in uniform statewide oil and gas regulations. The Alaska Constitution, its statutes, and its case law uniformly provide that the regulation of oil and gas activities is a matter of statewide concern. Numerous Alaska

statutes have been enacted to control oil and gas activities within the Borough. The principal statutes involved are the Alaska Lands Act (AS 38.05.005-.370) and the Alaska Oil and Gas Conservation Act (AS 31.05.005-.370). The Alaska Coastal Management Act also recognizes petroleum development as a use of a statewide and nation-wide concern [AS 46.40.020(7) and 46.40.210(6)].

Alaska law is clear regarding the limits of a homerule borough's authority under Title 29 of the Alaska Statutes. A homerule borough, such as the NSB, may exercise legislative powers so long as they are not "prohibited by law or charter" (Alaska Constitution, Article X, Section 11). The Alaska Supreme Court has stated the test for determining when a local enactment is "prohibited by law or charter" in Jefferson v. State, 527 P.2d 37,43 (1974):

> The prohibition must be either by expressed terms or by implication such as where the statute and ordinance are so substantially irreconcilable that one cannot be given its substantive effect if the other is to be accorded the weight of law.

In resolving conflicts between state statutes and local ordinances, the Alaska Supreme Court has recognized and applied the "local activity rule." Under this approach, the court must determine whether the matter regulated is of statewide or local concern. (MaCauley v. Hildebrand, 491 P.2d 120, 122 (Alaska 1971)).

The rule was applied in Chugach Electric Association v. City of Anchorage, 476 P.2d 115 (Alaska 1970), and restated in Johnson v. City of Fairbanks, 483 P.2d 181 (Alaska 1978) where the Court stated: "We resolved the conflict [in

Chugach Electric] by applying a rule requiring the local enactment to yield if it directly or indirectly impeded implementation of statutes which sought to further a specific statewide policy." The rule stated above was recently restated and applied to the zoning and planning area in Kenai Peninsula Borough v. Kenai Peninsula Board of Realtors, Inc., slip op., October 15, 1982.

The Alaska Constitution mandates state control in the use of Alaska's natural resources, including oil and gas. The pertinent provisions are found in Article VIII:

> Section 1. Statement of Policy. The policy of the State is to encourage the settlement of its lands and the development of its resources by making them available for maximum use consistent with the public interest.
>
> Section 2. General Authority. The Legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including lands and waters for the maximum benefit of its people.
>
> Section 6. State Public Domain. Lands and interests therein including submerged and titled lands possessed or acquired by the State and not used or intended exclusively for governmental purposes constitute the State public domain. The Legislature shall provide for the selection of lands granted to the State by the United States and for the administration of the State public domain.

Section 8. Leases. The Legislature may provide for the leasing of and the issuance of permits for exploration of any part of the public domain or interests therein subject to reasonable concurrent uses. Leases and permits shall provide, among other conditions, for payment by the party at fault for damage or injury arising from non-compliance with the terms governing concurrent use and for forfeiture in the event of breach of condition.

Section 12. Mineral Leases and Permits. The Legislature shall provide for the issuance, types and terms of leases for coal, oil, gas, oil shale, sodium phosphate, potash, sulfur, pumice and other minerals as may be prescribed by law. Leases and permits granting these exclusive rights of exploration for these minerals for specific periods and areas subject to reasonable and concurrent exploration as to different classes of minerals may be authorized by law. Like leases and permits giving the exclusive right of prospecting the physical, geochemical and similar methods for all minerals may also be authorized by law.

The clear policy of the State as provided in the Constitution is to encourage the development of the State's natural resources. The Legislature is exclusively charged with the administration of state lands, and specifically directed to provide for the utilization and development of all natural resources belonging to the State. The Legislature is also directed to regulate the issuance of oil and gas leases. In particular, leases and permits granting the right to explore for oil and gas are authorized by law. These provisions form a constitutional mandate for pervasive state administration of its lands, including the use and development of the state's natural rescurces. The language is mandatory, not

permissive. Its provisions entrusting these matters to the state legislature are unqualified. Local units of government have neither authority nor responsibility in these fields. Even should the State Legislature delegate a portion of this authority to municipalities to enable them to meet varying conditions within the different localities, such delegation could not diminish its constitutionally mandated control of state lands and natural resources. Given the conflict between the NSB's draft Comprehensive Plan and implementing Regulations and the Legislature's exercise of its constitutional authority, the Legislature's enactment must prevail.

The Alaska Lands Act contains an express prohibition preventing any municipality from closing state lands to oil and gas exploration, development, and production. AS 38.05.135(a) provides in part:

> Except as otherwise provided, valuable mineral deposits in lands belonging to the State shall be open to exploration, development and the extraction of minerals. All lands, together with tide, submerged, or shorelands, to which the State holds title or to which the State may become entitled, may be obtained by permit or lease for the purpose of exploration, development and the extraction of minerals.

A clear policy in favor of keeping state lands open for oil and gas exploration, development, and production is found in AS 38.05.350, which provides that "[i]t is a policy of the State to encourage the settlement of its lands and the development of its resources by making them available for maximum use

consistent with the public interest." AS 38.05.035(a) also demonstrates that exploration, development, and production of oil and gas is a matter of statewide concern, and that it is Alaska's policy to encourage such development on state lands. AS 38.05.035(a)(14) authorizes the leasing of state lands once it is found that the "interests of the State will be best served." With specific reference to oil and gas, AS 38.05.180(a) provides:

> The legislature finds that (1) the people of Alaska have an interest in the development of State oil and gas resources to (A) maximize the economic and physical recovery of the resources; (B) maximize competition among parties seeking to explore and develop the resources; (C) maximize use of Alaska's human resources in the development of the resources;

The Alaska Lands Act is, therefore, clear and unambiguous: the determination of which state land should be leased and the conditions or limitations to be contained in the lease agreements are matters of statewide concern.

In the absence of the adoption by the North Slope Borough of a district coastal management program pursuant to the Alaska Coastal Management Act, the state coastal management program applies to the North Slope Borough.

The NSB draft Comprehensive Plan and implementing Regulations approve subsistence use as a matter of right throughout the Borough, yet severely restrict competing uses in all land use districts outside the Resource Development District. This designation arbitrarily and unreasonably restricts "uses of State

concern," within the meaning of the ACMA. The Borough employs the subsistence designation to potentially exclude other competing uses, including oil and gas operations, within the Borough's boundaries. Although subsistence is certainly one use of State concern if properly substantiated and limited in scope, the Borough cannot avoid its obligation to balance and accommodate competing uses by simply designating its entire coastal zone and three of the four land use districts as subsistence areas. It is not the purpose of the ACMA to protect any single use, and the ACMA does not authorize the Borough to exclude uses of state and national interest based on purely local concern; it instead requires the balancing of legitimate state interests with reasonable standards for the protection of proper local concern.

As in Chugach Electric Association v. City of Anchorage, 476 P.2d 115 (Alaska 1970) and other cases establishing the "local activity rule" in Alaska, the matters covered by the ACMA are of statewide concern. By express statutory definition, the siting of energy facilities and other activities pursuant to a state or federal oil and gas lease are uses of state concern. AS 46.40.210(6)(c). The reasoning of Chugach Electric, therefore, is directly applicable to the NSB's proposed permitting plan. The Borough has no authority to interfere with a State statutory scheme by unreasonably restricting uses of state concern.

The Department of Natural Resources has implemented the Constitutional and statutory policy of natural resources development by issuing oil and gas leases. These leases were issued on the condition that oil and gas work was to be performed on the leased area. The draft Comprehensive Plan and implementing Regulations will impede this policy. Under the draft Comprehensive Plan and

implementing Regulations, all oil and gas activity requires a permit from the NSB. Under the "local activity rule," once the Department of Natural Resources has determined that the issuance of an oil and gas lease is in the best interest of the State, this determination may not be nullified because the Borough withholds a permit under narrowly defined local considerations.

The Alaska Supreme Court has recognized the State's interest in regulating and developing oil and gas resources on a statewide basis. In North Slope Borough v. LeResche, 581 P.2d 1,112 (Alaska 1978), the Court held that the Commissioner of Natural Resources had the authority to reject the Borough's application to select State lands overlaying the Prudhoe oil field on the ground that it was in the best interest of the State.

The NSB's attempt to restrict already limited petroleum related activity in State oil and gas lease areas is analogous to previous cases where the Alaska Supreme Court has held that state law preempts a home rule municipality from validly exercising legislative power. The Commissioner of the Department of Natural Resources has made the determination that certain state lands should be open to oil and gas development, and has promulgated extensive regulations governing such activity. This constitutes a prohibition upon the exercise of the Borough's zoning authority to further restrict or exclude petroleum related activities on these lands. The Borough cannot enact regulations which interfere with petroleum related activities in areas which the Commissioner has determined should be open for such activities.

The Alaska Supreme Court has held that ordinances of home rule municipalities are prohibited if they directly or indirectly impede implementation of State

statutes which seek to further a specific statewide policy. The Alaska Constitution, the Alaska Oil and Gas Conservation Act, and the Alaska Lands Act evidence a strong state policy in favor of oil and gas development. The proposed Comprehensive Plan and implementing Regulations greatly restrict oil and gas activity within the North Slope Borough and require a permit for activity in all areas of the Borough. These restrictions act as an impediment to oil and gas activity in irreconcilable contravention of State policy. To the extent that the Borough's proposed Comprehensive Plan and implementing Regulations interfere with the implementation of State policy, they are invalid.

In addition to the state law prohibitions against Borough regulation of state lands, the federal Constitution forbids such regulation by the Borough on federal lands.

A. The Supremacy Clause

The doctrine of federal preemption is derived from the Supremacy Clause of the United States Constitution (Article VI, Clause 2). This clause elevates federal law above that of a State and provides:

> [t]his Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made or which shall be made under the authority of the United States shall be the supreme law of the land; and the judges in every state shall be bound thereby anything in the Constitution or laws of any state to the contrary notwithstanding.

The Supremacy Clause has been found directly applicable to local regulatory schemes. In Ventura County v. Gulf Oil Corporation, 601 F.2d 1080 (9th Cir. 1979), aff'd 445 U.S. 947, 100 S.Ct. 1593 (1980), the Court of Appeals held that federal regulations of oil and gas activities on federal lands pursuant to the Mineral Lands Leasing Act of 1920 preempted local regulation of the same activities. Gulf Oil had received an oil and gas lease pursuant to the Mineral Lands Leasing Act and obtained the necessary federal permits to drill a well under the terms of the lease. Ventura County sought to require Gulf to obtain a county oil exploration and extraction permit pursuant to its local zoning ordinance prior to the commencement of activities under the federal lease and permits. The federal appeals court rejected the County's argument that there was no evidence of either the Congressional intent to preempt local regulation nor any conflict between local and federal law that could be resolved only by exclusion of local jurisdiction. It held:

> We need not consider the extent to which local regulation of any aspect of oil exploration and extraction upon federal lands is precluded by federal legislation; the local ordinances impermissibly conflict with the Mineral Lands Leasing Act of 1920 and on this basis alone they cannot be applied to Gulf. (601 F.2d at 1083).

The Court stated its conclusion succinctly: "The states and their subdivisions have no right to apply local regulations impermissibly conflicting with achievement of a congressionally approved use of federal lands. (601 F.2d at 1086).

The Ventura County case is directly applicable to the NSB's draft Comprehensive Plan and implementing Regulations. Like Ventura County, the NSB is attempting to regulate oil and gas operations of a lessee on federal lands by ordinance. The draft Comprehensive Plan and implementing Regulations purport to be based on the Borough's home rule powers. Home rule authority, like all state powers, is necessarily limited by the Supremacy Clause of the U.S. Constitution. The Borough is attempting to limit oil and gas operations on federal lands where Congress has provided for the regulation of these activities in the Outer Continental Shelf Lands Act and the Mineral Lands Leasing Act. These statutes are designed to further the national interest in prompt development of domestic operations, considering their environmental impacts, and encouraging state and local government participation. Nevertheless, the NSB seeks a right of final approval by requiring federal lessees to obtain a Borough permit. The Ninth Circuit's response to this demand is certain:

> The federal government has authorized a specific use of federal lands, and [the Borough] cannot prohibit that use, either temporarily or permanently, in an attempt to substitute its judgment for that of Congress.

B. The Commerce Clause

Article I, Section 8, Clause 3 of the U.S. Constitution grants Congress the power to regulate interstate commerce exclusive of state control. The Commerce Clause has long been held to allocate decision making between state and federal governments in limitation of state or local action which may burden free trade between the states. Where Congress has not exercised its commerce power so·

fully as to preempt state regulations, the courts must decide whether the Commerce Clause standing alone bars a particular state imposition on national commerce. Case law generally holds that state and local legislation will not be sustained unless it is rationally related to a legitimate state purpose and the resultant burden on interstate commerce is outweighed by the state interest involved.

In weighing the burdens on interstate commerce, which would result from the NSB's draft Comprehensive Plan and implementing Regulations, it is conceivable that the tight restriction on pipelines and onshore activities could make OCS and onshore development impossible or prohibitively expensive. In the absence of a compelling local interest, such as protection of some unique physical or biological resource, a court would be unlikely to find that the promotion of local subsistence and unfounded environmental objections justify interference with the flow of OCS and onshore oil through the state. Under the draft Comprehensive Plan, the Borough attempts to restrict development activity to a single Resource Development District. Such a restriction would effectively deny oil and gas lessees access to onshore transportation and other necessary facilities. The burdens imposed on interstate commerce by the NSB's draft Comprehensive Plan and implementing Regulations would be far greater than the benefits received by the Borough. Federal courts in a number of cases have struck down local zoning ordinances which attempt to regulate LNG pipelines. These cases hold that such restraints imposed by a municipality are unreasonable and without justification in the interest of health, safety, and welfare. Such restraints are, therefore, an undue burden on interstate commerce.

The Borough's regulation of oil and gas activity based on protection of subsistence activities must be weighed against the burdens placed upon interstate commerce by such regulation. Whether the burden thereby placed on interstate commerce can withstand a Commerce Clause attack depends on the extent to which the Borough actually restricts or prohibits oil and gas activities. The NSB's draft Comprehensive Plan and implementing Regulations as presented do not assure the balancing of interests required to justify any such interference.

jlp/bsw

NSB/006

Attachment 2

ALASKA OIL AND GAS ASSOCIATION

Detailed Comments

Proposed NSB Comprehensive Plan and Land Management Regulations (Draft 3 - November 3, 1982)

INTRODUCTION

As indicated in attachment I, many of the provisions in the comprehensive Plan and Land Management Regulations will impermissibly conflict with the state and federal governments' regulation of natural resource development. To the extent they do so, the Plan and Regulations exceed the Borough's jurisdiction and home rule powers. We urge the Borough to delete all provisions in the Plan and Regulations which purport to regulate and restrict or prohibit oil and gas activities. In the event that the Borough determines that it wants to retain such provisions and hope that they will pass legal challenges in the courts, many changes will be necessary. The comments set forth below address, for the most part, portions of the Plan and Regulations which attempt to regulate oil and gas activities. The suggested changes will not be appropriate where the Borough deletes the objectionable provisions. AOGA's suggestion of specific changes in language does not indicate that AOGA or its member companies find the policies or provisions to be appropriate.

COMPREHENSIVE PLAN:

Page 3-3, Section 3.1.4: Impacting Factors

The list of so-called forces with potential direct negative and positive impacts on the biological/subsistence resources is incomplete. Other factors may have as much or more impact on the biological/subsistence resources as those listed. The allegation that natural resource development and extraction results in direct negative impacts on biological/subsistence resources are unsubstantiated by industry experience in the Arctic. See letter dated November 1, 1982, from John W. Katz, Commissioner of the Alaska Department of Natural Resources to Mr. George "Bud" Stevens. Commissioner Katz stated in his comments on the draft Comprehensive Plan and Land Management Regulations that:

> "Inherent in the Borough's plan is the assumption that oil and gas activities are incompatible with the subsistence lifestyle of the Borough's residents. I question this assumption, especially in light of the limited impact that the existing oil and gas activity has had on fish and wildlife resources on the North Slope. While some habitat has been altered and some animals have been displaced, the cumulative impacts on fish and wildlife have not been significant. In addition, the impact of existing development on subsistence hunting and fishing activity also has been minor. While there are some who are sincere in their beliefs that oil and gas activity has been the cause of lower subsistence yields, I have not seen convincing evidence to support this cause and effect relationship. In the absence of new evidence, I am also confident that future oil and gas activity will not result in significant impacts to wildlife habitats or subsistence activity if

the present level of environmental protection and concern resulting from state and federal regulations is continued. Also, results from state and federal onshore and offshore oil and gas lease sales indicate that the industry is not interested in exploring and developing the entire North Slope."

Page 3-7, Policy 3-1.1: Development/Subsistence

Suggest modifying this policy to the following:

"Development which can be conclusively shown to result in depletion of a subsistence resource, as set forth in Section 3.5.1 of the Plan, below the subsistence needs of local residents of the Borough is prohibited unless the adverse effects of such development can be appropriately mitigated."

The suggested changes incorporate the need for conclusive evidence of adverse effect and consideration of possible mitigation before proposed development activities can be precluded under this policy.

Page 3-7, Policy 3-1.2: Development/Subsistence

Suggest modifying this policy to the following:

"Development that can be conclusively shown to result in significantly decreased productivity of subsistence resources or their ecosystems is prohibited unless the adverse effects of such development can be appropriately mitigated or no feasible and prudent alternative is available."

Comment - same as for Policy 3-1.1 above.

Page 3-7, Policy 3-1.3: Development/Subsistence

Suggest modifying this policy to the following:

"Development which can be conclusively shown to restrict subsistence user access to a subsistence resource is prohibited unless such restriction can be appropriately mitigated or no feasible and prudent alternative is available."

Comment - same as for Policy 3-1.1 above.

Page 3-7. Policy 3-1.4: Development/Subsistence

Suggest modifying this policy to the following:

"Development which can be conclusively shown to preclude subsistence user access to a subsistence resource is prohibited unless such preclusion can be appropriately mitigated."

Comment - Same as for Policy 3-1.1 above.

Page 3-8, Policy 3-2.1: Critical Habitat/Subsistence Species

Suggest modifying this policy to the following:

"Development within Special Habitat Areas identified on Plan Maps 3-6 and CMP Maps II-2 and II-5 is prohibited if it can be conclusively shown to significantly affect adversely the special values of such an area, unless the significant adverse effects can be appropriately mitigated or no feasible and prudent alternative is available."

Comments - Same as for Policy 3-1.1 above.

Page 3-8, Policy 3-2.2: Critical Habitat/Subsistence Species

Suggest modifying this policy to the following:

"Resource Extraction uses within a Special Habitat Area identified on Plan Maps 3-6 and CMP Maps II-2 ad II-5 are prohibited if it can be conclusively shown to significantly affect adversely the special values of such an area, unless the significant adverse effects can be appropriately mitigated or no feasible and prudent alternative is available.".

Comment - Same as for Policy 3-1.1 above.

Page 3-9, Policy 3-3.1: Marine or Coastal Development

The statement of Policy 3-3.1 involves activities clearly beyond the Borough's territorial jurisdiction and therefore is not enforceable. This statement of policy is also too vague in that it does not adequately define "high-impact

activities" and "the area of bowhead whale migration routes." We recommend deletion of this policy.

If however, this Policy is to be retained in the Comprehensive Plan and Land Management Regulations, we suggest modifying it to the following:

> "Development activities that can be conclusively shown to significantly affect adversely the migration of bowhead whales and cannot be appropriately mitigated are prohibited within the area of bowhead whale migration during the migration season."

Comments - See Policy 3-1.1 above. The changes also eliminate appropriately the reference to the undefined and rather subjective term "high impact activities" without modifying the intent of the policy.

Page 3-9, Policy 3-3.2: Marine or Coastal Development

Suggest modifying this policy to the following:

> "Development that can be conclusively shown to significantly impact adversely sensitive areas such as estuaries, tideflats, beaches, rivers, streams and lakes, and high energy ice impacted shorelines are prohibited unless appropriate mitigation measures are taken to minimize such significant adverse impacts or no feasible and prudent alternative is available. See Plan Maps 9 and 15 and CMP Maps 2-4 for known major occurrences of Sensitive Areas; the policy will be applied on an actual occurrences basis, however."

Comment - Same as for Policy 3-1.1 above.

Also, map references are confusing - Plan Map 15 does not presently exist and the CMP Map reference is incomplete.

Page 3-9, Policy 3-3.4: Marine or Coastal Development

Suggest modifying this policy to the following:

> "Development is prohibited on or in the immediate vicinity of Barrier Islands intensively used by beluga whales as feeding and resting areas if it can be conclusively shown to significantly affect adversely such feeding or resting activities, unless the significant adverse effects can be appropriately mitigated, or no feasible and prudent alternative is available."

Comment - Same as for Policy 3-1.1 above. The changes also appropriately eliminate the reference to the undefined and subjective term "high-impact activities" without modifying the intent of the policy. Additionally, this change would eliminate the inconsistency with Policy 3-5.3 on page 3-10, which states that barrier islands are preferred over other (non-gravel) structures.

Page 3-10, Policy 3-4.2: Shoreline Development

The revision of this policy to allow development on the shoreline where there is no feasible and prudent alternative available is an improvement. However, coastal dependant industry should not be burdened with the requirement to investigate alternative site locations with the associated economic studies

because the industries are allowed shoreline locations by the Coastal Management Laws. This policy should be written as a relative policy encouraging development outside the shoreline where feasible and prudent inland alternatives exist. This comment applies also to Policy 5-2.3.

Pages 3-10 and 3-11, Policy 3-5.3: Resource Extraction

The Borough should not attempt to regulate the choice and design of offshore structures located outside its territorial jurisdiction. Further, this would needlessly duplicate both federal and state existing authority. We suggest that this policy be modified to the following:

> "Offshore exploration, development and production drilling outside the landfast ice area [Plan Map 9, CMP Map II-2 and Section 5.5.3.5 Zone AO] is required to be conducted from barrier islands, artificial islands or offshore platforms approved by the MMS under its structure verification program or by the State."

Page 3-11, Policy 3-6.2: Transportation and Transportation Facilities

This policy should be written as a relative policy by changing the word "required" to "encouraged." This comment also applies to Policies 3-4.1, 3-7.2, 5-2.2, 5-6.2, 5-7.4 and 7-5 (formerly 7-6).

Page 3-11, Policy 3-6.3: Transportation and Transportation Facilities

This policy has been changed to clearly state that it applies only to public facilities. This is a necessary revision because the policy will now allow roads for oil and gas development.

Page 3-11, Policies 3-6.4 and 3-6.5: Transportation and Transportation Facilities

Recent studies on the North Slope show that pipelines, regardless of orientation, do not present a significant barrier to caribou. We suggest that these two policies be combined and modified as follows to appropriately reflect the latest scientific information while preserving the intent of the original policies:

> "Transportation development which can be conclusively shown to significantly obstruct wildlife migration is prohibited unless appropriate mitigation measures are taken or no feasible and prudent alternative is available. Roads and pipelines shall be designed using the best available scientific information to minimize disruptions of migratory patterns and other movements of wildlife. Appropriate mitigation measures for use with pipelines when necessary may include sufficient clearance above ground and provision of crossings satisfactory for the particular wildlife species in question."

Page 3-11, Policy 3-6.6: Transportation and Transportation Facilities

The NSB does not have the authority to prohibit or exercise any jurisdiction over development which accommodates marine oil tankers. This policy could act to prohibit offshore development of future lease sale areas. Such a proposed policy could create an unreasonable burden on interstate commerce in violation of the Commerce Clause of the U.S. Constitution, and would violate the Alaska Coastal Management Act as an unreasonable restriction or exclusion of uses of state concern.

Page 3-12, Policy 3-7.1: Utility Facilities

The words "incidental to drilling, exploration and production," should be deleted from this policy to make it consistent with our understanding of the Borough's intent, and Policy 5-7.2 on page 5-14 (also Policy 3-7.1 as cited in Chapter 10 on page 10-9).

Additionally, the terms "toxic materials" and "untreated solid waste" should be defined. The definitions should conform with applicable state and federal definitions, i.e., under the Resource Conservation and Recovery Act (RCRA), etc.

Page 3-12, Policy 3-7.2: Utility Facilities

The word "significant" should be added before "disturbance" in the fourth line and "special" should be added before "habitat" in the fifth line to make this policy consistent with the identical Policies 3-4.1, 3-6.2, 5-2.2, 5-6.2, 5-7.4 and 7-5 (also Policy 3-7.3/7.2 cited in Chapter 10 on page 10-6).

Page 3-12, Policy 3-7.3: Utility Facilities

Suggest this policy be modified to the following:

> "Utility siting and design which can be conclusively shown to preclude subsistence user access to a subsistence resource is prohibited unless appropriate mitigating measures are taken or no feasible and prudent alternative is available."

Comment - Same as for Policy 3-1.1 above.

Page 3-12, Policy 3-7.4: Utility Facilities

Suggest this policy be modified to the following:

> "Development which can be conclusively shown to restrict subsistence user access to a subsistence resource is prohibited unless appropriate mitigation measures are taken or no feasible and prudent alternative is available."

Comment - Same as for Policy 3-1.1 above.

Page 3-12A, Policy 3-8.2: Residential Development

This policy should be rewritten to be consistent with Policy 5-3.1 on pages 5-10 and 5-11.

Pages 3-13 and 3-14, Policy 3-A.3: Regulation and Management

The reference to "joint management agreements" needs to be clarified. Is this referring to state agencies or other parties?

Page 3-14, Policy 3-A.7: Regulations and Management

This policy presumes that resource extraction and preservation of Special Habitat Areas are incompatible in all instances. We believe this is an inappropriate generalization. Each circumstance should be considered on its merits. We suggest modifying this policy to the following to incorporate the necessary appropriate considerations of conclusive evidence of effect and mitigation measures:

> "Promote the withdrawal of Special Habitat Areas from all resource extraction and non-essential entry and appropriation where such activities can be conclusively shown to significantly affect adversely the values of such areas and no appropriate mitigating measures are available or acceptable."

Page 3-14, Section 3.4.2: Regulation and Management Discussion

We note that the statement "Borough jurisdiction may have, to some degree, been preempted" has been deleted in Draft 3 of the Comprehensive Plan. The Borough should recognize that where regulation purporting to implement its police power invades the jurisdiction of state and federal governmental entities, such regulation is pre-empted, and the Borough retains no jurisdiction in those areas. Specifically, the regulation and management of oil and gas leases and activities have clearly been preempted by state and federal law. The oil and gas industry is willing to work with the NSB and encourages its involvement in existing regulatory processes; however, any attempt by the NSB to disrupt or restrict activities which are authorized by state and federal governments on public lands will be strongly opposed.

Page 3-50, Section 3.5.4.3: Construction

The proposed restriction on geophysical operations noted on page 3-50 should be modified to allow summer seismic operations that use helicopters and rolligons to carry vibroseis and other seismic equipment. Temporary summer seismic operations of this type cause no significant harm to wildlife or the environment.

Page 4.5, Policy 4.1: Development/Cultural & Historical Sites

Suggest this policy be modified to the following:

"Development which can be conclusively shown to significantly disturb cultural or historic sites listed in the National Register of Historic Places

or those which have been substantiated as being eligible for inclusion in the National Register, or to significantly interfere with traditional activities at such cultural or historic sites, is prohibited unless appropriate mitigating measures are taken to minimize this disturbance or interference. Possible interference with traditional activities would include significant visual, noise or other pollution; prolonged increases in activity; driving off subsistence species; or significant surface disturbance."

Suggested changes would clarify the intent of this policy and incorporate the appropriate considerations of a conclusive finding of adverse effect and mitigation.

Page 4-5, Policy 4-2: Development/Newly Discovered Sites

Suggest modifying this policy to the following:

"Surface disturbance which can be conclusively shown to significantly effect adversely newly discovered historic sites is prohibited prior to archaeological investigation unless appropriate mitigating measures are taken to minimize such significant adverse effects."

Suggested changes would incorporate the appropriate considerations of a conclusive finding of adverse effect and mitigation.

Page 4-5, Policy 4-3: Development/Growth

Suggest modifying this policy to the following:

> "Development which can be conclusively shown to significantly violate guidelines on the rate or amount of growth adopted by a village as part of its Village District Comprehensive Plan is discouraged. Development which can be conclusively shown to grossly violate such guidelines is prohibited unless appropriate mitigating measures are taken to minimize the significant adverse impacts or no feasible and prudent alternatives are available."

Suggested changes would clarify the intent of this policy and incorporate the appropriate considerations of a conclusive finding of adverse effect and mitigation.

Additionally, while we agree that the amount of development within a village should be guided by village policy, development outside the village which occurs on state or federal land is not under the jurisdiction of the NSB. Without detailed maps, the impact of this policy cannot be fully assessed.

Page 4-6, Section 4.4.3: Policy Discussion

The fourth paragraph in this section implies that as a general policy all of the barrier islands along the North Slope should be held "inviolate" with respect to offshore development. This would be inconsistent with what is implied in Policy 3-5.3 on page 3-10, that barrier islands are preferred for offshore drilling over

other (non-gravel) structures. We suggest this paragraph be revised by deleting the fourth and fifth sentences. Standard lease stipulations require identification of such sites prior to development.

Page 4-66, Section 4.5.6.5: Subsistence

The meaning of the third paragraph on page 4-66 is unclear (beginning with "an open-range").

Also, the meaning of the last sentence in the prior paragraph on page 4-66 is unclear. (What is meant by "the subsistence commons will be fragmented"?)

Page 5-1, Section 5.1.1.2: Potential Sources

We suggest that the first sentence in this section be modified to the following:

> "Groundwater systems play a relatively minor role in the hydrology of the Borough because the active layer is underlain with permafrost and thaws to a depth of only about two feet during the summer."

The present wording in the draft incorrectly describes the cause and effect relationship between permafrost and the active layer.

Page 5-2, Section 5.1.1.4: Industrial Consumption

We suggest that the first sentence of the third paragraph be modified to the following:

"Mud is normally used only during the drilling phase of a well's life."

Mud is normally not required after a well has been drilled.

Page 5-5, Section 5.1.4.1: Flooding

We suggest the addition of the following before the first full sentence on this page beginning with "In addition to hazards":

"An exception to this is the Sagavanirktok River, which has relatively uniform flow throughout the summer."

Page 5-10, Policy 5-1.1: Development/Environmental Degradation

Suggest this policy be modified to the following:

"Development which can be conclusively shown to substantially pollute the natural environment (including water, air, noise and vibration) is prohibited unless appropriate mitigating measures are taken or no feasible and prudent alternative is available."

Suggested changes would incorporate the appropriate considerations of a conclusive finding of adverse effect and mitigation.

Page 5-10, Policy 5-1.2: Development/Environmental Degradation

Suggest this policy be modified to the following:

> "Development which can be conclusively shown to result in depletion of a subsistence resource, as set forth in Section 3.5.1 of the Plan, below the subsistence needs of local residents of the Borough is prohibited unless the adverse effects of such development can be appropriately mitigated."

Comment - Same as for Policy 5-1.1 above (Also see identical policy 3-1.1 on page 3-7).

Page 5-10, Policy 5-2.3: Development/Commercial and Industrial

The words "fuel or toxic material," need to be added following "Landfills," in the third line of this policy to make it consistent with the suggested revision of the identical Policy 3-4.2 on Page 3-10.

Page 5-11, Section 5.4: Development Policy Discussion

Suggest that the fourth paragraph in this section be modified to the following:

> "Approved development activities should incorporate mitigation of impact on the quality of the natural environment, including water quality and air quality, and the local or adjacent environments and habitats."

The present wording is misleading. In general, there will be a certain level of localized impact on the environmental as a result of development.

Page 5-11, Section 5.4: Development Policy Discussion

In the fifth paragraph, we suggest replacing "precedence" with "preferential consideration for siting."

The resulting sentence would more clearly state what we presume is intended.

Pages 5-11 and 5-12, Section 5.4: Development Policy Discussion

In the sixth paragraph, we suggest that the second sentence be modified to the following:

> "Non-coastal dependent uses or activities which may interfere with or impact subsistence needs in shoreline areas shall be sited in geographically separate locations."

The resulting sentence would more clearly state what we presume is intended.

Page 5-12, Policy 5-4.1: Development/Geophysical Hazard Areas

Suggest this policy be modified to the following:

"Development in flood plains and other geologic hazard areas identified in Plan Map 9 and CMP Maps 1-2-5 and Section 5.5.3.5 of this Plan is prohibited unless appropriate mitigating measures are taken or no feasible and prudent alternative is available."

Suggested change to this policy incorporates the additional appropriate consideration of the availability of technology or other measures which could reduce the risk of such development to acceptable levels.

Page 5-12, Policy 5-4.5: Development/Geophysical Hazard Areas

The Borough should not attempt to regulate the choice and design of offshore structures since this would needlessly duplicate existing federal and state authority. We suggest that this policy be modified to the following:

"MMS approval under its structure verification program or state approval is required for all offshore development outside the landfast ice zone [see Plan Map 9, CZM Map 1-2 and Section 5.5.3.5 Zone AO]."

Page 5-13, Policy 5-5.1: Resource Extraction

We suggest deleting "absolutely" and the second "required" from this policy. These changes would provide increased flexibility in the administration of the policy to allow a developer to operate in the most efficient manner with respect to field support facilities.

Page 5-13, Policy 5-5.3: Resource Extraction

The term "general environmental conditions" should be defined. It should also be noted that such a general term cannot be adequately addressed in a permit application.

Page 5-13, Policy 5-5.5: Resource Extraction

Mining in streams and rivers is regulated by the ADF&G. This should be modified to a relative policy by replacing "prohibited" with "discouraged."

Page 5-13, Policy 5-5.6: Resource Extraction

It should be noted that on state and federal lands and waters, the conduct of mining activities are regulated by the state and federal agencies, and not within the jurisdiction of the NSB. This should be modified to a relative policy by replacing the words "prohibited" with "discouraged".

Page 5-13, Policy 5-6.1: Transportation Facilities

This policy should be identical to Policy 7-6 on page 7-7 (note additional wording in Policy 7-6, "or joint use transportation facilities" and "strongly").

Page 5-14, Policy 5-7.2: Utility Facilities

The terms "toxic materials" and "untreated solid waste" should be defined. The definitions should conform with applicable state and federal definitions, i.e., under the Resource Conservation and Recovery Act (RCRA), etc. (see similar comment for Policy 3-7.1 on page 3-12).

Page 5-14, Section 5-7: Utility Facilities

In the first sentence of the general comments, we suggest replacing "avoid environmental degradation" with "minimize environmental impact."

In the third sentence of the general comments, we suggest replacing "do not degrade the environment" with "minimize environmental impact."

The present wording is misleading - there will be a certain minimum level of localized impact on the environment as a result of development.

Page 5-14, Policy 5-A.2: Public Policies/Geophysical Hazard Areas

Suggest this policy be modified to the following to appropriately recognize state and federal approval processes and the need to minimize redundant reviews and approvals:

> "Development in Geophysical Hazard Areas shall be approved only on a site specific basis and in concert with the associated state and/or federal approval requirements."

Page 5-15, Policy 5-A.4: Public Policies/Geophysical Hazard Areas

See previous comment for Policy 3-5.3 on page 3-10 and Policy 5-4.5 on page 5-12.

Suggest the last sentence of this policy be deleted for the reasons stated previously.

Appendix, Table 5.2: Measured Pollutant Levels

Two important footnotes are missing from this table. They are as follows

"3 Ozone standard is attained if the expected number of days per calendar year with maximum hourly average concentration above 0.12 ppm is equal to or less than one."

"4 Guidelines used to achieve compliance of the ozone standard."

Footnote 3 above should be referenced for the 1 hour maximum ozone standard (present reference to footnote 2 should be deleted).

Footnote 4 above should be referenced for the 6-9 AM Maximum Non-Methane Hydrocarbon Standard.

Page 6-8A, Section 6.4(6-1): Development Policies/Full Employment

We support a voluntary local hire policy. However, local hire policies that may be used to influence decisions for approval of permits at any level of government are unconstitutional.

Policies 6-1.1 to 6-1.3 are not appropriate to be used in a permit decision. For Policy 6-1.2, it is important to note that such flexible hiring practices are generally not consistent with prudent management practices and operational requirements of petroleum development.

Page 6-8B, Section 6.4(6-2): Development Policies/Inupiat Industries

Policy 6-2.1 is not objectionable but is not appropriate to be used in a permit decision.

Page 6-8B, Section 6.4(6-3): Development Policies/Local Economic Development

We will continue to diligently pursue any opportunities to utilize the services of local private businesses and regional and village corporations within the Borough. It is contrary, however, to the free enterprise system to regulate by policy the use of local businesses and corporations.

Policies 6-3.1 and 6-3.2 are not objectionable but are not appropriate to be used in a permit decision. For Policy 6-3.3, it is important to note that such flexible hiring practices are generally not consistent with prudent management practices and operational requirements of petroleum development.

Page 7-6, Policy 7-3.1: Haul Road Corridor

The Borough does not have the authority to prohibit facilities in the Haul Road Corridor. Suggest this be modified to a relative policy by replacing "prohibited" with "discouraged."

Page 7-6, Policy 7-4: Disturbance of Habitat

Suggest this policy be modified to the following:

> "Disturbance of subsistence resource habitat or migration routes during migration periods by transportation modes or development is prohibited if it can be conclusively shown to significantly affect adversely such habitat or routes, unless such significant adverse effects can be appropriately mitigated, or no feasible and prudent alternative is available."

Suggested changes would incorporate the appropriate considerations of a conclusive finding of adverse effects and mitigation.

Page 8-8, Policy 8-1: Local Employment

We support a voluntary local hire policy. However, local hire policies that may be used to influence decisions for approval of permits at any level of government are unconstitutional. Policies 8-1.1 and 8-1.2 are not appropriate to be used in a permit decision.

Page 8-8, Policy 8-2: Local Business

We will continue to diligently pursue any opportunities to utilize the services of local private businesses and regional and village corporations within the Borough. It is contrary, however, to the free enterprise system to regulate by policy the use of local businesses and corporations. Policies 8-2.1 and 8-2.2 are not appropriate to be used in a permit decision.

Page 8-8, Policy 8-3: Flexible Employment Schedules

It should be noted that such flexible working schedules are generally not consistent with prudent management practices and operational requirements of petroleum development. Policy 8-3.1 is not appropriate for use in a permit decision.

Appendix, Tables 8.5 thru 8.8

It should be noted that the data presented in these tables is very misleading due to the gross measures used for magnitude, term and location, and the fact that a number of the listed actions or impacts have a relatively low probability of occurrence. We suggest that an appropriate comment concerning the use and accuracy of these tables be included on the tables and in the text of Chapter 8 where the tables are referenced.

Page 9-9, Policy 9-2: Public Fiscal Balance

We suggest this policy be modified to the following:

> "Development which results in an excess of tax revenues over demand for Borough expenditures necessitated by the development is strongly encouraged."

The comparison of expected increased revenue versus additional expenditures resulting from the proposed development would then be the determinant for this relative policy. We do not believe, however, that this policy is appropriate for use in permit decisions.

Page 9-10, Policy 9-A.2: Consolidated Service Base Facilities

Consolidated service base facilities to be provided by the Borough should be subject to the prior approval of the developer and not forced upon the developer as a permit condition.

Page 10-4, Section 10.3.4: Resource Development District

Item (c) in this section should be modified to be consistent with the Land Management Regulations, Section 19.40.058, which includes Sag Delta/Duck Island, West Mikkelsen and Point Thompson. Also, the section should be modified to include all existing and future state and federal leases for reasons outlined in the comment on Section 19.40.058. Therefore, we suggest the following language:

The last sentence of item (c) should be replaced with:

"The initial Resource Development (RD) Districts are the Prudhoe Bay, Kuparuk, Milne Point, Gwyder Bay, Sag Delta/Duck Island, West Mikkelsen and Point Thompson fields, and all other existing state and federal leases. All future state and federal leases will be automatically re-zoned to Resource Districts upon issuance of the leases."

Pages 10-5 and 10-6, Section 10.4.1.2: Policies/Special Habitat Areas

Policies 3-4.1, 3-6.2, 3-7.2, 5-2.2, 5-6.2 and 7.6 are redundant and should be cited jointly (also should include Policy 5-7.4).

Policies 3-3.1 and 3-3.4 should also be listed as policies affecting Special Habitat Areas.

Policies 3-2.1 and 3-6.5 are cited incorrectly relative to the policies as listed on pages 3-8 and 3-11 of the Plan, respectively.

Policies 3-7.3, 7-5 and 7-6 should be listed as 3-7.2, 7-4 and 7-5 to be consistent with the policies listed on pages 3-12, 7-6 and 7-6 of the Plan, respectively.

Page 10-8, Section 10.4.2.1: Subsistence Use Areas/Purpose

Reference is made in this section to the "great weight" to be accorded village resident comments relative to activities proposed within the "Village Area of

Influence." This reference should be deleted consistent with changes previously adopted for Policy 2-B on page 2-5 of the Plan and Section 19.60.020(c) on page 60-1 of the Land Management Regulations.

Page 10-9, Section 10.4.2.2: Subsistence Use Areas/Policies

Policy 3-7.4 should also be listed as a policy affecting Subsistence Use Areas. Policy 3-1.3 is cited incorrectly relative to the policy as listed on page 3-7 of the Plan.

Pages 10-9 and 10-10, Section 10.4.3.2: Geophysical Hazard Areas/Policies

Policies 5-4.1 (page 10-9), 3-5.3 and 5-4.5 are cited incorrectly relative to the policies as listed on pages 5-12, 3-10 and 5-12 of the Plan, respectively.

The Policy 5-4.1 cited on page 10-10 of this section is incorrectly numbered and does not exist elsewhere in the Plan. If this policy is to be incorporated in Chapter 5 and retained in Chapter 10, we suggest modifying it to the following:

> "Drilling in active seismic faults is prohibited unless appropriate mitigating measures are taken or no feasible and prudent alternative is available."

Page 10-11, Section 10.4.4.3: Historical and Cultural Areas/Location

We suggest dropping the phrase "a comprehensive archaeological and Land Use Inventory" from the third line in this section to eliminate any confusion. It is

our understanding that the designated "Historical and Cultural Areas" are to include only "sites that are currently on, or that are awaiting approval for, the National Register," as specified in Policy 4-1 on page 4-5 (and page 10-11).

Page 10-12, Section 10.4.6: Special Area Maps

Suggest modifying this section to the following:

> "Maps 2-10 indicate the general location of the special zoning areas where the various Comprehensive Plan policies apply. These maps do not provide the actual location of the special area boundaries, and as a result, the applicable policies will be determined on a case-by-case basis. The final determination relative to the applicability of a particular policy will be the responsibility of the Administrator. The Administrator's decision may be appealed to the Planning Commission, as provided in Section 19.60.071. Amendments to the maps are considered major changes to the Comprehensive Plan and therefore require notice, public review and hearing before the Planning Commission, and final approval of the Planning Commission and Borough Assembly."

Suggested changes would clarify the intent of this section, and appropriately set out the responsibilities, appeal process and amendment process as they pertain to the Special Area Maps.

Page 10-13, Section 10.5: Village Areas of Influence

Reference is made in this section to the "great weight" to be accorded to the knowledge and experience of residents of the affected Area of Influence in development related decisions. This reference should be deleted consistent with changes previously adopted for Policy 2-B on page 2-5 of the Plan and Section 19.60.020(c) on page 60-1 of the Land Management Regulations.

LAND MANAGEMENT REGULATIONS

Comments on policies in the Regulations only address inconsistencies with policies found in the Plan. Recommended changes to policies in the Plan should be included in the policies section (Chapter 80) of the Regulations.

Page 10-1, Section 19.10.020(d): Purpose

The word "prohibit" should be deleted.

Page 20-3, Section 19.20.020: Definitions

The definition of "Best Available Technology" should be modified to include a cost/benefit consideration. We suggest the following language:

"Best Available Technology means the technology or technologies that best and most safely implements the relevant policy(ies); that is available to the

applicant at the time of application; and that considers a cost versus benefit analysis."

Page 20-3, Section 19.20.020: Definitions

The definition of "Best Efforts" should be modified to include a cost/benefit consideration. We suggest "and that considers a cost versus benefit analysis" be added at the end of the present definition.

Page 20-3, Section 19.20.020: Definitions

The definition of "Coastal Area" should be modified to be consistent with the proposed Coastal Management Program (CMP). As presently worded the definition is inconsistent with what is outlined in phase II of the background document for the CMP.

Pages 20-4 and 20-5, Section 19.20.020: Definitions

The definition of "Development" is much too broad. Items (b) and (g) should be deleted.

Page 20-13, Section 19.20.020: Definitions

The "Use-by-Right" described in these definitions results from the rezoning of an area to a Resource Development District. Such rezoning is an uncertain and

cumbersome political process that depends on the current membership of the Planning Commission and Borough Assembly. Prospective bidders on State and Federal Leases need to know that, if they are successful on their bids, they will be able to conduct oil and gas operations in accordance with the lease terms; a requirement for rezoning would create prohibitive uncertainty for these lease sales. A rezoning requirement would also be invalid as State and Federal laws preempt the field of oil and gas operations.

We propose the following language:

> "Use by Right means a use pursuant to a local, state or federal agency permit."

Pages 20-12 and 20-13, Section 19.20.020: Definitions

The definition of "subsistence use" is vague and overbroad. Administration of the regulations that rely on this definition could be arbitrary and capricious.

We suggest the following language:

> "Subsistence Use is a use and includes hunting, whaling, fishing, trapping, camping and food gathering."

Pages 20-3 through 20-13, Section 19.20.020: Definitions

Definitions should be provided for the following terms: "Mandatory," "Best Efforts," and "Beneficial" policies; "highway"; "shoreline"; "general environ-

mental conditions"; "toxic materials"; "untreated solid waste"; "public benefit"; and "public purpose".

Pages 30-5 and 30-6, Section 19.30.062: Enforcement Orders

This provision creates wide discretionary authority to the Administrator, which, if enacted, will subject the Developer to the potential for arbitrary and capricious actions of the Administrator. This provision should be modified since the authority delegated to a borough by the State legislature does not include the power to regulate or discontinue an activity where State law already preempts the field, e.g., oil and gas operations. The burden of proof should be on the Administrator since he/she initiates an action which could result in the developer being deprived of rights.

We propose the following language:

"The Administrator may:

(a) recommend to the Planning Commission the discontinuance of activity for any development which does not comply with the terms of this Title 19;

(b) order the removal or abatement of buildings or structures subject to the Revocable Development Permit Provisions of Section 19.60.090; or

(c) order any action necessary to ensure compliance with all the provisions of this Title 19, including but not limited to, suspension of Use Permits and Development Permits.

Any such enforcement order shall be signed by the Administrator and served upon the Developer or his agent or supervisor on the site (if known), or (if unknown), posted in a conspicuous place on the site. The Administrator shall transmit a copy of the enforcement order to the Chairman of the Commission, and shall keep a copy thereof in permanent record.

Upon application of the Developer, or upon its own motion, the Commission shall review the enforcement order at its next regular meeting. The review shall be limited to the presence of violations stated in the enforcement order, and in such review the burden shall be upon the Administrator to prove that violation does exist or did occur. The Commission by resolution, may modify or rescind the enforcement order."

Pages 30-7 and 30-8, Section 19.30.063: Violations, Penalties and Remedies

This section provides that an aggrieved citizen may institute a civil action to enjoin violations of the ordinance. The Borough should recognize that the violation of a zoning ordinance generally does not establish a private cause of

action for individuals to enforce the ordinance, absent some unique and substantial harm to such individuals resulting from the activity constituting the violation.

We suggest the following language:

> In subsection (a), on the fourth and fifth lines, delete "or any aggrieved citizen."

Further, the action to enjoin a violation may not be brought unless it can be established that no adequate legal remedy exists. For the section to mandate to the contrary is legally inappropriate. The prescription that courts shall grant injunctive relief to restrain violations of the ordinance invades the province of the judiciary, in violation of the Doctrine of the Separation of Powers.

In this regard, we propose the following modification:

> In subsection (a), delete the last two sentences.

Page 40-5, Section 19.40.042: Conservation District, Uses by Right

Uses authorized and permitted by the state or federal government on state or federal land should be uses-by-right requiring no permit from the Borough.

We suggest the following language:

"Uses-by-Right. There are no uses-by-right in the Conservation District, except uses authorized and permitted by the state or federal government. These regulations only govern "Development", and uses and activities excluded from the definition of that term may take place without any form of regulation under this title."

Page 40-6, Section 19.40.052: Resource Development District, Uses-by-Right

All existing and future state and federal oil and gas leases should be included in the Resource Development District. Further, uses authorized and permitted by the state or federal government on state or federal land should be uses-by-right requiring no permit from the Borough.

We suggest the following language:

"Uses-by-Right. All development indicated on state and federally approved development plans, and minor alterations thereto, and all uses authorized and permitted by state and federal agencies, are uses-by-right in the Resource Development District."

Pages 40-6 and 40-7, Section 19.40.055: Resource Development District, Application

An excessive amount of material is stipulated for permit applications. This should be reduced to include only such information as necessary for the Administrator and Commission to assess the overall impact of a proposal.

We suggest the following modifications:

Subitem (b) - "Schematic drawings and analyses of all proposed or quasi-public facilities, and all other proposed structures;"

Subitem (c) - delete entirely.

Subitem (d,e) - delete entirely as these are requirements which the Borough would more appropriately provide.

Subitem (g) - delete entirely as this requirement will be satisfied in subitem (b).

Subitem (h) - delete entirely as this requirement and subitem (c) will be included in the required Master Plan.

Pages 40-8 and 40-9, Section 19.40.057: Prudhoe Bay and Kuparuk River Resource Development District

The purpose of this provision is to 'grandfather' into the Comprehensive Plan

existing operations at the Prudhoe and Kuparuk Units. However, as presently drafted, the provision only includes Plan of Development Maps. This section should be reworded to read as follows:

> "Plans for development of unitized areas as approved by the State are hereby adopted as the Master Plan for each District and uses authorized and permitted by the State or Federal government on state or federal lands are uses-by-right requiring no permit from the Borough. Future leases issued by the State are hereby rezoned to the Resource Development District and provisions above apply."

The Milne Point Unit should also be included in this section. An analysis of the level of development that has occurred at Milne Point suggests it is more appropriately grouped with the Prudhoe Bay and Kuparuk River Units rather than other unitized areas on the North Slope involved in earlier stages of development.

Page 40-9, Section 19.40.058: Milne Point, Gwyder Bay, Duck Island, West Mikkelsen and Point Thompson

This section should be modified to include all existing and future state and federal leases. The rationale for this inclusion is that once the state or federal agencies have determined that an area is appropriate for resource development, specifically oil and gas, then prospective successful bidders will be certain that oil and gas operations may be conducted in accordance with the terms of the lease.

This section should be reworded to read as follows:

"Plans for exploration and development as approved by the State for these and future units are hereby adopted as a portion of the Master Plan for the unit and uses authorized and permitted by the State or Federal government on state or federal land are uses-by-right requiring no permit from the Borough. Unitization Plans of Development, should development occur, are hereby adopted as the Master Plan for each unit. Future leases issued by the state are hereby rezoned to the Resource Development District and provisions above apply."

The Milne Point Unit should be deleted from this section and included under Section 19.40.057. (See comment under Section 19.40.057 for explanation).

Page 50-2, Section 19.50.040: Appeals

The burden of proof should not be on the developer, as an aggrieved party.

Pages 60-2 and 60-3, Section 19.60.034: Conditions

The permitting requirements and conditions proposed for oil and gas development by the NSB have been preempted by State and Federal permitting requirements and oversight authorities.

Page 60-3, Section 19.60.061(b): Grounds for Variances

The terms "public purpose" and "public benefit" should be defined and should include consideration of state and national interests.

Page 80-1, Section 19.80.010: Introduction

Suggest that this section be modified to the following to ensure a clear understanding of its purpose and content:

> "The policies contained in this Chapter constitute the guidelines to be used in evaluating a proposed development project for approval or denial. Uses granted by right would not be subject to such an evaluation. The Development Policies contained in the Comprehensive Plan are restated here along with citations to the relevant policies in the Plan."

Pages 80-1 thru 80-3, Section 19.80.021: Prohibited Development/Mandatory Policies

Item (c) - not cited consistent with Policy 3-3.3. Reference to "Borough Coastal Management Program" should be replaced with "Alaska Coastal Management Program."

Item (f) - for consistency should delete "is prohibited" at end of Policy.

Item (g) - for consistency should delete "is prohibited" at end of Policy.

Item (i) - should be deleted from this section and added to Section 19.80.031 since it is a "Best Efforts" Policy.

Item (k) - not cited consistent with Policy 7-3. The words "located anywhere within" should be deleted from third line and replaced with the word "in."

This section should also cite the first part of Policies 3-4.2 and 5-2.3, and Policy 3-7.3 as mandatory policies.

Pages 80-3 thru 80-5, Section 19.80.025: Required Features/Mandatory Policies

Item (b) - not cited consistent with Policy 3-5.3. Note difference in citation for variance requirements (one or the other should be changed).

Item (g) - not cited consistent with Policies 5-3.2 and 3-8.3. The words "unless pursuant to Plan policies removal is more harmful than non-removal" should be added to the end of the Policy to be consistent.

This section should also cite Policy 5-2.4.

Page 80-5, Section 19.80.030: Best Efforts Policies

Item (b) should be modified to the following to incorporate the concept of mitigation:

> "The Administrator determines that the Developer has used his best efforts to comply with the policy thru mitigation or otherwise, and that there is no feasible and prudent alternative to the proposed development."

Pages 80-5 thru 80-8, Section 19.80.031: Prohibited Development/Best Efforts Policies

Item (f) - not cited consistent with Policy 3-3.4. Note difference in Map references.

Item (g) - the first part of this cite "Development on a shoreline that does not require a shoreline location" should be deleted from this section and included in Section 19.80.021 as a mandatory policy.

The balance of this cite "Landfills, Fuel or toxic material, storage areas and dumps on or near a shoreline." should be retained as item (g) in this Section (19.80.031).

Item (k) - not cited consistent with Policy 3-6.7. The words "resource extraction" should be replaced with "mine."

Item (n) - the first part of Policy 4-3 should not be cited in this section as a "Best Efforts" Policy, but rather be included in Section 19.80.040 as a requirement to minimize impact. Also, the policy as cited here is not consistent with the first part of Policy 4-3.

Item (p) - the Map and Section references should be included in this cite consistent with Policy 5-4.1.

Item (q) - Policy 7-5 should not be cited in this section as a "Best Efforts" policy, but rather be included along with the identical policies in Section 19.80.040 (see Item (c) on page 80-11).

Item (r) - The Policy citation should be 7-4 rather than 7-5.

Item (s) - not cited consistent with Policy 8-2.2. Note that all words after "Resource development which" are misquoted.

Item (t) - not cited consistent with Policy 8-1.2. The words "unless residents of" should be replaced with "if" and "no" should be replaced with "an."

This section should also cite the second part of Policy 4-3, and Policy 5-5.6, as "Best Efforts" policies.

Pages 80-8 through 80-10, Section 19.80.032: Required Features/"Best Efforts" Policies

Item (e) - Policy 5-5.7 should not be cited in this Section, but rather be included in Section 19.80.031 as a "Prohibited Development/Best Efforts" Policy.

Item (f) - not cited consistent with Policy 5-4.5. The words "third party" should be added after "Independent" in the first line.

Pages 80-10 and 80-11, Section 19.80.040: Minimization of Negative Impacts

Item (b) - Policy citation for Policy 5-7.5 should be 5-7.4. Also, Policy citation should include Policy 7-5.

Item (d) - not cited consistent with Policy 5-4.2. The words "oceanic storms, sea waves, ice gouging and override, and shore" should be deleted.

This section should also cite the first part of Policy 4-3, and Policy 5-4.6, as policies to minimize negative impacts.

Pages 80-11 through 80-13, Section 19.80.050: Beneficial Impacts

Item (a) - not cited consistent with Policies 3-5.2 and 5-2.1. The words ",as methods of minimizing negative impacts on the environment" should be added at the end of this policy.

Item (b) - Policy 3-6.4 is appropriately cited in Section 19.80.040 and therefore this cite should be deleted. Also, note that the cite in this section is not consistent with Policy 3-6.4.

Item (c) - not cited consistent with Policies 3-8.4 and 5-3.3. The words "Design and maintenance of" should be deleted and all the words after "which" are misquoted.

Item (d) - the word "nor" should be "no."

Item (e) - not cited consistent with Policies 5-6.1 and 7-6. The words "Incorporation of" should be replaced with "Development" and the words ",or joint use of transportation facilities" should be added at the end.

Item (f) - not cited consistent with Policies 6-1.1 and 8-1.1. Should read "Development which employs local Borough residents in construction and development activities or its work force."

Item (g) - not cited consistent with Policies 6-1.2, 8-3 and 6-3.3. The words "Utilization of" should be replaced with "Development which."

Item (h) - not cited consistent with Policy 6-1.3. The words "Incorporation of" should be replaced by "Development which."

Item (i) - The word "related" should be "relates."

Item (k) - not cited consistent with Policies 6-3.2 and 8-2.1. The words "Utilization of" should be replaced with "Resource development which," the word "businesses" should be "business," and the words "as suppliers or subcontractors" should be replaced with "in its operations."

Item (m) - not cited consistent with Policy 6-4.2. The words "Utilization of" should be replaced by "Development which."

Item (o) - not cited consistent with Policy 9-2. The words "Development which results in an" should be added at the beginning.

jlp:bsw

NSB/007

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

HB
172
#3

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

Page 35, line 5:
Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";"

Page 35, after line 8:
Insert "(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 2

The following changes are proposed by Ginny Chitwood, Alaska Municipal League.

Page 68, lines 5-7:
Delete section 29.26.250.

Page 68, line 15:
Delete "grounds of", insert "reasons for".

Page 68, line 24:
Delete "grounds" insert "reasons".

Page 69, lines 20,24:
Delete "25", insert "35".

Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a concensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

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 24, 1983

SUBJECT: Recall of municipal officials
(Work Order No. 13-0837)

TO: Representative Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have asked what the responsibility of the clerk is in reviewing recall petitions for sufficiency.

What a recall petition must contain and the method of determining the sufficiency of a petition depends on the specific statute involved and these types of laws vary from state to state. Some statutes require only a general statement of the grounds for recall and an official may be recalled for purely political reasons. However, other statutes require grounds for recall that are more than simple disagreement with matters of policy and the grounds stated must actually constitute misfeasance, malfeasance or nonfeasance in office. McQuillan, Municipal Corporations, vol. 4, sec. 12.251b: Noel v. Oakland County Clerk, 284 N.W.2d 761 (Michigan 1979); Bent v. Ballantyne, 368 S.2d 351 (Florida 1979); Tolar v. Johns, 147 S.2d 196 (Florida 1962); Jacobsen v. Nagel, 96 N.W.2d 569 (Minnesota 1959).

Where petitioners are required to state only general grounds, the recall petition need not state the cause for removal with the same particularity as where the requirement is that reasons for removal be stated clearly. The purpose of a general statement of grounds is to furnish information to electors upon which a political and not a legal issue may be raised. Under statutes providing that a statement of grounds for recall is for the information of the electors, the question of the sufficiency of those grounds is also for the electors, but under provisions authorizing recall for malfeasance or similar language, the sufficiency of the grounds provided is a legal question. 63 Am. Jur.2d, Public

Officers and Employees, sec. 245; Pybus v. Smith, 141 P. 203 (Washington 1914).

Statutory provisions as to recall are to be liberally construed in favor of the electorate's right to exercise recall. Hazelwood v. Saul, 619 P.2d 199 (Colorado 1980). Under this principle and in the absence of statutory language limiting the recall to specific, indicated reasons, the adequacy of grounds stated in a petition is treated as a political matter and courts refuse to enjoin recall petitions on complaints that charges are insufficient. However, where recall is limited to specified grounds of malfeasance or similar language it is generally held that

> . . . petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Municipal Corporation Law, sec. 22.200, pages 22-304 - 22-305.

The officer designated to ascertain the sufficiency of a petition in a particular statute may be required to determine legal sufficiency rather than matters of form only. Unless an appeal is specifically provided for, the officer's determination as to sufficiency of a recall petition is final and subject only to judicial correction if the determination is capricious, arbitrary, or plainly erroneous as a matter of law. McQuillan, supra., vol. 4, sec. 12.251(d); Hold v. Trantham, 575 S.W.2d 83 (Texas 1979).

Article XI, section 8 of the Constitution of the State of Alaska provides:

> All elected public officials, in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedure and grounds for recall shall be prescribed by the legislature. (Emphasis added)

In carrying out this constitutional responsibility the legislature has provided under AS 29.28.140 that misconduct in office, incompetence, and failure to perform prescribed duties are the grounds for recall. In addition, under AS 29.28.150(a)(3), a petition for recall must contain ". . . a statement of the grounds of the recall stated with particularity as to specific instances". (Emphasis added)

The municipal clerk is required to review the petition ". . . for content and signatures . . ." under AS 29.28.160.

These statutory provisions dealing with recall have not been judicially construed by the Supreme Court in this state, so it cannot be determine with certainty whether the clerk is required to review the petition for signatures and form only or whether the clerk must determine as a legal matter whether the specific instances set out in a petition, if true, constitute misconduct in office, incompetence or failure to perform prescribed duties. Under the principles set out previously in this memorandum it appears that the clerk is required to determine whether the specific instances set out support a claim of misconduct in office, incompetence or failure to perform prescribed duties because AS 29.28.150 demands more than just a general statement of the grounds for recall and does not specifically indicate that the stated grounds are for the information of the voters only.

Under both versions of the bill revising Title 29, SB 1 and HB 172, the grounds for recall remain unchanged although the procedure for recall has been substantially changed. Nevertheless, an applicant for a recall petition under Sec. 29.26.260(a)(3) is still required to set out the grounds ". . . with particularity". The clerk must prepare a recall petition only if the clerk determines that the application for the petition meets the requirements of AS 29.26.260, including the requirement that grounds be ". . . stated with particularity" (Sec. 29.26.280). After a petition is filed the clerk must again determine whether the petition is sufficient and, if insufficient, ". . . identify the insufficiency and notify the sponsors. . ." (Sec. 29.-26.290). It seems clear that since the clerk must identify the insufficiency, a determination of sufficiency is not limited to review of signatures, even though (b) and (c) of the section only provide for correcting a petition insufficient for lack of signatures. It appears under these sections that the clerk would still be required to determine whether the grounds stated, if true, actually constitute misconduct in office, incompetence, or failure to perform prescribed duties.

I believe that this interpretation conforms to the intent of the policy committee that produced the original version of a Title 29 revision bill. There was considerable discussion of the recall provisions by that committee and at one point

the committee considered requiring only a general statement of reasons for recall and allowing recall to proceed upon purely political grounds. It was even suggested that grounds for recall be eliminated entirely. That approach was specifically rejected by the committee. Consequently, I would recommend that HB 172 be amended to clearly reflect the fact that the clerk is to review a recall petition for form and signatures only, and not to determine whether grounds stated actually constitute misconduct in office, incompetence, or failure to perform prescribed duties, if that is the result intended by the legislature.

TBC:ljb

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Jack McBride
Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:
Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to excercise the right of eminent domain to acquire certificates or property.

Alaska State Legislature

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

Room 104
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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "$100,000.00" insert "$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a concessus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high ($100,000.00).

Alaska State Legislature

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Room 104
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Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 5

Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

OK

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 6

The attached letter of intent and proposed language for implementation was prepared during hearings of SB 1, comparison legislation to HB 172.

Present law requires first class and home rule cities in the unorganized borough to accept the responsibility for delivery of Educational services. It is perceived that the requirement to be responsible for educational services may be a deterrant to certain cities or areas to organizing or upgrading to first class or home rule status. The opposition for a city to assume the educational powers could come either from an existing REAA or the city.

The proposed change to HB 172 would resolve the issue of the assumption of education powers by vote of the residents in the city and in the REAA.

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT
TO CSSB 1

February 24, 1983

It is the intent of the Senate Community and Regional Affairs Committee that the assumption of the education power by newly formed or upgraded first class or home rule cities be dependent upon a vote in the existing Regional Education Attendance Area. If the vote both within the city and in the remainder of the REAA was not in favor of the city assuming the education power, it would not.

This Letter of Intent was discussed and unanimously approved by the Senate C & RA Committee. The attached page labelled "Proposed Amendment #10" is what the committee members had in front of them when the Letter of Intent was endorsed. The longer attached amendment, drafted by Legal Services, represents all of the actual changes that need to be made to SB 1 to carry out the Letter of Intent.

Though the committee strongly endorses this concept it was felt the full amendment should be available for review before it was adopted, which is why this method of presentation was followed. The Community and Regional Affairs Committee urges the Finance Committee to incorporate the intent of the attached proposed Amendment #10 into SB 1.

Senator Frank R. Ferguson
Chairman

S-E-N-A-T-E---A-M-E-N-D-M-E-N-T

PROPOSED SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: LINE:

Note: This change is listed as a proposal rather than an amendment because of the complex drafting that will be required to make sure all the necessary sections are cross referenced. Legal Services has reviewed this proposal and suggested this approach because of time constraints. If the Committee approves this proposal, Legal Services will incorporate it as part of the Committee Substitute.

Page 10, after line 19, insert new section:

"29.05.145. ASSUMPTION OF THE EDUCATION POWER. (a) When an unincorporated area or second class city that is part of a Regional Education Attendance Area incorporates or upgrades to first class or home rule city status, the assumption of the education power shall be in accordance with this section

(b) When an unincorporated area or city that is part of a REAA incorporates or upgrades to first class or home rule city status, that Director of Elections shall conduct an election in the REAA within 90 days of the incorporation.

(c) At this election, voters of the REAA shall be given an opportunity to approve or disapprove the assumption of the education power by the newly incorporated or upgraded first class or home rule city.

(1) The vote shall be counted separately within the city limits of the newly incorporated or upgraded city and in the remainder of the REAA.

(2) A majority of voters in both areas must approve the assumption of the education power by the newly incorporated or upgraded city or it may not assume the education power"

Alter other sections as necessary to conform.

A M E N D M E N T

Offered in the SENATE

TO: CSSB 1 (C&RA)

By the Community and Regional Affairs Committee

Page 2, after line 25 insert:

"(f) A second class city in a regional educational attendance area that reclassifies to first class status after July 1, 1983 remains part of the regional educational attendance area unless the education power is acquired under AS 29.35.270."

Page 10, after line 18 insert:

"(d) A first class or home rule city in a regional educational attendance area that incorporates after July 1, 1983 remains part of the regional educational attendance area unless the education power is acquired under AS 29.35.270."

Reletter the following subsection accordingly.

Page 34, after line 20 insert:

"(36) AS 29.35.270. (acquisition of education power)"

Renumber the following paragraphs accordingly.

Page 85, line 23:

Delete "A" and insert "Subject to AS 29.35.270, a"

Page 86, after line 5 insert:

"Sec. 29.35.270. ACQUISITION OF EDUCATION POWER. (a) A home rule or first class city formed in a regional educational attendance area after July 1, 1983 remains part of the regional educational attendance area and may not establish a city school district unless the education power is acquired by the city under this section.

(b) Within 90 days after a community in a regional educational attendance area is incorporated as a home rule or first class city or a second class city in a regional educational attendance area reclassifies to first class status or adopts a home rule charter the director of elections shall conduct an election in the regional educational attendance area on the question of whether the city should acquire the education power and form a city school district.

(c) After an election under this section the vote shall be counted separately within the boundaries of the newly formed city and within the area of the regional educational attendance area outside of the city.

(d) If a majority of voters within the newly formed city and a majority of the voters within the area of the regional educational attendance area outside of the newly formed city approve, the city shall assume the education power and form a school district. If a majority of voters in both areas do not approve, the city remains a part of the regional educational attendance area.

(e) This section applies to home rule and general law cities."

Page 186, after line 6 insert:

"* Sec. 21. AS 14.08.031 is amended by adding a new subsection to read:

(e) A first class or home rule city in a regional educational attendance area that incorporates after July 1, 1983 and a second class city in a regional educational attendance area that reclassifies to first class status or adopts a home rule charter after July 1, 1983 shall be included in the regional educational attendance area boundary unless the city acquires the education power under AS 29.35.270."

Renumber following sections accordingly.

Page 186, after line 29 insert:

"* Sec. 24. AS 14.12.010(1) is amended to read:

(1) each home rule and first class city in the unorganized borough is a city school district, except as provided under AS 29.-35.270;

* Sec. 25. AS 14.12.010(3) is amended to read:

(3) the area outside organized boroughs and outside home rule and first class cities is divided into regional educational attendance areas, except that a home rule or first class city may be included in a regional educational attendance area in accordance with AS 29.35.270."

Renumber following sections accordingly.

Page 205, line 20:

Delete "86" and insert "89"

Page 205, line 23:

Delete "86" and insert "89"

Alaska State Legislature

Barbara Lacher, Chairman
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Room 104
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Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 7

During Committee review of HB 172 there was discussion but no apparent concensus concerning the exemption of greenhouses from assessement at full valuation for taxation purposes (Page 109, line 22).

The existing law does not give special treatment for greenhouses. The intent of providing special tax treatment for farm lands (not including barns, houses, sheds, etc.) was to assist the farmer in resisting the pressures of urban growth rather than being forced to subdivide farm land because of inflated land values. The effect of the new language is to provide a special tax treatment for greenhouses, including commercial greenhouses raising ornimental flowers.

Possible Deletion

Take out greenhouses

Alaska State Legislature

Barbara Lacher, Chairman
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Room 104
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Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "developed" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substanative or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation. Delete materials line 10, page 105 to line 7, page 106

materials in SB 260

THIRTEENTH ALASKA LEGISLATURE

FIRST SESSION

HB172 Suggested Amendments - Cape Fox Corporation

Line 15, Page 105

(1) (m) (1) ... gainful and [or] productive present use...

Line 18-19, Page 105

(2) (m) (1) ... process even though income may be derived from related incidental timber harvesting, utility usage, or similar activities;

Line 3, Page 106 - Add New Subsection:

(3) (m) (4) "Gainful" means a condition resulting in net taxable income or when revenue derived from an activity taking place over the tax year of the property owner exceeds the expenses and deductions related to the activity.

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

April 6, 1983

File Bill

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

Dear Barbara:

Subject: HB 172 "DEVELOPED" DEFINITION

The present version of HB 172 provides for a tax exemption as required by 43 U.S.C. 16.20(d) for certain Native lands. This exemption provides a definition of "developed" for implementing the federal law. I recommend that this matter be treated in a separate bill rather than in HB 172 or SB 1, the parallel bills intended as housekeeping measures to revamp Title 29.

During the last legislative session certain amendments were made to the Title 29 bill on the House floor which caused a great deal of controversy. In re-introducing the Title 29 in the present legislature, all of these amendments were removed except for the provisions for implementing the tax exemptions under 43 U.S.C. 16.20(d). This amendment was incorporated in AS 29.45.030 of the bill.

Pursuant to federal law, certain Native lands are not taxable until "developed". The intent of the proposed definition in AS 29.45.030 is to clarify what improvements of land will constitute "development" for tax exemption status.

I believe that the intent of this section is to assure that lands will not be taxed simply because an access road is constructed to the property or improvements are placed on the property in anticipation of future development. However, the language is sufficiently ambiguous to permit the interpretation that even a regular, residential or commercial subdivision development would not be taxable until the lots were sold. Once land is subdivided, roads are constructed and other improvements are put in place, the available lots become the sale inventory of the real estate developer. An exemption from taxation of these lots would give the exempted developer an unfair advantage over other developers with which it was in competition.

Because this provision is not in existing Title 29 and because there is potential controversy involved, I recommend that

it not be included in HB 172, a housekeeping bill. As a separate bill, I believe that the Borough would support a definition between a taxable subdivision development and tax exempt lands which have been surveyed and have constructed roads.

Sincerely,

Steven H. Morrissett
Borough Attorney

er

cc: Steve VanSant, Borough Assessor

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

February 24, 1983

TO: Stan Thompson, Mayor

FROM: Don Thomas, Assessor

SUBJECT: Native Lands, Title 29 Revisions – Sec M #1 Lines 28 + 29 Page 100 – 101

By the definition included in the work draft of Title 29 the Kenai Peninsula Borough would loose approximately 13.9 Million in assessed valuation. This would equal about $41,727 based on a 3 mill average.

This would also put the Native lands in a better position to develope and compete in the open market, if they wished. They could do all the preliminary work, such as roads, utilities, survey, and hold the property for the highest return, and still not pay taxes. – this would only [illegible] to Native. It would primarily be Longevity in this [illegible] as well as the Boro. We currently have 13.9 million in assessed value that the different regions have been paying taxes on. We have had them on the tax rolls for 4 or 5 years and they paid their taxes without paying under protest.

Cook Inlet	7,281,205
Ninilchik	924,950
Seldovia Native	2,882,300
Slamatoff	589,500
English Bay	2,708,800
Port Graham	1,068,000
Total	15,454,755

Also when 20 years are up & Native Lands would be on the tax rolls – they they would be Exempt at a tremendous loss to the Boro – [illegible] until Sold

Alaska State Legislature

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Room 104
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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

To: Committee On Community and Regional Affairs

From: Staff

Re: HB 172, proposed utilities amendment. (#9)

The attached amendment to HB 172 has been requested by Mr. Dave Hutchins, representing the Alaska Rural Electric Cooperative Association.

The controversy over the proposed amendment is based on the authority of municipalities, or lack of authority, to regulate utilities that are not subject to regulation by the Alaska Public Utilities Commission under AS 42.05.

A summary of the controversial portions of the three options presented to the committee is as follows:

1. Present Statues:
   a. Municipalities cannot regulate or grant franchises to any utility that is regulated by the Alaska Public Utilities Commission (APUC) under AS 42.05.

   b. APUC approval is required for a municipality to extend a municipal utility's service area.

The present laws are silent on the authority--or lack of authority-- of municipalities to regulate non-municipal owned utilities that are not regulated under AS 42.05. Since a General Law municipality has only the powers granted by law, it would probably be upheld that a General Law municipality does not have the authority to regulate a non-municipal owned utility that is not regulated by APUC.

2. HB 172 Provides:
   a. Municipalities may grant franchises and regulate utilities to the extent they are not subject to regulation by APUC under AS 42.05, or not otherwise prohibited by law.

   b. Municipal owned utility services may be extended outside of the municipal boundaries (subject to approval by APUC).

3. Amendment requested by utilties:
   a. Whenever a utility is exempted from regulation by APUC or subject to regulation under AS 42.05, a municipality may not regulate the utility.

   b. A municipality may only extend utility services to an area adjacent to the municipal boundaries. This provision would prevent a municipal utility from providing utility services to an area that is not adjacent to the municipal boundaries.

The utilties that are, or may be, exempted from APUC regulation and as such are the utilties that are at the center of this issue are identified in AS 42.05.711 (copy attached).

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

PROPOSED AMENDMENT TO

HB 192

Page 33, after line 28, insert:

"(26) AS 29.35.060 (franchise and permits)"

Renumber following paragraphs accordingly.

Page 33, after line 29, insert:

"(28) AS 29.35.075 (disputes and conflicts with state certificated utilities)."

Renumber following paragraphs accordingly.

Page 74, line 12, delete:

"utility services,"

Page 77, after line 6 add a new subsection to read:

"(c) This section applies to home rule and general law municipalities."

Page 77, lines 7 through 22, delete present language and replace it with the following:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly for the area outside all cities in the borough and the council acting for the area in a city may regulate a utility service and fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or other law.

(b) A municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing

rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

(e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

(g) This section applies to home rule and general law municipalities."

Page 195, after line 22, add a new section to read:

"** Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) A public utility that is exempt or partially exempt under (d) through (j) of this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a muncipality."

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

Chugach Elec. Ass'n, Sup. Ct. Op. No. 1636 (File Nos. 2969, 2993), 580 P.2d 687 (1978); B-C Cable Co. v. City of Juneau, Sup. Ct. Op. No. 2112 (File No. 4587), 613 P.2d 616 (1980).

Sec. 42.05.711. Exemptions. (a) The provisions of AS 42.05.010 — 42.05.721 do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon, or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which he has an "affiliated interest."

(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of AS 42.05.010 — 42.05.721, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of AS 42.05.010 — 42.05.721.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of AS 42.05.010 — 42.05.721.

(e) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, any electric or telephone utility that does not gross $50,000 annually is exempt from regulation under AS 42.05.010 — 42.05.721 unless 25 percent of the subscribers petition the commission for regulation.

(f) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, an electric or telephone utility that does not gross $325,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(g) A utility, other than a telephone or electric utility, that does not gross $100,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(h) A cooperative organized under AS 10.25.010 — 10.25.650 may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721, other than AS 42.05.221 — 42.05.281, under the procedure described in AS 42.05.712.

(i) A utility which furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of $200,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 — 42.05.281,

unless 25 percent of the subscribers or subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation.

(j) The provisions of this chapter do not apply to sales, exchanges or gifts of energy to an electric utility certificated under AS 42.05.010 — 42.05.721 when the energy which is the subject of the sale, exchange or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange or gift of energy exempt under this subsection does not make the supplier a public utility, and does not transfer the responsibility to provide utility services from a certificated utility to any other person. (§ 6 ch 113 SLA 1970; am § 3 ch 76 SLA 1973; am § 8 ch 83 SLA 1980; am §§ 7-9 ch 136 SLA 1980; am § 89 ch 59 SLA 1982)

Revisor's notes. — As enacted by chs. 83 and 136, SLA 1980, present subsections (j) and (i) were designated as subsections (f) and (j), respectively, but were redesignated by the revisor of statutes pursuant to AS 01.05.031(b). Former subsection (i) of this section was transferred as § 13, ch. 136, SLA 1980 to the 1980 Temporary and Special Acts and Resolutions by the revisor of statutes pursuant to AS 01.05.031(b).

Effect of amendments. — The first 1980 amendment added subsection (j).

The second 1980 amendment deleted "excepting the furnishing of collection and disposal service of garbage, refuse, trash or other waste material" following "none of whose utilities" near the beginning of subsection (b), deleted the former second sentence in subsection (b), which read: "Notwithstanding any other provisions of this chapter, municipalities providing collection and disposal service of garbage, refuse, trash or other waste material within their corporate boundaries are not subject to regulation by the Alaska Public Utilities Commission unless the municipality elects to be subject to the provisions of this chapter," substituted "$50,000" for "$25,000" following "does not gross" near the middle of subsection (e), substituted "under this chapter" for "hereunder" following "exempt from regulation" near the middle of subsection (e), and added subsections (f) through (i).

The 1982 amendment, effective May 28, 1982, deleted "on June 30, 1980" preceding "a utility" and inserted "annual" preceding "gross revenue" in subsection (i).

Editor's notes. — Section 13, ch. 136, SLA 1980, as revised by the revisor of statutes, provides: "Cable television systems are exempt from the provisions of AS 42.05 [AS 42.05.010 — 42.05.721], other than the provisions of AS 42.05.221 — 42.05.281, until July 1, 1983. This exemption does not apply in cities or villages which have a population of less than 3,500 people and which are not located on a state road or marine highway. The effects of the exemption of cable television systems from rate regulation by the Alaska Public Utilities Commission provided in this section shall be reviewed by the legislature before July 1, 1983. If the legislature fails to extend the exemption before July 1, 1983, this section is repealed on that date and cable television systems lose their exempt status on that date and become subject to regulation by the Alaska Public Utilities Commission."

Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.

Sec. 29.48.050. FRANCHISES AND PERMITS. Present LAW

(a) The assembly acting for the area outside cities and the council acting for the area within a city may grant franchises, including exclusive franchise privileges, for the construction, operation and maintenance of bus transportation systems and public utilities not regulated under AS 42.05 and may permit them the use of streets and other public places under regulations prescribed by ordinance.

(b) No franchise is valid until it has been submitted to the qualified voters of the city or borough area outside cities in which it applies, and at least 55 per cent of the votes cast are in favor of the franchise. At least 30 days notice of a franchise referendum election shall be given in the same manner as is provided for notice of regular municipal elections, and the notice shall specify the purpose of the election. The ordinance granting a franchise shall provide for its submission for ratification to the qualified voters of the city or borough area outside cities at either a regular or special election, and the result of the election shall be canvassed publicly by the council or assembly and spread upon the records of the minutes and the result declared and certified in the same manner as in a regular election.

(c) Public utilities regulated under AS 42.05 have the right to use the streets and other public places, upon payment of a reasonable permit fee and on reasonable terms and conditions and with reasonable exceptions the assembly or council requires. A dispute as to whether fees, terms, conditions, or exceptions are

reasonable shall be decided by the Alaska Public Utilities Commission.

Sec. 29.48.060. PUBLIC UTILITIES RATES.

The assembly acting for the area outside cities and the council acting for the area within a city may regulate, fix, establish and change, as it considers proper, the rates and charges imposed for utilities services given to the municipality or its inhabitants by a municipally owned utility not regulated under AS 42.05.010 - 42.05.721 and may regulate and provide what is a reasonable deposit for meters and security for service to be given, provided that interest is paid on the deposit. All rates, charges and regulations shall be reasonable and shall permit a fair and reasonable return on invested capital.

APPROVED
Date: 3-6-84

Requested by: Assemblywoman Maser
Prepared by: Municipal Clerk
For Reading: March 6, 1984

ANCHORAGE, ALASKA

MAR21 '84

AR NO. 84-65 (Amended)

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY URGING THE STATE LEGISLATURE AND THE GOVERNOR TO PROCEED EXPEDITIOUSLY WITH THE PASSAGE OF TITLE 29 REWRITE.

WHEREAS, the current Title 29, last revised in 1972, is a hodgepodge of 13 years worth of amendments, and

WHEREAS, it is very difficult for the average citizen to read and understand, and

WHEREAS, recognizing the problem, the legislature adopted SCR 66 in 1980, directing the rewrite of Title 29, and

WHEREAS, a broadly representative policy committee, with the assistance of a technical committee, prepared a revised code after an exhaustive series of meetings, hearings, and public presentations, and

WHEREAS, SB 180, the original bill, was passed by the legislature in the 1982 session but because of controversial floor amendments, Governor Hammond vetoed the bill, and

WHEREAS, HB 172, the rewrite of Title 29, is a number one priority of the Alaska Municipal League.

BE IT, THEREFORE, RESOLVED, the Anchorage Municipal Assembly hereby requests the State Legislature and the Governor to proceed expeditiously with the passage of HB 172.

PASSED and APPROVED this 6th day of March, 1984.

Chairman

ATTEST:

Municipal Clerk

City of Ketchikan

334 Front Street
Ketchikan, Alaska 99901
907-225-3111

MAR 22 '84

March 19, 1984

Representative Mike Miller
Chairman, House Community & Regional Affairs Committee
House of Representatives
Pouch V (MS3100)
Juneau, Alaska 99811

Dear Representative Miller:

Enclosed is a copy of City of Ketchikan Resolution No. 1371 passed by the City Council March 15, 1984.

The Council supports the reorganization of Title 29 and urges the State Legislature to pass House Bill 172 (CSHB 172).

Your consideration of this resolution is appreciated.

Sincerely,

/Karen Miles

Karen Miles
City Clerk

KM/kms

Enc. 1

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 1371

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, SUPPORTING THE REORGANIZATION OF TITLE 29 FOR CLARITY AND FLEXIBILITY AND URGING PASSAGE OF HOUSE BILL 172 (CSHB 172), AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in 1980 the Legislature adopted SCR 66 which directed that Title 29 be reviewed and rewritten to provide clarity and readability; and

WHEREAS, a broadly representative policy committee representing rural and urban communities, with the assistance of a technical committee, prepared a revised code after an exhaustive series of meetings, hearing, and public presentations; and

WHEREAS, Title 29 as clarified was introduced as HB 170 and SB 180 in 1981; and

WHEREAS, more hearings were held during the First and Second Session of the Twelfth Alaska State Legislature and hearings were also held in the interim between sessions; and

WHEREAS, SB 180 passed the Legislature during the Second Session; and

WHEREAS, because of controversial floor amendments, the City of Ketchikan joined other local governments urging Governor Hammond to veto the bill; and

WHEREAS, Title 29 as clarified was again introduced as SB 1 and HB 172 during the First Session of the Thirteenth Alaska legislature; and

WHEREAS, both bills are basically a reorganization and rewording of Title 29 to enhance its clarity and flexibility; and

WHEREAS, the Council of the City of Ketchikan strongly feels that this clarification is in the best interests of all local governments in Alaska and that the content and intent of the bill is not controversial; and

WHEREAS, the City Council appreciates the hours of time and effort expended on this bill by Alaskans who harbor a great concern for the well-being of Alaska Local Government and believes those hours should not have been expended in vain.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: The Council of the City of Ketchikan supports the reorganization of Title 29 for clarity and flexibility and urges the State Legislature to pass House Bill 172 (CSHB 172).

Section 2: The City Council supports this bill in its basic form and requests other proposals which would constitute major policy revisions or innovations in the function of local government be considered in separate legislation.

Section 3: The Council further requests that all committees expeditiously consider House Bill 172 (CSHB 712) to assure action prior to adjournment of the Thirteenth Alaska Legislature.

Section 4: The City Clerk is hereby directed to send copies of this resolution to Representative McBride, Representative Wendte, Senator Ziegler, the House Community and Regional Affairs Committee, the House Judiciary Committee, and the House Rules Committee, the Senate Community and Regional Affairs Committee, the Senate Judiciary Committee, the Senate Finance Committee, the Senate Rules Committee, and the Alaska Municipal League.

Section 5: This resolution shall be effective immediately upon passage and approval.

PASSED AND APPROVED THIS 15 day of March, 1984.

Edward W. Zastrow

Edward W. Zastrow, Mayor

ATTEST:

Karen M. Sund

Karen M. Sund, Deputy Clerk

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

February 27, 1984

POSITION PAPER

RE: HB 172
SPONSOR: Rules by Request of the Governor

PROGRAM EFFECTS:

HB 172 is a bill that reorganizes and clarifies Title 29 of the Alaska Statutes, which is the Municipal Code.

COMMENTS:

HB 172 is the product of the work of the Community and Regional Affairs Committees of both Houses of the Legislature, the Alaska Municipal League, many of the League's affiliate organizations, and the Department of Community and Regional Affairs.

This bill clarifies the Municipal Code, better organizes it, and eliminates ambiguities and conflicts from existing law.

The Department supports passage of this legislation, as well as considers it one of its highest priorities.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-P1LH

HB 172 SUMMARY

HB 172 is a comprehensive bill to clean up the language and reorganize the contents of Title 29, the State Municipal Code. Its primary purpose is to make necessary language and format changes to Title 29 to achieve a more clearly organized, simplified and more readily useable set of statutes. Although the bill is lengthy, for the most part it involves moving existing provisions of Title 29 from one part of the code to another or making changes in wording to clarify current law.

The Department of Community and Regional Affairs has worked extensively over the past five years to achieve passage of the legislation. Because of years of patchwork amendments to Title 29, there now exists a confusing and often controversial mass of state law dealing with municipalities. Most of the changes in the bill are necessary for this reason and are supported by the department. They are also supported by the Alaska Municipal League and, except for some disagreement with certain isolated specific language, by all local governments.

The following analysis summarizes some of the major changes to Title 29 which are included in the bill and how these changes will make program administration easier for the Department of Community and Regional Affairs.

ORGANIZATION AND FORMAT OF TITLE 29

One of the most difficult problems of working with the current law is that it is not always easy to ascertain with any degree of certainty whether a particular statute applies to all classes of municipalities or whether certain classes are governed by language found elsewhere in Title 29. HB 172 resolves this problem by organizing most sections by class of municipality, making it much easier to refer to specific sections and determine which classes of municipalities are affected.

In addition, language within the revisions has been modified so that the terms of reference to municipalities, governing boards, etc., are held constant. The term "municipality" refers to all local governments with a subsequent distinction drawn between "home rule" and "general law." This consistency now makes it possible, by checking general references alone, to ascertain whether or not a particular class and type of municipality is affected by specific statutes.

These changes in the organization of the statutes and the use of consistent and more precise terminology mark these revisions to Title 29 as a great improvement over existing statutes.

2/21/84
Jane Lorance
Hay + Mike
Norley - C+RA Dept.

CHANGES TO THE EXISTING LAW

Aside from effecting a better organization of the contents of Title 29 and improved terminology, HB 172 also proposes some important improvements to the current body of municipal law.

Certain powers and responsibilities are clarified in HB 172, particularly in the areas of extraterritoriality and land disposal. Other portions of the bill create new flexibility for local communities, particularly in the areas of reclassification, home rule and zoning. Some changes are of great benefit to the department in its administration of programs, such as revenue sharing for unincorporated communities. These are all worthwhile changes that argue in favor of the bill.

Municipal Incorporation and Reclassification

- HB 172 provides for second class municipalities to reclassify directly to home rule governments. Existing statutes restrict this reclassification to municipalities of the first class.

Extraterritorial Powers

- Extraterritorial power for all municipalities has been expanded to allow for the operation of additional facilities outside of municipal boundaries, including solid and septic waste facilities, wharfs, harbors and other marine facilities.

- A municipality which provides a facility outside its boundaries may regulate its use to the extent that the jurisdiction in which the facility is located does not regulate it. Under existing statutes, no right to regulate was provided for the municipality within which the facility was located.

Eminent Domain

- The exercise of eminent domain and declaration of taking is extended to second class cities. Under current law, second class cities must first receive the approval of the Department of Community and Regional Affairs before they can exercise this power in a specific instance.

Land Disposal

- Municipal land disposal provisions have been simplified, requiring only that the local governing body establish a set of formal procedures by ordinance.

Planning and Zoning

- Zoning laws have been broadened to allow for "land use regulations," thus providing a wider range of options for local governments to implement their local plans and programs.

All of these modifications must be viewed as important, positive and long sought after improvements to Title 29.

Revenue Sharing

- HB 172 would combine the state's two most important programs of shared revenues with municipalities -- State Revenue Sharing and Municipal Assistance. The effects of this consolidation would include simplified program administration, a streamlined application procedure, and predictability of funding.

- Cleans up an existing provision of Title 29 which makes revenue sharing funds available to "Alaska Native Village" governments, which an Attorney General's opinion ruled was unconstitutional. HB 172 would resolve this problem by making revenue sharing available to all unincorporated communities in the unorganized borough, not just those with Native village governments.

Incorporation and Transition Grants

- Raises the organization grant paid by the state to newly formed cities from $10 per voter to a $50,000 in the first year and $25,000 in the second year. Boroughs would be eligible to receive a grant of $300,000 in the first year, $200,000 in the second, and $100,000 in the third year following incorporation. Boroughs now receive $25,000 on incorporation or $10 per voter, whichever is higher. The increased organizational grants will make it much easier for communities or regions of the state to organize as municipalities.

Municipal Property Taxation

In the sections which deal with local property taxation, the bill clarifies several points which are confusing under current law. In addition, it allows municipalities more flexibility in the area of asssessment policy.

In the past, property taxes were required to be levied equally against both real and personal property. HB 172 allows municipalities to exempt property in either category if it wishes to do so, an option which has been badly needed in some communities.

In addition, the Office of the State Assessor responds to numerous questions each year which are caused by the inferior organization of assessment and taxation laws under the current Title 29. The improved arrangement of these laws in HB 172 will be helpful in reducing the number of inquiries that the office currently addresses.

Second Class Borough Powers

Mandatory Powers

1. Assessment and collection of taxes. AS 29.33.030.
2. Education. AS 29.33.050.
3. Planning, platting, and zoning. AS 29.33.070-245.

Optional Areawide Powers (by ordinance, without a vote of the people)

1. Transportation systems. AS 29.48.030(b).
2. Licensing, impounding, and disposal of animals. AS 29.48.035(a)(5).
3. Water pollution control. AS 29.48.035(a)(17).
4. Air pollution control. AS 29.48.035(a)(18).
5. Licensing of day care facilities. AS 29.48.035(a)(20).

Optional Non-areawide Powers (by ordinance, without a vote of the people)

1. Fireworks. AS 29.48.020(1).
2. Animal control. AS 29.48.020(2) & AS 29.48.035(a)(5).
3. Licensing & operation of motor vehicles & operators. AS 29.48.020(3) & Title 28.
4. Snow vehicles. AS 29.48.020(4) & AS 05.30.070.
5. Garbage & solid waste collection and disposal. AS 29.48.020(5).
6. Water pollution control. AS 29.48.020(6) & AS 29.48.035(a)(17).
7. Housing rehabilitation for energy conservation. AS 29.48.020(7).
8. Local service roads & trails. AS 29.48.020(8).
9. Emergency communications centers. AS 29.48.020(9).
10. Transportation systems. AS 29.030(b).
11. Licensing of day care facilities. AS 29.48.035(a)(20).

Changes in HB 172

1. Economic development. New nonareawide power authorized in HB 172.
2. Air pollution control. In current law, authorized just areawide; in HB 172, both areawide and nonareawide.
3. Day care facilities. In current law, authorized both areawide and nonareawide; HB 172, just nonareawide.
4. Snow vehicles. HB 172 deletes reference, but power remains the same because of authority in Title 5.
5. Motor vehicles. HB 172 deletes reference; grant of power remains in Title 28, but not as clearly as in current Title 29.

Prepared by the Alaska Municipal League
February 27, 1984

Existing Title 29

Chapter 29.03 Unorganized Borough

Chapter 29.08 Classification of Municipalities
- Reclassification 29.08.040

Chapter 29.13 Home rule municipalities
- Charter procedures
- List of Title 29 sections which apply to home rule

Chapter 29.18 Incorporation of municipalities

Chapter 29.23 Officers and employees
- Reapportionment 29.23.021-.033
- Assembly and city council
- Mayor
- Borough and city administrator
- Other officers, municipal clerk 29.23.360-.390
- Boards and commissions 29.23.401
- Manager plan 29.23.410-.480
- Oaths of office 29.23.500
- Discrimination 29.23.540
- Conflict of interests 29.23.555
- Vacancies in office 29.23.570
- Public meetings 29.23.580

Chapter 29.28 Elections
- Election contests 29.28.050
- Initiative and referendum
- Recall

Chapter 29.33 Areawide borough powers

Chapter 29.38 Nonareawide borough powers

Chapter 29.41 Third class boroughs (Haines only)

Chapter 29.43 Cities outside boroughs powers

Chapter 29.48 Additional powers of municipalities
- City powers
- Procedures for boroughs to acquire other powers
- Acts required to be by ordinance, 29.48.130
- Ordinance procedures 29.48.140-.180
- Budget 29.48.190
- Maximum criminal penalties 29.48.200
- Sale of public land 29.48.260

Chapter 29.53 Assessment and taxation
- Tax exemptions
- Assessment, board of equalization
- Tax foreclosure and sales

City proprty tax 29.53.400
Sales tax 29.53.414-.460

Chapter 29.58 Municipal debt
General obligation bonds
Revenue bonds

Chapter 29.63 Special Assessments and service areas
Local improvement districts - city or borough
Service areas - local exercise of borough powers

Chapter 29.68 Boundaries
Annexation
Detachment
Unification

Chapters 29.73 and 29.78 Miscellaneous
Condemnation (eminent domain)
Municipal name change
Definitions

Chapter 29.88 Municipal tax resource equalization entitlement

Chapter 29.89 State aid
Revenue sharing

Proposed Title 29

Chapter 29.03 Unorganized borough

Cnapter 29.04 Classification of municipalities
Reclassification 29.04.040-.060

Chapter 29.05 Incorporation

Chapter 29.06 Boundaries
Name change
Annexation and detachment
Unification

Chapter 29.10 Home rule
Charter procedures
List of limitations on powers

Chapter 29.20 Officers and employees
Conflict of interest 29.10.010
Public meetings 29.20.020
Reapportionment
Assembly and city council
Vacancies 29.20.170, .180, .280
Administrator
Mayor
Boards and commissions
Other officers
Manager plan 29.20.470-.520
Oaths of office 29.20.600

Chapter 29.25 Ordinances
Acts required to be by ordinance 29.25.010
Ordinance procedures 29.25.020-.050
Maximum criminal penalties 29.25.070

Chapter 29.26 Elections
Procedures
Contest 29.26.070
Initiative and referencum 29.26.100-.190
Recall 29.26.240-.360

Chapter 29.35 Municipal powers
General powers 29.35.010
Borough areawide powers 29.35.150-.180
First class borough 29.35.200
Second class borough 29.35.210
Third class borough (Haines only) 29.35.220
Cities inside boroughs 29.35.250
Cities outside boroughs 29.35.260
Additional powers procedures 29.35.300-.340
Service areas 29.35.450-.490

Chapter 29.40 Planning and platting

Chapter 29.45 Taxation
Tax exemptions 29.45.030-.050
Assessment, board of equalization
Tax foreclosures and sales
City property tax 29.45.550-.600
Sales tax 29.45.650-.710

Chapter 29.46 Special assessments
Local improvement districts

Chapter 29.47 Municipal debt
General obligation bonds
Revenue bonds

Chapter 29.55 Municipal programs
Historical preservation 29.55.010-.020

Chapter 29.60 State programs
Municipal tax residence equalization entitlements 29.60.010-.080
Revenue sharing 29.60.100-.180
Municipal assistance 29.60.350-.360

Chapter 29.60 Land grant
Land selections

Chapter 29.71 Miscellaneous
Definitions

TITLE 29 FACT SHEET

SUMMARY OF HB 172/SB 1 - TITLE 29 (MUNICIPAL CODE)

HB 172 and SB 1 are comprehensive bills that reorganize and clarify Title 29 (Municipal Code), but do not substantially change that part of the state statutes that direct the operation of local government in Alaska.

History: The current Title 29, last revised in 1972, is a hodgepodge of 13 years worth of amendments. It is very difficult for the average citizen to read and understand.

Recognizing the problem, the Legislature adopted SCR 66 in 1980, directing the rewrite of Title 29. A broadly representative policy committee, with the assistance of a technical committee, prepared a revised code after an exhaustive series of meetings, hearings, and public presentations.

HB 170 and SB 180 were introduced in 1981. More hearings were held during the 1981 legislative session, during the interim, and continuing through the 1982 session. SB 180 passed the legislature, but because of controversial floor amendments, Governor Hammond vetoed the bill.

In 1983, SB 1 was introduced by Senators Sturgulewski and Gilman; HB 172, by Governor Sheffield. Both bills are basically the same as the bill that had passed the previous year minus the controversial amendments. More committee work was done in both the House and Senate on the 204 page bill.

Changes: For the most part, these bills reorganize and reword Title 29 for clarity and flexibility. Policy changes of any substance are very few. The main changes are:

Third Class Boroughs: The existing third class borough, Haines Borough, continues in existence, but there is no provision for incorporating new third class boroughs in the future.

Home Rule Status: Second class cities and unincorporated areas are authorized to adopt home rule charters, which must be ratified by a vote of the people.

Municipal Powers: A general grant of municipal powers is given to municipalities, instead of a long list of enumerated powers. The difference is more semantic than actual, since the list includes almost every conceivable municipal power. There is no change in the manner in which boroughs acquire powers.

Organizational Grants/Feasibility Studies: The organizational grants are increased and expanded, depending on the category of local government. Studies for the feasibility of local government are authorized.

Incorporation Requirements: The minimum number of people required for incorporation as either a first class or home rule city is increased from 400 to 600.

Ordinance Violation: Penalties for ordinance violations are increased from a maximum $500 and 30-days to class B misdemeanor penalties, which are a maximum of $1000 and 90-days.

Extraterritorial Jurisdiction: Solid and septic waste disposal, utility services, wharves, harbors, and other marine services are added to the list of powers that may be exercised outside the boundaries of the municipality, if the municipality has the authority to exercise the power inside its boundaries.

Economic Development: Allow economic development as a non-areawide power for second class

boroughs, without requiring a vote of the people to exercise it.

Franchise: Requires a vote on franchises of more than 5 years; current law requires a vote on all franchises.

Eminent Domain: Removes the requirement that second class cities get permission from the Department of Community and Regional Affairs and the voters before exercising the power of eminent domain.

Planning, Platting, and Land Use: Updates the language, changing "zoning" to "land use".

Run-Off Elections: Allows run-off election procedures and requirements to be changed by ordinance.

Personal Property: Allows exemption of personal property from taxation.

Taxation of Boats: Removes the $5 and $15 property tax limit on boats if assessed on the basis of net tonnage.

Penalties and Interest: Increases the maximum penalty on delinquent property and sales tax from 10% to 20% and interest from 8% to 15%.

Revenue Bonds: Authorizes revenue bonds to be payable solely from the revenue and property of the project.

Municipal Assistance Fund: Moves the administration of the Municipal Assistance Fund from the Department of Revenue to the Department of Community & Regional Affairs.

Municipal Property Disposal: Requires municipalities to adopt formal procedures by ordinance; current law sets out procedures including requiring an election on the disposal of any property valued at more than $25,000.

The substantive differences between SB 1 and HB 172 are:

Hospital Definition: Proposed CSHB 172 (CRA) adds "special" hospitals to the definition section for revenue sharing eligibility.

Farm Use Greenhouses: Senate CRA amendment to SB 1 provides for the assessing of farm use greenhouses on the basis of full and true value for farm use.

Annexation and Detachment: Senate CRA amendment to SB 1 adds detachment language to the annexation sections and establishes a time deadline for Local Boundary Commission action.

Education Powers: Senate CRA recommends amending the powers section to provide for a double majority vote before a second class city or an unincorporated area in an REAA can assume the education power when incorporating as a first class or home rule city. The vote would be both in the proposed incorporating area and the rest of the REAA.

Alaska Municipal League
Prepared February 23, 1984

CITY OF KODIAK
RESOLUTION NUMBER 12-84

A RESOLUTION SUPPORTING HCS CS SENATE BILL 67* REGARDING RELOCATION OF UTILITY FACILITIES

WHEREAS, the City of Kodiak owns rights-of-way upon which utility facilities are located; and

WHEREAS, occasionally such utility facilities must be relocated during the construction of road or highway projects; and

WHEREAS, this substituted version of Senate Bill 67* would allow the cost of relocating such utility facilities to be governed by the terms of a franchise, permit, or agreement or the lack of such agreement,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that passage of HCS CS Senate Bill 67* be and is hereby supported.

BE IT FURTHER RESOLVED that copies of this resolution be sent to:

The Honorable Robert Mulcahy, Alaska State Senator
The Honorable Fred Zharoff, Alaska State Representative

PASSED AND APPROVED this 23RD day of FEBRUARY, 1984.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

*NOTE: This resolution refers to the Community and Regional Affairs Committee substitute.

CITY OF KODIAK
RESOLUTION NUMBER 11-84

A RESOLUTION SUPPORTING SENATE BILL 1 AND HOUSE BILL 172 WHICH REVISE AND REORGANIZE ALASKA STATUTE TITLE 29

WHEREAS, Alaska Statute Title 29 is that portion of state law which governs municipal government within the State of Alaska; and

WHEREAS, Title 29 has been in need of revision and reorganization for many years; and

WHEREAS, Senate Bill 1 and House Bill 172 were filed during the first session of the Thirteenth Legislature; and

WHEREAS, either one of these bills would accomplish the needed revision and reorganization; and

WHEREAS, the bills do not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982, veto; and

WHEREAS, the bills make many noncontroversial improvements that are long overdue and necessary for the smooth working of municipal government in our state,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the Alaska State Legislature is urged to pass Senate Bill 1 and/or House Bill 172 during this second session of the Thirteenth Legislature.

BE IT FURTHER RESOLVED that the Legislature refrain from making any controversial amendments to these bills.

AND, BE IT FURTHER RESOLVED that copies of this resolution be sent to:

The Honorable Robert Mulcahy, Alaska State Senator
The Honorable Fred Zharoff, Alaska Representative
The Honorable Bill Ray, Chairman of the Senate Judiciary Committee
The Honorable Mike W. Miller, Chairman of the House Community and Regional Affairs Committee

PASSED AND APPROVED this 23RD day of FEBRUARY, 1984.

CITY OF KODIAK

James R. Pick
MAYOR

ATTEST:

Marcella Dalke
CITY CLERK

Kodiak

Kodiak Island Borough

P.O. BOX 1246
KODIAK, ALASKA 99615-1246
PHONE (907) 486-5736

March 7, 1984

MAR 14 '84

The Honorable Mike W. Miller
Chairman House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Miller:

Please be advised that the Kodiak Island Borough Assembly at their regular meeting held March 1, 1984 unanimously adopted Resolution No. 84-20-R supporting Senate Bill 1 and/or House Bill 172 revising and reorganizing Alaska Statutes Title 29.

It is our belief that Title 29 has been in need of revision and reorganization for many years and that the bill makes many non-controversial improvements that are long overdue and necessary for the smooth working of municipal government in our state. We would therefore urge you to support Senate Bill 1 and/or House Bill 172 during the Second Session of the Thirteenth Legislature and work to encourage the legislature to refrain from making any controversial amendments to these bills.

If you have any further questions regarding this matter, please contact me at your convenience.

Sincerely,

KODIAK ISLAND BOROUGH

Jerome M. Selby

Jerome M. Selby, Mayor
Kodiak Island Borough

Enclosure: Res. No. 84-20-R

mdd

KODIAK ISLAND BOROUGH
RESOLUTION NO. 84-20-R

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY SUPPORTING SENATE BILL 1 AND HOUSE BILL 172 WHICH REVISE AND REORGANIZE ALASKA STATUTES TITLE 29.

WHEREAS, Alaska Statutes Title 29 is that portion of State Law which governs municipal government within the State of Alaska, and

WHEREAS, Title 29 has been in need of revision and reorganization for many years, and

WHEREAS, Senate Bill 1 and House Bill 172 were filed during the First Session of the 13th Legislature, and

WHEREAS, either one of these bills would accomplish the needed revision and reorganization, and

WHEREAS, the bills do not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982 veto, and

WHEREAS, the bills make many non-controversial improvements that are long overdue and necessary for the smooth working of municipal government in our state.

NOW, THEREFORE, BE IT RESOLVED by the Kodiak Island Borough Assembly that the Alaska State Legislature's urge to pass Senate Bill 1 and/or House Bill 172 during the Second Session of the Thirteenth Legislature.

BE IT FURTHER RESOLVED that the Legislature refrain from making controversial amendments to these bills.

AND BE IT FURTHER RESOLVED that copies of this resolution be sent to:

The Honorable Bob Mulcahy, State Senate

The Honorable Fred F. Zharoff, House of Representatives

The Honorable Bill Ray, Chairman, Senate Judiciary Committee

The Honorable Mike W. Miller, Chairman, House Community and Regional Affairs Committee

The Alaska Municipal League

PASSED AND APPROVED this 1st day of March, 1984.

KODIAK ISLAND BOROUGH

By Jerome M Selby
Borough Mayor

ATTEST:

By Shirley Miller, CMC
Borough Clerk

Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Agenda for May 10th Community and Regional Affairs

1). Call to order.

2). Roll Call.

3). The first item of business will be HB 172:
An Act relating to municipal government.

4). Witnesses presentation/testimony.

5). The second item of business will be HB 396:
An Act relating to financial statements.

6). Witnesses presentation/testimony.

7). The third item of business will be HB 377:
An Act relating to Alaska Industrial Development Authority.

8). Witnesses presentation/testimony.

9). The fourth item of business will be SB 151: (if time permits)
An Act relating to Resource Development Authorities.

10). Witnesses presentation/testimony.

11). Closing.

12). Adjournment.

* Please note that the committee will be receiving statewide testimony via the teleconference network on May 16th, Monday, at 3:15 p.m. in the Butrovich Room. Item of discussion will be House Bill 377 and Senate Bill 151.

Alaska State Legislature

Representative Milo Fritz
District 5
P.O. Box 158
Anchor Point, Alaska 99556
(907) 235-8366

While In Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4833

House of Representatives

MILO FRITZ

MEMORANDUM

TO: Representative Mike W. Miller
Chairman, House C & RA Committee

FROM: Representative Milo H. Fritz
Interim Chairman, House C & RA Committee MHF

DATE: January 17, 1984

SUBJ: HB 172 Amendments

During the interim, my staff and I have studied HB 172 and its effects and implications. I have changes and alternatives to suggest that the Committee consider. These ideas come from my review of this legislation during the first session and an analysis of the Interim Report on HB 172. I will briefly outline my reasoning for each change in the hope that my ideas will be of assistance to you and the committee.

I believe that current amendments #2 and #7 will not have the effect which is desired, and that the legislation should be left as currently written in HB 172. Amendment #2 eliminates the "legal grounds" for a recall election. Although this would remove the legal problem of determining the sufficiency of grounds, it leaves totally open the right to pursue a recall. If any group has an inclination to start a recall, they state "a reason" and start collecting signatures. It would indeed be difficult to gather the amount of signatures necessary to have a recall election. However, the group will have received much media attention, the person who they are trying to recall has had his/her image tarnished, and the whole political process put into a state of turmoil. This is not even considering the mental anguish caused by this action.

I do not want to see any group have the ability to singularly influence the destiny of a city or borough by the use of a threat of recalling one or more members of the governing body. If we do not have the "grounds" of a "recall", we will be allowing the recall system to be used for purely political/personal interest purposes.

Amendment #7 would eliminate the exemption of greenhouses from assessment at full valuation for tax purposes. The argument against this exemption was that "the purpose of the exemption was to allow farms to continue in spite of otherwise inflated land prices, and the corresponding taxes. I believe that the greenhouses in our state also need this help. If a greenhouse is to be successful, it must have the ability to get its produce to market, which is the urban population centers. The law is written so that a highly prosperous greenhouse, will be taxed at a high "true value of farm use", thereby seeing that equitable taxes are paid. This exemption will allow our fledgling greenhouse industry a chance to grow.

Amendments #8 and #9 should be withdrawn from consideration. The 13th Legislature, as a whole and with concurrence of the Governor, has dealt with these issues by the passage of SB 260 and HB 274, respectively. This decision should be incorporated into the Committee Substitute as recommended by amendment #10.

Amendment #11 was requested by the Alaska State Hospital Association and should be judged on its merits. Their claim of discrimination against a "special" hospital seems to be valid.

Amendment #12 was placed in the Interim Report because it is a part of the information, and is an alternative. However, I strongly urge the rejection of this amendment. The differences between the two bills, were caused in a large part, by the rejection of proposed amendment #6 during the first session. I believe the Senate may change their bill or accept our version if it passes first. The proper time to discuss any remaining differences will be in Conference Committee.

Amendment #13 is a matter of housekeeping.

In addition to the Municipal Code revision, the report to the 13th State Legislature examining court decisions and opinions of the Attorney General construing Alaska Statutes revealed a problem with the local preference law. AS 04.11.502 states that one or "several questions" can be placed before the voters. The preceding paragraphs which have been updated specifically state that only one question can be placed before the voters at a time. Correcting this oversight will only take a short amendment removing the words "or several questions" from A.S. 04.011.502 (a) and (b). This action was suggested on page 78 of the report.

Alaska State Legislature

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

January 20, 1984

Ginny Chitwood
Executive Director
Alaska Municipal League
105 Municipal Way
Suite 301
Juneau, Alaska 99801

Dear Ginny,

Thank you for providing my office with the League's policy statements and resolutions. It should provide another valuable source of input as the Legislature debates many issues this session. While I may not personally agree with all the statements or requests in the policy, I certainly welcome the League's input in the discussion process.

Just touching on a few issues, I feel the Legislature supports acquisition of the Alaska Railroad. Senator Kerttula and I have introduced legislation to operate the railroad, and I would be interested in your input.

I think we may be able to see passage of Title 29 revisions this session. Certainly we are making an effort in the House to accomplish this and, I have spoken several times on the need to upgrade and, possibly, expand the marine highway system.

In general, your policy statement appears to reflect interests throughout the state.

Thanks again, and please feel free to contact my office if you would like to discuss any of the issues in further depth.

Very truly yours,

Joe

Joe L. Hayes
SPEAKER OF THE HOUSE

JLH:jkd

Suggested by Cable TV by HB 274

SENATE AMENDMENT

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: 29

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

Page 33, line 29, insert:

"(28) 29.35.075 (disputes and conflicts with state certificated utilities)"

Page 77, after line 3, insert:

"(c) This section applies to home rule and general law municipalities."

Page 77, line 4-19, delete Section 29.35.070 and insert:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service, and may fix, establish, and change the rates and the charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or otherwise specifically prohibited by law.

(b) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality establishing

the procedures for regulating service and procedures for establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(d) This section applies to home rule and general law municipalities.

Page 77, after line 19, insert:

"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES. (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251.

(b) In case of a conflict between the provisions of AS 29.35.070 or AS 42.05 or an action taken under either as to the regulation of service, rates or charges of a utility, the provisions of AS 42.05.641 apply.

(c) This section applies to home rule and general law municipalities.

Page 195, after line 19, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711."

Renumber following sections accordingly.

SENATE AMENDMENT

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

Transfer

PAGE: 74 LINE: 9

Delete "utility services,"

Page 77, after line 17, insert:

"(d) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain and operate utility facilities together with necessary interests in real property outside its municipal boundaries."

Page 77, line 18, delete:

"(d)" and insert "(e)"

Service area cert. from APUC.

Dallas Seven

1. Not a tamper
   H. K. Commencement
   production ± planned

fed Ct pow diffed
does Govt Rep Authority to defeat Fed law.

Roger Ford go Belt Cop

1. Tucker
2. Clayton
3. Phillips

his is mad at me.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

May 20, 1983

Bob Harris
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

FILE: HB 172

SUBJECT: Substitute Utility Language
for Title 29 Revision

Dear Bob:

If the House Community and Regional Affairs Committee would like to consider alternative language to that which has been proposed for the utilities section of the Title 29 revision, may I suggest the following. This language, I believe, accommodates the interests of the municipalities and of the utilities. It would exempt from municipal regulation those utilities, including co-ops, which have elected to exempt themselves from APUC regulation by a vote of the subscribers or members. It would also exempt from municipal regulation those small electric, telephone and garbage utilities which are presently exempt from APUC regulation but which may come under APUC regulation if 25% of the subscribers petition the commission for regulation. In addition, it would exempt from municipal regulation those utilities which the APUC itself exempts upon a finding of no legitimate public interest in regulation if the commission also finds that the utility should also be exempt from municipal regulation. If cable TV is given an exemption from APUC regulation, and the legislature believes that it should also be exempt from municipal regulation, a simple amendment to the following language making reference to the statute exempting cable TV would extend the exemption to municipal regulation of cable TV also. The substitute language would be as follows:

page 77, Line 7. AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).

(b) A municipality may not regulate a utility

White

(1) to the extent it is subject to regulation under AS 42.05; or

(2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or

(3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(e), (f), (g), (h) or (i); or

(4) specifically exempted by law from municipal regulation.

(c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(e) This section applies to home rule and general law municipalities.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr

PROPOSED AMENDMENT TO

HB 172

Page 33, after line 28, insert:

"(26) AS 29.35.060 (franchise and permits)"
Renumber following paragraphs accordingly.

Page 33, after line 29, insert:

"(28) AS 29.35.075 (disputes and conflicts with state certificated utilities)"
Renumber following paragraphs accordingly.

Page 74, line 12, delete:

"utility services,"

Page 77, after line 6 add a new subsection to read:

"(c) This section applies to home rule and general law municipalities."

Page 77, lines 7 through 22, delete present language and replace it with the following:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly for the area outside all cities in the borough and the council acting for the area in a city may regulate a utility service and fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or other law.

(b) A municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing

rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

(e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

(g) This section applies to home rule and general law municipalities."

Page 195, after line 22, add a new section to read:

"* Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(k) A public utility that is exempt or partially exempt under (d) through (j) of this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a muncipality."

H O U S E P R I O R I T Y B I L L S T A T U S 5/30/83

BILL #	ABBREVIATED TITLE	CURRENT STATUS	DATE
HB 6	RE: DRIVING A MOTOR VEHICLE	IN (S) JUDICIARY	5/19/83
HB 7	RE: MOTOR VEHICLES; ED	IN (S) LABOR & COM	5/23/83
HB 8	RE: JUDICIAL RETENTION ELECTIONS; ED	IN (S) RULES	5/25/83
HB 10	RE: IMITATION CONTROLLED SUBSTANCES	IN (S) JUDICIARY	5/26/83
HB 17	ADVISORY VOTE/DRINKING AGE TO 21	IN (S) JUDICIARY	5/18/83
HB 33	SPEC APPROP/DOTPF/CRIME LAB IN ANCHORAGE; E	IN (S) RULES	5/26/83
HB 42	RE: POPULATION/CALCULATE STATE AID; ED	IN (S) FINANCE	5/25/83
HB 58	RE: COUNSELING/TREATMENT REQ'D BY COURT/COR	IN (S) HESS	4/27/83
HB 67	RE: USE/PUBLIC MONEY/PMT/NON-RESIDENTS	IN (S) LABOR & COM	5/13/83
HB 79	REPEAL DISQUALIFICATION/JUDGE/CHG RULE 10&2	IN (S) JUDICIARY	5/17/83
HB 89	REPEAL TAX CREDIT/POLITICAL CONTRIBUTIONS;	IN (S) FINANCE	5/27/83
HB 109	RE: PERSONS 16 OR 17/CHARGED/FELONIES/WAIVE	IN (S) HESS	5/03/83
HB 126	LIMIT LIABILITY/AIRCRAFT OWNERS/INJURY/PASS	IN (S) LABOR & COM	5/19/83
HB 128	RAISE PENALTIES/CHILD PROSTITUTION; ED	IN (S) JUDICIARY	5/20/83
HB 130	RE: HOMESTEADS; ED	IN (S) RESOURCES	4/26/83
HB 165	RE: PUBLIC OFFICES CMSN	IN (S) FINANCE	5/20/83
HB 202	INCREASE LIQUOR TAX; ED	IN (S) RULES	5/19/83
HB 210	RE: PAYMENT FOR PURCHASES BY THE STATE; ED	IN (S) LABOR & COM	5/18/83
HB 214	RE: NUMBER OF SUPERIOR COURT JUDGES; ED	IN (S) FINANCE	5/17/83
HB 243	RE: DAY CARE/DISABLED CHILDREN	IN (S) FINANCE	5/26/83
HB 251	RE: STATE SUPPORT FOR EDUCATION; ED	IN (S) RULES	5/19/83
HB 258	ESTAB SPECIAL INVESTMENT TAX CREDIT; ED	IN (S) STATE AFFAI	5/23/83
HB 270	RE: CHILD PORNOGRAPHY	IN (S) JUDICIARY	5/26/83
HB 294	ESTAB AK TOLL BRIDGE AND CAUSEWAY AUTHORITY	IN (S) TRANSPORTAT	5/19/83
HB 295	SPEC APPROP/KNIK ARM CROSSING/AK TOLL BRIDG	IN (S) TRANSPORTAT	5/19/83
HB 302	RE: STATE HOUSING LOANS; ED	IN (S) LABOR & COM	5/23/83
HB 306	RE: BURIAL ALLOWANCES FOR VETERANS	IN (S) STATE AFFAI	5/12/83
HB 311	RE: WORKERS' COMPENSATION; ED	IN (S) FINANCE	5/23/83
HB 312	RE: HARMING A POLICE DOG; ED	IN (S) RULES	5/17/83
HB 314	SPEC APPROP/LAA/JOINT OIL & GAS CMTE; ED	IN (S) RULES	5/06/83
HB 323	RE: RESIDENCY AND RESIDENCY REQUIREMENTS; E	POSTPND 5/30/83(H)	5/27/83
HB 345	RE: VICTIM'S RIGHTS IN SENTENCING FELONS	IN (H) RULES	5/26/83
HB 375	RE: ACCESS/CERTAIN CRIMINAL JUSTICE INFORMA	IN (S) FINANCE	5/27/83
HB 381	RE: WHOLESALE PRICES FOR SALMON; ED	IN (S) FINANCE	5/25/83
HB 409	RE: PRIMARY & GENERAL ELECTIONS	FAILED (H)	5/23/83
HJR 2	AM AK CONSTITUTION/LENGTH OF SESSION	IN (S) JUDICIARY	5/25/83
HJR 5	AM AK CONST/RE:ANNUL REGULATIONS/LEGISLATUR	IN (S) RULES	5/17/83
HJR 7	AM AK CONSTITUTION/RE: ELECTIONS/ATTY GENER	IN (S) JUDICIARY	5/27/83
HCR 2	RE: TRAVEL/SNR CITIZENS/VESSELS/AK MARINE H	IN (S) RULES	5/19/83

S E N A T E P R I O R I T Y B I L L S T A T U S 5/30/83

BILL #	ABBREVIATED TITLE	CURRENT STATUS	DATE
SB 7	APPROP/DOTPF/LOCAL SERVICE ROADS/TRAILS; ED	IN (H) FINANCE	4/26/83
SB 18	SPEC APPROP/CAPITAL PROJECTS/ELEMENTARY/SEC	IN (H) FINANCE	5/09/83
SB 19	SPEC APPROP/POST SEC EDUCATION/CAPITAL PROJ	IN (H) FINANCE	5/03/83
SB 40	SPEC APPROP/APPROP TRANSFER/SETTLEMENT/AK/U	IN (H) RULES	5/20/83
SB 41	RE:TRANSFER U OF AK LAND/DEPT/NAT RES TO U	IN (H) RULES	5/20/83
SB 51	ESTAB SHUYAK ISLAND STATE PARK; ED	IN (H) RESOURCES	4/12/83
SB 53	AUTHORIZE MUNIS/EXEMPT INVENTORIES/TAX; ED	IN (H) RULES	5/25/83
SB 55	RE: COLLECTIVE BARGAINING; ED	IN (S) FINANCE	3/03/83
SB 63	RE: AK COMMISSION/STATUS OF WOMEN; ED	IN (H) RULES	5/18/83
SB 93	ESTAB ENDOWMENT/PHYSICAL SCIENCES/UNIV OF A	IN (H) HESS	5/21/83
SB 97	SUPPL APPROP/DEPT/HEALTH & SS/BETHEL SOCIAL	IN (H) RULES	5/25/83
SB 98	SUPPL APPROP/MUNIS/UNICORPORATED COMMUNITIE	IN (H) FINANCE	4/15/83
SB 105	AM APPROP/CH 90 SLA 1981/AK POWER AUTH/SNET	IN (H) RULES	5/26/83
SB 108	ESTAB FAIRBANKS STATE FOREST/MANAGEMENT PRO	IN (H) FINANCE	5/27/83
SB 120	RE: SOIL AND WATER CONSERVATION; ED	IN (H) RESOURCES	5/21/83
SB 124	AM AK AGRICULTURAL LOAN ACT (AS 03.10); ED	IN (H) RULES	5/26/83
SB 128	ESTAB MARINE PARK UNITS/AK STATE PARKS SYST	IN (H) FINANCE	5/12/83
SB 132	ESTAB AK ADMINISTRATIVE JOURNAL; ED	IN (H) STATE AFFAI	5/12/83
SB 136	RE: OPERATION/STATIONARY FISHING GEAR; ED	IN (H) RULES	5/18/83
SB 137	REQUIRE/LOBBY/REGULATION (AS 24.45); ED	IN (S) RULES	5/17/83
SB 151	RE: REGIONAL RESOURCE DEVELOPMENT AUTHORITI	IN (H) FINANCE	5/27/83
SB 152	RE: DIV/BUDGET & MGMT/DPDP/COASTAL MGMT; ED	IN (H) RULES	3/28/83
SB 168	RE: AK POWER AUTHORITY; ED	IN (S) RULES	5/26/83
SB 169	ESTAB AK GRAIN RESERVE/LOAN FUND; ED	RET (S) RULES	5/25/83
SB 174	RE: EMPLOYMENT PREFERENCES/STATE RESIDENTS;	IN (H) LABOR & COM	5/26/83
SB 194	RE: KUSKOKWIM ICE CLASSIC	IN (H) RULES	5/20/83
SB 203	RE: ASSESS OIL TRANSPORTATION FACILITIES; E	IN (S) FINANCE	3/24/83
SB 215	AK PERMANENT FUND INCOME PAY LONGEVITY BONU	IN (H) FINANCE	5/27/83
SB 216	RE: MINING LEASE LOCATIONS/CLASSIFICATION/S	IN (H) RULES	5/26/83
SB 229	SPEC APPROP/UNIVERSITY/AK/CAPITAL PROJECTS;	IN (H) FINANCE	5/05/83
SB 230	RE: PERMANENT FUND DIVIDEND DISTRIBUTION PR	IN (H) RULES	5/20/83
SB 256	SPEC APPROP/PURCHASE SHELDON JACKSON MUSEUM	IN (H) FINANCE	5/21/83
SB 257	RE: STANDARDS OF CONDUCT/LEGISLATORS; ED	IN (H) JUDICIARY	5/25/83
SB 265	RE: PERMITS/GAMES OF CHANCE/CONTESTS OF SKI	IN (H) STATE AFFAI	5/26/86
SJR 1	RE:PROPOSAL/CONGRESS/EQUAL RIGHTS AMENDMENT	IN (H) RULES	5/20/83
SJR 3	AM AK CONSTITUTION RE AGRICULTURAL RIGHTS/S	RET (S) RULES	5/11/83
HB 181	RE: REGULATION/PSYCHOLOGICAL ASSOCIATE EXAM	IN (S) RULES	5/04/83
SB 150	APPROP/DEPT/ENVIRON CONSERV/DEPT/ED/WATER &	IN (H) FINANCE	4/20/83
SB 158	REAPPROPRIATIONS/APPROPRIATION ADJUSTMENTS;	IN (S) FINANCE	4/29/83

*** *** *** *** *** *** *** ***

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

M E M O R A N D O M

TO: Committee on Community and Regional Affairs

From: Staff

Date: May 20, 1983

Re: Amendments to HB 172

The Committee has completed action on proposed amendments One through eight; except that representatives of the Cape Fox Corporation were offered an opportunity to prepare new language for amendment No. 8.

Amendment No. 8 deals with a definition of developed lands for tax exempt status. A revised definition has been prepared for Committee review.

Amendment No.9 has been requested by representatives of the Alaska Rural Electric Cooperative Association. A staff summary has been prepared in an attempt to clarify the basis of the issue.

Following Committee decision on the above proposed amendments, staff will request a Committee Substitute HB 172 that will incorporate all approved amendments.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM March 3, 1983

SUBJECT: Impact of land use regulation on development of energy resources (Work Order No. 13-0881)

TO: Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel TBC

You have asked whether the changes in HB 172 to the provisions dealing with land use regulation discourage development of energy resources as compared to existing laws that authorize land use regulation by municipalities.

Under AS 29.33.090 a municipality is required to regulate the use of land in accordance with a comprehensive plan through zoning by districts. The zoning regulations must be uniform for each type of building or area within a particular district, but the regulations may differ between the various districts. In addition, a municipality is authorized to rezone property to a less restricted use if the owner of the property agrees to place restrictions on the use of the land beyond those restrictions imposed under the general zoning requirements. Subsection (b) of that section contains a list of the types of restrictions that may be imposed through zoning. While paragraphs (2) - (6) deal with very specific restrictions relating to buildings, paragraph (1) grants broad authority to restrict "land use". It should be noted that the list is by way of example of various zoning restrictions and does not limit the types of restrictions that a municipality may impose through zoning. However, under this section a municipality is authorized to regulate land use only through zoning and may not use other land use techniques.

In contrast to existing law, under sec. 29.40.040 of HB 172, a municipality may implement the comprehensive plan through zoning, land use permit requirements, or any other method of

land use regulation. To the extent that greater flexibility is authorized in the implementation of a comprehensive plan, HB 172 makes it more practical for a municipality to adopt measures that may have the effect of discouraging the development of energy resources. Nevertheless, under both HB 172 and under existing law a municipality has the general authority to regulate land use regardless of whether this regulation places burdens on the development of energy resources and thereby discourages that development. In addition, the change in HB 172 that allows municipalities to use other techniques in addition to zoning impacts only general law municipalities, since under existing law home rule municipalities are not limited to the use of zoning in regulating land use.

In considering whether the changes in HB 172 may discourage development of energy resources it is necessary to determine whether the power to regulate land use has been significantly expanded under this bill with respect to each class of municipality. Under secs. 29.10.200(32), 29.35.180(b), 29.35.250(c), and 29.35.260(c) of HB 172, a home rule borough and home rule city in the organized borough or in the third class borough must provide for land use regulation, but a home rule municipality is not bound by the general provisions dealing with land use regulation set out in Title 29. Under existing law, although some provisions appear contradictory, most home rule municipalities are not required to provide land use regulation, nor are they restricted from providing land use regulation. A home rule municipality that does regulate land is not required to comply with provisions contained in Title 29 dealing with land use regulation except for provisions dealing with zoning and platting of state land (AS 29.13.100(37) and (39)). The general requirement that boroughs provide for planning, platting and zoning contained in AS 29.33.070 is not a home rule limitation. Under AS 29.43.040 home rule cities in third class boroughs and outside boroughs are required to provide for planning, platting and zoning ". . . as provided for boroughs". This is a home rule limitation under AS 29.13.100(12). Since, under AS 29.43.010, powers incorporated by reference to laws governing boroughs apply to home rule cities outside boroughs only if applicable to home rule boroughs and home rule boroughs are not required to provide for planning, platting and zoning, the net result is that only home rule cities in third class boroughs are required to provide land use regulation.

In summary, under HB 172, home rule boroughs and home rule cities in the third class borough or in the unorganized borough must provide land use regulation, but need not comply with provisions dealing with land use regulation contained in Title 29. Under existing law, only home rule cities in the third class borough are required to provide land use regulation, but home rule boroughs and home rule cities in the unorganized borough are not prohibited from providing land use regulation. No home rule municipality must comply with provisions contained in Title 29 dealing with land use regulation, with the minor exception of the provisions dealing with state land. The changes in HB 172 do not appear to confer broader authority upon home rule municipalities than they now have in the area of land use regulation, and consequently should not present any special discouragement to the development of energy resources in home rule municipalities.

HB 172 does not appear to expand the authority of the various classes of general law municipalities to provide land use regulation. As in existing law, these must comply with specific provisions regarding land use regulation contained in Title 29. Under AS 29.33.070, first and second class boroughs must provide for planning, platting and zoning. Under secs. 29.35.180(a) and 29.40.010 of HB 172 first and second class boroughs must provide for land use regulation. AS 29.41.010(b) allows third class boroughs to exercise the power of planning, platting and zoning in service areas. Secs. 29.35.220 and 29.35.300(b) of HB 172 provide for exercise of the power of land use regulation by third class boroughs in service areas. AS 29.43.040 authorizes first class cities and second class cities in the unorganized borough or in the third class borough to provide for planning, platting and zoning. Secs. 29.35.250 and 29.35.260 of HB 172 grant the same authority to regulate land use to these cities. HB 172 does not grant the power to regulate land use to any general law municipality that does not have that power under existing law, so, in that respect, does not present additional impediments to development of energy resources.

TBC:ljb
9/039

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

AGNEDA FOR APRIL 25, 1983

1). Call to order.

2). Roll Call.

3). The first item of business will be HB 172.
"An Act relating to municipal government and providing for an effective date."

4). Witnesses presentation/testimony.

5). The second item of business will be CSSB 317.
"An Act relating to state revenue sharing and municipal assistance programs; establishing a program of aid for unincorporated communities and providing for an effective date."

6). Witnesses presentation/testimony.

7). Closing.

8). Adjournment.

Alaska State Legislature

House of Representatives

REVISED

Agenda for Week of May 9th to May 13th

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Monday, May 9th
3:15 p.m.

Butrovich Rm.
M-W-F

CS SB 151 "An Act relating to Regional Resource Development Authorities; and providing for an effective date."

CS HB 377 "An Act Financing regional transportation facilities by the Alaska Industrial Development Authority; and providing for an effective date."

CS SB 67 "An Act relating to the relocation of utility facilities incident to the construction of road or highway projects by a municipality; and providing for an effective date."

Tuesday, May 10th
3:15 p.m. - ~~RM 102~~ HOUSE JUDICIARY

HB 172 "An Act relating to municipal government and providing for an effective date."

** HB 396 "An Act relating to certain audit and financial statement requirements."

Wednesday, May 11th
3:15 p.m.

** HB 328 "An Act relating to subdivisions of state lands."

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

Friday, May 13th
3:15 p.m.

SB 53 "An Act authorizing municipalities to exempt business inventories from taxation; and providing for an effective date."

Bills in Committee.....

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

HOUSE C & R A COMMITTEE AGENDA

March 17, 1983

1. Call to Order
2. Roll Call
3. Today's Agenda - HB 172
4. Closing
5. Adjournment

BILL SHEFFIELD
GOVERNOR

HB172

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 7, 1983

The Honorable Joe L. Hayes
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill revising the municipal code (AS 29). By our using the data base prepared by the Legislative Affairs Agency, this bill is identical to the bill introduced this session as Senate Bill No. 1, except for the correction of a typographical error (page 35, line 5 -- "overridden"), the justification of the right-hand margin on several pages, and 11 rather technical changes that are described below. The bill was modeled on the bill approved last session by the House Finance Committee as HCS CSSB 180 (Fin). A detailed section-by-section analysis of SB 1 is being prepared by the Legislative Affairs Agency.

The bill does not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982 veto message for HCS CSSB 180(Jud) am H. See 1982 Senate Journal, pages 1788 -- 1792. This bill makes many non-controversial improvements to our municipal code and I urge its prompt consideration and passage. It is my hope that the AS 29 issues on which last year's amendments created such a controversy will be addressed by separate legislation so that this needed code revision is not once again delayed.

For your convenience in comparing SB 1 and this bill, here is a list of the 11 changes from SB 1 which are contained in this bill (with page and line numbers referring to SB 1):

1. page 8, line 26 -- following "council" the phrase "in a first class city" is added;

2. page 11, line 1 -- between the words "city" and "incorporated," the phrase "in the unorganized borough" is added;

3. page 29, line 8 -- following the first use of "commission," the phrase "of seven elected members" is added;

4. page 29, lines 14 and 15 -- following "shall be" on line 14, the phrase "prepared by the petitioners and" is added and the word "incorporation" is deleted; following "petition" on line 15, the phrase "to incorporate a home rule municipality" is added;

5. page 62, line 3 -- a sentence to read "The runoff election shall be between the two candidates receiving the greatest number of votes for the seat." is added to sec. 29.26.060(c);

6. page 63, lines 7 and 26, and page 64, line 15 -- replace the words "bill" and "Act" with the phrase "ordinance or resolution";

7. page 82, line 18 -- following "emergency," the word "services" is added, and following "center," the phrase "under AS 29.35.130" is added;

8. page 85, lines 4 and 5 -- subsection (c) is amended as follows:

> (c) A third class borough acquires an additional power to exercise in a service area in accordance with AS 29.35.490(b) and (c) [AREAS BY HOLDING AN ELECTION ON THE QUESTION IN WHICH EACH PERSON WHO IS A VOTER OF THE BOROUGH MAY VOTE].

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> (b) For purposes of determining payments to eligible persons, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax [AT THE RATE OF ONE PERCENT PER MILL].

10. page 161, line 20 -- "29.60.120" is replaced with "29.60.130;"

11. page 182, line 1 -- following "general law," the phrase "first or second class" is deleted.

Sincerely,

Bill Sheffield
Governor

HB 172

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 172
Title "An Act Relating To Municipal Government"
Requested by Committee by request of Governor Date

II. FISCAL DETAIL
Agency Affected Dept. of 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	0	100.0	150.0	625.0		

FUNDING (Thousands of Dollars)

GENERAL FUND	0	100.0	150.0	625.0		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1/27/83 PREPARED BY Terry Farley
AGENCY Community & Regional Affairs
PHONE 465-4730

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

33-001 (Rev. 12/82)

HB 172

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

HB 172 was accompanied by a fiscal note which appears in House Journal Supplement No. 4, and the following letter:

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill revising the municipal code (AS 29). By our using the data base prepared by the Legislative Affairs Agency, this bill is identical to the bill introduced this session as Senate Bill No. 1, except for the correction of a typographical error (page 35, line 5 -- "overridden"), the justification of the right-hand-margin on several pages, and 11 rather technical changes that are described below. The bill was modeled on the bill approved last session by the House Finance Committee as HCS CSSB 180 (Fin). A detailed section-by-section analysis of SB 1 is being prepared by the Legislative Affairs Agency.

The bill does not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982 veto message for HCS CSSB 180(Jud) am H. See 1982 Senate Journal, pages 1788 -- 1792. This bill makes many non-controversial improvements to our municipal code and I urge its prompt consideration and passage. It is my hope that the AS 29 issues on which last year's amendments created such a controversy will be addressed by separate legislation so that this needed code revision is not once again delayed.

For your convenience in comparing SB 1 and this bill, here is a list of the 11 changes from SB 1 which are contained in this bill (with page and line numbers referring to SB 1):

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Governor

HB

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#4

Sec. 29.48.010. GENERAL POWERS.

Municipalities have the following general powers, subject to other provisions of law:

(1) to establish and prescribe the functions of municipal departments, offices or agencies;

(2) to establish and prescribe salaries for the elected and appointed municipal officers and employees;

(3) to make investigations of the affairs of the municipality and make inquiries into the conduct of a municipal department;

(4) to enter into agreements, including those for cooperative or joint administration of any functions or powers with a local government, with the state, or with the United States;

(5) to require periodic and special reports from a municipal department to be submitted through the municipal executive;

(6) to sue and be sued;

(7) to levy taxes and special assessments;

(8) to enforce ordinances and to prescribe penalties for violations;

(9) to acquire, manage, control, use and dispose of real and personal property for a purpose authorized under AS 29.03.010 - 29.95.030, federal law, or other law, or in accordance with such law, and irrespective of whether or not the property is situated within or outside the municipal boundaries; this power includes the power of a second class borough to expend, for any purpose

authorized by law, money received from the disposal of land in a service area created under AS 29.63.090(f);

(10) to acquire membership in organizations which promote legislation for the good of the municipality;

(11) to expend funds for community purposes for the good of the municipality;

(12) to borrow money and issue evidences of indebtedness.

Sec. 29.48.030. MUNICIPAL FACILITIES AND SERVICES.

(a) A municipality may exercise the powers necessary to provide the following public facilities and services:

(1) streets and sidewalks;

(2) sewers and sewage treatment facilities;

(3) harbors, wharves, and other marine facilities;

(4) watercourse and flood control facilities;

(5) health services and hospital facilities;

(6) cemeteries;

(7) police protection and jail facilities;

(8) cold storage plants;

(9) telephone systems;

(10) light, power and heat;

(11) water;

(12) transportation systems;

(13) community centers;

(14) libraries, visual or performing arts centers, or museums;

(15) recreation facilities;

(16) airport and aviation facilities;

(17) garbage and solid-waste collection and disposal service and facilities subject to AS 29.48.033;

(18) fire protection service and facilities, not in conflict with AS 18.70.075, but not limited to AS 18.70.075;

(19) parking and parking facilities;

(20) housing and urban renewal, rehabilitation and development;

(21) preservation, maintenance and protection of historic sites, buildings and monuments;

(22) consumer protection;

(23) emergency medical services and facilities.

(b) First and second class boroughs may exercise the powers conferred by (a) of this section or sec. 33(a) of this chapter only after they have been assumed in the manner required under AS 29.33.250 - 29.33.290 for areawide exercise or in the manner required under AS 29.38.010 - 29.38.050 for exercise in the borough area outside cities, or are conferred by sec. 20 of this chapter for exercise in the borough area outside cities. However, as to powers conferred under (a) (12) of this section, exercise of the powers areawide or in the borough area outside

cities is at the option of the borough and is not subject to those restrictions on acquisition of additional borough powers. With respect only to boroughs which on September 10, 1972 are not exercising powers conferred under (a) (12) of this section on an areawide basis, objection which a city may raise to areawide exercise of the powers by a borough shall be reviewed by the Alaska Transportation Commission. The commission shall decide whether exercise of the powers exclusively by the borough areawide is to be approved as in the public interest under the particular facts and circumstances at issue.

Sec. 29.48.035. REGULATORY POWERS.

(a) A municipality may regulate the operation and use of its public rights-of-way, public facilities and services. It may also regulate the following:

(1) vehicle, pedestrian, and other traffic, and licensing and operation of motor vehicles, including snow vehicles and off-highway vehicles, and operators not inconsistent with AS 28.01.010;

(2) licensing of drivers of taxicabs, for-hire automobiles, motor buses, or other vehicles for the transportation of passengers or baggage not inconsistent with AS 28.01.010;

(3) vehicle parking not inconsistent with AS 28.01.010;

(4) transportation fares;

(5) licensing, impounding and disposition of animals;

(6) selling of goods;

(7) selling of food;

(8) abandoned property;

(9) dangerous and disorderly conduct;

(10) alcoholic beverages as provided by AS 04.21.010;

(11) recreational devices as provided by AS 05.20.100;

(12) control of insects and rodents;

(13) offering for sale, exposure for sale, sale, use, or explosion of fireworks;

(14) building, housing and related codes, which may be provided by cities within cities or, in the manner required in (b) or (c) of this section, by first or second class boroughs in the borough area outside cities or areawide, subject to the following:

(A) exceptions to requirements of the codes may be made in the codes among other reasons, in order to provide for the preservation, maintenance and protection of historic sites, buildings and monuments;

(B) codes may not be used to prohibit or restrict the development or use of solar or wind energy unless the assembly or council finds that the development or use of solar or wind energy would endanger the health or safety of the public;

(15) condemnation and abatement of public nuisances and hazards;

(16) garbage and solid-waste collection and disposal;

(17) water pollution control;

(18) air pollution control as provided in AS 46.03.140 - 46.03.240;

(19) other powers and functions affecting the general health, safety, well-being and welfare of its inhabitants;

(20) licensing of day care facilities.

(b) First and second class boroughs may exercise the powers conferred by (a) of this section only after they have been assumed in the manner required under AS 29.33.250 - 29.33.290 for areawide exercise or in the manner required under AS 29.38.010 - 29.38.050 for exercise in the borough area outside cities or are conferred by AS 29.48.020 for exercise in the borough area outside cities. However, as to powers conferred under (a)(5), (17), (18) and (20) of this section, exercise of the powers areawide or, as to (a)(5), (17) and (20), in the borough area outside cities is at the option of the borough and is not subject to those restrictions on acquisition of additional borough powers. Upon adoption of a borough ordinance to provide for areawide exercise of the powers specified, no home rule or general law city within the borough may exercise the powers, unless the borough ordinance provides otherwise or the borough by subsequent ordinance ceases to exercise the power.

(c) The provisions of (b) of this section notwithstanding, boroughs which on September 10, 1972 are exercising building, housing or related code powers, except as those code powers relate to flood control, on an areawide basis or in the borough area outside cities shall, subject to acquisition of the powers on an areawide basis by transfer or election as provided in (b) of this section, exercise the powers in the borough area outside

cities and, upon agreement of the city and borough, within any city, home rule or otherwise, in which the powers are being exercised on September 10, 1972; if the city does not agree to continue borough exercise of the powers within the city, the city shall exercise the powers within the city.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

FEB 25 1983

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

M E M O R A N D U M

February 24, 1983

SUBJECT: Recall of municipal officials
(Work Order No. 13-0837)

TO: Representative Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have asked what the responsibility of the clerk is in reviewing recall petitions for sufficiency.

What a recall petition must contain and the method of determining the sufficiency of a petition depends on the specific statute involved and these types of laws vary from state to state. Some statutes require only a general statement of the grounds for recall and an official may be recalled for purely political reasons. However, other statutes require grounds for recall that are more than simple disagreement with matters of policy and the grounds stated must actually constitute misfeasance, malfeasance or nonfeasance in office. McQuillan, Municipal Corporations, vol. 4, sec. 12.251b: Noel v. Oakland County Clerk, 284 N.W.2d 761 (Michigan 1979); Bent v. Ballantyne, 368 S.2d 351 (Florida 1979); Tolar v. Johns, 147 S.2d 196 (Florida 1962); Jacobsen v. Nagel, 96 N.W.2d 569 (Minnesota 1959).

Where petitioners are required to state only general grounds, the recall petition need not state the cause for removal with the same particularity as where the requirement is that reasons for removal be stated clearly. The purpose of a general statement of grounds is to furnish information to electors upon which a political and not a legal issue may be raised. Under statutes providing that a statement of grounds for recall is for the information of the electors, the question of the sufficiency of those grounds is also for the electors, but under provisions authorizing recall for malfeasance or similar language, the sufficiency of the grounds provided is a legal question. 63 Am. Jur.2d, Public

Officers and Employees, sec. 245; Pybus v. Smith, 141 P. 203 (Washington 1914).

Statutory provisions as to recall are to be liberally construed in favor of the electorate's right to exercise recall. Hazelwood v. Saul, 619 P.2d 199 (Colorado 1980). Under this principle and in the absence of statutory language limiting the recall to specific, indicated reasons, the adequacy of grounds stated in a petition is treated as a political matter and courts refuse to enjoin recall petitions on complaints that charges are insufficient. However, where recall is limited to specified grounds of malfeasance or similar language it is generally held that

> . . . petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Municipal Corporation Law, sec. 22.200, pages 22-304 - 22-305.

The officer designated to ascertain the sufficiency of a petition in a particular statute may be required to determine legal sufficiency rather than matters of form only. Unless an appeal is specifically provided for, the officer's determination as to sufficiency of a recall petition is final and subject only to judicial correction if the determination is capricious, arbitrary, or plainly erroneous as a matter of law. McQuillan, supra., vol. 4, sec. 12.251(d); Hold v. Trantham, 575 S.W.2d 83 (Texas 1979).

Article XI, section 8 of the Constitution of the State of Alaska provides:

> All elected public officials, in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedure and grounds for recall shall be prescribed by the legislature. (Emphasis added)

In carrying out this constitutional responsibility the legislature has provided under AS 29.28.140 that misconduct in office, incompetence, and failure to perform prescribed duties are the grounds for recall. In addition, under AS 29.28.150(a)(3), a petition for recall must contain ". . . a statement of the grounds of the recall stated with particularity as to specific instances". (Emphasis added)

The municipal clerk is required to review the petition ". . . for content and signatures . . ." under AS 29.28.160.

These statutory provisions dealing with recall have not been judicially construed by the Supreme Court in this state, so it cannot be determine with certainty whether the clerk is required to review the petition for signatures and form only or whether the clerk must determine as a legal matter whether the specific instances set out in a petition, if true, constitute misconduct in office, incompetence or failure to perform prescribed duties. Under the principles set out previously in this memorandum it appears that the clerk is required to determine whether the specific instances set out support a claim of misconduct in office, incompetence or failure to perform prescribed duties because AS 29.28.150 demands more than just a general statement of the grounds for recall and does not specifically indicate that the stated grounds are for the information of the voters only.

Under both versions of the bill revising Title 29, SB 1 and HB 172, the grounds for recall remain unchanged although the procedure for recall has been substantially changed. Nevertheless, an applicant for a recall petition under Sec. 29.26.260(a)(3) is still required to set out the grounds ". . . with particularity". The clerk must prepare a recall petition only if the clerk determines that the application for the petition meets the requirements of AS 29.26.260, including the requirement that grounds be ". . . stated with particularity" (Sec. 29.26.280). After a petition is filed the clerk must again determine whether the petition is sufficient and, if insufficient, ". . . identify the insufficiency and notify the sponsors. . ." (Sec. 29.-26.290). It seems clear that since the clerk must identify the insufficiency, a determination of sufficiency is not limited to review of signatures, even though (b) and (c) of the section only provide for correcting a petition insufficient for lack of signatures. It appears under these sections that the clerk would still be required to determine whether the grounds stated, if true, actually constitute misconduct in office, incompetence, or failure to perform prescribed duties.

I believe that this interpretation conforms to the intent of the policy committee that produced the original version of a Title 29 revision bill. There was considerable discussion of the recall provisions by that committee and at one point

the committee considered requiring only a general statement of reasons for recall and allowing recall to proceed upon purely political grounds. It was even suggested that grounds for recall be eliminated entirely. That approach was specifically rejected by the committee. Consequently, I would recommend that HB 172 be amended to clearly reflect the fact that the clerk is to review a recall petition for form and signatures only, and not to determine whether grounds stated actually constitute misconduct in office, incompetence, or failure to perform prescribed duties, if that is the result intended by the legislature.

TBC:ljb

Municipality of Anchorage

MEMORANDUM

RECEIVED
JAN 14 1983
CITY-BOROUGH ATTORNEY

DATE: January 11, 1983

TO: Municipal Clerk

FROM: Municipal Attorney

SUBJECT: Petition for Recall of Gerry O'Connor, Assemblyman, Section 2, Seat C

ISSUE PRESENTED

Are the grounds set forth in the above referenced recall petition sufficient as a matter of law under the provisions of AS 29.28.150 to permit a submission by the Clerk to the Municipal Assembly for the purpose of calling an election pursuant to AS 29.28.200?

CONCLUSION

The above referenced petition is legally insufficient and no recall election may therefore be called. Under AS 29.28.160 - .170, the Municipal Clerk is required within 10 days of submission to examine the sufficiency of the recall petition, both as to the adequacy of signatures and for content with respect to compliance with AS 29.28.130 - .150. On the basis of the authorities and the reasoning referenced below, it is my opinion that an individual assembly member's vote on an ordinance approving the municipal budget cannot, as a matter of law, constitute misconduct in office, incompetence, or failure to perform prescribed duties under the meaning of AS 29.28.140, if that vote was in compliance with state and municipal law governing ethics and conflicts of interest and if the measure passed was in all respects a lawful action.

DISCUSSION

The necessity and sufficiency of specific grounds to support a recall petition is a matter governed by applicable constitutional or statutory provisions. For this reason, the weight given to various legal precedents from other jurisdictions depends on an examination of the specific legal framework involved. Generally, there would be no examination of the legal sufficiency of grounds where the governing statute permits removal from office for any reason or where grounds must be stated in a general manner. This is the case in many states, including, for example, Colorado, Michigan, Oklahoma and Wisconsin. In those states, it is held that recall can be based merely on a disagreement with the policies of the officeholder. A different rule applies, however, where, as in Alaska, the governing statute dictates that only certain grounds are suf-

ficient and that those grounds must be stated "with particularity" and be based on "specific instances". The rule is well stated by Antieau in his treatise on the Law of Municipal Corporations:

> Generally, courts refuse to allow recall proceedings to go forward where the grounds or charges stated in the petition do not satisfy local constitutions or legislation. Where local constitutions, statutes or charters limit the recall to malfeasance, misfeasance, nonfeasance in office or comparable grounds, it has been held that the petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Local Government Law, § 22.20.

The statute in question clearly applies to home rule municipalities. AS 29.28.130. It is equally clear that the remedy of recall is only available for certain specified reasons comparable to malfeasance, misfeasance, or nonfeasance in office:

> AS 29.28.140 Grounds. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

This degree of particularity coupled with the stated limitation on grounds constitutes by itself a strong implication that it is insufficient to rely merely on a disagreement with the officeholder's policies. The cited statutes would be superfluous if, as under the governing laws of some states, recall could be applied at any time to test the political strength of the legislator. This principle was well articulated by the Supreme Court of West Virginia in the case of State ex rel Perkins v. City Council of City of Parkersburg, 121 S.E. 489:

> To adopt the view of petitioner [that it is sufficient to allege mere political disagreement] would make it unnecessary for the petition to contain any real grounds. The official could be recalled as well on account of his religious beliefs or political affiliations, as for corruption or malfeasance in office; and if those who desire his removal were unsuccessful in one election the process might be continued inde-

> finitely at the expense of the taxpayers. And suppose the faction seeking power through recall of those in office should be successful in the first, second, or third attempt, then the ousted faction could then in turn employ the same in repeated trials to regain its lost prestige, and the interminable wrangle and turmoil would go on. This would result in the fostering and maintaining of political feuds to the detriment of society and the great expense of the taxpayers. 121 S.E. at 493.

Additional support for this conclusion is found in AS 29.28.160 entitled, EXAMINATION FOR SUFFICIENCY. That section requires that the Municipal Clerk review a recall petition for content as well as for signatures. Since a petition is required to contain only dated signatures with addresses and a statement of grounds, the term "content" could refer only to the statement of grounds. Any other conclusion would make the use of the term "content" superfluous. On this point, note that AS 29.28.170(a) provides for a supplemental petition if, and only if, it is rejected on the basis of insufficient signatures. The statute also provides that "if the petition is insufficient for any other reason, it shall be rejected and filed as a public record." (emphasis added). Obvious from the emphasized language, the legislature contemplated that the Clerk's duties include an examination of the petition for compliance with other requirements. This interpretation of the Clerk's authority is consistent with the Alaska Supreme Court's decision in Warren v. Boucher, 543 P.2d 731. In that case, the Court approved the Lt. Governor's determination that an initiative petition was "substantially the same" as a measure passed by the legislature and therefore barred from the ballot. The Court's approval of the Lt. Governor's authority in that case involved a statute which, like the one under analysis here, permitted the highest election officer of the jurisdiction to make certain threshold decisions on the validity of a petition. This is not an unusual position. In the case of Steadman v. Halland, 641 P.2d 448, the Supreme Court of Montana addressed the same issue; "We agree that the statement of grounds for recall to be included in the petition is 'part of the form of the petition' and find that the filing officer not only is 'empowered to' but is required to reject the petition when it does not comply with statutory requirements." (emphasis added) 641 P.2d at p. 453.

The inquiry need not be confined to the governing statute alone as there exists precedent from other states with similar statutory language.

In Jacobsen v. Nagle, 96 N.W.2d 569, the Supreme Court of Minnesota was called upon to apply constitutional and charter provisions similar to those applicable here. That court found that where recall is founded on specific grounds relating to misconduct in office, the allegations must state more than criticism of the officeholder's policies or positions.

The courts of Florida have also ruled that there must be a statement of facts charging specific misdeeds related to performance of office. In the case of Piuer v. Stallman, 198 So.2d 859, for example, the court specifically stated that the valid exercise of a legislative judgment was not grounds for recall. In another case, the court stated that "errors in judgment cannot be sufficient grounds for recall, nor can legitimate and authorized actions, no matter how unpopular they are." Taines v. Galvin, 279 So.2d 9. In Richard v. Tomlinson, 49 So.2d 798, the court held a charge did not sufficiently comply with the statutory language when it merely alleged activities that were "inimical to the best interest of the citizens".

The basis for recall in Washington, like here, is related to malfeasance, misfeasance and nonfeasance in office. The Washington Supreme Court has observed: "Misfeasance or malfeasance...have been held to be comprehensive terms that include any wrongful conduct that affects, interprets, or interferes with the performance of official duties....Additionally, we have held that 'misfeasance' means 'the improper doing of an act an officer might lawfully do; or, in other words, it is the performance of a duty in an improper manner.' Malfeasance means the commission of an unlawful act, or the doing of an act which the person ought not to do at all." Bocek v. Bayley, 505 P.2d 814; State ex rel LaMon v. Westport, 438 P.2d 200.

In addressing the petition in question relating to Assemblyman Gerry O'Connor, it is apparent that the petitioners have alleged two of the three grounds specified in AS 29.28.140, namely incompetence and a failure to perform prescribed duties. With respect to compliance with AS 29.28.150(a)(3) (which requires that the listed grounds be based on a specific instance of conduct) the petition lists only Mr. O'Connor's vote on the 1983 municipal budget. A vague reference is also made to "his other past actions" and "dereliction of duty of his representation of Eagle River and Chugiak", but these later two items are not sufficiently specific to comply with the statute and should therefore be ignored in any analysis of the sufficiency of petition.

In states where the law permits recall to be based on political grounds alone, the above referenced statement (or any statement for that matter) would be sufficient. It is, however, insufficient to support the grounds of incompetence or failure to perform prescribed duties.

Relative to removal from public office, the terms "incompetence" and "dereliction of duty" have well established meanings. 63 Am.Jur.2d, Public Officers, §§ 191-192. The petition describes one act allegedly constituting incompetence. The allegation does not meet judicially defined standards for "incompetence" as that term has been defined by the courts. "Incompetence" means "some demonstrated lack of capacity or ability to perform the professional functions of office", Vivian v. Examining Board of Architects, 213 N.W.2d 359 (Wisc. 1974), including physical handicap inability to perform official functions; Tafoya v. New Mexico State Police Board, 472 P.2d 973 (N.M. 1970), or other legal disqualification, incapacity, or fitness to discharge the required duty. It means want of physical, intellectual, or moral ability, insufficiency, inadequacy, want of legal qualifications. Appeal of School District of Bethlehem, 30 A.2d 726 (Pa. Super. 1943); Hughes v. Hughes, 271 P.2d 172 (C.A. 4th 1954). The allegation in the petition falls short of claiming lack of capacity, ability, or physical, educational or mental ability to perform official functions; rather the allegation merely recites an action of the Assembly to which petitioners object. Failure to perform prescribed duties means a failure to carry out those responsibilities of the office set out in state or local law. Prescribed duties are numerous, from the obligation to attend assembly meetings unless excused to voting on matters for which one is not excused on the basis of a conflict of interest. A prescribed duty may be created by implication, as for example, when the assembly as a whole is required to perform a function. It is the implicit duty of each official who is a member to aid in the performance of that function. It is not, however, a prescribed duty of each assembly person to take every conceivable action which might make that official more informed or a more popular representative. Thus, it is not a prescribed duty to attend meetings which are not official or are sponsored by other nonmunicipal organizations. It is not a prescribed duty of an assembly person to inform all constituents of the basis of his or her political decisions, nor is it a prescribed duty to follow the popular will of ones constituency on any particular issue.

While the Alaska Supreme Court has not ruled on the precise question addressed here, at least one Superior Court Judge has

stated that under AS 29.28.130-.170, the legal sufficiency of stated grounds should be examined and that allegations of "misconduct" cannot be based on "discretionary" items, but rather must be founded on an unlawful or unethical act. White v. Baker, 3KO-80-263. The opinion stated here is also consistent with several that have been given to the Matanuska-Susitna Borough Assembly by various attorneys retained or employed by that body.

DEPARTMENT OF LAW

Jerry Wertzbaugher
Municipal Attorney

JW:gml
cc: Members of Anchorage Assembly

from Ray Plummer
Chevron
2/28/83

MEMORANDUM

FEB 28 1983

Re: Proposed Municipal Code Revisions;
Planning, Platting and Zoning Authority
of Local Governments

A. SUMMARY.

There are no significant differences between SB 180 as it passed the House and the October 1982 redraft with regards to the planning, platting and zoning authority of municipal governments. As with Senate Bill 180, the October 1928 redraft would greatly expand the land use planning authority of municipalities. The use or misuse of this authority could lead to arbitrary or unreasonable exclusion or restriction of natural resource development, particularly on state or fee lands.

Amendatory language to limit this authority may be proposed to either Title 29 or Title 38. The selection of which of the two titles to amend depends largely upon industry perception of the likelihood of success before the legislature.

B. HISTORY OF SB 180

As the culmination of approximately 3 years of work by a special joint committee, Senate Bill 180, which completely rewrote the municipal code of Title 29, was adopted by the House on May 26, 1982. The Governor vetoed the bill on July 15, 1982. The veto message issued by the Governor (published in the Senate Journal on July 22, 1982

at 1788-1792 (copy attached)) set forth seven reasons for the veto, none of which relate to the land use planning chapter of the bill.

Bills vetoed after the adjournment after the last regular session of the legislature can be reconsidered only in a special session of that same legislature. Alaska Constitution Art. II, Sec. 16; AS 24.30.100. Therefore, Senate Bill 180 cannot now be reconsidered and is dead. In October of 1982, the Department of Community and Regional Affairs produced a rewrite of Senate Bill 180. The redraft is substantially the same as the bill which passed the legislature, but several of the last minute house amendments have been deleted, apparently in response to the Governor's veto message.

With regard to the planning, platting and zoning authority of municipalities, there are only three differences between the October 1982 redraft and SB 180 as it passed the legislature, all of which are minor. They are as follows:

1. On page 87, lines 9 and 14, the word "comprehensive" has been added to clarify the term "planned" as used in those sections.

2. On page 89, line 27, subpart 1 of AS 29.40.090(a) has been reinstated, after elimination by a house amendment to SB 180. This subpart requires that the abbreviated plat procedure apply only to subdivisions

containing four lots or less.

3. On page 89 at line 2, the October 1982 redraft has deleted a sentence at the end of AS 29.40.060(b) as it appeared in SB 180 which read as folows: "A proceeding under this section has preference over all other civil actions and proceedings."

C. THE PROBLEM.

The bill provides virtually unlimited planning, platting and zoning powers to home rule municipalities, and greatly expands the powers given to other municipalities. An elucidation of this matter is given in the attached memorandum which discusses the same provisions in House Bill 170 and Senate Bill 180.

It is our opinion that such a sweeping grant of power to the municipalities, particularly to the North Slope Borough, would allow the municipalities to severely inhibit the development of natural resources, particularly oil and gas. An attempt to do this has already been made in the North Slope Borough's proposed zoning ordinance. In fact, the North Slope Borough has adopted an interim zoning ordinance which requires oil and gas facilities to be permitted by the Borough.

The problem is not perceived to be quite as severe on federal lands, in view of a Ninth Circuit Court of Appeals decision which holds that municipal governments may

not impede the development of natural resources on land owned by the federal government. Ventura County v. Gulf Oil Corporation, 601 F.2d 1080 (9th Cir. 1979), aff'd per curiam, 100 S.Ct. 1593 (1980). However, state and fee land may be at the mercy of municipalities. See the attached memorandum.

D. PROPOSED SOLUTIONS.

The intent of Chapter 40 of the proposed municipal code revision is to increase the authority of local governments with regard to planning, platting and zoning within their respective jurisdictions. Planning, platting and zoning are tools used by local governments to regulate the growth of the urban environment. Unfortunately, in Alaska, municipal government has been expanded to cover vast regions of open and unoccupied space. Zoning was never intended to be a method by which use of the non-urban environment could be regulated.

However, with the North Slope Borough interim zoning ordinance, and proposed final zoning ordinance, it is clear that zoning will be used at least by that municipality to the maximum extent possible to restrict and exclude resource development in open spaces.

The objective of any amendment to the October 1982 municipal code revision, therefore, should be to limit municipal power in planning, platting and zoning with

respect to the development of natural resources in the non-urban environment. Such activities are fully regulated by federal and state agency, and an additional layer of local control will add significantly to the time and expense involved in developing ratural resources, with a de minimus contribution to environmental quality.

The objective is clear. The means to accomplish the objective are less than clear, mostly for political reasons.

Article 10, Sec. 1 of the Alaska Constitution provides that: "A home rule borough or city may exercise all legislative powers not prohibited by law or by charter." Although this constitutional provision applies expressly only to home rule municipalities, it appears that the Alaska Supreme Court applies the same test for state preemption to both home rule and general law municipalities. Liberati v. Bristol Bay Borough, 584 P.2d 1115 (Alaska 1978). The test set forth in the Liberati case requires either an express legislative direction or a direct conflict with a statute such that the municipal ordinance under consideration substantially interferes with the effective functioning of a

state statute or regulation or its underlying purpose. 584 P.2 at 1121-1122.*

The most logical way to accomplish an express prohibition would be the insertion of appropriate language in Title 29, Chapter 40 as proposed by the October 1982 revision of the municipal code. However, this may not be politically possible.

In the alternative, the only other logical place in the Alaska Statutes to put such an amendment would be Title 38, relating to natural resources. A limitation could be placed in the Alaska Lands Act, AS 38.05, but logically that limitation could only relate to development of natural resources on state land. A limitation could also be placed in the miscellaneous chapter of Title 38, AS 38.95, and, in such a context, could perhaps include fee lands as well as state lands.

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* An excellent discussion of home rule authority in Alaska is contained in Sharp, "Home Rule in Alaska: A Clash Between the Constitution and the Court," 3 UCLA-Alaska Law Review 1-54 (1978).

E. CONCLUSION.

The use of zoning powers to regulate the development of natural resources in non-urban environments constitutes a serious threat to the oil and gas industry in Alaska. The problem is exacerbated by the existence of a home rule borough which has approximately 5,000 permanent residents and yet occupies the entire North Slope of Alaska, and which utilizes, to a maximum extent possible, the broad authority granted home rule governments by the Alaska Constitution to restrict resource development within its boundaries.

AS 29.40 as proposed by the October 1982 municipal code revision would compound this problem by giving unlimited planning, platting and zoning authority to home rule governments, and by greatly expanding the land use planning authority of other municipalities. This chapter would

validate an otherwise questionable North Slope Borough zoning ordinance, and result in yet another layer of regulatory bureaucracy with little benefit to the public interest.

For these reasons, it is imperative that modifications be made to the October 1982 redraft, or amendments be made to Title 38 in order to protect oil and gas interests. Five alternatives are proposed in this memorandum. The oil and gas industry should strive for a consensus among its members and push for passage of the consensus by the Alaska legislature. Failure to do so may be disasterous.

SB 515 (Cont.)

changing court rules. However, even if a two-thirds vote was necessary, the Senate's vote to concur in the House amendments was not affected by the subsequent failure to adopt the rule changes. The vote to concur passed by the required 11 votes, and that vote was to adopt the identical bill that had passed the House. Under Rule 39(c) the failure of the Senate to take a separate vote on the rule change simply meant only that secs. 43 and 44 (and potentially their respective companions -- 18 and 40) are now "void and without effect."

The issue that is presented is very similar to one which has arisen when one house votes to concur in amendments made by the other house, but then fails to adopt, for example, an immediate effective date included in the bill by a two-thirds vote as required by Rule 39(f). The procedure specified in Rule 39 (c) pertaining to votes on court rule changes is virtually identical to the language in Rule 39 (f) pertaining to votes on special effective date clauses. There is ample authority in support of the rule that a failure to adopt a special effective date by a two-thirds vote after concurring in a bill by a majority vote means that the bill has been adopted with an ordinary 90-day effective date. This authority rests on a construction of the effective date as not being a material factor influencing the favorable vote. This rule should apply by analogy to the failure of the Senate to vote separately on the rule change provisions in this bill. Consequently, I have concluded that HCS CSSB 535 (Jud) am H has been adopted by the legislature but without the effect of changing the court rules cited in sec. 43 and 44.

Sincerely,

/s/Jay S. Hammond
Jay S. Hammond
Governor

SB 180 VETOED

July 15, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under Article II, Sec. 15, of the Alaska Constitution, I have vetoed HCS CSSB 180 (Jud) am H, relating to municipal government.

SB 180 (Cont.)

I regret having to take this action for several reasons. Certainly, the bill contains many meritorious revisions and improvements to the municipal code. These were the product of an arduous undertaking accomplished after three years of unprecedented cooperation among legislators, state and local government officials and staff. Further, there are some concepts contained within questionably designed and inadequately considered amendments which I believe should be addressed responsibly by the next Legislature. While perhaps none of these amendments is individually sufficiently flawed to warrant a veto of the entire measure, a combination of them creates significant problems that have incurred greater collective public opposition than has almost any other legislative action in my entire political experience. It's for these reasons that I have regretfully concluded that it is simply not in the best public interest to permit this bill to become law.

For example, the amendment redefining "population" and permitting the counting of workers at "isolated job sites" appropriately recognizes that the influx of seasonal empl[illegible] can significantly impact local services for which there i[illegible] now no readjustment provided under revenue sharing statut[illegible] However, I am advised by counsel that the manner in which this matter is handled in SB 180 seriously jeopardizes the resolution reached by the state with the U.S. Census Bureau and could incur substantial losses in federal funding to both state and local governments. While I believe some redistribution of state funds is warranted to assist communities most impacted by seasonal and temporary influxes of population, (whether they be "isolated" communities or otherwise), I am concerned with the potential inequity created by this amendment. The vagueness of the term "isolated job site," I am advised, could result in endless litigation no matter what clarifying efforts might be made through regulation. This questionable feature, coupled with prospective revenue losses to the state treasury ascribed to it by the Department of Revenue in their request for veto, are but two of several causes for concern.

I as well favor the basic policy decision of the Legislature that forest values above ground, (just as mineral values beneath it), should be accorded different status for purposes of municipal taxation. However, the provision exempting forest lands from municipal property taxation contains a definition by reference that poses substantial problems of interpretation and impact according to all concerned state agencies. I am advised by the Department of Law, for example, that the definition problem alone would probably induce costly and unnecessary litigation.

Perhaps more importantly, bond counsel advises that the bill would gravely impede local government general obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaska communities. This feature is perhaps the most damaging potentially of all the questionable features contained in SB 180 and, in the view of most financial consultants, would alone warrant veto. I

SB 180 (Cont.)

am certainly in no position to second guess and override them in this conclusion. They assert the resulting adverse effect of this feature is likely to be a decline in market value of outstanding issues and an increase in the costs for new financing. Potential impact on the state's bond bank is, of course, of equal concern.

Additionally, the Department of Natural Resources has expressed major concerns over the manner in which this amendment might apply, despite their agreement with the avowed basic philosophical intent of the amendment's sponsors. They point to the Oregon forest value taxing policies as a far preferable approach to meet that objective. Accordingly, I have directed that legislation be drafted which would more appropriately address this matter.

Another problem rests in the attempt to clarify statutory references regarding tax exemptions of undeveloped Alaska Native Claims Settlement Act lands. Agencies have raised unanswered questions as to whether the language is indeed clarified. Moreover, a retroactivity feature of this provision casts serious "public purpose" doubts upon the legality of the proposed solution.

The amendment prohibiting local governments from passing ordinances relating to firearms has been violently objected to by some law enforcement people. It causes me concern as well because of my reluctance to permit state government to impede the ability of local communities to govern in a manner deemed by themselves most responsive to their unique needs.

Objected to by many others requesting veto is the further intrusion into the conduct of local government business represented by amendment 13. This would expand the initiative and referendum process to include local administrative matters. Those requesting veto assert that actions of the governing body elected by the public should be subject of initiative and referendum; but that ongoing daily administrative matters should be subjected to the usual review and oversight inherent in the concept of a governing body of elected officials held accountable for actions of those whom they employ. For state government to impose its will in such matters upon local governments without far more public debate than was accorded this amendment, appears to me to be yet another undue incursion of "Big Brother" into local matters.

Another section affects a major change in public utility regulatory philosophy, and reverses the direction chosen with deregulation in 1980. In urging veto a multitude of agencies and utilities pled for further public hearings and agency consideration before so drastic a change be contemplated. Again, if this alone were the measure's greatest flaw, I perhaps would not have vetoed it. However, in conjunction with a multitude of other alleged defects and public confidence eroding features, it adds one more reason for my action.

SB 180 (Cont.)

A final problem is one related to language, not concept. This provision allows municipalities to use the group insurance concept for the purpose of pooling their workers compensation liabilities and claims handling. The language appears to mandate board adoption of regulations permitting a municipal employer group to recede under any circumstances. It seems only prudent that qualifications be stipulated so that municipalities requesting approval for group self insurance status are subject to the same regulatory criteria as any other self-insured employer.

The subject legislation has produced more controversy and debate than any other to emerge from the 12th Legislature. Because I find some issues addressed in the amendments, as well as the municipal code revisions, to be desirable, I am taking specific steps to encourage the 13th Legislature to address these issues. Accordingly, I have directed that legislation be drafted which would accomplish the municipal code revisions effective prior to the floor amendments. This would address the problem areas in a manner both acceptable to me and, I believe, to most legislators.

I have also directed that legislation be prepared to address the forest lands and taxation issues in a more acceptable manner to accommodate the appropriate intent of these amendments' sponsors.

I have also directed legislation be prepared to address the workers compensation provisions allowing local governments to use the group self-insurance concept for the purpose of pooling their workers compensation liabilities and claim handling.

Further, I'm directing the Department of Community and Regional Affairs to draft regulations on the provisions of state assistance to local governments in a manner which compensates more equitably those communities impacted by seasonal, temporary and isolated workers. Minimally, I would hope that in the short term we could at least "hold harmless" the North Slope Borough, which otherwise stands to lose about $2 million in revenues from the amount they received last year. All other municipalities would receive, I'm told, increases. Accordingly, I would hope that all other municipalities, which rose in violent protest over the prospects of revenue losses to themselves were SB 180 to become law, would be equally concerned about revenue losses incurred by other municipalities through this measure's veto.

I do not intend to submit legislation re-regulating public utilities at the municipal level unless some valid arguments can be presented for this change.

The legislative package presented to the 13th Legislature will, of course, be that of the future governor. Therefore, I cannot guarantee that all these proposals will come before the House and Senate. However, several key legislators who are likely to return assure me of their dedication towards

SB 180 (Cont)

address of these matters.

Despite the bill's problems, I was at first inclined to go along with policy decisions rendered by the Legislature in their passage of 180. After all, by so doing I could assure these issues would be addressed next session if as serious as opponents were contending. However, a growing crescendo of public opposition, virtually unanimous staff and agency veto recommendations, plus pleas from some legislators who now wish to do penance for having voted for the measure, cause me to conclude that while a veto does a disservice to the legitimate concerns of some communities and interests, permitting the bill to become law could incur even more disservice to all others. Finally, as one of two senators who will assuredly return next session, let me urge you, Mr. President, to place this crucial issue high upon you agenda.

Sincerely,

/s/ Jay S. Hammond
Jay S. Hammond
Governor

Message of July 21 was received July 22 stating the Governor has signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HB 156

SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Fin) am Senate
Relating to public contracts; and providing for an effective date.

Chapter 144, SLA 1982

INDEX OF VETOED AND REDUCED BILLS RECEIVED AFTER ADJOURNMENT:

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This final supplement of the Senate Journal completes the record of legislation for the Second Session of the Twelfth State Legislature.

Peggy Mullig
Secretary of the Senate
July 1982

DETAILED ANALYSIS OF LAND USE REGULATION BY MUNICIPALITIES UNDER CSSB 180 (C & RA) AND CSHB 170 (C & RA)

A. Current law.

Land use regulation by municipal governments is currently governed by A.S. 29.33.070-.245. A.S. 29.33.070 requires all boroughs to provide for planning, platting and zoning on a "area-wide basis." A.S. 29.43.040 grants the same power to home rule and first and second class cities located outside organized boroughs.

A.S. 29.33.080 and .085 require the assembly to adopt a "comprehensive plan" containing policy statements, goals, standards and maps. A.S. 29.33.090 requires the municipal assembly to regulate land use "by districts or contract zoning." It requires land use regulations to be uniform for each class of use in each district. Contract zoning is defined as allowing a "zoning reclassification" to a less restricted use where the owner agrees to place restrictions on the use of the land beyond the zoning requirements generally attaching to the new classification. This section also states the purposes for which zoning ordinances may be adopted. The stated purposes clearly envision zoning in an urban environment.

The current law applies to all local governments, and therefore limits the power of home rule boroughs. The current

law has no provision authorizing the regulation of land use by the adoption of a permit system. Additionally, the current law does not allow cities located in third class boroughs to provide for planning, platting and zoning.

B. Land use regulation under CSSB 180 and CSHB 170.

Under CSSB 180 and CSHB 170, land use regulation by local governments would be governed by A.S. 29.40.010-.200.

A.S. 29.35.180(b) requires a home rule borough to provide for planning, platting and zoning. No limitations are imposed upon that power, nor are any guidelines set forth limiting the exercise of that power.

A.S. 29.35.180(a) requires first and second class boroughs to provide for planning, platting and zoning pursuant to A.S. 29.40. A.S. 29.40.010 also requires first and second class boroughs to provide for planning, platting and zoning.

A.S. 29.35.220 and .300(b) would allow a third class borough to acquire the power to provide for planning, platting and zoning within a service area by the adoption of a referendum to that effect.

A.S. 29.35.250(b) requires a home rule or first class city within a third class borough to provide for planning, platting and zoning under A.S. 29.40, and allows a second class city located within a third class borough to so provide.

A.S. 29.35.260(c) requires home rule and first class cities outside a borough and permits a second class city outside a borough to provide for planning, platting and zoning under A.S. 29.40.

These provisions apparently impose no limitation on the planning, platting and zoning authorities of home rule boroughs. It appears that A.S. 29.40 does not apply to the exercise of those powers by home rule boroughs. A.S. 29.35.180(b); compare A.S. 29.35.180(a).

Article X, Section 11 of the Alaska Constitution provides: "A home rule borough or city may exercise all legislative powers not prohibited by law or by charter."

Given this provision and the apparent lack of any explicit limitations on the zoning authorities of home rule boroughs, home rule boroughs would have greatly expanded zoning authority under the bill. As the Supreme Court has stated:

> A municipal ordinance is not necessarily invalid in Alaska because it is inconsistent or in conflict with a state statute. The question rests on whether the exercise of authority has been prohibited to municipalities. The prohibition must be either by express terms or by implication such as where the statute and ordinance are so substantially irreconcilable that one cannot be given its substantive effect if the other is accorded the weight of law.

Jefferson v. State, 527 P.2d 37, 43 (footnotes omitted, emphasis added).

This position was reiterated by the Supreme Court in Liberati v. Bristol Bay Borough, 584 P.2d 1115 (Alaska 1978).

> Merely because the State has enacted legislation concerning a particular subject does not mean that all municipal power to act on the same subject is lost. We have consistently rejected application of any such concept in our cases dealing with home rule municipalities. We do so now with respect to general law municipalities because our constitution requires that their powers be liberally construed as well. We believe that an appropriate accomodation can be made between the State and general law municipalities by a rule which determines pre-emption to exist, in the absence of an express legislative direction or a direct conflict with a statute, only where an ordinance substantially interferes with the effective functioning of a state statute or regulation or its underlying purpose.

584 P.2d at 1121-1122 (footnotes omitted, emphasis added).

It appears that the Alaska Supreme Court is applying the same test for state pre-emption to both home rule and general law municipalities. In summary, in order for a local ordinance to be determined invalid pursuant to Article X, Section 11 of the Alaska Constitution, there must be a prohibition by state statute, express or implied, or the ordinance must substantially interfere with the effective functioning of the state statute or regulation or its underlying purpose.

Under CSSB 180 and CSHB 170, there would be no explicit prohibition of any zoning ordinance adopted by a home rule municipality.

Federal lands may be unaffected by the zoning ordinances adopted by home rule boroughs in any event. See Ventura County v. Gulf Oil Corp., 601 F.2d 1080 (9th Cir. 1979), affirmed per curiam 100 S. Ct. 1593 (1980).

Private land may be totally at the mercy of local zoning ordinances except insofar as inverse codemnation can be claimed and proved. It could be argued that, as applied to land granted to the natives by the Alaska Native Land Claims Settlement Act, zoning ordinances which prohibit development are inconsistent with the purposes of that act and therefore invalid. There is no precedent for such an argument and the success of such a position is questionable.

Any argument opposing the restriction of energy development on state lands by a local zoning ordinance adopted by a home rule borough would have to rely on the claimed inconsistency of the ordinance with the state's right to develop its natural resources. In that regard, determination of whether there is a limit to the home rule borough's authority to adopt ordinances prohibiting or restricting the development of energy sources requires a two-fold inquiry:

1. Are there Alaskan constitutional and statutory provisions which seek to implement a statewide policy with reference to the subject matter of the ordinances?

2. Do the proposed borough ordinances impede implementation of that policy?

While control of natural resources of the State of Alaska is specifically retained by state government pursuant to Article VIII of the Alaska Constitution, it is by no means certain that a court would rule that a local zoning ordinance which impedes or prohibits development of oil and gas in certain specific locations would be struck down as unconstitutional or unauthorized. In any event, the adoption of the current provisions concerning home rule regulationof land use as stated in CSSB 180 and CSHB 170 would insure extensive constitutional litigation to resolve these questions.

The question is further complicated by the fact that A.S. 29.40.040(a)(2) in the two bills would specifically authorize the use of a permitting system to regulate land use. This section places far greater authority in local government than the current law does. It is conceivable that an ordinance could be adopted which would prohibit all uses unless a land use permit is obtained from the local government involved. This would allow local governments to assess energy development projects on a case by case basis thus adding another layer to the regulation of energy development in general.

It should be noted that this permit procedure would be available to any local government that possesses or obtains planning, platting or zoning authority under A.S. 29.35 and A.S. 29.40 as proposed in CSSB 180 and CSHB 170.

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

HOUSE C & R A COMMITTEE AGENDA

February 18, 1983

1. Call to Order
2. Roll Call
3. Today's Agenda - first hearing on HB 172 Title 29
4. Presentation of Witnesses -

   Doug Griffin - Department of Community & Regional Affairs
   Tam Cook - Division of Legal Services
5. Closing Tam Cook - Legal Div of Legislative Affairs
6. Adjournment

1. need - Sectional analyses of SB 1
2. See "Power section" - re home rule, etc
2. No more 3rd class boroughs, but they are encouraged to adopt a home rule charter. Leads to for home rule city.
4. Recall, referendum changed significantly.
5. allows municipalities choice of not taping pers. Prop.

Note - 6. no specific direction for Muni Clerk to write ballot propositions clearly, so that a yes vote means for, + no vote means against

Add the following:

PAGE: 99 LINE: 15

Submitted

Sec. 29.40.210. ACTIVITIES AUTHORIZED BY STATE OR FEDERAL AGENCIES. (a) Ordinances, regulations, permit decisions, coastal management or other land use plans adopted or promulgated under AS 29.35.180, AS 29.40 or AS 46.40 may not preclude or otherwise impede a hydrocarbon, mineral or geothermal exploration, development or production activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.

(b) The provisions of this section apply to home rule and general home rule and general law municipalities.

Alaska State Legislature

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

February 4, 1983

Mr. Wayne Mabry
Ombudsman
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Wayne:

Thank you for your recent letter regarding the lack of clarification in statutes and case history as it refers to recall petitions. I am aware of the recent problems this has caused in Anchorage and can appreciate the position you have been put in.

A complete revision of Title 29, Municipal Code, is indeed taking place agin this year. Last year, as I am sure you are aware, a similar bill passed but later became mired in controversy and was vetoed. SB 1 is now in the Senate committee process and is the vehicle which is being used to address this question. Eventually, should it pass the Senate, it will be referred to the Community and Regional affairs committee in the House chaired by Representative Barbara Lacher.

I am forwarding your letter and backup to her at this time for investigation and consideration. This matter could be taken up as a separate issue or incorporated as part of the overall Title 29 examination. In any case, it warrants investigation and Representatuve Lacher's committee has propoer jurisdiction over this matter. I will keep in touch with her to monitor the progress on this situation. You may wish to contact her as well at 465-4894.

I hope we can reach an acceptable solution. Please feel free to contact me at any time if I can be of assistance.

Very truly yours,

Joe L. Hayes
Speaker

JLH/jkd

Barbara- Joe has asked that you take this into consideration as you review Title 29- Thanks. Pat

FEB 3 1983

FEB 3 1983

February 1, 1983

Joe L. Hayes, Legislator
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Joe:

I have recently investigated a complaint about a recall petition for A Municipal Assemblyman. My investigation found that the State Law (AS 29.28.130) on recall petitions is not clear as to the legislative intent regarding a clerk's authority and/or responsibility. The legal opinions regarding similar cases are, in my view, conflicting. In the case I reviewed, the Anchorage Municipal Clerk ruled that the "grounds" stated in the recall petition did not "constitute incompetence or failure to perform prescribed duties" and rejected it. The Municipal CLerk's decision was based on several legal opinions which stated the Clerk had the responsibility and authority to review the grounds based on the word "content" in AS 29.28.160.

My case summary disagrees with those legal opinions and states that a recall petition can only be rejected for one of the reasons stated in AS 29.28.150. I feel that no individual can rule the grounds for recall insufficient except the voters in a duly called recall election. A copy of my case summary is enclosed with four attachments covering the legal opinions. Also enclosed is a copy of the Anchorage Municipal's Clerks January 11th letter to the complainant, Tom Staudenmaier.

I understand that you are involved in revising this portion of the Alaska Statutes and ask that you review my case summary. I would appreciate your comments on this problem and would like to be informed of any proposed changes to this state law. Also, if any hearings are being planned, please let me know as I would like to testify.

If you have any questions, please don't hesitate to call.

Sincerely yours,

Wayne D. Mabry
Ombudsman

WDM:sl

cc: Ruby Smith, Municipal Clerk
Jerry Wertzbaugher, Municipal Attorney
Steve Morrissett, Matanuska-Susitna Borough Attorney
Tom Staudenmaier, complainant

Attachments

AKC PAC

3 JAN 83 CLERKS OFFICE

PETITION FOR RECALL

OF GERRY O'CONNER, ASSEMBLYMAN

SECTION (2) TWO, SEAT C

P.O. BOX 8-9110
ANCHORAGE, AK
694-4982
694-2322

We the undersigned registered voters of Section (2) two, Seat C, of the Municipality of Anchorage, which includes Fort Richardson, Eagle River and Chugiak, hereby petition for the recall of Assembly Member Gerry O'Conner under the Anchorage Municipal Charter, Article III, Section 3.03, Recall; Title 29, Section 29.28.140 for incompetence and failure to perform prescribed duties.

Said recall is based upon dereliction of duty of this representative of Eagle River and Chugiak. At the December 2nd, 1982 Municipal Assembly Meeting, Gerry O'Conner joined Tony Knowles, Mayor of Anchorage and voted to increase property taxes up to 50%. His other past actions and this ta increase are contrary to the best interest of the citizens of Eagle River and Chugiak.

	Print first and last name	Signature	Date	Full Residence Address (No P. O. Box Numbers)
1.	JEANNE BLANCHET	Jeanne Blanchet	12-31-82	[illegible] Eagle River AK 9957
2.	Christopher Walters	Christ Walters	12/31/82	PO Box 1334 Chugiak
3.	Roger R Rasmussen	Roger R Rasmussen	12/31/82	P.O. Box 447 Eagle River 995
4.	Sandra Lavonne Hall	Sandra D Hall	12/31/82	133 Marcum St E.R. 995
5.	Ronald Wild	Ronald Wild	12/31/82	Chugiak [illegible]
6.	Sharon Wild	Sharon Wild	12/31/82	" "
7.	Clifford Wilson	Clifford Wilson	12/31/82	P.O. Box 1252 Chugiak 99567
8.	RITA E WILSON	Rita E Wilson	12/31/82	Box 1252 Chugiak 99567
9.	[illegible]	[illegible]	12-31-82	[illegible]
10.	[illegible]	[illegible]	1-2-83	"
11.	[illegible]	Sharon Kiddy	1-2-83	Box 70 Citation ER 9957
12.	Lester Kiddy	[illegible]	1-2-83	" " " " "
13.	R A Morris	R A Morris	1/2/83	Lot 6 Blk 4 Harris
14.	[illegible]	[illegible]	1/3/83	[illegible]
15.	Jennifer Lynn	[illegible]	1/3/83	28 Cornell
16.	[illegible]	[illegible]	1/3/83	Box 39[illegible] Eagle River AK

Date Petition Started: Dec. 29, 1982

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502-0650
(907) 264-4311

OFFICE OF THE CLERK

January 11, 1983

RECEIVED
JAN 11 1983
OFFICE OF THE OMBUDSMAN

Mr. Tom Staudenmaier, Chairman
AKC-PAC
P.O. Box 8-9110
Anchorage, AK 99508

Dear Mr. Staudenmaier:

On January 3, 1983, you presented to the Municipal Clerk a petition for recall of Assemblyman Gerry O'Connor. In accordance with AS. Section 29.28.160, the Municipal Clerk shall, within 10 days, review the petition for content and signatures and shall certify on the petition whether it is accepted or rejected.

A review of the signatures was made and of the 509 signatures, 354 were registered voters. In reviewing the grounds, the petition was found to be insufficient because the act i.e., voting on the municipal budget, does not constitute incompetence or failure to perform prescribed duties.

It is the decision of the Municipal Clerk the petition is insufficient and it is therefore rejected and will be filed for public record.

A copy of the legal opinion from the Municipal Attorney is enclosed for your information.

If you have any questions, please contact this office.

Sincerely,

Ruby E. Smith
Municipal Clerk

Municipality of Anchorage

MEMORANDUM

DATE: January 20, 1983

TO: Ruby Smith, Municipal Clerk

FROM: Office of the Ombudsman

SUBJECT: CASE SUMMARY, NO. 82-3

The following case summary is provided for your information and review. If you have any questions, clarifying information, or comments regarding our determination or any other aspect of the case, please bring them to our attention so that we can incorporate them into this summary.

CASE SUMMARY

Investigator Wayne D. Mabry In Date: 1-11-83 Close Date: 1-17-83

Category: MUNICIPAL CLERK'S OFFICE

Complaint Summary: The complainant presented a petition for the recall of Assemblyman Gerry O'Conner to the Municipal Clerk's office on January 3, 1983. On January 11, 1983, the Municipal Clerk rejected the petition as being insufficient on the grounds that "voting on the Municipal budget does not constitute incompetence or failure to perform prescribed duties". The complaint is that the Clerk's office does not have the authority under state law (AS 29.28.160) to rule on the alleged grounds.

Case Description: The complainant approached this office on January 3, 1983, after delivering the petition to the Clerk's office, and wished to file a complaint that the petition was going to be rejected based on an opinion by the Municipal Attorney. The complainant felt the Clerk had no right to solicit the Municipal Attorney's opinion. On that date, I informed the complainant the Clerk did have the right to solicit the Municipal Attorney's opinion and since no action had been taken by either the Clerk or the Municipal Attorney, this office could not investigate.

Based on the complainant's contact I did discuss the matter with the Municipal Clerk and Attorney explaining that an official complaint was probably going to be filed with this office if the petition was rejected. At that time, neither the Clerk nor the Attorney had made their determination; a reply by the Clerk to the petition was required by January 11, 1983.

In anticipation of a complaint being filed with this office and a decision to look into the matter on this office's "own motion", I then contacted the Matanuska-Susitna Borough attorney's office and the State Attorney General's office in Anchorage. I spoke with Steven H. Morrissett, Matanuska-Susitna Borough Attorney, about recall petitions because his office has gone through several in the last few years. Mr. Morrissett had given his opinion on the last recall petition filed in the Borough in a memorandum dated August 13, 1981, (attachment #1) which determined that the recall petition was insufficient. I provided a copy of this memorandum to the Municipal Clerk.

On January 11, 1983, the complainant came to this office to lodge a formal complaint based on the Clerk's rejection of the recall petition he had filed. His specific

complaint was that the Municipal Clerk did not have the authority to review the grounds and determine if they constituted "incompetency or failure to perform prescribed duties". I explained to the complainant that this office would accept the complaint and open a case file; however, any recommendation from this office could not change the outcome. Furthermore, the only possible way to change the outcome of the Clerk's decision is through the court system. This was based on my assumption that once the Clerk made a decision, within the 10 day time limit allowed by state law, there is no mechanism to allow the Clerk to change that decision.

I contacted Mr. David LeBlond at the State Attorney General's office. He helped me locate two memorandums regarding recall that had been prepared by the Attorney General's office in 1977. I went to the Attorney General's office, reviewed their files and made copies of the two memorandums regarding a recall petition of a School Board member located in the upper Railbelt School District. In this case there was no municipal clerk involved to handle the recall petition, so the Commissioner of the State Department of Education was handling it. [Later in this Case Summary, I will be quoting from the memorandums by the Assistant Attorneys General, Roger W. Pegues, dated April 12, 1977 and Ronald W. Lorensen, dated June 6, 1977 (attachment #2, #3).]

I then met with the Municipal Clerk, Ruby Smith, to discuss her decision and she informed me that she had contacted numerous Municipal Clerks around the State and had requested an opinion from the Muncipal Attorney, Jerry Wertzbaugher. Ms. Smith tended to agree with my analysis that the term "content" in Section 29.28.160 of the State Statutes, Examinations of Sufficiency, did not relate to determining if the grounds stated in the recall petition were sufficient. She made her decision based on legal opinions she had reviewed and discussions with other clerks around the State, giving the overwhelming opinion that state law did require her to rule on weather the grounds constituted "incompetence or failure to perform prescribed duties". Ms. Smith had contacted Mr. Rubini of the State Attorney General's office in Juneau and the discussion included the opinion by the lawyer that the petition was vali and should go on the ballot. When Ms. Smith requested this opinion in writing the response was that the State Attorney General's office would not give an opinion as the Municipality of Anchorage had an attorney for that purpose.

Basis for Determination: After my first contact with the complaint I reviewed a copy of the applicable state law regarding recall petitions. My first impression of the state law was that there was no legislative intent to have municipal clerks across the state of Alaska determine if the grounds stated in a recall petition were, in fact, "misconduct in office, incompetence, or failure to perform prescribed duties". I then discussed this concept with the Muncipal Clerk and the Municipal Attorney, but neither had yet formed a specific opinion although the Municipal Clerk did tend to agree with my concerns. I then met with the Matanuska-Susitna Borough attorney and also reviewed the files of the State Attorney General's office here in Anchorage. There were several other memorandums in the State Attorney General's files regarding recall petitions, but the two attached were the only ones that related to the specific question of "content".

In reading the January 11, 1983, opinion by Jerry Wertzbaugher, Municipal Attorney, (attachment #4) to the Municipal Clerk, I find that his basic premise revolves around the word "content" located in Section 29.28.160 and that this word "content" means the Municipal Clerk can determine if the grounds stated in the recall petition are in fact grounds for recall as stated in Section 29.28.140. Mr. Wertzbaugher's memorandum goes to great lengths to prove that the term "content" could only refer to the statement of grounds.

My position regarding the term "content" as used in the state law is that it does not nor could not refer to the grounds. In the State Statues regarding recall petitions, Section 29.28.140 states the grounds for recall. Then Section 29.28.150 entitled "Petition" states:

> (a) A petition seeking recall of one or more municipal officials is filed with the Municipal Clerk. The petition shall contain
>
> (1) the signatures and residence addresses of a number of voters as prescribed in §70(b) of this chapter for initiative and referendum;
>
> (2) the date each voter signed the petition; and
>
> (3) a statement of the grounds of the recall stated with particularity as to specific instances; B. A petition for recall must be filed with the Clerk within 60 days after the date of the earliest signature on the petition. (§2 ch 118 SLA 1972)

Then comes Section 29.28.160, Examination for Sufficiency. It states "The Municipal Clerk shall review the petition for content and signatures and shall certify the petition within 10 days of the filing date whether it is accepted or rejected ... ." In my non-legalistic mind it appears that the term "content" in Section 29.28.160 refers to the words "shall contain" in Section 29.28.150 and the only thing the Clerk can look at relating to the grounds is stated in number 3 above: that the grounds will be particular and specific. There is nothing in the law that says the Clerk can determine if the grounds, if assumed to be true, must fit the test of being "misconduct in office, incompetence or failure to perform prescribed duties". As stated in Mr. Morrissett's August 13, 1981 memorandum, I feel the charges must be definite enough to allow the public to determine the truth or falsity of those charges. Mr. Morrissett's memorandum rejecting the recall petition submitted was rejected on the basis that all five charges were too vague and would not give the voter a chance to determine if the Assemblyman should be recalled or not. I think Mr. Morrissett's memorandum tends to support my opinion because the reason for rejecting that recall petition was based on vagueness.

Also, two other recall petitions in 1980 were accepted by the Matanuska-Susitna Borought Clerk based on grounds related to how a particular Assemblyman voted on issues similar to the one in this case (copies of the two 1980 petitions are attached to Mr. Morrissett's memorandum).

It is difficult for me to imagine that the legislative intent was to have any clerk make this decision on the grounds for recall as it could relate to one or more of their bosses. If the clerk is appointed by a manager, the clerk's action could be construed as a political move by the administrative branch against the legislative branch. This would be a terrible position for a clerk to be put in; to have to say one of the members of the legislative body is guilty of "incompetence, misconduct in office or failure to perform prescribed duties" and could put a clerk's job in jeopardy.

The April 12, 1977 memorandum from the Assistant Attorney General regarding the recall of a School Board member states " The recall petition must contain a statement of grounds 'with particularity as to specific instances.'" The petition in question stated that its aim was to correct the incompetency of the School Board and cited two particular instances: "(1) the Board's approving a new position of Assistant Superintendent and (2) the Board's approving funds for a computer." The memorandum further goes on to state:

> It is not the role of the officer charged with ascertaining the petition's sufficiency to judge the merit or truth of the grounds asserted (68 Am. Jur.2d Public Officers and Employees § 245) It suffices that the reasons have been stated and with sufficient particularity to inform the office holder and the electorate. The latter will determine the merit of the charges.

I feel these "grounds" are similar in nature to the ones filed by the complainant and these were acceptable enough to call for a recall election. Also, it is clear that the electorate should determine the merits of the charges, not the clerk.

The second memorandum from the Attorney General's office dated June 6, 1977, goes into even further detail regarding the allegations and what exactly can or cannot be determined by the Commissioner in this case. The first part of the memorandum speaks to the fact that the allegation's truth or untruth is irrelevant to the question of whether or not the recall petition is legally sufficient. The memo goes on to say:

> The decisions of those courts are virtually unanimous in their holding that the question as to whether or not the charges contained in the

petition are true or false is irrelevant. ... the only question to be decided is whether or not the charges which have been made are sufficiently specific to allege incompetence or misfeasance if they were in fact true. ... 'recall is political in nature and it is for the people and not the courts to decide the merits of the reasons stated in the petition'.

Further, the memo goes on to say:

In those states where the power of recall is constitutionally established, the courts have viewed recall as a 'fundamental right' and have consistently said that statutes dealing with recall should be liberally interpreted and that any restrictions which are placed on the power of recall must be strictly construed. ... Consequently, neither you nor the Board may determine the propriety of the policy in this area or the sufficiency of the petitions based on potential factual inaccuracies. A good general description of the judicial approach to recall can be found in State ex rel. Citizens Against Mandatory Bussing v. Brooks, 492 P.2d 536 (Wash., 1972):

First, in determining the validity of recall charges, courts are limited to examination of the charges stated and cannot inquire into factual matters extraneous to the allegations. Second, courts must assume the truth of the charges in determining whether legally sufficient grounds for recall

> have been stated. Third, just as there can be no inquiry into the truth or falsity of the charges, there can be no inquiry into the motives of those filing the charges. Fourth, recall charges are sufficiently specific if they are definite enough to allow the charged official to meet them before the tribunal of the people.

These statements lead me to believe that rejecting the petition because the grounds are political is invalid as everything a politician does is political. Also, rejecting the petition because it does not fit the definitions of "incompetence or failure to perform prescribed duties" is a right that can only be exercised by the voters.

My concern is if the legal opinion stated by Jerry Wertzbaugher and Steven Morrissett is correct. Then, what I hear this saying to those voters who wish to submit a recall petition, is to make allegations that, although possibly blatant lies, could be determined non-political statements and therefore allow a recall election. I do not think this concept is the intent of the state law. I totally agree with the statement that the recall petition is a "fundamental right" and that these petitions should be liberally interpreted and that restrictions placed on the power of recall must be strictly construed. Otherwise, the voters, as in this case, are not being allowed their fundamental right to a recall election.

Based on all of the above information, my opinion is that the state law does not allow the Municipal Clerk to review the content of a recall petition as it relates to the grounds for recall as stated in the state law, I have determined this case to be JUSTIFIED.

Note: I did not seek another legal opinion for two reasons. The first is my assumption that this matter will have to be settled in the courts which will generate additional legal opinions. Secondly, I felt I had enough information on which to base my determination.

Case Action:

This investigation leads me to the opinion that the state law needs to be revised in such a way that this question of content can be cleared up and made very specific as to what the legislature's intent is in regards to review by any municipal clerk within the State. Based on that I will be forwarding my memorandum on to members of the State Legislature who are interested in amending the Alaskan Statues regarding recall petitions. It is my understanding that some changes were recently passed by the State Legislature but vetoed by the Governor.

In my discussions with the complainant I stated that I felt the recall effort was premature if based on a Municipal tax increase. My reasoning is that approving the budget does not automatically raise taxes. Taxes are set in April or May by the Assembly only when it approves a specific mill rate for each Municipality service area. At this time the Assembly still retains the option to not raise the mill rate which, in effect, would lower the budget.

Wayne D. Mabry

WAYNE D. MABRY, OMBUDSMAN

WDM:sl

Attachments (4)

cc: Complainant
Assembly Representatives
Jerry Wertzbaugher, Municipal Attorney
Steve Morrissett, Matanuska-Susitna Borought Attorney

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ATTORNEY'S OFFICE

August 13, 1981

RECEIVED
JAN 07 1983
OFFICE OF THE OMBUDSMAN

MEMORANDUM

To: Evelyn Thompson, Borough Clerk

From: Steven H. Morrissett, Borough Attorney

Subject: Recall of an Elected Official--Procedures

The recall of an elected official is governed by AS 29.28.130--.250. Any elected official of the Borough may be recalled by the voters after he or she has served six months in office, subject to the provisions of those sections. The subject of this memorandum is discussed in relation to a petition received on August 6, 1981, to recall Assemblyperson Dorothy Jones.

Recall Charges

It is for the voters to decide whether the charges in the recall petition are true and, if true, whether they are enough reason for recalling the elected official. However, it is the duty of the Borough Clerk to determine whether the charges alleged, if taken as true, constitute "misconduct in office, incompetence or failure to perform prescribed duties" within the meaning of the law. Bocek v. Bagley, 505 P. 2d 814 (Wash 1973). AS 29.28.140.

The requirement that reasons be provided means that a recall petition is not sufficient if it is submitted solely for political reasons. However, the Clerk must look only to the language of the charge in determining whether adequate reasons are alleged in the petition.

Charges must be made which "state the grounds with particularity as to specific instances." AS 29.28.150(a)(3). An allegation of "misconduct", for instance, must be supplemented by specific facts which demonstrate "misconduct". The charges must be definite enough to allow the public to determine the truth or falsity of the charges. If even one charge, or if all together meet these requirements then the petition is sufficient.

"Misconduct in office" includes any wrongful conduct which affects or interferes with performance of official duty and includes misfeasance or malfeasance: the performance of a duty in an improper manner or the doing of an unlawful or unethical act. Knowledge by the official that the act was "misconduct" may not be relevant except to the extent that knowledge is required to show misconduct.

"Incompentence" ordinaril means intellectual, physical or moral inability to carry out a required task. It may include serious ignorance of basic information or a lack of mental or emotional ability necessary to carry on the duties of the official. It would not include making decisions which were politically unpopular.

"Failure to perform prescribed duties" means a failure to carry out those responsibilities of the office set out in state or local laws. Prescribed duties are numerous, from the obligation to attend Assembly meetings unless excused, to ordering elections on the acquisition of Borough powers if requested by the voters. MSB 2.12.070(F), 2.04.050. A "prescribed" duty may be created by implication; e.g., when the Assembly as a whole is required to perform a function, it is the implicit duty of each official who is a member to aid in the performance of that function. However, it is not a "prescribed duty" of each Assemblyperson to take every conceivable action which might make that official a more informed or more popular representative. Thus, it is not a "prescribed duty" to attend meetings which are not official or are sponsored by other non-Borough organizations. It is not a "prescribed duty" of an Assemblyperson to inform all constitutents of the economic impact of an Assembly decision.

On the Jones recall petition, five charges were made, as set forth in the footnote below.1/ The petition characterizes these charges as "incompetency and/or failure to perform prescribed duties." However, the sufficiency of the petition is not determined by this characterization, but by whether any charge, or all of the charges together, constitutes misconduct in office, incompetency or failure to perform prescribed duties.

The first charge is that Assemblyperson Jones has generally failed to consult with constitutents or keep them informed. Taking this as true, it fails to allege specific instances which would constitute

---

1/ (1) Has generally failed to consult with constituents and has failed to keep citizens informed concerning the various activities of the Borough Assembly and Borough Government; (2) Has failed to inform constituents concerning the true size and scope of Borough Government and the sources of revenues for the operation of Borough Government. This was especially true during early 1981 at Borough budget meetings; (3) Has failed to inform and/or consult with constituents concerning future property tax liabilities if and when present sources of state and federal revenues should cease to be available for the operation of the Borough Government. Specifically, she failed to discuss these matters at Borough budget meetings in 1981; (4) Has failed to recognize the desires of many constituents to lead quiet, peaceful, and uncomplicated lifestyles with a minimum of government regulation, intrusion, and interference. Has sponsored and/or voted for ordinances which interfere with privacy rights and individual freedoms of citizens; and (5) Has favored and/or voted for more expensive and burdensome Borough Government despite the objections of many of her constituents. Specifically, in May 1981, she ignored a petition signed by approximately 50 of her constituents, the purpose of w was to inform the Borough Assembly that many Borough citizens were against the addition of permanent employees to the general Borough Government staff.

statutory grounds for recall. It does not allege refusal to talk with constitutents in specific cases , nor does it state the nature of the failure to inform. It is not a prescribed duty of an Assemblyperson to inform all constitutents of all matters. The charge is not specifically clear to establish a valid reason for recall, nor would it generally be a sufficient charge if referenced to a specific instance.

The second charge is that Jones has failed to inform constitutents concerning the true size and scope of the government and its sources of revenue, particularly during the 1981 Budget hearings. This charge sets a specific time, but is as vague as the first charge in showing an act constituting misconduct, incompetence or failure of duty. The "true size and scope of government" is no more specific a subject than "various activities". There is no catagorical duty of Assemblypersons to inform all constitutents of all matters in a representative form of government.

The third charge is that Jones has failed to inform constitutents of future tax liability "if and when present sources of state and federal revenues should cease to be available..." This is so vague as to be impossible to respond to or for voters to determine whether the charge is true. It also fails for the reasons stated previously.

The fourth charge is that Jones has "failed to recognize the desires of many constitutents..." This is strictly a "political" reason for wanting a different representative. It is inevitable that some voters will be disappointed by every action taken by an Assemblyman. The elective process is the remedy. Recall requires specific, limited grounds for removal of an official before the end of his or her regular term.

The fifth charge is that Assemblyperson Jones has voted for "expensive Borough government", despite objections and a petition signed by 50 constitutents. If true, this is a charge that the elected official has acted contrary to the wishes of certain voters, not that the official is guilty of misconduct or failure of duty.

No charge states an allegation of incompetence, i.e. that Assemblyperson Jones is incapable of performing her duties. No charge alleges misconduct in office, i.e. an illegal or unethical act. Allegations directed towards claims of failure to perform prescribed duties establish no duties that were not performed. No allegation is made by the petition which is a basis for recall and which could be considered by informed voters as to its truth. The charges set forth in the recall petition are therefore insufficient. 2/

2/ This opinion is consistent with two previous written opinions of attorneys Allen Tesche and Harland Davis, provided at the request of the Clerk in 1980. Each of those opinions, issued in relation to petitions for the recall of Assemblypersons Schmall and Hitchcock, concluded that certain reasons on the petition were not legally sufficient. The charges that Schmall and Hitchcock failed to discuss "certain matters and general charges were noted not to be sufficient. However, charges of a specific instance of slander, excessive absences from meetings and illegal actions related to dismissal of the manager in violation of the law were detailed and sufficient to present to the voters.

Form of Petition Signatures

A recall petition must have a statement of the grounds of the recall stated with particularity. It must have the signature, residence address and signing date for each signer.

There is no requirement that the petition be on one page. Where the petition extends to several pages, each page should be attached to the others which form a complete petition and should be identified clearly as to the purpose of the petition to assure no signer is misinformed as to what he is signing. However, it is permissible to circulate more than one petition, each of which can be filed in a joint petition, if the form of each petition is identical.

It is preferable if each page of a petition has a full statement of the petition or a summary clearly setting forth the purpose. There is no apparent requirement that proof be provided that all sheets in a petition were circulated as a unit; some states require an affidavit to that effect.

The signatures on the petition must meet certain statutory requirements. If the area concerned by the petition in the Borough has fewer than 7,500 persons, the petition must contain the signatures of persons who are registered to vote in and living in the concerned area equal to 25% of the total number of votes cast at the last general election within that area. If the concerned area has 7,500 persons or more, the petition must be signed by voters equal in number to at least 15% of the total votes cast in the last general election in that area. In this case, the concerned area is District 5 only.

The signature must be in ink or indelible pencil. To be valid a signature must be followed by the date of signature and the person's current residence address. Each and every signature on the petition must have been signed within 60 days of the filing of the petition with the clerk.

Only those persons who are currently registered voters within the concerned area may be counted toward the petition. The petition itself is not an affidavit of residency; the required voter registration establishes the validity of a person's signature, residence and right to sign the petition. Because of the lack of specific residence addresses within the Borough, certain leeway must be granted to describing the location of residence. However, a signature may not be counted if it cannot be ascertained from the address that the person lives within the area concerned.

Processing a Petition

The municipal clerk is required to review the petition for content and signatures and accept the petition within ten days of the filing date. Until such time as the petition is accepted, any signer of the petition may withdraw his signature upon written application to the clerk.

If the petition is sufficient, the clerk should immediately submit it to the Borough Assembly to be placed on the ballot within 75 days of submission of the petition to the clerk. If the clerk finds that there are insufficient signatures, or that the petition is otherwise inadequate, the clerk must let the petitioners know within the ten day period for review of the petition. The petitioners are entitled to an additional ten days from the date of rejection to provide additional signatures.

If the petition is insufficient for any reason other thatn insufficient signatures, it must be rejected in its entirety. If insufficient signatures are provided within a supplemental ten day period, the petition shall also be rejected. A new recall petition cannot be filed for six months after rejection of the first petition.

The recall petition must be placed on the ballot within 75 days of submission of the petition. The question on the ballot must include:

(1) The grounds for recall as stated in the recall petition.

(2) The elected officer's response to the petition, in 200 words or less.

(3) The proposition questions: "Shall (the elected official) be recalled from the office of (office)? Yes___ No___

A majority vote on the question is required to recall an officer. Failure to recall an elected official prevents the filing of a new recall petition within six months after the election. A successful recall requires that an election be conducted for its successor at least ten but not more than 45 days after the date of the recall election, except that the election for the successor may be held at a regular election if occurring within 75 days of the recall election.

Steven H. Morrissett
Borough Attorney

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(13)

RECALL PETITION

THE PETITION FOR RECALL OF ASSEMBLYPERSON DOROTHY JONES (Rejected) Page 1 of 13

THE UNDERSIGNED VOTERS of the Matanuska-Susitna Borough Assembly District 5, currently composed of Precincts 3, 8, 15, 17, 21, and 50, seek the recall of DOROTHY JONES due to incompetency and/or failure to perform prescribed duties. Each of the undersigned states that he/she petitions for the recall of DOROTHY JONES for each of the instances of incompetency and/or failure to perform prescribed duties cited below with or without the other, and whether such instances constitutes incompetence, failure to perform assigned duties, or both: (1) Has generally failed to consult with constituents and has failed to keep citizens informed concerning the various activities of the Borough Assembly and Borough Government; (2) Has failed to inform constituents concerning the true size and scope of Borough Government and the sources of revenues for the operation of Borough Government. This was especially true during early 1981 at Borough budget meetings; (3) Has failed to inform and/or consult with constituents concerning future property tax liabilities if and when present sources of state and federal revenues should cease to be available for the operation of the Borough Government. Specifically, she failed to discuss these matters at Borough budget meetings in 1981; (4) Has failed to recognize the desires of many constituents to lead quiet, peaceful, and uncomplicated lifestyles with a minimum of government regulation, intrusion, and interference. Has sponsored and/or voted for ordinances which interfere with privacy rights and individual freedoms of citizens; and (5) Has favored and/or voted for more expensive and burdensome Borough Government despite the objections of many of her constituents. Specifically, in May 1981, she ignored a petition signed by approximately 50 of her constituents, the purpose of which was to inform the Borough Assembly that many Borough citizens were against the addition of permanent employees to the general Borough Government staff.

RECEIVED
JUL 10 1981
OFFICE OF THE OMBUDSMAN

THE VOTERS OF ASSEMBLY DISTRICT 5 RESPECTFULLY REQUEST THAT A RECALL ELECTION BE HELD AS SOON AS POSSIBLE.

PRINTED NAME	SIGNATURE	MAILING ADDRESS	RESIDENCE ADDRESS	DATE
A E Frantz	A E Frantz	Box 17-351 Big Lake	Same	7-15-81
JUDY RIFE	Judy Rife	P.O. BOX 2687 Palmer	KNIK RD ½ mile APT #1 L	7-15-81
JAMES OLSON	James Olson	P.O. Box 17-249 Big Lake	Same Big Lake	7-15-81
Raymond A Hall	Raymond A Hall	PO Box 17306 Big Lake	Lot 25 Burkeshore	7-15-81
Bethel C. Hall	Bethel C Hall	PO Box 17306 Big Lake	Lot 25 Burkeshore	7-15-81
Mike Winchester	Mike Winchester	PO. BOX 17229 Big Lake	Lot 22 Butler Sub	7-15-81
Lola J Jensen Winchester	Lola Jean Winchester	P.O Box 17229 Big Lake	Lot 22 Butler Sub	7-15-81
Herbert L Rinn	Herbert L Rinn	St. Rt ABOX 470 Willow	Mile 91½ PHW	8-1-81
Margaret S Rinn	Margaret S. Rinn	SRQ-Box 490, Willow, AK.	Mile 91½ Parks Highway	8-1-81
Paul E. Hipps	Paul E Hipps	Box 133 Wasilla AK	Mile 1 Valley Spur Rd	8/1/81
Stephanie Cogdill	Stephanie Cogdill	P.O. Box 17048 Big Lake	mile 24 Big Lake Rd.	8/2/81
Mary J Oberg	Mary J. Oberg	Box 17-334 Big Lake	Knollwood Heights Big Lake	8/2/81

RECALL PETITION

THE PETITION FOR RECALL OF ASSEMBLYPERSON KATHRYN R. SCHMALL

The undersigned voters of the Matanuska-Susitna Borough Assembly District 4, currently composed of precincts 18, 19 and 35, seek the recall of Kathryn R. Schmall due to incompetence and/or misconduct. Each of the undersigned states that he/she petitions for the recall of Kathryn R. Schmall for each of the instances of incompetence and/or misconduct cited below with or without the others, and whether such instance constitutes misconduct, incompetence, or both.

A. Voting at the Assembly meeting on June 3, 1980 to dismiss the Borough Manager, constituting incompetence because (1) the vote was based upon unsubstantiated charges presented at an executive session, which charges affected the character and reputation of the Manager, without allowing the Manager an opportunity to respond to the charges or confront the witnesses against him; (2) failing to publish the topic of the Manager's dismissal on the Assembly's agenda, not allowing for appropriate input from all interested segments of the community; and (3) voting to dismiss the Manager capriciously, without making any provision for a smooth administrative transition at a critical period in the development of several major economic development projects in the Point McKenzie area, generating the likelihood of great economic loss to the Borough and its residents.

B. Voting to hold executive sessions beyond the authority granted by statutes, in derogation of the people's right to attend and observe the Assembly's deliberations.

C. Refusing to discuss Borough Assembly actions with constituents, who have a right to know.

D. Making slanderous remarks against the Borough Manager at the Wasilla Chamber of Commerce meeting of May 20, 1980.

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JAN 07 1983
OFFICE OF THE OMBUDSMAN

The voters of Assembly District 4 respectfully request that a recall election be held as soon as possible.

PRINTED NAME	SIGNATURE	MAILING ADDRESS	RESIDENCE ADDRESS	DATE
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Charlotte Cremer	Charlotte Cremer	P O Box 657 Wasilla 99687	687 Southway Ave	6/30/80
Theodore Cremer	Theodore E Cremer	PO Bx 657 WASILLA 99687	687 Southway Ave	6/30/80
John Poole	John Poole	Box 525 Wasilla	Cedarflying + Gilbert Rd	7/4/80
[illegible]	[illegible]	Box 155 Wasilla ak	Silverbow County, Mt	7/4/80
Colleen G. Cottle	Colleen G Cottle	PO Box 341 Wasilla	Lakeview Ave	7-5-80
[illegible]	[illegible]	[illegible]	Susitna East	7-5-80

RECALL PETITION

Certified for submission to the lieutenant. 123 signatures. Evelyn Thompson Borough Clerk 5-1-80

THE PETITION FOR RECALL OF ASSEMBLYPERSON JAMES (JIM) M. HITCHCOCK

The undersigned voters of the Matanuska-Susitna Borough Assembly District 3, currently composed of precincts 10 and 30, seek the recall of James (Jim) M. Hitchcock due to incompetence and/or misconduct. Each of the undersigned states that he/she petitions for the recall of James (Jim) M. Hitchcock for each of the instances of incompetence and/or misconduct cited below with or without the others, and whether such instance constitutes misconduct, incompetence, or both.

A. Voting at the Assembly meeting on June 3, 1980 to dismiss the Borough Manager, constituting incompetence because (1) the vote was based upon unsubstantiated charges presented at an executive session, which charges affected the character and reputation of the Manager, without allowing the Manager an opportunity to respond to the charges or confront the witnesses against him; (2) failing to publish the topic of the Manager's dismissal on the Assembly's agenda, not allowing for appropriate input from all interested segments of the community; and (3) voting to dismiss the Manager capriciously, without making any provision for a smooth administrative transition at a critical period in the development of several major economic development projects in the Point McKenzie area, generating the likelihood of great economic loss to the Borough and its residents.

RECEIVED JAN 07 1983 OFFICE OF THE OMBUDSMAN

B. Being absent from an excessive number of regular and special Assembly meetings, and frequent tardiness at meetings he attended. These absences have substantially hindered the conduct of Borough business by necessitating postponements and reconsiderations of important Borough legislation to the detriment of the Borough and its residents.

The voters of Assembly District 3 respectfully request that a recall election be held as soon as possible.

PRINTED NAME	SIGNATURE	MAILING ADDRESS	RESIDENCE ADDRESS	DATE
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elroy Francis Garcia Jr.	Elroy Garcia	Star Route Box 3095	mile 3 Wasilla Alaska	7/20/80
Clara E Garcia	Clara E. Garcia	Star Route Box 3095	mile 3 Wasilla Alaska	7/20/80
Michael K. Betts	Michael K Betts	P.O. Box 1012	mile 4 Woodla Fishlake	7-20-80
John A Antoni	John Antoni	STAR ROUTE BOX 3070 WASILLA	MILE 2 SCHRECK ROAD	7/20/80
Edna M Slather	Edna M. Slather	Box 443 WASILLA	Mile 2½ Schreck Rd	7/20/80
[illegible]	[illegible]	P.O. BOX 3040	Wasilla, AK	[illegible]
[illegible]	[illegible]	P.O. Box 1-3040	Wasilla Alaska	[illegible]
[illegible]	Patsy KNEFF	SILA. BX-6083	Palmer Alaska	7-20-80

ATTACHMENT #2

Hon. Marshall L. Lind
Commissioner
Dept. of Education

April 12, 1977

RECEIVED
JAN 12 1983
OFFICE OF THE OMBUDSMAN

Avrum M. Gross
Attorney General

Petition for recall, Upper Railbelt school board

FROM: Rodger W. Pegues
Assistant Attorney General

As you requested, we have reviewed the recall petition from REAA #14, the Upper Railbelt School District. In our opinion, the petition meets the statutory requirements, and we advise that it be accepted as sufficient in form and substance. */

By law, the grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties. AS 29.28.140. The recall petition must contain a statement of the grounds, "with particularity as to specific instances." AS 29.28.150(a)(3). **/ While certain of the recall petition's allegations are vague and do not meet the statutory requirements for particularity, the petition recites that the "aim is to correct the incompetency of the School Board," and the petition states two particular instances of alleged misconduct or incompetency: (1) the board's approving a new position of assistant superintendent, and (2) the board's approving funds for a computer. Accordingly, while far from a perfect instrument, the petition does facially meet the statutory requirements.

It is not the role of the officer charged with ascertaining the petition's sufficiency to judge the merit or truth of the grounds asserted. 60 Am. Jur.2d Public Officers and Employees § 245. "It suffices that the reasons have been stated and with sufficient particularity to inform the office holder and the electorate. The latter will determine the merit of the charges.

*/ This assumes that a check of the signatures results in a determination that the petition has been signed by the required number of qualified voters.

**/ AS 14.08.081 makes REAA school board members subject to recall under AS 29.28.130--250, except that the commissioner of education performs the municipal clerk's functions and the state Board of Education performs the functions of the assembly. All elected public officials in Alaska, except judicial officers, are subject to recall. Alaska Const., art. XI, § 8.

In preparing the recall ballot, you are required to include on it "the grounds as stated in the recall petition." AS 29.28.210(1). In our view, this should be interpreted to mean the grounds as stated with particularity so as to comply with AS 29.28.150(a)(3), which requires particularity. Therefore, the statement of grounds on the ballot should exclude the non-specific grounds and include those stated "as to specific instances."

The first statement of grounds in the petition (consistently ignored the will, etc.) may or may not meet these criteria. It is probably sufficiently particular to advise the officers and the electorate in the district. It does not give "specific instances." You should exercise your own judgment as to whether it should be included on the ballot based on your knowledge of the situation, i.e., if you believe that, under the circumstances, the statement adequately recites the alleged misconduct, you should include it on the ballot.

The second statement (created dissension, etc.) is facially inadequate. It states a broad conclusion without the slightest reference to a particular act or instance. It should not be placed on the ballot.

The third statement (new position) and the fourth statement (allocated funds for a computer) are particularized and give specific instances. They should be placed on the ballot.

The statements of grounds placed on the ballot are to be "as stated in the recall petition." AS 29.28.210(1). Following these allegations, the official's rebuttal or defense of not more than 200 words is placed. AS 29.28.010(2).

This is a proceeding without precedent in Alaska, and if you require additional assistance, please do not hesitate to request it.

RMP:chp

ATTACHMENT #3

June 6, 1977

Marshall L. Lind
Commissioner
Department of Education

RECEIVED
JAN 12 1983
OFFICE OF THE OMBUDSMAN

Avrum M. Gross
Attorney General

By:
Ronald W. Lorensen
Assistant Attorney General

Recall petition of the Upper Railbelt School Board
A.G. File No. J-66-512-77

This will confirm my oral advice to you of May 19, 1977 in response to certain questions which you raised as to whether or not the charges contained in the recall petition filed in the above-referenced matter were legally sufficient to require that a recall election be undertaken. I advised you that those charges were in fact sufficient, despite some substantial questions which you had raised as to the apparent untruth of certain of the factual allegations.

While a review of the relevant school board minutes for the Upper Railbelt School District does seem to indicate that certain of the factual allegations contained in the petitions are indeed not correct, this factor, under applicable judicial decisions dealing with the question of recall elections, is irrelevant to the question of whether or not the recall petition is legally sufficient to bring on the holding of the recall election. This point has been addressed in numerous judicial decisions throughout the United States, although it has not yet been addressed in Alaska. The decisions of those courts are virtually unanimous in their holding that the question as to whether or not the charges contained in the petition are true or false is irrelevant. According to those decisions, the only question to be decided is whether or not the charges which have been made are sufficiently specific to allege incompetence or misfeasance if they were in fact true. As recently stated by the Wisconsin Supreme Court in In re Recall of Certain Officials, 217 N.W.2d 277 (1974), "recall is political in nature and it is for the people and not the courts to decide the merits of the reasons stated in the petition."

The power of the people to recall their elected officials is established by our state constitution in Article XI, Section 8 which provides as follows:

> All elected public officials in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedures and grounds for recall shall be prescribed by the legislature.

In those states where the power of recall is constitutionally established, the courts have viewed recall as a "fundamental right" and have consistently said that statutes dealing with recall should be liberally interpreted and that any restrictions which are placed on the power of recall must be strictly construed. See, for example, Bunnen v. City of Boulder, 525 P.2d 416 (Col., 1974).

Although you and the state Board of Education may disagree with respect to the established policy behind the widespread judicial support for recall powers, and though you have substantial concerns over the truth of the factual allegations made in the petitions, neither of these areas are concerns with which either you or the Board in your respective roles in the recall procedure have any vested authority. Consequently, neither you nor the Board may determine the propriety of the policy in this area or the sufficiency of the petitions based on potential factual inaccuracies. A good general description of the judicial approach to recall can be found in State ex rel. Citizens Against Mandatory Busing v. Brooks, 492 P.2d 536 (Wash., 1972):

> This court has on numerous occasions interpreted and applied these constitutional and statutory provisions. Some basic rules may be gleaned from these prior cases. First, in determining the validity of recall charges, courts are limited to examination of the charges stated and cannot inquire into factual matters extraneous to the allegations. Second, courts must assume the truth of the charges in determining whether legally sufficient grounds for recall have been stated. Third, just as there can be no inquiry into the truth of falsity of the charges, there can be no inquiry into the motives of those filing the charges. Fourth, recall charges are sufficiently specific if they are definite enough to allow the charged official to meet them before the tribunal of the people. Finally, any one sufficient charge requires the holding of a recall election. (Citations omitted.)

Consequently, as you can see from the above, I am able to reach only one conclusion in this matter and that is that you and the State Board must proceed to hold the recall election called for under AS 14.08.081.

RWL:jf

Municipality of Anchorage

MEMORANDUM

ATTACHMENT #4

DATE: January 11, 1983

TO: Municipal Clerk

FROM: Municipal Attorney

SUBJECT: Petition for Recall of Gerry O'Connor, Assemblyman, Section 2, Seat C

ISSUE PRESENTED

Are the grounds set forth in the above referenced recall petition sufficient as a matter of law under the provisions of AS 29.28.150 to permit a submission by the Clerk to the Municipal Assembly for the purpose of calling an election pursuant to AS 29.28.200?

CONCLUSION

The above referenced petition is legally insufficient and no recall election may therefore be called. Under AS 29.28.160 - .170, the Municipal Clerk is required within 10 days of submission to examine the sufficiency of the recall petition, both as to the adequacy of signatures and for content with respect to compliance with AS 29.28.130 - .150. On the basis of the authorities and the reasoning referenced below, it is my opinion that an individual assembly member's vote on an ordinance approving the municipal budget cannot, as a matter of law, constitute misconduct in office, incompetence, or failure to perform prescribed duties under the meaning of AS 29.28.140, if that vote was in compliance with state and municipal law governing ethics and conflicts of interest and if the measure passed was in all respects a lawful action.

DISCUSSION

The necessity and sufficiency of specific grounds to support a recall petition is a matter governed by applicable constitutional or statutory provisions. For this reason, the weight given to various legal precedents from other jurisdictions depends on an examination of the specific legal framework involved. Generally, there would be no examination of the legal sufficiency of grounds where the governing statute permits removal from office for any reason or where grounds must be stated in a general manner. This is the case in many states, including, for example, Colorado, Michigan, Oklahoma and Wisconsin. In those states, it is held that recall can be based merely on a disagreement with the policies of the officeholder. A different rule applies, however, where, as in Alaska, the governing statute dictates that only certain grounds are suf-

ficient and that those grounds must be stated "with particularity" and be based on "specific instances". The rule is well stated by Antieau in his treatise on the Law of Municipal Corporations:

> Generally, courts refuse to allow recall proceedings to go forward where the grounds or charges stated in the petition do not satisfy local constitutions or legislation. Where local constitutions, statutes or charters limit the recall to malfeasance, misfeasance. nonfeasance in office or comparable grounds, it has been held that the petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Local Government Law, § 22.20.

The statute in question clearly applies to home rule municipalities. AS 29.28.130. It is equally clear that the remedy of recall is only available for certain specified reasons comparable to malfeasance, misfeasance, or nonfeasance in office:

> AS 29.28.140 Grounds. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

This degree of particularity coupled with the stated limitation on grounds constitutes by itself a strong implication that it is insufficient to rely merely on a disagreement with the officeholder's policies. The cited statutes would be superfluous if, as under the governing laws of some states, recall could be applied at any time to test the political strength of the legislator. This principle was well articulated by the Supreme Court of West Virginia in the case of State ex rel Perkins v. City Council of City of Parkersburg, 121 S.E. 489:

> To adopt the view of petitioner [that it is sufficient to allege mere political disagreement] would make it unnecessary for the petition to contain any real grounds. The official could be recalled as well on account of his religious beliefs or political affiliations, as for corruption or malfeasance in office; and if those who desire his removal were unsuccessful in one election the process might be continued inde-

> finitely at the expense of the taxpayers. And suppose the faction seeking power through recall of those in office should be successful and the first, second, or third attempt, then the ousted faction could then in turn employ the same in repeated trials to regain its lost prestige, and the interminable wrangell and turmoil would go on. This would result in the fostering and maintaining of political feuds to the detriment of society and the great expense of the taxpayers. 121 S.E. at 493.

Additional support for this conclusion is found in AS 29.28.160 entitled, EXAMINATION FOR SUFFICIENCY. That section requires that the Municipal Clerk review a recall petition for content as well as for signatures. Since a petition is required to contain only dated signatures with addresses and a statement of grounds, the term "content" could refer only to the statement of grounds. Any other conclusion would make the use of the term "content" superfluous. On this point, note that AS 29.28.170(a) provides for a supplemental petition if, and only if, it is rejected on the basis of insufficient signatures. The statute also provides that "if the petition is insufficient for any other reason, it shall be rejected and filed as a public record." (emphasis added). Obvious from the emphasized language, the legislature contemplated that the Clerk's duties include an examination of the petition for compliance with other requirements. This interpretation of the Clerk's authority is consistent with the Alaska Supreme Court's decision in Warren v. Boucher, 543 P.2d 731. In that case, the Court approved the Lt. Governor's determination that an initiative petition was "substantially the same" as a measure passed by the legislature and therefore barred from the ballot. The Court's approval of the Lt. Governor's authority in that case involved a statute which, like the one under analysis here, permitted the highest election officer of the jurisdiction to make certain threshold decisions on the validity of a petition. This is not an unusual position. In the case of Steadman v. Halland, 641 P.2d 448, the Supreme Court of Montana addressed the same issue; "We agree that the statement of grounds for recall to be included in the petition is 'part of the form of the petition' and find that the filing officer not only is 'empowered to' but is required to reject the petition when it does not comply with statutory requirements." (emphasis added) 641 P.2d at p. 453.

The inquiry need not be confined to the governing statute alone as there exists precedent from other states with similar statutory language.

In Jacobsen v. Nagle, 96 N.W.2d 569, the Supreme Court of Minnesota was called upon to apply constitutional and charter provisions similar to those applicable here. That court found that where recall is founded on specific grounds relating to misconduct in office, the allegations must state more than criticism of the officeholder's policies or positions.

The courts of Florida have also ruled that there must be a statement of facts charging specific misdeeds related to performance of office. In the case of Piuer v. Stallman, 198 So.2d 859, for example, the court specifically stated that the valid exercise of a legislative judgement was not grounds for recall. In another case, the court stated that "errors in judgement cannot be sufficient grounds for recall, nor can legitimate and authorized actions, no matter how unpopular they are." Taines v. Galvin, 279 So.2d 9. In Richard v. Tomlinson, 49 So.2d 798, the court held a charge did not sufficiently comply with the statutory language when it merely alleged activities that were "inimical to the best interest of the citizens".

The basis for recall in Washington, like here, is related to malfeasance, misfeasance and nonfeasance in office. The Washington Supreme Court has observed: "Misfeasance or malfeasance...have been held to be comprehensive terms that include any wrongful conduct that affects, interprets, or interferes with the performance of official duties....Additionally, we have held that 'misfeasance' means 'the improper doing of an act an officer might lawfully do; or, in other words, it is the performance of a duty in an improper manner.' Malfeasance means the commission of an unlawful act, or the doing of an act which the person ought not to do at all." Bocek v. Bayley, 505 P.2d 814; State ex rel LaMon v. Westport, 438 P.2d 200.

In addressing the petition in question relating to Assemblyman Gerry O'Connor, it is apparent that the petitioners have alleged two of the three grounds specified in AS 29.28.140, namely incompetence and a failure to perform prescribed duties. With respect to compliance with AS 29.28.150(a)(3) (which requires that the listed grounds be based on a specific instance of conduct) the petition lists only Mr. O'Connor's vote on the 1983 municipal budget. A vague reference is also made to "his other past actions" and "dereliction of duty of his representation of Eagle River and Chugiak", but these later two items are not insufficiently specific to comply with the statute and should therefore be ignored in any analysis of the sufficiency of petition.

In states where the law permits recall to be based on political grounds alone, the above referenced statement (or any statement for that matter) would be sufficient. It is, however, insufficient to support the grounds of incompetence or failure to perform prescribed duties.

Relative to removal from public office, the terms "incompetence" and "dereliction of duty" have well established meanings. 63 Am.Jur.2d, Public Officers, §§ 191-192. The petition describes one act allegedly constituting incompetence. The allegation does not meet judicially defined standards for "incompetence" as that term has been defined by the courts. "Incompetence" means "some demonstrated lack of capacity or ability to perform the professional functions of office", Vivian v. Examining Board of Architects, 213 N.W.2d 359 (Wisc. 1974), including physical handicap inability to perform official functions; Tafoya v. New Mexico State Police Board, 472 P.2d 973 (N.M. 1970), or other legal disqualification, incapacity, or fitness to discharge the required duty. It means want of physical, intellectual, or moral ability, insufficiency, inadequacy, want of legal qualifications. Appeal of School District of Bethleham, 30 A.2d 726 (Pa. Super. 1943); Hughes v. Hughes, 271 P.2d 172 (C.A. 4th 1954). The allegation in the petition falls short of claiming lack of capacity, ability, or physical, educational or mental ability to perform official functions; rather the allegation merely recites an action of the Assembly to which petitioners object. Failure to perform prescribed duties means a failure to carry out those responsibilities of the office set out in state or local law. Prescribed duties are numerous, from the obligation to attend assembly meetings unless excused to voting on matters for which one is not excused on the basis of a conflict of interest. A prescribed duty may be created by implication, as for example, when the assembly as a whole is required to perform a function. It is the implicit duty of each official who is a member to aid in the performance of that function. It is not, however, a prescribed duty of each assembly person to take every conceivable action which might make that official more informed or a more popular representative. Thus, it is not a prescribed duty to attend meetings which are not official or are sponsored by other nonmunicipal organizations. It is not a prescribed duty of an assembly person to inform all constituents of the basis of his or her political decisions, nor is it a prescribed duty to follow the popular will of ones constituency on any particular issue.

While the Alaska Supreme Court has not ruled on the precise question addressed here, at least one Superior Court Judge has

stated that under AS 29.28.130-.170, the legal sufficiency of stated grounds should be examined and that allegations of "misconduct" cannot be based on "discretionary" items, but rather must be founded on an unlawful or unethical act. White v. Baker, 3KO-80-263. The opinion stated here is also consistent with seve ıl that have been given to the Matanuska-Susitna Borough Assembly by various attorneys retained or employed by that body.

DEPARTMENT OF LAW

Jerry Wertzbaugher
Municipal Attorney

JW:gml
cc: Members of Anchorage Assembly

LAWS OF ALASKA

1983

Source

CSSB 85(Fin)

Chapter No.

95

AN ACT

Amending or repealing provisions related to state aid for health facilities, certificate of need, Medicaid and general relief medical assistance; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 25, 1983
Actual Effective Date: July 26, 1983

Chapter 95

AN ACT

Amending or repealing provisions related to state aid for health facilities, certificate of need, Medicaid and general relief medical assistance; and providing for an effective date.

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* Section 1. AS 18.07.031 is amended to read:

Sec. 18.07.031. CERTIFICATE OF NEED REQUIRED. No person may make an expenditure of $1,000,000 or more for any of [UNDERTAKE] the following unless authorized under the terms of a certificate of need issued by the office:

(1) construction of a health care facility;

(2) alteration of the bed capacity of a health care facility; or

(3) addition or elimination of a category of health services provided by a health care facility.

* Sec. 2. FINDINGS AND DECLARATION OF POLICY. The legislature acknowledges the need to pay health facilities for services provided to beneficiaries of state programs at a level that will meet the proportionate share of the total financial requirements of the facilities that are attributable to those programs given prudent and cost-effective management and operation of such facilities. The legislature finds that, because Medicaid is a joint state and federal program and because federal Medicaid funds have been and are likely to continue to be reduced dramatically, a retrospective payment system no longer serves as an appropriate method of compensation,

not does it respond with appropriate flexibility to continued federal cutbacks. A prospective payment system is necessary to prudently address payments to health facilities under the Medicaid and general relief medical assistance programs.

* Sec. 3. AS 47.07.070 is repealed and reenacted to read:

Sec. 47.07.070. PAYMENT TO HEALTH FACILITIES. (a) The commission shall determine prospectively the rate of payment to a health facility under this chapter and AS 47.25.120 - 47.25.300 based on a fair rate for reasonable costs incurred by the facility. The commission shall by regulation list the factors it considers in making its rate determinations under this section.

(b) In determining a rate of payment to a health facility under this section, the commission shall consider the proportionate share of the facility's financial requirements for patient care for

(1) costs of current operations, including salaries and wages, purchased services, supplies, insurance, leases, depreciation, taxes, interest expense, maintenance and other health facility operating expenses; and

(2) education, research, and appropriate capital development.

(c) In determining a rate of payment to a health facility under this section, the commission may consider whether the rate of utilization of the facility has been reduced because of improvident or careless development of the facility.

* Sec. 4. AS 47.07 is amended by adding new sections to read:

Sec. 47.07.071. REPORTS BY HEALTH FACILITIES. Not later than 120 days after the end of each fiscal year of a health facility, the facility shall submit to the commission a report on the facility's financial performance during the fiscal year.

* Sec. 9. The sponsor of a hospital or health facility construction project who is receiving or entitled to receive state aid under AS 29.90 on the day preceding the effective date of this Act shall continue to receive state aid until the sponsor has received an amount which, combined with state matching money for construction of the hospital or health facility, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose.

* Sec. 10. AS 29.90 and AS 47.07.080(1) are repealed.

* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.070(c).

the commission shall elect a chair from among its members.

Sec. 47.07.170. MEETINGS AND QUORUM. The commission shall meet as often as necessary to conduct its business. Three members of the commission constitute a quorum.

Sec. 47.07.180. DUTIES. The commission shall review proposed payment rates and budgets of health facilities and establish payment rates for health facilities under this chapter and AS 47.25.120 - 47.25.300.

Sec. 47.07.190. EMPLOYMENT OF PERSONNEL. The commission may employ and determine the salary of an executive director. With the approval of the commission, the executive director may select and employ additional staff. The commission shall be assisted by the officers or personnel of the department as the commissioner of health and social services shall direct. The executive director of the commission is in the exempt service under AS 39.25.

* Sec. 7. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.195. PAYMENT TO HEALTH FACILITIES FOR TREATMENT OF NEEDY PERSONS. (a) The department may make payments to a health facility for the treatment of a needy person.

(b) A health facility receiving a payment under this chapter is subject to the requirements of AS 47.07.070 - 47.07.075.

(c) For purposes of this section, "health facility" includes a hospital, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, rehabilitation facility, inpatient psychiatric facility, home health agency, rural health clinic, and outpatient surgical clinic.

* Sec. 8. INTERIM PROSPECTIVE PAYMENT SYSTEM. The department shall establish an interim system of prospective payments for health facilities under this Act for the period July 1, 1983, to June 30, 1984.

Sec. 47.07.072. REPORT BY THE COMMISSION. Not later than September 30 of each year, the commission shall submit to the governor a report on the prospective payments made under this chapter during the current fiscal year and an estimate of the prospective payments that will be made during the remainder of the current fiscal year and the next fiscal year. The report shall state the assumptions that are used as a basis for the estimates.

Sec. 47.07.073. UNIFORM ACCOUNTING, BUDGETING, AND FINANCIAL REPORTING. (a) The commission by regulation shall require a uniform system of accounting, budgeting, and financial reporting for health facilities receiving prospective payments under this chapter. The regulations shall provide for reporting revenues, expenses, assets, liabilities, and units of service. The commission shall specify the date the system becomes effective for each health facility.

(b) In adopting regulations under this section, the commission shall consider

(1) accounting, budgeting, and financial reporting procedures used by health facilities;

(2) variations among health facilities in the types of health care services provided by health facilities;

(3) the size and organizational structure of health facilities;

(4) the methods used by health facilities to obtain payments; and

(5) other factors the commission considers relevant.

(c) The commission may waive or modify a requirement for accounting, budgeting, or financial reporting for a health facility if waiver or modification is

(1) necessary to avoid excessive costs to the facility; and

(2) consistent with the policies of this chapter.

(d) Notwithstanding other provisions of this section, the commission may, by regulation, modify the system of accounting, budgeting, and financial reporting required under this section for a health facility having less than 25 acute care beds in order to reduce the operating costs of that facility.

Sec. 47.07.074. AUDITS AND INSPECTIONS. As a condition of obtaining payment under AS 47.07.070, a health facility shall allow

(1) the department and the commission reasonable access to the financial records of medical assistance beneficiaries; and

(2) inspection of financial records by state and federal agencies to the extent required by federal law.

Sec. 47.07.075. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. Actions of the commission under AS 47.07 and AS 47.25.120 - 47.25.300 are subject to the provisions of the Administrative Procedure Act (AS 44.62).

* Sec. 5. AS 47.07.080 is amended by adding new paragraphs to read:

(6) "commission" means the Medicaid Rate Commission;

(7) "health facility" includes a hospital, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, rehabilitation facility, inpatient psychiatric facility, home health agency, rural health clinic, and outpatient surgical clinic.

* Sec. 6. AS 47.07 is amended by adding new sections to read:

ARTICLE 2. MEDICAID RATE COMMISSION.

Sec. 47.07.110. MEDICAID RATE COMMISSION ESTABLISHED. The Medicaid Rate Commission is established in the Department of Health and Social Services.

Sec. 47.07.120. COMPOSITION OF COMMISSION. The commission

consists of five members as follows:

(1) the chief executive officer of a health facility that is licensed by the state but not owned or operated by the state or federal government and that is subject to the budget review process under this chapter;

(2) the commissioner of administration, the commissioner of health and social services, or the appointed designee of either commissioner;

(3) a physician licensed to practice medicine in the state who is actively engaged in the practice of medicine and who is not employed by the state;

(4) a certified public accountant with relevant experience;

(5) a person representing consumers of health services who does not have a direct or indirect interest in an entity that provides health care services.

Sec. 47.07.130. APPOINTMENT OF MEMBERS. Members of the commission are appointed by the governor and serve at the pleasure of the governor.

Sec. 47.07.140. TERM OF MEMBERSHIP. The term of a member of the commission appointed under AS 47.07.120(1), (3), (4), or (5) is three years. A member may not be appointed to a successive term. The terms of the members shall be staggered. A member appointed to fill a vacancy serves for the unexpired term of the member. A term shall be measured from January 1 of the year in which the term of the vacant position begins, regardless of when the vacancy is filled.

Sec. 47.07.150. COMPENSATION. A member of the commission serves without compensation but is entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180.

Sec. 47.07.160. OFFICERS. At the first meeting of each year,

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 10, 1981

MEMORANDUM

TO: Senator Richard Eliason
Senator Frank Ferguson

FROM: Jack Kreinheder
Issues Analyst

RE: Comparison of Municipal Revenue Sharing Entitlements
Research Request No. 81-34

The enclosed computer printout provides the comparison you requested of revenue sharing entitlements for FY 1980 and FY 1981 at funding levels of $33.5 and $51.9 million. The following information is listed:

1. Fiscal year 1980 entitlements (funding level $27,000,000).
2. Fiscal year 1981 entitlements (funding level $33,500,000).
3. Amount of entitlement increase between (1) and (2).
4. Percentage increase between (1) and (2).
5. Fiscal year 1981 entitlements (funding level $51.9 million).
6. Amount of entitlement increase between (1) and (5).
7. Percentage increase between (1) and (5).

As the comparison shows, the percentage increases in entitlements vary widely among the different municipalities. At the $51.9 million funding level, the increases in entitlements range from about 25 percent for some cities such as Barrow and Valdez up to several hundred percent for a number of other cities and boroughs.

As I mentioned at the Senate Finance Committee hearing on SB 125, the primary factor which accounts for the wide range in entitlement increases is the local tax effort or mill rate equivalent. Road, hospital and health facility entitlements affect entitlement increases to a lesser degree. The present revenue sharing program is designed to provide more funding to municipalities with higher local tax effort or tax burden. All other things being equal, such as population and road and hospital entitlements, a community with a higher local tax effort than

another will receive a larger revenue sharing entitlement. Although on the surface it appears that this relationship would induce municipalities to raise taxes in order to increase their entitlement, the ratio between tax effort and entitlements is such that local taxes would have to be increased by about ten dollars to gain one additional dollar of revenue sharing funding.

Entitlements per capita are not equal and differ substantially under the present revenue sharing program, again primarily because of differences in local tax effort. Per capita entitlements range from $21 dollars per resident for Barrow up to several hundred dollars per capita for some small villages receiving the $25,000 minimum entitlements (at the $51.9 million funding level). At this funding level, Sitka receives about $72 per capita, while Anchorage receives $100 per resident. When making these comparisons, it is important to consider the entitlements for cities within boroughs such as Fairbanks, Haines, and others that are not unified municipalities. In many cases, the entitlements for cities within boroughs are as large or larger as the borough entitlements.

I hope this information is useful. If we may be of further assistance, please let us know.

JK/dp

Enclosure

PAGE: 99 LINE: 1517 NO. 10

Sec. 29.40.210. ACTIVITIES AUTHORIZED BY STATE OR FEDERAL AGENCIES. (a) Ordinances, regulations, permit decisions, coastal management or other land use plans adopted or promulgated under AS 29.35.180, AS 29.40 or AS 46.40 may not preclude or otherwise impede a hydrocarbon, mineral or geothermal exploration, development or production activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.

precludes?

(b) The provisions of this section apply to home rule and general home rule and general law municipalities.

Failed

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1984

2nd Session
13th Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Fellow Legislators:

During the First Session of the Thirteenth Alaska State Legislature, the House Community and Regional Affairs Committee held extensive hearings on HB172, the Municipal Code revision. Eight amendments have received Committee approval. Some other amendments have been proposed to the Committee for consideration early in the Second Session.

HB172 has many complex issues within its scope. The House Community and Regional Affairs Interim Committee has prepared a report covering this legislation and its history. The main purpose of this report is to give a concise overview of the bill and its issues.

The previous veto by Gov. Hammond of similar legislation was brought about by the addition of many well intentioned, but problematical amendments from the Floor. The current bill, HB172, does not contain any of those amendments. Many people believe that HB172 makes major alterations to Title 29. In fact, the major revisions to Title 29 have been passed thru separate legislation in the 1st Session of the 13th Legislature. At this time, HB172 is an editing and clarifying bill to aid the municipalities of the State in accurately interpreting Title 29.

It is the Committee's desire to give each legislator adequate time to suggest any changes during the Committee process. This report features the progression of the bill and the proposals to be considered by the Committee. Any other ideas, comments and suggestions should be directed to the Community and Regional Affairs Committee as soon as conveniently possible. It is the feeling of the Interim House Community and Regional Affairs Committee Chairman that any other major amendments should be dealt with in separate legislation.

The House Community and Regional Affairs staff has devoted much time to the preparation of this report. I hope it is beneficial to you.

Sincerely,

Milo H. Fritz

Representative Milo H. Fritz, M.D.
Interim Chairman
House Community and Regional Affairs Committee

#1 book 3/23/83

A M E N D M E N T

Offered in the HOUSE BY THE COMMUNITY AND REGIONAL

TO: HB 172 AFFAIRS COMMITTEE

Page 35, line 4:

After "request" insert "by a member of the governing body"

Page 35, line 5

Delete "and"

Page 35, line 6:

After "request" insert "by a member of the governing body"

Page 35, line 8:

Delete "." and insert ";"

Page 35, after line 8:

Insert:

"(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:

Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable".

SENATE AMENDMENT

By SENATE COMMUNITY & REGIONAL AFFAIRS COMMIT

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 8 LINE: 26

1. Pg. 8, line 26, after "council" insert:
   "of a first class city."
2. Pg. 29, line 8, after "commission" insert:
   "of seven elected members"
3. Pg. 29, line 14, after "be" insert:
   "prepared by the petitioners and"
4. Pg. 29, line 14, delete:
   "incorporation"
5. Pg. 29, line 15, following petition, insert:
   "to incorporate a home rule municipality"
6. Pg. 63, line 7:
   delete "bill" and replace with "ordinance or resolution"
   delete "act" , and replace with "ordinance or resolution"
7. Pg. 63, line 26:
   delete "bill" and replace with "ordinance or resolution"
   delete "act" , and replace with "ordinance or resolution"
8. Pg. 64, line 15:
   delete "bill" and replace with "ordinance or resolution"

9. Pg. 82, line 18:

after "emergency", add "services", and

after "center" add "under AS 29.35.130"

10. Page 85, lines 4 and 5 -- subsection (c) is amended as follows:

(c) A third class borough acquires an additional power to exercise in a service area in accordance with AS 29.35.490(b) and (c) [AREAS BY HOLDING AN ELECTION ON THE QUESTION IN WHICH EACH PERSON WHO IS A VOTER OF THE BOROUGH MAY VOTE].

11. Pg. 106, line 9, after "calculate" insert:

"at the rate of one percent per mill"

12. Pg. 106, line 10 and 11, delete:

"at the rate of one percent per mill"

13. Page 182, line 1 -- following "general law", delete:

"first or second class"

MEMORANDUM

TO: REPRESENTATIVE FRITZ and
REPRESENTATIVE MILLER, (NP)

FROM: EVE FOX
C&RA COMMITTEE STAFF

DATE: NOVEMBER 8th, 1983

RE: INTERIM DRAFT REPORT and AK MUNICIPAL LEAGUE CONVENTION

Enclosed is a complete copy, including support documents, of the House Committee on Community and Regional Affairs interim draft report. Final comments of the draft report are forthcoming from Legal Services, the Alaska Municipal League, the Department of Community and Regional Affairs, Legislators, and legislative staff. These final comments are essential in order for the above instrumentalities to draw a consensus and prepare for the issues that will be discussed by committee members during the up-coming legislative session.

In preparation for the up-coming legislative session, the Alaska Municipal League held it's 33rd annual convention here in Juneau during the week of November 2nd, with prime emphasis placed on the 1984 draft policy statement composed by the League's Legislative Committee and Directors (copy of policy statement and convention agenda enclosed).

During Monday, Tuesday, and Wednesday of the convention, I attended the finance officers meetings. These meetings covered a wide array of policy issues from the permanent fund, to bond capabilities of municipalities, to school foundation formula, to municipal assistance and/or revenue sharing, etc.. On Thursday morning I attended the Local Government Powers Policy meeting which covered several policy areas such as communities upgrading, programs that assist communities, and the question of communities opting out of being organized, etc.. During the afternoon I attended the Economic Development Policy meeting. This meeting covered numerous regional and statewide economic activities and policies therein. On Friday I attended the Capital Projects - State and Local Programs meeting where members of the Governor's capital projects mini cabinet spoke on the rules for requesting capital project funding through the Governor for FY'85, guidelines for prioritizing projects, and the prognosis for funding levels.

Numerous changes, additions, and deletions were placed on the policy draft during the meetings by designated committee members of the League and were voted upon by all attending delegates during the business meeting on November 5th (the final 1984 policy statement will be sent to you, from the League, upon it's completion sometime by November 18th).

Comments and questions for the House Committee on Community and Regional Affairs interim draft report are being received by Representative Fritz's office, House Committee on Community and Regional Affairs, 500

"L" Street, Suite 301, Anchorage, Alaska 99501, 277-9569. Your suggested changes will be reviewed and possibly incorporated into the draft report, the result being the final committee interim report. The final report will be sent to the printers and final copies sent to House C&RA committee members and the below listed persons prior to the 1984 legislative session.

cc: Ginny Chitwood, Alaska Municipal League

Tamara Cook, Legal Services

Mr. Brewer, House Judiciary Committee

Doug Griffin, Department of C&RA

Carl Nelson, House Majority Office

Under Uniform Rule (43)(b), engrossment has been waived and certified amendments are attached.

Original sponsor: Rules/Legislative Council

Offered: 5/5/82
Referred: Finance

IN THE SENATE BY THE JUDICIARY COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary) am H

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to municipal government,

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

* Section 1. AS 29.03 is amended by adding a new section to read:

Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the Department of Natural Resources is the platting authority in the unorganized borough in the area outside all cities.

* Sec. 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

Sec. 29.04.010. HOME RULE. A home rule municipality is a municipal corporation and political subdivision. It is a city or a borough that has adopted a home rule charter, or it is a unified municipality. A home rule municipality has all legislative powers not prohibited by law or charter.

Sec. 29.04.020. GENERAL LAW. A general law municipality is a municipal corporation and political subdivision and is an unchartered borough or city. It has legislative powers conferred by law.

Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipalities are of five classes:

(1) first class boroughs;

(2) second class boroughs;

(3) third class boroughs;

(4) first class cities;

(5) second class cities.

CERTIFIED AMENDMENTS

HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary)

PAGE: 149 LINE: 22
through page 150 line 6
Delete Sec. 29.60.140 and replace with the following

AMENDMENT NO. 3

Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The Department of Community and Regional Affairs shall pay an entitlement of $25,000 each fiscal year to each unincorporated community to be used for a public purpose. The Department of Community and Regional Affairs with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the Department of Community and Regional Affairs shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The Department of Community and Regional Affairs may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for contract claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit.

AMENDMENT TO AMENDMENT No. 3

Line 4: After "community" insert "to be used for a public purpose."

Line 14: Delete "contract"

AMENDMENT No. 5

OFFERED IN THE HOUSE: BY: _____

TO: HCS CSSB 180 (Jud) HOUSE BILL No. _____

SENATE BILL No. _____

PAGE:s 31, 73, 94, 187 LINE:s As marked

Page 31, Line 3

Add a new paragraph to read:

(46) AS 29.35.120 (regulation of firearms prohibited)

Page 73, Line 7

Add a new section to read:

Sec. 29.35.120. REGULATION OF FIREARMS PROHIBITED. (a) A municipality may not regulate the ownership and possession of firearms.

(b) This section applies to home rule and general law municipalities.

Page 94, Line 8

Add a new paragraph to read:

(7) firearms.

Page 187, line 17

Insert a new section to read:

Sec. 83. The tax exemption provided in AS 29.45.030(a)(7) of this Act begins January 1, 1983.

Renumber following section

AMENDMENT NO. 6

Page 55, Line 4: Delete "a municipality" and add "the legislative body of a municipality"

AMENDMENT NO. 7

Page 59, Lines 6 and 24: Delete "60" add "90"

PAGE: 169 LINE: 25 and after 28

AMENDMENT NO. 8

On line 25: After "(23)" add "(A)"

After line 28 add: "(B) Does not include cadastral plats, cadastral control plats, open-to-entry plats, or remote parcel plats created by or on behalf of the State regardless of whether these plats include easements or other public dedications."

AMENDMENT NO. 9

Page 97, Line 22: Delete "$10,000" and insert "$25,000"

AMENDMENT NO. 10

page 103, line 4 through line 8. Delete text after "shall" through "year".

Insert:

"include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include all persons working at isolated job sites in a municipality. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 104, delete lines 3 through 7.

Insert.

"include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include all persons working at isolated job sites in a municipality. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 143, line 3, delete text after "shall" through line 6 "reliable".

Insert:

"include permanent residents and military personnel or employees of a military reservation located in the taxing unit. Population shall also include all persons working at isolated job sites

in a taxing unit. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 149, line 15, insert following "marshal".:

"For purposes of this subsection, population shall include permanent residents and military personnel or employees of a military reservation served by the fire department. Population shall also include all persons working at isolated job sites served by the fire department. The state fire marshall shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

AMENDMENT NO. 11

Page 97, Lines 24 - 26: Delete paragraph (1) and add new (1)

(1) classify boats and vessels for the purpose of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or documented net tonnage; a tax based upon a tonnage valuation shall not exceed $25 a year for a boat or vessel of less than five net tons and shall not exceed $75 a year for a boat or vessel of more than five net tons;

AMENDMENT NO. 12

Page 100, Lone 18: After the word "tax" delete "at the current mill levy"

AMENDMENT NO. 13

Page 58, Lines 21 & 22 are amended to read as follows: (3) relates to a legislative or administrative matter; and

AMENDMENT NO. 16

Page 86, Line 13: Delete paragraph (1) and renumber following paragraphs.

page 94, line 7. After subsection (6), insert new subsection (7):

(7) forest land as defined in AS 41.17.950(6).

page 94, line 8, insert new subsection:

(8) real property or interests in real property that are exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully provided in (k) and (l) of this section.

page 96, line 22, add new subsections:

(k) The tax exemption required by 43 U.S.C. 1620(d), as amended, shall be implemented according to the following conditions and interpretations.

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful or productive present use without further substantiation modification, surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the above conditions, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources,

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(l) If the property or interest in the property reverts to an undeveloped state, or if the lease is terminated, the exemption shall be reinstated, subject to the provisions of (k) of this section.

page 187, add new sections:

Sec. 83. AS 29.45.030(a)(8), (k) and (l) as enacted in sec. 11 of this Act are retroactive to December 31, 1980.

Sec. 84. AS 29.45.030(a)(8), (k) and (l) as enacted in sec. 11 of this Act and sec. 83 of this Act take effect immediately in accordance with AS 01.10.070(c).

Sec. 85. Except for AS 29.45.030(a)(8), (k) and (l) as enacted in sec. 11 of this Act, and sec. 83 of this Act, this Act takes effect July 1, 1982.

Page 187, line 17, delete sec. 83.

CITY OF BETHEL

P.O. Box 388 • Bethel, Alaska 99559

543-2297—Area Code 907

MAR 28 1983

March 10, 1983

Rep. Bette Cato
State Capitol
Pouch V.
Juneau, Alaska 99811

Dear Representative Cato:

As presented in the enclosed Resolution #398, the City of Bethel has gone on record fully supporting the adoption of legislation revising and reorganizing Title 29 of the Alaska Statutes.

A great deal of work has gone into this most important piece of legislation; but more importantly, the communities of Alaska need Title 29 revised. Not only does this piece of legislation make the municipal code more understandable, but it also grants to local governments greater flexibility in handling local problems. Bethel's difficulty in moving Home Rule status demonstrates the need for such flexibility in the municipal code statute. At the present time Bethel is a second class city. The community has considered the option of becoming a first class city and assuming the administration of the Bethel school system. However, Bethel is reluctant to do so because first class status is more restrictive than Home Rule. But Bethel is precluded from going directly to the more favorable Home Rule status under the present Title 29 provisions. The flexibility given to local governments under the proposed Title 29 revisions would save Bethel the unneeded expense and time delay now required by Title 29 to achieve its goal of Home Rule.

The City of Bethel requests your full support for the Title 29 revision now before the Legislature in the form of SB 1.

Thank you.

Sincerely,

Lyman Hoffman
City Manager

LH:skj

RESOLUTION #398

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA, FULLY SUPPORTING THE ADOPTION OF LEGISLATION REVISING AND REORGANIZING THE MUNICIPAL CODE AS PRESENT IN THE FORM OF SENATE BILL NO. 1.

WHEREAS, the existing Alaska Statute, Title 29, Municipal Government, has been amended numerous times; and

WHEREAS, the revision of the Municipal Government Statute was mandated in 1980 by SCR66 "Directing the Alaska Legislative Council to revise AS 29 (Municipal Government)"; and

WHEREAS, a thirteen (13) member Policy Advisory Group was appointed from the Legislature and various levels of local government to draft a revision of AS 29; and

WHEREAS, the present Senate Bill No. 1 revision represents a simplification of the title's organization and provides for maximum flexibility in the structure and functioning of local government; and

WHEREAS, several drafts and much work at numerous meetings have resulted in this revision; and

WHEREAS, communities across the State of Alaska are awaiting the adoption of this most important piece of legislation,

NOW THEREFORE BE IT RESOLVED that the City Council of Bethel, Alaska, fully supports the adoption of legislation revising and reorganizing the Municipal Code as present in the form of Senate Bill No. 1.

PASSED AND APPROVED THIS 28th DAY OF February, 1983.

John Guinn, Mayor

ATTEST:

Wayne J. Maiers, City Clerk

LAWS OF ALASKA

1983

Source: HCS CSSB 152(2d Rls) am H

Chapter No.: 63

AN ACT

Relating to the budget of the state and bills related to the budget and merging the division of budget and management, the division of policy development and planning and the latter's office of coastal management into one office; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 13

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 14, 1983
Actual Effective Date: Sections 1 - 13, 15 - 26 and AS 37.07.120(7), added by Section 14, take effect July 15, 1983; and AS 37.07.120(8), added by Section 14, takes effect January 1, 1984

AN ACT

Relating to the budget of the state and bills related to the budget and merging the division of budget and management, the division of policy development and planning, and the latter's office of coastal management into one office; and providing for an effective date.

* Section 1. PURPOSE AND INTENT. (a) It is the purpose of this Act, in the best interests of efficient administration and state planning, to merge the division of budget and management, the division of policy development and planning, and the latter's office of coastal management, including both capital and operating expenditures, into one office.

(b) It is the intent of the legislature that the powers conferred by this Act be exercised by the executive branch and its agencies, divisions, and departments in cooperation with the legislature and its committees.

* Sec. 2. AS 24.20.231(4) is amended to read:

(4) cooperate with the office of management and budget [DIVISION OF BUDGET AND MANAGEMENT] in establishing a comprehensive system for state budgeting and financial management as set out in the Executive Budget Act (AS 37.07);

* Sec. 3. AS 24.30.035 is amended to read:

Sec. 24.30.035. FISCAL NOTES ON BILLS. (a) Before a bill or resolution, except an appropriation bill, is reported from the committee of first referral, there shall be attached to the bill a fiscal

note containing an estimate of the amount of the appropriation increase or decrease which would result from enactment of the bill for the current [ENSUING] fiscal year and five [AT LEAST TWO] succeeding fiscal years or, if the bill has no fiscal impact, a statement to that effect shall be attached. The fiscal note or statement shall be prepared in conformity with the requirements of this section by the department or departments affected and may be reviewed by the office of management and budget. The fiscal note or statement shall be delivered to the committee requesting it within five days of the request or within two days if the request is made after the 90th day of a regular session, or during a special session of the legislature. If the bill is presented by the governor for introduction in accordance with AS 24.30.060(b) and the uniform rules of the legislature, the fiscal note or statement shall be attached to the bill before the bill is introduced. An amendment or a substitute bill proposed by a committee of referral that changes the fiscal impact of a bill shall be explained in a revised fiscal note or statement attached to the bill.

* Sec. 4. AS 24.30.035 is amended by adding new subsections to read:

(b) In addition to the fiscal note required by this section, the sponsor of a bill or resolution may prepare a fiscal note in conformity with the requirements of this section and submit it to the committee of first referral or the finance committee. A committee may prepare an additional fiscal note in conformity with the requirements of this section.

(c) A fiscal note for a bill or resolution must contain the following information:

(1) the fiscal impact on existing programs;

(2) the fiscal impact of new programs or activities;

(3) a line item detail of the fiscal impact;

(4) the source of funds expected to be utilized by general fund source, federal fund source, or other identified source;

(5) the number of new positions which may be required, identified as full-time, part-time, or temporary;

(6) an analysis of how the figures in the fiscal note were derived;

(7) additional information necessary to explain the fiscal note;

(8) a fiscal impact projection for the current fiscal year and for the succeeding five fiscal years; and

(9) formal information consisting of

(A) the bill or resolution number,

(B) the name of the prime sponsors,

(C) the date the fiscal note was prepared,

(D) the name of the committee requesting the fiscal note,

(E) the name and phone number of the person who prepared the fiscal note, and

(F) the budget request unit, program, or subprogram affected.

(d) The original of a fiscal note shall be submitted to the Division of Legislative Finance and copies shall be sent to the prime sponsor, the committee requesting the fiscal note, and the office of management and budget.

* Sec. 5. AS 37.07.040 is amended to read:

Sec. 37.07.040. OFFICE OF MANAGEMENT AND BUDGET [DIVISION OF BUDGET AND MANAGEMENT]. The Alaska office of management and budget [BUDGET AND MANAGEMENT DIVISION] shall

(1) assist the governor in the preparation and explanation of the proposed comprehensive program and financial plan, including the coordination and analysis of state agency goals and objectives, plans, and budget requests;

(2) prepare for submission to the governor an annually updated six-year capital improvements program and the proposed capital improvements budget for the coming fiscal year, the latter to include individual project justification with documentation of estimated project cost;

(3) develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the dissemination of information about plans, programs, and budget requests to be included in the annual budget and opportunity for public review and comment during the period of budget preparation;

(4) assist state agencies in their statement of goals and objectives, preparation of plans, budget requests, and reporting of program performance; all documents forwarded by the office [DIVISION] to a state agency containing instructions for the preparation of program plans and budget requests and the reporting of program performance are public information after the date they are forwarded;

(5) administer its responsibilities under the program execution provisions of this chapter so that the policy decisions and budget determinations of the governor and the legislature are implemented;

(6) provide the legislative finance division with the budget information it may request;

(7) provide the legislative finance division with an advance copy of the governor's budget workbooks by the first Monday in January of each year, except that following a gubernatorial election

year the advance copy shall be provided by the second Monday in January.

* Sec. 6. AS 37.07.040 is amended by adding a new paragraph to read:

(8) prepare the proposed capital improvements budget for the coming fiscal year evaluating both state and local requests from the standpoint of need, equity, and priorities of the jurisdiction; other factors such as project amounts, population, local financial match, federal funds being used for local match, municipality or unincorporated community acceptance of the facility and all associated costs of the facility may be considered.

* Sec. 7. AS 37.07.070(1) is amended to read:

(1) Requests by the governor for supplemental appropriations for state agency operating and capital budgets for the current fiscal year may be introduced by the rules committee only through the 30th [45TH] legislative day.

* Sec. 8. AS 37.07.070(2) is amended to read:

(2) Requests by the governor for budget amendments to state agency budgets for the budget fiscal year may be received and reviewed by the finance committees only through the 60th [75TH] legislative day.

* Sec. 9. AS 37.07.080(b) is amended to read:

(b) Each state agency shall prepare an annual plan for the operation of each of its assigned programs except for programs that are exempted from this requirement by the office [DIVISION]. The operations plan shall be prepared in the form and content and be transmitted on the date prescribed by the office [DIVISION].

* Sec. 10. AS 37.07.080(c) is amended to read:

(c) The office [DIVISION] shall

(1) review each operations plan to determine that it is

consistent with the policy decisions of the governor and appropriations by the legislature, that it reflects proper planning and efficient management methods, that appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the office [DIVISION] shall require revision of the operations plan in whole or in part. [;

(3) REPEALED.]

* Sec. 11. AS 37.07.080(e) is amended to read:

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office [DIVISION]. No transfers may be made between appropriations except as provided in an act making the transfers between appropriations.

* Sec. 12. AS 37.07.080(f) is amended to read:

(f) The office [DIVISION] shall report quarterly to the governor and the legislature on the operations of each state agency, relating actual accomplishments to those planned and modifying, if necessary, the operations plan of any agency for the balance of the fiscal year.

* Sec. 13. AS 37.07.100 is amended to read:

Sec. 37.07.100. PROPOSED SUPPLEMENTAL OR SPECIAL [DEFICIENCY] APPROPRIATIONS. The governor from time to time may transmit to the legislature proposed supplemental or special [DEFICIENCY] appropriations in accordance with AS 37.07.070 which in the governor's [HIS] judgment are necessary [ON ACCOUNT OF LAWS ENACTED AFTER THE TRANSMISSION OF THE BUDGET, OR ARE OTHERWISE IN THE PUBLIC INTEREST]. However, if the governor finds that an emergency situation

necessitates the proposal of supplemental or special appropriations, the governor may transmit them to the legislature at any time. The governor [HE] shall accompany each proposal with a statement of the reasons for it, including the reasons for its omission from the budget.

* Sec. 14. AS 37.07.120 is amended by adding new paragraphs to read:

(7) "office" means the Alaska office of management and budget established in the Office of the Governor by AS 44.19.141;

(8) "capital projects" and "capital improvements" mean an allocation or appropriation item for an asset with an anticipated life exceeding one year and a cost exceeding $25,000 and include land acquisition, construction, structural improvement, engineering and design for the project, and equipment and repair costs.

* Sec. 15. AS 44.19.141 is amended to read:

ARTICLE 12. OFFICE OF MANAGEMENT AND BUDGET [DIVISION OF POLICY DEVELOPMENT AND PLANNING].

Sec. 44.19.141. ALASKA OFFICE OF MANAGEMENT AND BUDGET [DIVISION OF POLICY DEVELOPMENT AND PLANNING]. There is in the Office of the Governor the Alaska office of management and budget [DIVISION OF POLICY DEVELOPMENT AND PLANNING].

* Sec. 16. AS 44.19.142 is amended to read:

Sec. 44.19.142. DIRECTOR. The office of management and budget [DIVISION OF POLICY DEVELOPMENT AND PLANNING] is administered by a director who is appointed by, and serves at the pleasure of, the governor.

* Sec. 17. AS 44.19.143 is amended to read:

Sec. 44.19.143. PERSONNEL. The director shall employ such personnel as may be necessary to carry out the provisions of AS 44.19.-141 - 44.19.152 and the relevant provisions of AS 37.07.

* Sec. 18. AS 44.19.144(a) is amended to read:

(a) The director shall

(1) supervise and administer the activities of the office [DIVISION];

(2) advise the governor on matters of comprehensive state planning;

(3) make an annual report to the governor of the activities of the office [DIVISION].

* Sec. 19. AS 44.19.144(b)(3) is amended to read:

(3) on behalf of the state, accept and expend any gifts or grants made to the state with the approval of the governor where such gifts or grants were made for the purposes of furthering the objectives of the office [DIVISION].

* Sec. 20. AS 44.19.145 is amended to read:

Sec. 44.19.145. FUNCTIONS AND DUTIES OF THE OFFICE [DIVISION]. (a) The office [DIVISION] shall

(1) provide technical assistance to the governor and the legislature in identifying long range goals and objectives for the state and its political subdivisions;

(2) prepare and maintain a state comprehensive development plan;

(3) provide information and assistance to state agencies to aid in governmental coordination and unity in the preparation of agency plans and programs;

(4) review planning within state government as may be necessary for receipt of federal, state or other funds;

[(5) REPEALED.]

(5) [(6)] participate with other countries, provinces, states or subdivisions of them [THEREOF] in international or

interstate planning, and assist Alaska's local governments, governmental conferences and councils, in planning and coordinating their activities;

[(7) REPEALED.]

(6) [(8)] encourage educational and research programs that further state planning and development, and provide administrative and technical services for them;

(7) [(9)] publish such statistical information or other documentary material as will further the provisions and intent of AS 44.19.141 - 44.19.152;

(8) [(10)] assist the governor and the Department of Community and Regional Affairs in coordinating the activities of state agencies which have an impact on the solution of local and regional development problems;

(9) [(11)] serve as a clearinghouse for information, data, and other materials which may be helpful or necessary to federal, state or local governmental agencies in discharging their respective responsibilities or in obtaining federal or state financial or technical assistance;

(10) [(12)] review all proposals for the location of capital improvements by any state agency and advise and make recommendations concerning location of these capital improvements;

(11) render, on behalf of the state, all federal consistency determinations and certifications authorized by sec. 307 of the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. sec. 1456, and a conclusive state consistency determination when a project requires two or more state or federal permits, leases, or authorizations.

(b) The office [DIVISION] shall, in carrying out its functions, consult with local, regional, state and federal officials, private

groups and individuals, and with officials[,] of other countries, provinces and states, and may hold public hearings to obtain information for the purpose of carrying out the provisions of AS 44.19.141 - 44.19.152.

(c) The governor may establish coordinating or advisory planning groups.

(d) The office [DIVISION] shall

(1) coordinate its services and activities with those of other state departments and agencies to the fullest extent possible to avoid duplication;

(2) prepare an integrated annual report on the long-range development program of the state and submit it to the governor for incorporation into the governor's [HIS] report to the legislature;

(3) cooperate with the University of Alaska and other appropriate public and private institutions in research and investigations.

* Sec. 21. AS 44.19.152 is amended to read:

Sec. 44.19.152. DEFINITIONS. In AS 44.19.141 - 44.19.152,

[(1) "DIVISION" MEANS THE DIVISION OF POLICY DEVELOPMENT AND PLANNING;]

(1) [(2)] "director" means the director of the office of management and budget; [DIVISION OF POLICY DEVELOPMENT AND PLANNING]

(2) "office" means the Alaska office of management and budget.

* Sec. 22. AS 44.19.155(a)(2)(A) is amended to read:

(A) the director of the office of management and budget [DIVISION OF POLICY DEVELOPMENT AND PLANNING];

* Sec. 23. AS 44.19.155(d) is amended to read:

(d) Each member of the council shall select one person to serve

as a permanent alternate at meetings of the council. If a member of the council is unable to attend, the member [HE] shall advise the alternate who may attend and act in the place of the member. The alternate for a public member appointed after July 9, 1978 under (a)(1) of this section shall, at the time of the alternate's [HIS] designation and throughout the period of [HIS] service as a permanent alternate, be the mayor or member of the assembly or council of a municipality within the region from which the permanent member is appointed. The alternate for the director of the office of management and budget, serving under (a)(2)(A) of this section, shall be the director's designee within that office. The alternate for a designated member serving under (a)(2)(B) - (G) of this section shall be a deputy commissioner of the department or the director of a division in the department. The names of alternates shall be filed with the council.

* Sec. 24. AS 44.19.162 is amended to read:

Sec. 44.19.162. COUNCIL STAFF. The council shall use [UTILIZE] the staff of the office of coastal management within the office of management and budget [DIVISION OF POLICY DEVELOPMENT AND PLANNING] in discharging its powers and duties. The coordinator of the office of coastal management, under the direction of the council co-chair who is selected from among the members designated in AS 44.19.155(a)(2), [, WITH THE CONCURRENCE OF THE COUNCIL], may contract with or employ personnel or consultants the coordinator [HE] considers necessary to carry out the powers and duties of the council.

* Sec. 25. AS 44.83.030(2) is amended to read:

(2) the director of the office of [DIVISION OF BUDGET AND] management and budget, or the director's designee within that office, and three commissioners of principal executive departments appointed

by the governor.

* Sec. 26. AS 37.07.120(2) is repealed.

* Sec. 27. TRANSITION. All litigation, hearings, investigations and other proceedings pending under a law amended or repealed by this Act, or in connection with functions transferred by this Act, continue in effect and may be continued and completed notwithstanding a transfer or amendment or repeal provided for in this Act. Certificates, orders, and regulations issued or adopted under authority of a law amended or repealed by this Act remain in effect for the term issued, or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts, rights, liabilities, and obligations created by or under a law amended or repealed by this Act, and in effect on the effective date of this Act, remain in effect notwithstanding this Act's taking effect. Records, equipment, and other property of agencies of the state whose functions are transferred under this Act shall be transferred commensurate with the provisions of this Act.

* Sec. 28. NAME CHANGE. To be consistent with the changes made by this Act, wherever in the Alaska Statutes and in regulations adopted under those statutes "division of budget and management" and "division of policy development and planning," and other terms identifying those divisions, are used, they must be read as referring to the office of management and budget. Similarly, references to the directors of those divisions must be read as references to the director of the office of management and budget. Under AS 01.05.031, the revisor of statutes shall implement this section in the statutes, and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section in the administrative regulations.

* Sec. 29. AS 37.07.120(8), added by sec. 14 of this Act, takes effect January 1, 1984.

* Sec. 30. AS 37.07.120(7), added by sec. 14 of this Act, and secs. 1 - 13 and 15 - 26 of this Act take effect immediately in accordance with AS 01.10.070(c).

LOCAL PROPERTY TAXATION AND STATE AID COMPARISION

	1976		1977		1978		1979		1980		1981		1982		1983	
	STATE AID	MILL RATE	STATE AID	MILL RATE	STATE AID	MILL RATE	STATE AID	MILL RATE	STATE AID	MILL RATE	STATE AID	MILL RATE	STATE AID	MILL RATE	STATE AID	MILL RATE
Municipality of Anchorage	9,973,789	19.20	13,210,366	20.44	9,355,534	17.18	14,141,699	16.45	19,663,539	13.79	46,485,807	12.06	61,549,976	8.30	51,831,884	7.18
C & B of Juneau	917,619	16.55	1,039,261	15.36	766,240	18.13	1,158,953	16.23	1,350,054	12.95	7,023,730	12.83	7,688,717	7.74	6,352,174	11.87
City of Kenai Pen. Boro	607,386	21.95	734,986	21.20	817,802	20.20	569,342	18.10	657,221	15.00	2,476,869	12.80	4,642,796	4.70	6,443,568	3.93
Mat-su Borough	207,816	18.00	353,367	13.00	386,792	15.50	375,990	7.30	673,470	12.20	3,600,633	13.40	5,315,961	10.70	5,592,696	8.90
City of Cordova	199,537	17.00	239,375	18.50	154,255	22.00	238,542	18.00	278,912	15.00	863,394	15.00	1,210,093	1.00	870,592	1.00
City of Fairbanks	1,940,217	18.00	2,568,994	16.30	2,318,201	14.10	2,683,884	15.70	3,947,253	15.68	9,110,285	13.70	10,428,375	6.00	8,498,822	6.90
City of Ketchikan	391,249	17.30	441,304	21.40	414,494	17.30	553,244	15.10	705,689	16.00	2,721,655	15.10	3,242,381	4.90	2,710,967	5.80
City of King Cove	29,200	10.00	28,028	10.00	19,491	10.00	31,163	8.40	37,461	12.00	129,940	0	189,220	0	228,140	0
City of Nome	207,966	17.90	241,095	17.90	606,348	17.90	395,223	17.90	337,537	15.00	855,564	15.00	1,391,301	9.00	1,179,215	7.00
City of Petersburg	187,619	18.00	209,153	12.00	128,447	14.00	232,865	12.00	272,307	14.00	896,853	12.00	1,343,549	3.00	1,208,447	2.00

1) State Aid includes Revenue Sharing and Municipal Assistance.

1) In some cases tax reductions do not appear until the following fiscal year due to "late" appropriation of funding.

Check out SB 37

Proposed Amendment.

~~Sec 29.91.050 Populatio~~

In order to make this legislation consistent with previous legislation pertaining to population determination passed by this committee, the following ~~Amend~~ changes to HB 312 is proposed.

~~Sec~~. page 7, line 21

~~Sec. 29.91.050 Population determination.~~

Sec. 29.91.050 POPULATION DETERMINATION. (a) For purposes of this chapter, population shall be determined by the latest figures of the United ~~States~~ Bureau of the Census or by another method of determining the actual population based on current criteria of the United States Bureau of the Census that is equally reliable.

(b.) The population of an area for which a population determination is made under this section includes all persons who usually reside within the area and the population of any military reservation that is a part of the area. A person may not be included in the population of more than one area for which a population determination is made under this section.

29.88.010

~~29.88.030~~ 29.88.020

~~29.89.040~~ " 88.030

29.90.010, 020 " 88.040

~~[illegible]~~ " 88.045(4)

" 89.010

" 89.030(a)(1) 29.89.030(a)(3)

29.91.050 " 89.040

89.050

" 89.060

" 89.070

" 89.090

89.100(2)(c)

AS 29.95.010 ——→ 29.95.020 (a) and (b)

AS 43.20.016

To: Committee on Commerce and Regulated Affairs

From: Staff

Re: Amendments to HB 1772

Date:

On May 20, 1983, the Committee considered amendment No. 1 (definition of drainage) and No. 2 (exhibits).

A decision on amendment No. 3 was deferred pending receipt of proposed language by the Association Counsel. The proposed language is prepared for Committee action.

No decision was reached regarding an amendment
No. 4 requested by the representatives of utility companies.
(Refer to staff memorandum dated .) The
proposed compromise is addressed on ~~the~~ a
~~staff~~ staff memorandum dated _____.

1 Feb -

Lee Sharp - talking on utilities charge to T. 29
- background - to keep municipalities from regulating
cable tv, T. 29 made it so municipalities could
not regulate utilities. (1980)
Now intent is to exempt cable tv from municipal regulations.

Clark King Executive Director AK. Cable tv assoc. industry

Senator Gilman - asked Lewis about Gov's bill.
Lewis - has 6 "minor" technical changes from SB-1.
Gilman SB-1 Concern, steps (Charter Commission) for
going from unorganized Borough to Home Rule.
- Gilman wants to have Gov provision 'changes'
before they get into how many assembly.

Gov is scheduling to indicate his support.

Ferguson - Question on 2nd class city going Home Rule
and then becoming a school district, how do
they take over from REAA?

P. 46
P 9 Line 12 } power to extend terms of office

	29.04	Classification of municipalities
	05	Incorporation
	06	alteration of municipalities
1	10	Home Rule municipalities
	20	Municipal officers and Employees
	25	municipal Enactments
1	26	Elections
	35	General powers
2	40	Planning, Platting and Land use Regulation
	45	Municipal Taxation
3	46	Special assessments
1	47	Revenue anticipation notes
	55	municipal Programs
4	60	State payments (See Sullivan's amendment)
	65	General Grant Law
5	71	General Provisions

Need copy of US SS HB 42

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

July 15, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under Article II, Sec. 15, of the Alaska Constitution, I have vetoed HCS CSSB 180(Jud) am H, relating to municipal government.

I regret having to take this action for several reasons. Certainly, the bill contains many meritorious revisions and improvements to the municipal code. These were the product of an arduous undertaking accomplished after three years of unprecedented cooperation among legislators, state and local government officials and staff. Further, there are some concepts contained within questionably designed and inadequately considered amendments which I believe should be addressed responsibly by the next Legislature. While perhaps none of these amendments is individually sufficiently flawed to warrant a veto of the entire measure, a combination of them creates significant problems that have incurred greater collective public opposition than has almost any other legislative action in my entire political experience. It's for these reasons that I have regretfully concluded that it is simply not in the best public interest to permit this bill to become law.

For example, the amendment redefining "population" and permitting the counting of workers at "isolated job sites" appropriately recognizes that the influx of seasonal employees can significantly impact local services for which there is now no readjustment provided under revenue sharing statutes. However, I am advised by counsel that the manner in which this matter is handled in SB 180 seriously jeopardizes the resolution reached by the state with the U.S. Census Bureau and could incur substantial losses in federal funding to both state and local governments. While I believe some redistribution of state funds is warranted to assist communities most impacted by seasonal and temporary influxes of population, (whether they be "isolated" communities or otherwise), I am concerned with the potential

inequity created by this amendment. The vagueness of the term "isolated job site," I am advised, could result in endless litigation no matter what clarifying efforts might be made through regulation. This questionable feature, coupled with prospective revenue losses to the state treasury ascribed to it by the Department of Revenue in their request for veto, are but two of several causes for concern.

I as well favor the basic policy decision of the Legislature that forest values above ground, (just as mineral values beneath it), should be accorded different status for purposes of municipal taxation. However, the provision exempting forest lands from municipal property taxation contains a definition by reference that poses substantial problems of interpretation and impact according to all concerned state agencies. I am advised by the Department of Law, for example, that the definition problem alone would probably induce costly and unnecessary litigation.

Perhaps more importantly, bond counsel advises that the bill would gravely impede local government general obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaska communities. This feature is perhaps the most damaging potentially of all the questionable features contained in SB 180 and, in the view of most financial consultants, would alone warrant veto. I am certainly in no position to second guess and override them in this conclusion. They assert the resulting adverse effect of this feature is likely to be a decline in market value of outstanding issues and an increase in the costs for new financing. Potential impact on the state's bond bank is, of course, of equal concern.

Additionally, the Department of Natural Resources has expressed major concerns over the manner in which this amendment might apply, despite their agreement with the avowed basic philosophical intent of the amendment's sponsors. They point to the Oregon forest value taxing policies as a far preferable approach to meet that objective. Accordingly, I have directed that legislation be drafted which would more appropriately address this matter.

Another problem rests in the attempt to clarify statutory references regarding tax exemptions of undeveloped Alaska Native Claims Settlement Act lands. Agencies have raised unanswered questions as to whether the language is indeed clarified. Moreover, a retroactivity feature of this provision casts serious "public purpose" doubts upon the legality of the proposed solution.

The amendment prohibiting local governments from passing ordinances relating to firearms has been violently objected to by some law enforcement people. It causes me concern as well because of my reluctance to permit state government to impede the ability of local communities to govern in a manner deemed by themselves most responsive to their unique needs.

Objected to by many others requesting veto is the further intrusion into the conduct of local government business represented by amendment 13. This would expand the initiative and referendum process to include local administrative matters. Those requesting veto assert that actions of the governing body elected by the public should be subject of initiative and referendum; but that ongoing daily administrative matters should be subjected to the usual review and oversight inherent in the concept of a governing body of elected officials held accountable for actions of those whom they employ. For state government to impose its will in such matters upon local governments without far more public debate than was accorded this amendment, appears to me to be yet another undue incursion of "Big Brother" into local matters.

Another section affects a major change in public utility regulatory philosophy, and reverses the direction chosen with deregulation in 1980. In urging veto a multitude of agencies and utilities pled for further public hearings and agency consideration before so drastic a change be contemplated. Again, if this alone were the measure's greatest flaw, I perhaps would not have vetoed it. However, in conjunction with a multitude of other alleged defects and public confidence eroding features, it adds one more reason for my action.

A final problem is one related to language, not concept. This provision allows municipalities to use the group insurance concept for the purpose of pooling their workers compensation liabilities and claims handling. The language appears to mandate board adoption of regulations permitting a municipal employer group to recede under any circumstances. It seems only prudent that qualifications be stipulated so that municipalities requesting approval for group self insurance status are subject to the same regulatory criteria as any other self-insured employer.

The subject legislation has produced more controversy and debate than any other to emerge from the 12th Legislature. Because I find some issues addressed in the amendments, as well as the municipal code revisions, to be desirable, I am taking specific steps to encourage the 13th Legislature to address these issues. Accordingly, I have directed that

legislation be drafted which would accomplish the municipal code revisions effective prior to the floor amendments. This would address the problem areas in a manner both acceptable to me and, I believe, to most legislators.

I have also directed that legislation be prepared to address the forest lands and taxation issues in a more acceptable manner to accommodate the appropriate intent of these amendments' sponsors.

I have also directed legislation be prepared to address the workers compensation provisions allowing local governments to use the group self-insurance concept for the purpose of pooling their workers compensation liabilities and claim handling.

Further, I'm directing the Department of Community and Regional Affairs to draft regulations on the provision of state assistance to local governments in a manner which compensates more equitably those communities impacted by seasonal, temporary and isolated workers. Minimally, I would hope that in the short term we could at least "hold harmless" the North Slope Borough, which otherwise stands to lose about $2 million in revenues from the amount they received last year. All other municipalities would receive, I'm told, increases. Accordingly, I would hope that all other municipalities, which rose in violent protest over the prospects of revenue losses to themselves were SB 180 to become law, would be equally concerned about revenue losses incurred by other municipalities through this measure's veto.

I do not intend to submit legislation re-regulating public utilities at the municipal level unless some valid arguments can be presented for this change.

The legislative package presented to the 13th Legislature will, of course, be that of the future governor. Therefore, I cannot guarantee that all these proposals will come before the House and Senate. However, several key legislators who are likely to return assure me of their dedication toward address of these matters.

Despite the bill's problems, I was at first inclined to go along with policy decisions rendered by the Legislature in their passage of 180. After all, by so doing I could assure these issues would be addressed next session if as serious as opponents were contending. However, a growing crescendo of public opposition, virtually unanimous staff and agency veto recommendations, plus pleas from some legislators who now wish to do penance for having voted for the measure, cause me to conclude that while a veto does a disservice to

the legitimate concerns of some communities and interests, permitting the bill to become law could incur even more disservice to all others. Finally, as one of two senators who will assuredly return next session, let me urge you, Mr. President, to place this crucial issue high upon your agenda.

Sincerely,

Jay S. Hammond
Governor

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

TO: COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

FROM: STAFF

RE: HOUSE BILL 172, AMENDMENT #9 (UTILITIES)

The following language has been proposed by Lee Sharp as compromise language between that contained in HB 172 and the changes requested by the utility representatives.

The compromise is primarily in allowing for the Alaska Public Utilities Commission to rule that a municipality should not regulate a utility because of no legitimate public interest in regulation. This appears to be a mid-point position between the two extreme positions of whether a municipality may, or a municipality may not, regulate a utility not regulated by A.P.U.C.

The utility representatives request to cross reference the overiding authority of A.P.U.C. and AS 42.05 has been deleted.

The request of the utility representatives to specifically limit the extension of a municipal utilities service to areas adjacent to the municipal boundaries have been deleted.

Page 77, line 7-22 delete section 29.35.070 and insert:
AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).

(b) A municipality may not regulate a utility

(1) to the extent it is subject to regulation under AS 42.05; or
(2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711 (d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or

(3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711 (e), (f), (g), (h) or (i); or

(4) specifically exempted by law from municipal regulation.

(c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(e) This section applies to home rule and general law municipalities.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

May 20, 1983

Bob Harris
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

FILE: HB 172

SUBJECT: Substitute Utility Language
for Title 29 Revision

Dear Bob:

If the House Community and Regional Affairs Committee would like to consider alternative language to that which has been proposed for the utilities section of the Title 29 revision, may I suggest the following. This language, I believe, accommodates the interests of the municipalities and of the utilities. It would exempt from municipal regulation those utilities, including co-ops, which have elected to exempt themselves from APUC regulation by a vote of the subscribers or members. It would also exempt from municipal regulation those small electric, telephone and garbage utilities which are presently exempt from APUC regulation but which may come under APUC regulation if 25% of the subscribers petition the commission for regulation. In addition, it would exempt from municipal regulation those utilities which the APUC itself exempts upon a finding of no legitimate public interest in regulation if the commission also finds that the utility should also be exempt from municipal regulation. If cable TV is given an exemption from APUC regulation, and the legislature believes that it should also be exempt from municipal regulation, a simple amendment to the following language making reference to the statute exempting cable TV would extend the exemption to municipal regulation of cable TV also. The substitute language would be as follows:

AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).

(b) A municipality may not regulate a utility

(1) to the extent it is subject to regulation under AS 42.05; or

(2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or

(3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(e), (f), (g), (h) or (i); or

(4) specifically exempted by law from municipal regulation.

(c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(e) This section applies to home rule and general law municipalities.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr

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

Conversation with Doug Griffin re: FN HB 172 - February 18

dThe fiscal note which is presently in the packets is outdated in form but not in content and does not contain the department assumptions which Doug Griffin should be bringing to meeting today.

The increase and the money is due to an increase in organizational grants.

New boroughs will go from 25.0 to 600.0 over three years and it is assumed that there will not be a new borough formation in the first two years.

2nd class to 1st class will go from 25.0 to 75.0 and this is paid out over 2 year period. Assumption that in the first year there will be 2 city incorporations for 100.0 and in the 2nd year, 1 city will incorporate for 50.0 and the two from the first year will get the 100.0.

The big jump from 25.0 - 600.0 is as an incentive to new borough formation.

All the money comes under the grants.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3800

MEMORANDUM March 3, 1983

SUBJECT: Impact of land use regulation on development of energy resources (Work Order No. 13-0881)

TO: Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel TBC

You have asked whether the changes in HB 172 to the provisions dealing with land use regulation discourage development of energy resources as compared to existing laws that authorize land use regulation by municipalities.

Under AS 29.33.090, a municipality is required to regulate the use of land in accordance with a comprehensive plan through zoning by districts. The zoning regulations must be uniform for each type of building or area within a particular district, but the regulations may differ between the various districts. In addition, a municipality is authorized to rezone property to a less restricted use if the owner of the property agrees to place restrictions on the use of the land beyond those restrictions imposed under the general zoning requirements. Subsection (b) of that section contains a list of the types of restrictions that may be imposed through zoning. While paragraphs (2) - (6) deal with very specific restrictions relating to buildings, paragraph (1) grants broad authority to restrict "land use". It should be noted that the list is by way of example of various zoning restrictions and does not limit the types of restrictions that a municipality may impose through zoning. However, under this section a municipality is authorized to regulate land use only through zoning and may not use other land use techniques.

In contrast to existing law, under sec. 29.40.040 of HB 172, a municipality may implement the comprehensive plan through zoning, land use permit requirements, or any other method of

land use regulation. To the extent that greater flexibility is authorized in the implementation of a comprehensive plan, HB 172 makes it more practical for a municipality to adopt measures that may have the effect of discouraging the development of energy resources. Nevertheless, under both HB 172 and under existing law a municipality has the general authority to regulate land use regardless of whether this regulation places burdens on the development of energy resources and thereby discourages that development. In addition, the change in HB 172 that allows municipalities to use other techniques in addition to zoning impacts only general law municipalities, since under existing law home rule municipalities are not limited to the use of zoning in regulating land use.

In considering whether the changes in HB 172 may discourage development of energy resources it is necessary to determine whether the power to regulate land use has been significantly expanded under this bill with respect to each class of municipality. Under secs. 29.10.200(32), 29.35.180(b), 29.35.250(c), and 29.35.260(c) of HB 172, a home rule borough and home rule city in the organized borough or in the third class borough must provide for land use regulation, but a home rule municipality is not bound by the general provisions dealing with land use regulation set out in Title 29. Under existing law, although some provisions appear contradictory, most home rule municipalities are not required to provide land use regulation, nor are they restricted from providing land use regulation. A home rule municipality that does regulate land is not required to comply with provisions contained in Title 29 dealing with land use regulation except for provisions dealing with zoning and platting of state land (AS 29.13.100(37) and (39)). The general requirement that boroughs provide for planning, platting and zoning contained in AS 29.33.070 is not a home rule limitation. Under AS 29.43.040 home rule cities in third class boroughs and outside boroughs are required to provide for planning, platting and zoning ". . . as provided for boroughs". This is a home rule limitation under AS 29.13.100(12). Since, under AS 29.43.010, powers incorporated by reference to laws governing boroughs apply to home rule cities outside boroughs only if applicable to home rule boroughs and home rule boroughs are not required to provide for planning, platting and zoning, the net result is that only home rule cities in third class boroughs are required to provide land use regulation.

In summary, under HB 172, home rule boroughs and home rule cities in the third class borough or in the unorganized borough must provide land use regulation, but need not comply with provisions dealing with land use regulation contained in Title 29. Under existing law, only home rule cities in the third class borough are required to provide land use regulation, but home rule boroughs and home rule cities in the unorganized borough are not prohibited from providing land use regulation. No home rule municipality must comply with provisions contained in Title 29 dealing with land use regulation, with the minor exception of the provisions dealing with state land. The changes in HB 172 do not appear to confer broader authority upon home rule municipalities than they now have in the area of land use regulation, and consequently should not present any special discouragement to the development of energy resources in nome rule municipalities.

HB 172 does not appear to expand the authority of the various classes of general law municipalities to provide land use regulation. As in existing law, these must comply with specific provisions regarding land use regulation contained in Title 29. Under AS 29.33.070, first and second class boroughs must provide for planning, platting and zoning. Under secs. 29.35.180(a) and 29..40.010 of HB 172 first and second class boroughs must provide for land use regulation. AS 29.41.010(b) allows third class boroughs to exercise the power of planning, platting and zoning in service areas. Secs. 29.35.220 and 29.35.300(b) of HB 172 provide for exercise of the power of land use regulation by third class boroughs in service areas. AS 29.43.040 authorizes first class cities and second class cities in the unorganized borough or in the third class borough to provide for planning, platting and zoning. Secs. 29.35.250 and 29.35.260 of HB 172 grant the same authority to regulate land use to these cities. HB 172 does not grant the power to regulate land use to any general law municipality that does not have that power under existing law, so, in that respect, does not present additional impediments to development of energy resources.

TBC:ljb
9/039

MEMORANDUM State of Alaska

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF TECHNICAL SERVICES

TO: The Files

DATE: September 10, 1981

FILE NO: 1150

TELEPHONE NO: 276-2653

FROM: Joseph C. Burch, Acting Director
Division of Technical Services

SUBJECT: SB 180 - HB 170
Recorder's Office Comments

Page 23 - Although statute says file with the district recorder, we have always recorded them. This would be a good time to change the wording. Some Boroughs are in more than one recording district and it should be recorded in each. Only one copy need be recorded in each.

Page 28-29 - Should be record instead of file.

Page 90 - line 16 filed.

Page 92 - line 6 filed
line 8 file

Page 107 - lines 22-26 - This reads as if the record owner should provide a copy to the Assessor. See AS 29.53.100(b) as now written.

Page 186 - line 1 - should be record.

Page 50 - line 29 - This is from present statute. As deeds are not acceptable for recordation unless fully acknowledged, perhaps this should be deleted. Perhaps this is a carryover from when deeds were witnessed.?????

MEMORANDUM

Re: Proposed Municipal Code Revisions;
Planning, Platting and Zoning Authority
of Local Governments

A. SUMMARY.

There are no significant differences between SB 180 as it passed the House and the October 1982 redraft with regards to the planning, platting and zoning authority of municipal governments. As with Senate Bill 180, the October 1982 redraft would greatly expand the land use planning authority of municipalities. The use or misuse of this authority could lead to arbitrary or unreasonable exclusion or restriction of natural resource development, particularly on state or fee lands.

Amendatory language to limit this authority may be proposed to either Title 29 or Title 38.

B. HISTORY OF SB 180

As the culmination of approximately 3 years of work by a special joint committee, Senate Bill 180, which completely rewrote the municipal code of Title 29, was adopted by the House on May 26, 1982. The Governor vetoed the bill on July 15, 1982. The veto message issued by the Governor (published in the Senate Journal on July 22, 1982

at 1788-1792 (copy attached)) set forth seven reasons for the veto, none of which relate to the land use planning chapter of the bill.

Bills vetoed after the adjournment after the last regular session of the legislature can be reconsidered only in a special session of that same legislature. Alaska Constitution Art. II, Sec. 16; AS 24.30.100. Therefore, Senate Bill 180 cannot now be reconsidered and is dead. In October of 1982, the Department of Community and Regional Affairs produced a rewrite of Senate Bill 180. The redraft is substantially the same as the bill which passed the legislature, but several of the last minute house amendments have been deleted, apparently in response to the Governor's veto message.

With regard to the planning, platting and zoning authority of municipalities, there are only three differences between the October 1982 redraft and SB 180 as it passed the legislature, all of which are minor. They are as follows:

1. On page 87, lines 9 and 14, the word "comprehensive" has been added to clarify the term "planned" as used in those sections.

2. On page 89, line 27, subpart 1 of AS 29.40.090(a) has been reinstated, after elimination by a house amendment to SB 180. This subpart requires that the abbreviated plat procedure apply only to subdivisions

containing four lots or less.

3. On page 89 at line 2, the October 1982 redraft has deleted a sentence at the end of AS 29.40.060(b) as it appeared in SB 180 which read as follows: "A proceeding under this section has preference over all other civil actions and proceedings."

C. THE PROBLEM.

The bill provides virtually unlimited planning, platting and zoning powers to home rule municipalities, and greatly expands the powers given to other municipalities. An elucidation of this matter is given in the attached memorandum which discusses the same provisions in House Bill 170 and Senate Bill 180.

Such a sweeping grant of power to the municipalities, particularly to the North Slope Borough, would allow the municipalities to severely inhibit the development of natural resources, particularly oil and gas. An attempt to do this has already been made in the North Slope Borough's proposed zoning ordinance. In fact, the North Slope Borough has adopted an interim zoning ordinance which requires oil and gas facilities to be permitted by the Borough.

The problem is not perceived to be quite as severe on Federal lands, in view of a Ninth Circuit Court of Appeals decision which holds that municipal governments may

not impede the development of natural resources on land owned by the federal government. Ventura County v. Gulf Oil Corporation, 601 F.2d 1080 (9th Cir. 1979), aff'd per curiam, 100 S.Ct. 1593 (1980). However, state and fee land may be at the mercy of municipalities. See the attached memorandum.

D. PROPOSED SOLUTIONS.

The intent of Chapter 40 of the proposed municipal code revision is to increase the authority of local governments with regard to planning, platting and zoning within their respective jurisdictions. Planning, platting and zoning are tools used by local governments to regulate the growth of the urban environment. Unfortunately, in Alaska, municipal government has been expanded to cover vast regions of open and unoccupied space. Zoning was never intended to be a method by which use of the non-urban environment could be regulated.

However, with the North Slope Borough interim zoning ordinance, and proposed final zoning ordinance, it is clear that zoning will be used at least by that municipality to the maximum extent possible to restrict and exclude resource development in open spaces.

The objective of any amendment to the October 1982 municipal code revision, therefore, should be to limit municipal power in planning, platting and zoning with

respect to the development of natural resources in the non-urban environment. Such activities are fully regulated by federal and state agency, and an additional layer of local control will add significantly to the time and expense involved in developing natural resources, with a de minimus contribution to environmental quality.

Article 10, Sec. 1 of the Alaska Constitution provides that: "A home rule borough or city may exercise all legislative powers not prohibited by law or by charter." Although this constitutional provision applies expressly only to home rule municipalities, it appears that the Alaska Supreme Court applies the same test for state preemption to both home rule and general law municipalities. Liberati v. Bristol Bay Borough, 584 P.2d 1115 (Alaska 1978). The test set forth in the Liberati case requires either an express legislative direction or a direct conflict with a statute such that the municipal ordinance under consideration substantially interferes with the effective functioning of a

state statute or regulation or its underlying purpose. 584 P.2 at 1121-1122.*

The most logical way to accomplish an express prohibition would be the insertion of appropriate language in Title 29, Chapter 40 as proposed by the October 1982 revision of the municipal code.

In the alternative, the only other logical place in the Alaska Statutes to put such an amendment would be Title 38, relating to natural resources. A limitation could be placed in the Alaska Lands Act, AS 38.05, but logically that limitation could only relate to development of natural resources on state land. A limitation could also be placed in the miscellaneous chapter of Title 38, AS 38.95, and, in such a context, could perhaps include fee lands as well as state lands.

We have developed five alternatives, three of which would amend AS 29.40 as proposed by the October 1982 municipal code revision, and two of which would amend Title 38, one in the Alaska Lands Act, and the other under the miscellaneous provisions of AS 38.95.

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* An excellent discussion of home rule authority in Alaska is contained in Sharp, "Home Rule in Alaska: A Clash Between the Constitution and the Court," 3 UCLA-Alaska Law Review 1-54 (1978).

1. Alternative One: This alternative would add a new section to AS 29.40 as proposed in the October 1982 redraft. The limitation would be worded in terms of activities authorized by state or federal agencies. The idea would be that for such activities, no local review of the activity is required in order to insure environmental safety, and therefore none should be undertaken by the local government.

> Sec. 29.40.210. ACTIVITIES AUTHORIZED BY STATE OR FEDERAL AGENCIES. (a) Ordinances, regulations or permit decisions adopted or promulgated under AS 29.35.180 or AS 29.40 may not preclude or otherwise impede an activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.
>
> (b) The provisions of this section apply to home rule and general home rule and general law municipalities.

2. Alternative 2: This alternative would track the language contained in the Alaska Coastal Zone Management Act which prohibits arbitrary or unreasonable restriction or exclusion of uses of state concern by district coastal management programs. Cf. AS 46.40.060(a) and AS 46.40.210(6).

Sec. 29.40.210. USES OF STATE CONCERN. (a) Ordinance, regulations and permit decisions adopted or promulgated under AS 29.35.180 or AS 29.40 may not arbitrarily or unreasonably restrict uses of state concern as defined in subsection (b) of this section.

(b) "Uses of state concern" means those land and water uses which would significantly affect long term public interest. These uses include:

(1) Uses of national interest, including the use of resources for the siting of ports and major facilities which contribute to meeting the national energy needs, construction and maintenance of navigational facilities

and systems, resource development of fedral land, and national defense and related security facilities;

(2) Uses of more than local concern, including those land and water uses which confer significant environmental, social, cultural, or economic benefits or burdens beyond a single municipality;

(3) The siting of major energy facilities, activities pursuant to a state oil and gas lease, or large scale industrial or commercial development activities which are dependent on a particular location in a municipality and which, because of their magnitude or the magnitude of their effect on the economy of the state or the surrounding area, are reasonably likely to present issues of more than local significance;

(4) Facilities serving statewide or inter-regional transportation and communication needs; and

(5) Uses in areas established as state parks or recreational areas under

AS 41.20.010-41.20.505 where a state game refuge is, game sanctuaries or critical habitat areas under AS 16.20.010-16.20.312.

(c) The provisions of this section apply to home rule and general law municipalities.

3. Alternative 3: This alternative would recognize the traditional role of zoning as a method of regulating the development of the urban environment, and would limit the use of planning, platting and zoning powers by municipalities to such urban environments. This alternative strikes a reasonable balance between the legitimate authority of local governments to regulate the location and operation of urban facilities, and at the same time prohibit the use of land use planning tools by local governments outside the urban environment.

Sec. 29.40.210. PLANNING, PLATTING AND ZONING POWERS LIMITED TO URBAN AREAS. (a) Planning, platting and zoning powers granted pursuant to AS 29.35.180 and AS 29.40 may be exercised only within five miles of the outer boundary of a permanent community or settlement.

NO
Borough could not control any activities outside of cities

(b) "Permanent community or settlement" means a settlement of at least 50 persons who reside within one mile of each other on a year round basis.

(c) "Outer boundary" means the maximum area encompassed by drawing a series of straight lines between the individual permanent buildings of the settlement.

(d) The provisions of this section apply to home rule and general law municipalities.

4. Alternative 4. This alternative would be placed in the general provisions article of the Alaska Lands Act, AS 38.05.350-.370. Since it would be contained in the Alaska Lands Act, it would apply only to land owned by the state or the university system. Article 12 of the Alaska Lands Act is a logical location for this provision, since the opening section, AS 38.05.350, states the policy of the State of Alaska with regard to its resources: "It is the policy of the state to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." The proposed provision would read as follows:

Sec. 38.05.352. MUNICIPAL REGULATION OF ACTIVITIES ON STATE LAND. (a) Planning, platting or zoning ordinances adopted or issued by municipal governments may not preclude or otherwise impede an activity or project conducted on state land or university land pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisiction over the activity or project.

(b) The provisions of this section apply to home rule and general law municipalities.

5. Alternative 5: This alternative would be contained in the miscellaneous provisions chapter of Title 38, AS 38.95. Such a location in theory would permit the section to apply to all land, not merely state or university lands. The proposed section would read as follows:

Sec. 38.95.020. MUNICIPAL REGULATION RESOURCE DEVELOPMENT. (a) Planning, platting or zoning ordinances and decisions adopted or issued by

or otherwise impede an activity or project conducted pursuant to a lease, license, permit or other authorization issued by a state or federal regulatory agency or department having jurisdiction over the activity or project.

(b) The provisions of this section apply to home rule and general law municipalities.

E. CONCLUSION.

The use of zoning powers to regulate the development of natural resources in non-urban environments constitutes a serious threat to the oil and gas industry in Alaska. The problem is exacerbated by the existence of a home rule borough which has approximately 5,000 permanent residents and yet occupies the entire North Slope of Alaska, and which utilizes, to a maximum extent possible, the broad authority granted home rule governments by the Alaska Constitution to restrict resource development within its boundaries.

AS 29.40 as proposed by the October 1982 municipal code revision would compound this problem by giving unlimited planning, platting and zoning authority to home rule governments, and by greatly expanding the land use planning authority of other municipalities. This chapter would

validate an otherwise questionable North Slope Borough zoning ordinance, and result in yet another layer of regulatory bureaucracy with little benefit to the public interest.

For these reasons, it is imperative that modifications be made to the October 1982 redraft, or amendments be made to Title 38 in order to protect oil and gas interests. Five alternatives are proposed in this memorandum.

SB 515 (Cont.)

changing court rules. However, even if a two-thirds vote was necessary, the Senate's vote to concur in the House amendments was not affected by the subsequent failure to adopt the rule changes. The vote to concur passed by the required 11 votes, and that vote was to adopt the identical bill that had passed the House. Under Rule 39(c) the failure of the Senate to take a separate vote on the rule change simply meant only that secs. 43 and 44 (and potentially their respective companios -- 18 and 40) are now "void and without effect."

the issue that is presented is very similar to one which has arisen when one house votes to concur in amendments made by the other house, but then fails to adopt, for example, an immediate effective date included in the bill by a two-thirds vote as required by Rule 39(f). The procedure specified in Rule 39 (c) pertaining to votes on court rule changes is virtually identical to the language in Rule 39 (f) pertaining to votes on special effective date clauses. There is ample authority in support of the rule that a failure to adopt a special effective date by a two-thirds vote after concurring in a bill by a majority vote means that the bill has been adopted with an ordinary 90-day effective date. This authority rests on a construction of the effective date as not being a material factor influencing the favorable vote. This rule should apply by analogy to the failure of the Senate to vote separately on the rule change provisions in this bill. Consequently, I have concluded that HCS CSSB 515 (Jud) am H has been adopted by the legislature but without the effect of changing the court rules cited in sec. 43 and 44.

Sincerely,

/s/Jay S. Hammond
Jay S. Hammond
Governor

SB 180 VETOED

July 15, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under Article II, Sec. 15, of the Alaska Constitution, I have vetoed HCS CSSB 180 (Jud) am H, relating to municipal government.

SB 180 (Cont.)

I regret having to take this action for several reasons. Certainly, the bill contains many meritorious revisions and improvements to the municipal code. These were the product of an arduous undertaking accomplished after three years of unprecedented cooperation among legislators, state and local government officials and staff. Further, there are some concepts contained within questionably designed and inadequately considered amendments which I believe should be addressed responsibly by the next Legislature. While perhaps none of these amendments is individually sufficiently flawed to warrant a veto of the entire measure, a combination of them creates significant problems that have incurred greater collective public opposition than has almost any other legislative action in my entire political experience. It's for these reasons that I have regretfully concluded that it is simply not in the best public interest to permit this bill to become law.

For example, the amendment redefining "population" and permitting the counting of workers at "isolated job sites" appropriately recognizes that the influx of seasonal employees can significantly impact local services for which there is now no readjustment provided under revenue sharing statutes. However, I am advised by counsel that the manner in which this matter is handled in SB 180 seriously jeopardizes the resolution reached by the state with the U.S. Census Bureau and could incur substantial losses in federal funding to both state and local governments. While I believe some redistribution of state funds is warranted to assist communities most impacted by seasonal and temporary influxes of population, (whether they be "isolated" communities or otherwise), I am concerned with the potential inequity created by this amendment. The vagueness of the term "isolated job site," I am advised, could result in endless litigation no matter what clarifying efforts might be made through regulation. This questionable feature, coupled with prospective revenue losses to the state treasury ascribed to it by the Department of Revenue in their request for veto, are but two of several causes for concern.

I as well favor the basic policy decision of the Legislature that forest values above ground, (just as mineral values beneath it), should be accorded different status for purposes of municipal taxation. However, the provision exempting forest lands from municipal property taxation contains a definition by reference that poses substantial problems of interpretation and impact according to all concerned state agencies. I am advised by the Department of Law, for example, that the definition problem alone would probably induce costly and unnecessary litigation.

Perhaps more importantly, bond counsel advises that the bill would gravely impede local government general obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaska communities. This feature is perhaps the most damaging potentially of all the questionable features contained in SB 180 and, in the view of most financial consultants, would alone warrant veto. I

SB 180 (Cont.)

are certainly in no position to second guess and override them in this conclusion. They assert the resulting adverse effect of this feature is likely to be a decline in market value of outstanding issues and an increase in the costs for new financing. Potential impact on the state's bond bank is, of course, of equal concern.

Additionally, the Department of Natural Resources has expressed major concerns over the manner in which this amendment might apply, despite their agreement with the avowed basic philosophical intent of the amendment's sponsors. They point to the Oregon forest value taxing policies as a far preferable approach to meet that objective. Accordingly, I have directed that legislation be drafted which would more appropriately address this matter.

Another problem rests in the attempt to clarify statutory references regarding tax exemptions of undeveloped Alaska Native Claims Settlement Act lands. Agencies have raised unanswered questions as to whether the language is indeed clarified. Moreover, a retroactivity feature of this provision casts serious "public purpose" doubts upon the legality of the proposed solution.

The amendment prohibiting local governments from passing ordinances relating to firearms has been violently objected to by some law enforcement people. It causes me concern as well because of my reluctance to permit state government to impede the ability of local communities to govern in a manner deemed by themselves most responsive to their unique needs.

Objected to by many others requesting veto is the further intrusion into the conduct of local government business represented by amendment 13. This would expand the initiative and referendum process to include local administrative matters. Those requesting veto assert that actions of the governing body elected by the public should be subject of initiative and referendum; but that ongoing daily administrative matters should be subjected to the usual review and oversight inherent in the concept of a governing body of elected officials held accountable for actions of those whom they employ. For state government to impose its will in such matters upon local governments without far more public debate than was accorded this amendment, appears to me to be yet another undue incursion of "Big Brother" into local matters.

Another section affects a major change in public utility regulatory philosophy, and reverses the direction chosen with deregulation in 1980. In urging veto a multitude of agencies and utilities pled for further public hearings and agency consideration before so drastic a change be contemplated. Again, if this alone were the measure's greatest flaw, I perhaps would not have vetoed it. However, in conjunction with a multitude of other alleged defects and public confidence eroding features, it adds one more reason for my action.

SB 180 (Cont.)

A final problem is one related to language, not concept. This provision allows municipalities to use the group insurance concept for the purpose of pooling their workers compensation liabilities and claims handling. The language appears to mandate board adoption of regulations permitting a municipal employer group to recede under any circumstances. It seems only prudent that qualifications be stipulated so that municipalities requesting approval for group self insurance status are subject to the same regulatory criteria as any other self-insured employer.

The subject legislation has produced more controversy and debate than any other to emerge from the 12th Legislature. Because I find some issues addressed in the amendments, as well as the municipal code revisions, to be desirable, I am taking specific steps to encourage the 13th Legislature to address these issues. Accordingly, I have directed that legislation be drafted which would accomplish the municipal code revisions effective prior to the floor amendments. This would address the problem areas in a manner both acceptable to me and, I believe, to most legislators.

I have also directed that legislation be prepared to address the forest lands and taxation issues in a more acceptable manner to accommodate the appropriate intent of these amendments' sponsors.

I have also directed legislation be prepared to address the workers compensation provisions allowing local governments to use the group self-insurance concept for the purpose of pooling their workers compensation liabilities and claim handling.

Further, I'm directing the Department of Community and Regional Affairs to draft regulations on the provisions of state assistance to local governments in a manner which compensates more equitably those communities impacted by seasonal, temporary and isolated workers. Minimally, I would hope that in the short term we could at least "hold harmless" the North Slope Borough, which otherwise stands to lose about $2 million in revenues from the amount they received last year. All other municipalities would receive, I'm told, increases. Accordingly, I would hope tht all other municipalities, which rose in violent protest over the prospects of revenue losses to themselves were SB 180 to become law, would be equally concerned about revenue losses ocurred by other municipalities through this measure's veto.

I do not intend to submit legislation re-regulating public utilities at the municipal level unless some valid arguments can be presented for this change.

The legislative package presented to the 13th Legislature will, of course, be that of the future governor. Therefore, I cannot guarantee that all these proposals will come before the House and Senate. However, several key legislators who are likely to return assure me of their dedication towards

SB 180 (Cont)

address of these matters.

Despite the bill's problems, I was at first inclined to go along with policy decisions rendered by the legislature in their passage of 180. After all, by so doing I could assure these issues would be addressed next session if as serious as opponents were contending. However, a growing crescendo of public opposition, virtually unanimous staff and agency veto recommendations, plus pleas from some legislators who now wish to do penance for having voted for the measure, cause me to conclude that while a veto does a disservice to the legitimate concerns of some communities and interests, permitting the bill to become law could incur even more disservice to all others. Finally, as one of two senators who will assuredly return next session, let me urge you, Mr. President, to place this crucial issue high upon you agenda.

Sincerely,

/s/ Jay S. Hammond
Jay S. Hammond
Governor

Message of July 21 was received July 22 stating the Governor has signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HB 156

SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Fin) am Senate
Relating to public contracts; and providing for an effective date.

Chapter 144, SLA 1982

INDEX OF VETOED AND REDUCED BILLS RECEIVED AFTER ADJOURNMENT:

BILLS VETOED BY THE GOVERNOR

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CCS SB 42 G.O. bonds for water, sewer, and solid waste	1741-43
HCS CSSB 180 (Jud) am House Municipal government	1788-92
2d HCS SB 205 (Fin) G.O. bonds for transportation facilities	1741-43
HCS CSSB 252 (Fin) am House Grants for water supply, sewer & solid waste	1759-60
HCS CSSB 327 (Fin) am House Parole of offenders	1760-61

CCS SB 365 G.O. bonds for education facilities	1741-43
CCS SB 831 Insurance	1745-46
SB 834 am House Guide Licensing & Control Board	1768
CS SB 835 (Fin) am House National Petroleum Reserve	1769
CCS SB 876 G.O. bonds for U of A	1741-43
CCS SB 887 G.O. bonds correctional & court facilities	1741-43
CCS HB 339 Adoption of administrative regulations	1772
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REDUCED BILLS

CS SB 746 (Fin) am House Special and supplemental appropriations	1773-76
SCS HB 148 (Fin) Operating & capital expenses of the state government	1748-56
HB 348 am Senate Avalanche warning system	1766-67
SCS CSHB 643 (Fin) re-engrossed Repealing, amending, extending lapse dates appropriations	1776-86

This final supplement of the Senate Journal completes the record of legislation for the Second Session of the Twelfth State Legislature.

Peggy Mullligan
Secretary of the Senate
July 1982

DETAILED ANALYSIS OF LAND USE REGULATION BY MUNICIPALITIES UNDER CSSB 180 (C & RA) AND CSHB 170 (C & RA)

A. Current law.

Land use regulation by municipal governments is currently governed by A.S. 29.33.070-.245. A.S. 29.33.070 requires all boroughs to provide for planning, platting and zoning on a "area-wide basis." A.S. 29.43.040 grants the same power to home rule and first and second class cities located outside organized boroughs.

A.S. 29.33.080 and .085 require the assembly to adopt a "comprehensive plan" containing policy statements, goals, standards and maps. A.S. 29.33.090 requires the municipal assembly to regulate land use "by districts or contract zoning." It requires land use regulations to be uniform for each class of use in each district. Contract zoning is defined as allowing a "zoning reclassification" to a less restricted use where the owner agrees to place restrictions on the use of the land beyond the zoning requirements generally attaching to the new classification. This section also states the purposes for which zoning ordinances may be adopted. The stated purposes clearly envision zoning in an urban environment.

The current law applies to all local governments, and therefore limits the power of home rule boroughs. The current

law has no provision authorizing the regulation of land use by the adoption of a permit system. Additionally, the current law does not allow cities located in third class boroughs to provide for planning, platting and zoning.

B. Land use regulation under CSSB 180 and CSHB 170.

Under CSSB 180 and CSHB 170, land use regulation by local governments would be governed by A.S. 29.40.010-.200.

A.S. 29.35.190(b) requires a home rule borough to provide for planning, platting and zoning. No limitations are imposed upon that power, nor are any guidelines set forth limiting the exercise of that power.

A.S. 29.35.180(a) requires first and second class boroughs to provide for planning, platting and zoning pursuant to A.S. 29.40. A.S. 29.40.010 also requires first and second class boroughs to provide for planning, platting and zoning.

A.S. 29.35.220 and .300(b) would allow a third class borough to acquire the power to provide for planning, platting and zoning within a service area by the adoption of a referendum to that effect.

A.S. 29.35.250(b) requires a home rule or first class city within a third class borough to provide for planning, platting and zoning under A.S. 29.40, and allows a second class city located within a third class borough to so provide.

A.S. 29.35.260(c) requires home rule and first class cities outside a borough and permits a second class city outside a borough to provide for planning, platting and zoning under A.S. 29.40.

These provisions apparently impose no limitation on the planning, platting and zoning authorities of home rule boroughs. It appears that A.S. 29.40 does not apply to the exercise of those powers by home rule boroughs. A.S. 29.35.180(b); compare A.S. 29.35.180(a).

Article X, Section 11 of the Alaska Constitution provides: "A home rule borough or city may exercise all legislative powers not prohibited by law or by charter."

Given this provision and the apparent lack of any explicit limitations on the zoning authorities of home rule boroughs, home rule boroughs would have greatly expanded zoning authority under the bill. As the Supreme Court has stated:

> A municipal ordinance is not necessarily invalid in Alaska because it is inconsistent or in conflict with a state statute. The question rests on whether the exercise of authority has been prohibited to municipalities. The prohibition must be either by express terms or by implication such as where the statute and ordinance are so substantially irreconcilable that one cannot be given its substantive effect if the other is accorded the weight of law.

Jefferson v. State, 527 P.2d 37, 43 (footnotes omitted, emphasis added).

This position was reiterated by the Supreme Court in Liberati v. Bristol Bay Borough, 584 P.2d 1115 (Alaska 1978).

> Merely because the State has enacted legislation concerning a particular subject does not mean that all municipal power to act on the same subject is lost. We have consistently rejected application of any such concept in our cases dealing with home rule municipalities. We do so now with respect to general law municipalities because our constitution requires that their powers be liberally construed as well. We believe that an appropriate accomodation can be made between the State and general law municipalities by a rule which determines pre-emption to exist, in the absence of an express legislative direction or a direct conflict with a statute, only where an ordinance substantially interferes with the effective functioning of a state statute or regulation or its underlying purpose.

584 P.2d at 1121-1122 (footnotes omitted, emphasis added).

It appears that the Alaska Supreme Court is applying the same test for state pre-emption to both home rule and general law municipalities. In summary, in order for a local ordinance to be determined invalid pursuant to Article X, Section 11 of the Alaska Constitution, there must be a prohibition by state statute, express or implied, or the ordinance must substantially interfere with the effective functioning of the state statute or regulation or its underlying purpose.

Under CSSB 189 and CSHB 170, there would be no explicit prohibition of any zoning ordinance adopted by a home rule municipality.

Federal lands may be unaffected by the zoning ordinances adopted by home rule boroughs in any event. See Ventura County v. Gulf Oil Corp., 601 F.2d 1080 (9th Cir. 1979), affirmed per curiam 100 S. Ct. 1593 (1980).

Private land may be totally at the mercy of local zoning ordinances except insofar as inverse codemnation can be claimed and proved. It could be argued that, as applied to land granted to the natives by the Alaska Native Land Claims Settlement Act, zoning ordinances which prohibit development are inconsistent with the purposes of that act and therefore invalid. There is no precedent for such an argument and the success of such a position is questionable.

Any argument opposing the restriction of energy development on state lands by a local zoning ordinance adopted by a home rule borough would have to rely on the claimed inconsistency of the ordinance with the state's right to develop its natural resources. In that regard, determination of whether there is a limit to the home rule borough's authority to adopt ordinances prohibiting or restricting the development of energy sources requires a two-fold inquiry:

1. Are there Alaskan constitutional and statutory provisions which seek to implement a statewide policy with reference to the subject matter of the ordinances?

2. Do the proposed borough ordinances impede implementation of that policy?

While control of natural resources of the State of Alaska is specifically retained by state government pursuant to Article VIII of the Alaska Constitution, it is by no means certain that a court would rule that a local zoning ordinance which impedes or prohibits development of oil and gas in certain specific locations would be struck down as unconstitutional or unauthorized. In any event, the adoption of the current provisions concerning home rule regulationof land use as stated in CSSB 180 and CSHB 170 would insure extensive constitutional litigation to resolve these questions.

The question is further complicated by the fact that A.S. 29.40.040(a)(2) in the two bills would specifically authorize the use of a permitting system to regulate land use. This section places far greater authority in local government than the current law does. It is conceivable that an ordinance could be adopted which would prohibit all uses unless a land use permit is obtained from the local government involved. This would allow local governments to assess energy development projects on a case by case basis thus adding another layer to the regulation of energy development in general.

It should be noted that this permit procedure would be available to any local government that possesses or obtains planning, platting or zoning authority under A.S. 29.35 and A.S. 29.40 as proposed in CSSB 180 and CSHB 170.

A few suggested changes to SB 1.

page 8, line 26. AS 29.05.120(a)(2) ELECTION OF INITIAL OFFICERS. Add "of a first class city." to the end of the subsection to avoid conflict with law regarding 2nd class cities and current practice with many home rule municipalities.

Page 28. CHARTERS. Consider changing the procedure for going directly from unincorporated status to home rule to a two-step process similar to the unification process: (1) start with a vote on the question and at the same time elect a charter commission, (2) vote on the charter, with provision for one charter rewrite if the first one fails.

page 29, line 8. AS 29.10.010 (e) MUNICIPAL CHARTER ADOPTION. for clarification, add "of seven elected members" after "charter commission".

Page 29, line 14. AS 29.10.010 (f) MUNICIPAL CHARTER ADOPTION. if the procedure for going directly from unincorporated to home rule is not changed to provide for an elected charter commission, then this section should be clarified by adding "prepared by the petitioners and" before the word, "filed" in the middle of line 14.

Page 36, starting on line 9 and continuing through page 39, line 3. Replace AS 29.20.070 ASSEMBLY COMPOSITION AND FORM OF REPRESENTATION and AS 29.20.080 ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT with the attached proposed amendments, which substantially simplify the language and clarify the process, without changing the basic intent.

page 45, line 25. AS 29.20.220 EXECUTIVE POWER. Delete the second sentence which is an undue infringement on home rule powers, and delete the third sentence, the contents of which are covered in AS 29.20.230 ELECTION AND TERM OF MAYOR.

page 63, line 26. INITIATIVE AND REFERENDUM. AS 29.26.120 (a)(1) change "bill" and "act" to "ordinance and resolution" to conform language to municipal enactments.

page 64, line 15. AS 29.26.120 (b). same changes as page 63.

Ginny Chitwood
586-1325
February 1, 1983

4/7/82
LA-L 20

WORK DRAFT COPY WORK DRAFT COPY

Proposed Amendment to SB 1 standing on p. 36, line 9

IN THE SENATE TY AND RS COMMITTEE

COMMITTEE SUBSTI

IN THE LEGISLAT

TWELFTH LEGIS

For an Act entitled: "An Act relating to assembly composition, form of representation and apportionment."

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

* Section 1. AS 29.~~23.023~~ 20.070 and AS 29.~~23.025~~ 20.080 are repealed.

* Section 2. AS 29.~~23.023~~ 20.070 is re-enacted to read:

Sec. 29.~~23.023~~ 20.070. Assembly composition, form of representation and apportionment.

(a) The borough assembly shall provide for its composition and for the form of its representation consistent with the standards of AS 29.~~23.021~~ 20.060.

(b) [Before the] Not later than first regular election [that occurs] after the report of a Federal decennial census, the assembly shall [adopt] propose and submit to the voters of the borough, at that regular or special election called for the purpose, one or more forms of assembly representation providing a form of assembly representation and a corresponding plan of apportionment. The forms of representation which the assembly may [adopt] submit to the voters are listed in subsection (f) of this section.

(c) If a petition signed by not less than 50 registered 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~~ 20.060, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall consider the question and make a determination within two months of the receipt of the petition.

(d) The assembly may consider at any time whether its apportionment meets the standards of AS 29.~~23.021~~ 20.060. Whenever an assembly determines that its apportionment does not meet the standards of AS 29.~~23.021~~ 20.060, the assembly shall, within six months provide by ordinance for a change in the existing appor-

tionment and may, by ordinance, change the composition of the assembly.

(e) An ordinance adopted by the assembly under (b) or (d) of this section shall be submitted to the voters for approval at the first regular election following its adoption. In order for the ordinance to be approved, it must receive the approval of a majority of votes cast on this question.

(f) The forms of representation an assembly may adopt are:

(1) election of members of the borough assembly at large by the ~~qualified~~ voters throughout the borough;

(2) election of members of the borough assembly by district, including

(A) election at large by the ~~qualified~~ voters throughout the borough, but with a requirement that a candidate live within an election district established by the borough for election of assembly members; or

(B) election from election districts established by the borough for the election of assembly members by the ~~qualified~~ voters of a district;

(3) election of members of the borough assembly both at large and by district.

(g) If an assembly's apportionment does not meet the standards of AS 29.~~23.021~~ 20.060 and it fails to adopt an ordinance for reapportionment and have the ordinance approved by the voters as specified under (b) or (d) of this section, 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~~ 20.060 by preparing an order of reapportionment and delivering the order to the borough mayor.

(h) Subsections (e) and (f) of this section do not apply

(1) to a unified municipality ~~incorporated under~~

#3
Cook

AMENDMENT #10

Offered in the HOUSE

TO: HB 172

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Page 102, line 8:

Delete "interests" and insert "an interest".

Delete "are" and insert "is".

Page 102, line 9:

Delete ", as more" and insert a period.

Page 102, line 10:

Delete all material.

Page 105, lines 10 - 12:

Delete all material and insert:

"(m) For the purpose of determining property exempt under (a)(7) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) unless superseded by applicable federal law:"

Page 105, line 15:

Delete "or" and insert "and"

Page 162, lines 25 - 29:

Delete all material.

Page 163:

Delete all material.

Page 164, lines 1 - 14:

Delete all material.

Page 164, line 15:

Delete "4" and insert "3".

Page 164, line 18:

Delete "AS 29.60.240" and insert "former AS 29.90.020".

Page 164, line 26:

Delete "AS 29.60.240" and insert "former AS 29.90.020".

Page 164, lines 27 and 28:

Delete "AS 29.60.230 - 29.60.240" and insert "former AS 29.90".

Page 166, after line 22, insert:

"ARTICLE 4. COMMUNITY FACILITIES GRANTS.

Sec. 29.60.320. CIVIC, CONVENTION AND COMMUNITY RECREATION CENTERS. (a) Within the limits of legislative appropriations for the purpose, the state shall make matching grants to local governments or their nonprofit designees equal to 50 percent of the estimated reasonable costs of land acquisition, planning, and construction of municipal civic, convention and community recreation centers and 50 percent

of the cost of feasibility studies relating to these facilities, in accordance with the provisions of this section.

(b) Grants for only one study and one project may be awarded to a local government under this section. Applications for grants shall be made in a form prescribed by the commissioner. A grant shall be allotted according to an agreement made between the commissioner on behalf of the state and the local government receiving the grant. The agreement may include any provision agreed upon by the parties and shall include in substance the following provisions:

(1) estimates of reasonable costs of a study or project as approved by the commissioner after consultation with the Department of Public Works;

(2) a schedule of grant disbursements, if, as determined by the commissioner, a grant is to be disbursed other than in one sum;

(3) agreement by the local government to

(A) proceed with and complete the proposed study or project expeditiously;

(B) not discontinue operation or dispose of all or part of a project for which it receives a grant without the approval of the commissioner;

(C) apply for, and make reasonable efforts to secure, federal assistance that may be available for the study or project, subject to any conditions the commissioner may require in order to maximize the amounts of that assistance received or to be received for all projects in the state;

(D) provide for payment of the local government's

share of the cost of the study or project;

(4) agreement by the local government that, if federal assistance for a study or project becomes available to the local government that was not included in the calculation of the amount of a grant authorized and disbursed under this section, the value of the federal assistance shall be ascertained and subtracted from the total value of the project and the balance shall be equally divided between the state and local government;

(5) provision for alteration or modification of an approved study or project and for remedies in case of failure to perform the agreement between the parties or noncompliance with regulations promulgated by the commissioner under this section;

(6) provision for alteration or modification of an existing facility that would have qualified under this section as a civic, convention or community recreation center at the time of initial construction if this section had been in effect and provision for remedies in case of failure to perform the agreement between the parties or noncompliance with regulations promulgated by the commissioner under this section.

(c) If funds appropriated by the legislature to provide grants under this section are not adequate to satisfy amounts required by approved grant applications, funds shall be allocated on the basis of priority established by the Department of Economic Development by regulations promulgated to carry out the provisions of this section.

(d) This section does not require that a local government receiving a grant for a feasibility study under this section must

proceed with construction of a project, notwithstanding the project is determined to be feasible.

(e) The commissioner shall require in the negotiations and agreements with the local government that continued maintenance of the facility is the responsibility of the local government and the local government must show the feasibility of this before authorization of state funds.

(f) The commissioner shall provide an annual report to the legislature with respect to grants made under this section.

(g) The commissioner may adopt regulations to carry out the purpose of this section.

(h) In this section

(1) "commissioner" means the commissioner of economic development;

(2) "local government" means a city of any class or a borough having power to implement the studies or projects for which grants are authorized in this section;

(3) "costs of construction" 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; it does not include the cost of feasibility studies."

Page 193, after line 15, insert:

"* Sec. 55. AS 38.09.080 is amended to read:

Sec. 38.09.080. LAND WITHIN MUNICIPALITIES. (a) If a municipality has filed a selection of state lands under AS 29.65 and former AS 29.18.210 - 29.18.213 with the commissioner, the state lands selected may not be designated for homestead entry, if the commissioner determines that land selected by a municipality is not available for patent to the municipality under AS 29.65 and former AS 29.18.210 - 29.18.213, the state land is available for designation by the commissioner for homestead entry under AS 38.09.010.

(b) The disposal of homestead entry land is subject to local platting, recording, or subdivision requirements established under AS 29.40 [AS 29.33] and AS 40.15."

Renumber the following sections accordingly.

Page 195, after line 22, insert:

"* Sec. 63. AS 42.05.711(1) is amended to read:

(l) A person, utility, or cooperative that is exempt from regulation under AS 42.05.711(a) or (d) - (k) is not subject to regulation by a municipality under AS 29.35.070 [AS 29.48.060 - 29.48.090]."

Renumber the following sections accordingly.

Page 204, line 8:

Delete "1983" and insert "1984".

Page 204, line 12:

Delete "1983" and insert "1984".

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

October 12, 1983

SUBJECT: Title 29 revision
(HB 172)

TO: Representative Milo Fritz

FROM: Tamara Brandt Cook
Legislative Counsel

Here is the amendment that you requested which incorporates laws passed during the First Session of the Thirteenth Legislature into HB 172. The changes in this amendment come from Chapters 30, 95, 97, and 103, SLA 1983. AS 43.18.300 was renumbered by the revisor of statutes as 29.89.110, so that material is included in this amendment. This amendment also alters the effective dates of HB 172 to reflect the passage of one year since its introduction.

For your information, there were several other laws passed that impact the Title 29 revision bill, but that did not create a need for amendment of that bill. Chapter 44, SLA 1983 amends both existing law and the revision bill (assuming it is passed by the Thirteenth Legislature) and no change needs to be made to HB 172 to reflect that fact. Chapter 67, SLA 1983 deletes a definition of resident that is in existing law, but that was already deleted from HB 172. Sec. 4, Chapter 91, SLA 1983 contains a reference to AS 29.18.201 - 29.18.213 which is renumbered in HB 172. However, under that chapter, implementing action takes place prior to July 1, 1984, the new effective date of HB 172 under this amendment, so no further change is needed to HB 172.

Please let me know if you would like these amendments incorporated into a CSHB 172 (C&RA) along with any other changes desired by the House Community and Regional Affairs Committee.

TBC:ljb

Enclosure
29/024

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Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

ACKNOWLEDGEMENTS

REPRESENTATIVE MILO H. FRITZ, M.D.
Chairman, House Community & Regional Affairs Interim Committee

would like to gratefully acknowledge the following people who helped make this report possible.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE STAFF:

Shirley Dreas, Committee Assistant
Eve Fox, Committee Interim Secretary
Dave Schade, Committee Interim Assistant

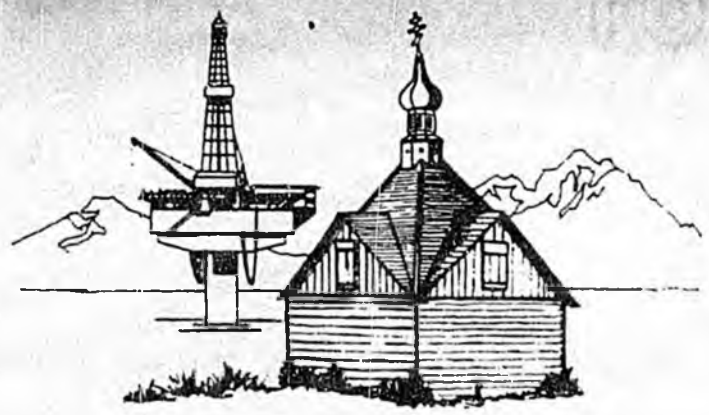
Special thanks also for the technical advice of:

Joe Brewer, Counsel to House Judiciary Committee

Ginny Chitwood, Alaska Municipal League

Tamara Cook, Legislative Legal Department

Bob Harris, Director, City of Wasilla



CITY OF KENAI

"Oil Capital of Alaska"

(907) 283—4060

John Wise
CITY COUNCILMAN

CITY OF KENAI
P.O. BOX 605 KENAI, ALASKA 99611

February 3, 1984

Honorable Mike Miller
Chairman, House Committee & Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Miller:

I regret that I was unable to visit with you this last week when the Legislative Committee of the Alaska Municipal League met in Juneau.

As I am sure you are aware, the League strongly supports HB-172, the codification of Title 29. As noted in the enclosed letter to Representative Fritz, the compilation that he has had done clearly identifies the need for the codification from both the Legislature and municipality point of view.

We both need one "sheet of music," one organized document to enable us all to better do our job for the people of the State as a whole and our individual municipalities in particular.

I for one would like to see some additional revision to Title 29, but those items are in no way as important as codification with the revisions as currently agreed upon.

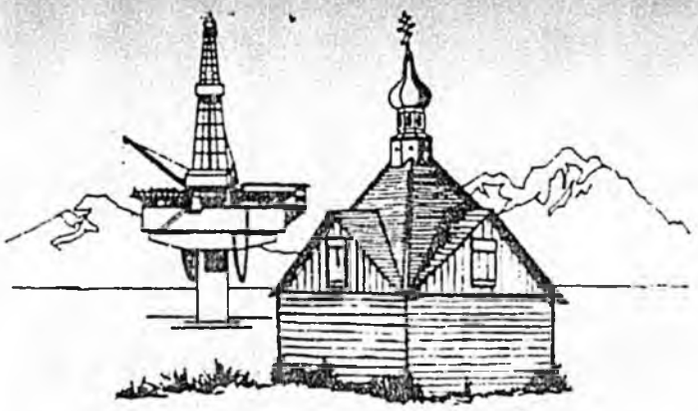
On behalf of the Municipal League, we request your support in moving HB-172 toward enactment.

Sincerely,

John E. Wise
Member, Kenai City Council
Member, Legislative Committee, Alaska Municipal League

JW:jw

cc: Scott Burgess, Executive Director
Alaska Municipal League



CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

February 3, 1984

Honorable Milo Fritz, M.D.
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Fritz:

The Municipal League Legislative Committee, in accordance with policy established by the League Board of Directors, is encouraging passage of HB-172 - Codification of Title 29. The committee had planned to do a compilation of events to date on that bill. We then discovered that your office had, in fact, done just that.Your compilation is an excellent piece of work - you and your staff are to be congratulated.

It is quite clear, now more than ever before, that we all need the codification to be enacted this session. Inasmuch as Title 29 is indeed a living document as you and your colleagues update it more than once each session, a codification would be invaluable.

The Municipal League strongly endorses the proposed codification as too many of us simply cannot keep up with the currently disjointed, contradictory language of Title 29 as it now exists.

Again we applaud your efforts and ask for your continued support.

Sincerely,

John E. Wise
Member, Kenai City Council
Member, Alaska Municipal League Legislative Committee

JW:jw

cc: Rep. Mike Miller - Chairman, House Community & Regional Affairs
Emil Notti - Commissioner, Community & Regional Affairs
Scott Burgess - Executive Director
Alaska Municipal League

HB
172
#5

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Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

ACKNOWLEDGEMENTS

REPRESENTATIVE MILO H. FRITZ, M.D.
Chairman, House Community & Regional Affairs Interim Committee

would like to gratefully acknowledge the following people who helped make this report possible.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE STAFF:

Shirley Dreas, Committee Assistant
Eve Fox, Committee Interim Secretary
Dave Schade, Committee Interim Assistant

Special thanks also for the technical advice of:

Joe Brewer, Counsel to House Judiciary Committee

Ginny Chitwood, Alaska Municipal League

Tamara Cook, Legislative Legal Department

Bob Harris, Director, City of Wasilla

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

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Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1984

2nd Session
13th Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Fellow Legislators:

During the First Session of the Thirteenth Alaska State Legislature, the House Community and Regional Affairs Committee held extensive hearings on HB172, the Municipal Code revision. Eight amendments have received Committee approval. Some other amendments have been proposed to the Committee for consideration early in the Second Session.

HB172 has many complex issues within its scope. The House Community and Regional Affairs Interim Committee has prepared a report covering this legislation and its history. The main purpose of this report is to give a concise overview of the bill and its issues.

The previous veto by Gov. Hammond of similar legislation was brought about by the addition of many well intentioned, but problematical amendments from the Floor. The current bill, HB172, does not contain any of those amendments. Many people believe that HB172 makes major alterations to Title 29. In fact, the major revisions to Title 29 have been passed thru separate legislation in the 1st Session of the 13th Legislature. At this time, HB172 is an editing and clarifying bill to aid the municipalities of the State in accurately interpreting Title 29.

It is the Committee's desire to give each legislator adequate time to suggest any changes during the Committee process. This report features the progression of the bill and the proposals to be considered by the Committee. Any other ideas, comments and suggestions should be directed to the Community and Regional Affairs Committee as soon as conveniently possible. It is the feeling of the Interim House Community and Regional Affairs Committee Chairman that any other major amendments should be dealt with in separate legislation.

The House Community and Regional Affairs staff has devoted much time to the preparation of this report. I hope it is beneficial to you.

Sincerely,

Milo H. Fritz

Representative Milo H. Fritz, M.D.
Interim Chairman
House Community and Regional Affairs Committee

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Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TITLE 29

HISTORY

When our constitution was adopted in 1956, its provisions for local government were the most advanced in the nation. Title 29 of the Alaska Statutes, "Municipal Government" is the codification of session laws pertaining to Municipalities and sets forth the authority and responsibilities of local governments. Title 29 is divided into chapters dealing with local government's functions and services.

Although updated in 1972, it was not until the beginning of 1980 that Senate Concurrent Resolution 66 authorized the Alaska legislature to revise the municipal government statute. A Policy Advisory Group, composed of municipal officials, 2 Senators, 2 Representatives and assisted by a Technical Group of municipal attorneys and a city clerk, was formed to assist in interpreting provisions of the law and in revising specific statutes. Policy decisions were finalized by the Policy Advisory Group. The Group developed two basic guidelines, the simplification of the title's organization and the achievement of maximum flexibility in the structure and functioning requirements of local government.

Simplifying Title 29 meant clarifying how those powers were to be assumed and administered. In addition, to meet the desire for more flexibility in carrying out day-to-day administrative and procedural responsibilities, the Group found that less technical assistance in defining local government's structure and procedure would be required by local governments once the revision is adopted. Furthermore, it was recommended that the capability of the Department of Community and Regional Affairs be expanded to provide technical assistance to match the future demand for the Department's services.

The public, in testimony, asked for a variety of proposals; demanding more local direction of state programs, the granting of municipal rights and powers to Native governments along with the desire for self-governing regional organizations. State agencies proposed that local governments consider taking over "local" agency programs. Local governments were concerned with two things: the increasing or decreasing costs due to decentralization; and, if those programs could be responsibly administered.

Rural residents of Alaska were concerned over the multiplication of agencies and organizations formed to respond to state and federal program requirements. These may include a city council, Indian Reorganization Act Council, village corporation board and subcommittees, membership in various non-profit organizations (formed to provide health services, regional housing authorities) and regional Coastal Resource Service Areas and Regional Education Attendance Areas, etc. Some rural residents felt that the creation of separate single-purpose service areas led to a fragmenting of local control. Others believed that service areas would be the best vehicle for additional public services in the unorganized borough.

The Group proposed revisions for Title 29 addressing many of the difficulties of administering mandated state and federal programs. The third draft of a proposed revision of Title 29 was approved and submitted to the Legislature for consideration (S.D.#1).

During the 12th Legislature, SB180 and HB170 provided revisions and improvements to the municipal code. These changes were accomplished with overwhelming cooperation among legislators, state and local government officials and staff. The bills received numerous committee hearings, addressing the major concerns expressed by the public and state agencies. Major amendments, made on the Floor of the House during the hectic final hours of the Session, caused Governor Jay Hammond to veto the bill (S.D.#2).

A list of the reasons Gov. Hammond used to support his veto follows. Asterisks (*) will refer you to the method in which the concerns are presently being handled, either through separate legislation or through HB172 amendments. Material within parenthesis (S.D.#) will refer you to support documents.

1). An amendment redefining "population" permitted the counting of workers at isolated areas to recognize seasonal employees. The results would significantly impact local services (S.D.#1).

HB42*, presently under consideration by the Senate Finance Committee, relates to the determination of population for purposes of calculating amounts of state aid (S.D.#3). The language states that no person may be included in the population count of more than one taxing unit. The population of a taxing unit, including any military reservation that is part of the taxing unit, shall be determined annually by the latest figures of the U. S. Census Bureau. Gov. Hammond requested the Department of Community and Regional Affairs to draft regulations for state assistance to local governments compensating more equitably those communities impacted by seasonal, temporary and isolated workers (S.D.#2).

2). Under a proposed definition of "developed", a provision exempting forest lands from municipal property taxation contains a definition of developed by reference to Federal law that posed substantial problems of interpretation and impact. The Department of Law advised that the definition of "developed" would probably induce costly and unnecessary litigation.

Bond Council advised Gov. Hammond that the bill could impede local government General Obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaskan communities (S.D.#2).

This concern was addressed in separate legislation, SB260* (S.D.#4), Chapter 97, 1983 Session Laws, see proposed amendment #10.

3). One section affected a major change in public utility regulatory philosophy, reversing the direction chosen with deregulation in 1980. Gov. Hammond questioned re-regulating public utilities at the municipal level unless arguments are raised to change them. Further, he recommended that this concern be addressed in a separate piece of legislation (S.D.#2).

This concern was addressed in separate legislation, HB274*, Chapter 30, 1983 Session Laws, see proposed amendment #10 (S.D.#5).

Although, there were other concerns Gov. Hammond listed, the three above were the most important. SB1 (S.D.#8) was prefiled in the Senate. Later, Governor Sheffield introduced HB172 (S.D.#6) thru the Rules Committee to parallel the Senate bill (S.D.#7).

SYNOPSIS OF CHAPTERS

The following is a brief synopsis of the chapters in Title 29 as written in HB172.

CHAPTER 4 deals with the classification of municipalities.

Municipalities are divided into two classes, Home Rule and General Law. Home Rule Municipalities have all legislatives powers not prohibited by law. General law municipalities have specific powers conferred by law. There are five classes of general law municipalities. Chapter 4 also delineates the process for reclassification of a municipality.

CHAPTER 5 deals with incorporation.

Article I sets forth the requirements necessary for incorporation; minimum number of people, adequate size, and adequate financial resources.

Article II sets forth the procedures necessary to become incorporated, providing for a service area to integrate into the new municipality within two years of incorporation. A legal challenge to the formation of a municipality must occur within six months after the date of incorporation.

Article III establishes transitional assistance, setting forth the amounts that a new or reclassifying municipality receives as a grant to help defray costs. It establishes an Organizational Grant Fund in the Department of Community and Regional Affairs and requires the Department to provide organizational assistance to the municipality in developing its tax structure.

CHAPTER 6 deals with the alteration of municipalities.

Article I provides for name changes to a municipality.

Article II establishes the procedures for annexation and detachment.

Article III establishes the procedures for merger and consolidation.

Article IV relates to unification of municipalities, establishment of

Charter Commission procedures for proposal of a home rule charter and voter approval. It defines election of members, organization and procedures of the commission and other necessary provisions. The powers of a unified municipality are those powers not prohibited by law and given to a home rule borough.

Article V establishes the method of dissolution.

CHAPTER 10 defines the organization and powers of home rule municipalities.

Article I provides for the establishment of a new charter and requires the Department of Community and Regional Affairs to prepare a model charter for the charter commission to use. A provision in the charter for initiative and referendum procedures is also required. Article 1 sets forth the events which follow rejection of the charter by the voters.

Article II sets forth the limitations placed on home rule municipalities. This article provides that the Home Rule municipalities abide by the itemized sections of Title 29.

CHAPTER 20 sets the guidelines for municipal officers and employees.

Article I requires the municipality to adopt a conflict of interest ordinance which requires that all meetings of municipal bodies be public in adherence with AS 44.62.310 and that the public be provided with the opportunity to be heard.

Article II establishes the governing bodies. The legislative authority in a borough will be vested in the assembly. The legislative authority of a city will be in the council. It requires equal representation as set by the Constitution of the United States. It establishes the forms of representation to be proposed to the voters. The procedures for recomposition and reapportionment are established along with composition requirements. There are some restrictions as to the qualifications the municipality places on the members. The minimum procedures of the governing bodies are 1 meeting per month, 24 hour notice for

special meetings, a quorum being a majority of the total membership and the requirement of all members voting.

Article III establishes that the municipal executive is the Mayor. If the municipality has not established a city manager type of government, the mayor is also the manager of the city. This section provides the right of veto to the mayor with certain exceptions. Qualifications for office, election procedures, absences and vacancies are provided.

Article IV regulates boards and commissions with provisions for school boards and utility boards and allowance of other boards and commissions necessary to the operation of the local government.

Article V which covers other officials and employees, provides that the municipal clerk, attorney, treasurer, and police chief are appointed by the chief executive with approval by the governing body, unless by ordinance another system of selection is designated. This article provides for the duties of the offices, and allows a municipality to develop departments and a personnel classification system.

Article VI covers the adoption and use of a manager plan of government, including the procedures for election of a plan, appointment of a manager, and the powers and duties of the manager.

Article VII contains miscellaneous provisions. It establishes that before taking office, all municipal officials will in writing affirm an oath of office. It requires bonding and certain reports.

CHAPTER 25 covers municipal enactments.

Certain actions must be done by ordinance, including dealing with departments, issues dealing with or requiring a fine or other penalty, issues dealing with taxes, other major business type dealings, etc. The ordinance procedure to be followed includes public notice five days in advance, a public hearing, official action being taken and written copies being available to the public. Upon finding that a fact supported emergency exists, ordinances can be adopted to meet the emergency. The ordinance, which can be passed at its introductory meeting, must be passed by three quarters of the governing body or

by all members present. Copies of the emergency ordinance must be made available to the public. An emergency ordinance, effective for a period of 60 days, may not be used to levy taxes, extend a franchise or to regulate rates charged by a public utility. A municipality must establish a code of regulations and must codify each ordinance passed. Resolutions must be placed on permanent file. Penalties for a violation of municipal ordinances may not be greater than those imposed for a Class B misdemeanor. Actions may be brought by the municipality or by an aggrieved person. Penalties, authorized under Chapter 26, may not be imposed if copies of the ordinance are not made available at cost or less to the public.

CHAPTER 26 deals with elections.

Article I deals with regular and special elections providing for administration of the elections, the nomination process, 20 days notice of an election and voter qualification. A person can hold more than one office, but may not hold simultaneously the seat of borough mayor and assembly member or of city mayor and city council. Unless otherwise provided for by ordinance in a first class city, a runoff election is required for the office of mayor or member of governing body or school board if a candidate does not receive over 40% of the total votes cast. A run off election is required for an "at large" seat if no candidate receives a number of votes greater than 40% of the total votes cast, divided by the number of seats to be filled. An election must be contested before or during the first canvas of the ballots. Court action must be initiated within 10 days, or the election results are conclusive and valid.

Article II provides for initiatives and referendums. 10 voters of a municipality may file an initiative or referendum petition application with the municipal clerk. The clerk shall certify the application if it does not conflict with AS 29.26.100, includes a single subject, is a legislative matter and is enforceable as a matter of law. Within two weeks after certification, the municipal clerk must prepare a petition containing a summary of the ordinance or resolution, the complete

version sought by the sponsors and other administrative information. Petition signatures are to be collected in pen or indelible pencil within 60 days after the clerk issues the petition. In municipalities of 7500 people or less, a petition must be signed by a number equal to 25% of the voters who voted in the last regular election. A number equal to 15% of the votes cast, in a city with 7500 people or more, must be collected. The petition will be submitted as a single instrument and the municipal clerk has ten days to certify the sufficiency of the petition or identify the areas which are insufficient. If the petition is rejected, the sponsors have 10 days to file additional signatures. Then, the clerk has another 10 days to certify the petition. If the petition is again rejected, it is filed as a public record. A protest of a rejection must be filed within 7 days to the mayor and brought before the governing body at the next regular meeting. Failure of a petition does not preclude a new petition, but a petition on similar material may not be filed for six months. The initiative vote must be held at the next regular election or at a special election, not before 45 days or later than 75 days after certification. An ordinance or resolution may not be changed, repealed, or enacted within one year of the effective date of an initiative.

Article III addresses the procedure for recall of an elected official who has held office for at least 120 days. The application for a recall petition will be filed with the municipal clerk and shall contain the signatures and addresses of 10 municipal voters, the address that all correspondence will be sent to and the statement of reasons for recall in 200 words or less. If the petition application is determined to meet the requirements of AS 29.26.260, the clerk will prepare a recall petition with the name of the person to be recalled, the reasons for recall as stated in the original petition application and other administrative information. The signature requirements are identical to Article II except that the petition must contain a number of signatures equal to 35% of the number of people who voted for that office. The sufficiency of the petition must be determined by the clerk within 10 days. If there are more than 180 days before the end of said term and the total of valid and invalid signatures is equal to or greater

than the required number, the sponsors have an additional ten days to gather the necessary additional signatures. Article II sets the new recall time limits, election time limits, the recall ballot form and how successors will be selected to vacant offices.

CHAPTER 35 deals with municipal powers and duties.

Article I sets forth the general powers of a municipality. All municipalities have the power to provide for operation of its departments and facilities. Those powers include setting salaries of the elected and appointed officials. General provisions provide for the ability to tax, enforce ordinances, prescribe penalties, deal in real and personal property, expend funds for public purpose, regulate municipal rights-of-way, facilities or services, borrow money, acquire certain memberships, enter into agreements with other governmental agencies and sue or be sued. In certain instances, a municipality is allowed to have extraterritorial jurisdiction over certain facilities or services. Municipalities can exercise eminent domain, use emergency disaster powers, provide garbage and solid waste services and require use thereof. A city may not prohibit a person with a valid Alaska Public Utilities permit from continuing that service. Before providing the same services, a city must purchase the permit and equipment of a carrier. Article I provides for franchises and permits, limited public utility regulation, control over alcoholic beverages, rules for land transactions, budget and capital programs, expenditure of borough revenues, establishment and operation of emergency services communication centers. An annual independent audit of each municipality's finances is required.

Article II sets forth mandatory areawide powers. Each borough constitutes a school district. A school district will be established, maintained and operated in all areas, except military reservations. All boroughs shall assess and collect all taxes levied within it's boundaries. The borough must return all city taxes collected to the city. First and second class boroughs must provide for platting, planning

and land use regulation in accordance with AS 29.40. Home rule boroughs are required to provide for planning, platting and land use regulation.

Article III establishes additional powers, giving a first class borough power to establish on a non-area wide basis all powers not prohibited by law. First class boroughs are given the ability to establish certain areawide powers including the provision of transportation systems, water pollution control, air pollution control, licensing of day care centers and the licensing, impoundment, and disposal of animals. Second class boroughs are given the power to exercise certain areawide powers and any non-areawide power not prohibited by law that is approved by a majority of the voters living in the borough. Third class boroughs are restricted to areawide powers of tax assessment and collection and education. Other powers can be exercised within service areas only.

Article IV establishes city powers. A city, within a borough, may exercise any power not otherwise prohibited by law. No city may exercise a power being exercised by the local borough. Home rule and first class cities, in a third class borough, may be required to exercise land use planning and regulation. Cities, outside a borough, may exercise a power not prohibited by law. A home rule or first class city, outside a borough, is a school district and shall provide for land use regulation and planning.

Article V allows acquisition of additional powers. Powers are transferred by a city to a borough or by areawide election. A number of voters filing a petition or the assembly proposing the acquisition of the power initiates official action. Within 30 days, the assembly must have one public hearing and evaluate the ability of the borough to exercise that power. Within 60 days after the borough's findings, an election must be ordered. The election process is detailed, with the specific requirement that the city and outside areas be tallied separately. Both groups must vote favorably. The power will be assumed within 30 days of a favorable election. The specific effects of acquiring an areawide power are detailed.

Article VI shows the construction of powers. A liberal construction

shall be given to all powers and functions given by Title 29. Also, unless limited by law, all powers necessary for the implementation of powers and functions conferred in Title 29 may be exercised.

Article VII allows for the establishment of service area controlled by ordinance. A city can be included in an areawide service area if the city passes an ordinance to that effect or if both city and non-city voters approve in an election. The controlling board may be elected or appointed. The levying of taxes and issuance of bonds is allowed but must be approved by the assembly. Article VI states what powers may be established in different classes of boroughs. Owners of real property may consent, in writing, to establishment of a service area in a place where no voters reside.

Article VIII is the miscellaneous provision defining "power" as the provision of a public facility and service, or the exercise of a regulatory power.

CHAPTER 40 provides for the functions of planning, platting and land use regulation for any first or second class borough.

The borough may transfer any of its powers to a city, but can unilaterally revoke the transfer. A planning commission must be established with the duties of preparing a proposed comprehensive plan and measures necessary to implement the comprehensive plan once it is established. The commission must be apportioned to reflect the population living in first class and home rule cities. The makeup of the comprehensive plan is outlined with the requirement of periodic overall review included. In accordance with the comprehensive plan, the assembly is required to adopt or amend provisions governing the use and occupancy of land. By ordinance, the assembly must provide for the appeal of an administrative decision, but are allowed to decide who will handle the appeal and how it will be handled. Chapter 40 requires an appeal of the second decision to be directed to the superior court which will handle an administrative appeal based on the record established by the first reviewer. By ordinance, the assembly must adopt platting regulations and a platting authority must be established

to administer subdivision regulations and other prescribed duties. An abbreviated plat procedure must be established for a plat that meets certain requirements. A waiver of platting requirements is required if the abbreviated plat requirements are met and only lots five acres or larger. The platting procedure is established with a specific time frame of 60 days being used. A recorded plat may not be altered, except on petition from the state, the borough, a public utility or the owners of a majority of the land affected. A notice of hearing with certain required information must be posted and a platting authority hearing held before a decision can be made. Addressed is the requirement of recording, handling of the title of vacated areas and the delegation of authority by the platting commission. A person who violates a land use regulation or requirement is guilty of a Class B misdemeanor. A civil action can be brought against a person who violates a section of the land use chapter. An injunction must be given by the superior court when a violation or a threatened violation occurs. Subdivisions of state land can not be required to meet capital requirements of a platting authority.

CHAPTER 45 authorizes municipal taxation.

Article I allows a unified municipality to levy a property tax. Boroughs are allowed to levy a property tax for services provided. The municipality must publish a notice to taxpayers explaining the amount of State municipal assistance programs received. Article I also deals with 7 classes of exemptions. All household furniture of the head of a household is now exempt. The new title will allow property of an auxiliary of a nonbusiness organization to be exempt. Lots adjacent to a structure used for religious purposes are no longer exempt. The exemption for 65 years or older persons' residences must be applied for in writing no later than January 31 unless a delayed date of March 31 has been adopted by ordinance. The governing body may waive the time required for a good cause. The State of Alaska will reimburse the municipalities for revenues lost by these exemptions. The law requires property tax equivalency payments to renters 65

years or older. The section dealing with 43 U.S.C. 1620(d) was changed by SB 260 (S.D. #4). A municipality may provide some optional exemptions, including the allowance of an exemption of property taxes for a residence with a $10,000 maximum amount. Other exemptions, exclusions, and classifications may be given if certain requirements are met. The requirement which did not allow taxation based on tonnage of a vessel to exceed prescribed amounts has been eliminated. Farm or agricultural use land shall be assessed on the full value of farm use (see Amendment #7). Exemption of greenhouses has been deleted. Taxes must be paid for the preceding 7 years if the land is sold or converted to uses incompatible with agriculture. Mobile homes established to a location will be classified as real property. An oil and gas production tax will be levied by one of two methods in A.S. 29.45.080. Taxes are limited to a maximum of $1500 per year per person within the municipality or the product of 225% of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality. There are no limitations on taxes to pay the principal and interest on bonds. Assessments will be made at full and true value. Inventories may be valued as of January 1 or by the average monthly method of assessment. Each person having ownership of interest in property may be required to submit a prescribed form to the assessor. The assessor has the right to do an on premises independent investigation and may require a person to answer questions under oath. It is a class B misdemeanor to take actions with the intent of tax evasion. Re-evaluations made by the tax assessor will be done in accordance with a resolution or other directive of the municipality in a systematic manner. The assessor must annually prepare an assessment role with the description of all taxable property, assessed value of said property and the name and addresses of all property owners. The assessor is required to provide each owner a notice of assessed value of the property, the dates taxes are due, delinquent, subject to penalty and interest and the dates when the board of equalization will sit. The assessor may make corrections with the land owner having 30

days to appeal the amended assessment to the board. Article I provides for the makeup and operation of the board of equalization. A municipality may readjust assessments on property when a disaster zone is declared by the President of the United States or by the Governor of the State of Alaska. The tax levy and rate must be set by ordinance. The annual rate of levy must be determined before June 15. A penalty not to exceed 20 % of the tax due may be added, interest not to exceed 15 % per year shall accrue until the date the amounts are paid in full. A tax liability is a personal liability. A property tax lien is paramount to all other liens.

Article II provides for the enforcement of tax liens. The certified assessment and tax roles are valid and binding. The municipality may collect the tax in a personal action. The procedure for distraint and sale of property must be made by ordinance. A demand of payment to the property owner and the sale of the property by auction are required to make a sale legal and valid. If the property sold is insufficient to satisfy the debt, other personal property may be seized up to the amount of the debt. Excess funds from a sale of seized property must be paid to the former owner of record upon receipt of a proper claim within six months of the date of sale. Article II establishes that all real property tax liens shall be enforced by annual foreclosure. The procedures of foreclosure are given with the information necessary for administration of the process. The subjects covered in the rest of Article II are the foreclosure list , clearing delinquencies, list to lienholder, general foreclosure, answer and objection, judgment, transfer and appeal, redemption period, effect, additional liens, possession during the redemption period, expiration, deed to borough or city, disposition and sale of foreclosed property, repurchase by record owner, proceeds of tax sale, payment of taxes upon public utilization, and refund of taxes. These sections have had a few changes. A person with a lien on part of a piece of property can no longer redeem that part without redeeming the total property. The receipt of the redemption payment releases the judgement held by the municipality. It does not release all claims of the municipality against the property. The clerk is allowed to delegate the

publication of the redemption period expiration notice and the notice of hearing. The clerk would have been required to send a copy of the notice to holders of liens if the property was valued over $100,000. Committee Amendment #4 lowers the dollar amount to a $20,000 value. The last change is the allowance of a municipality to refund taxes that in the municipality's judgement would be required to be refunded by a court upon litigation. The governing body is permitted to correct manifest clerical errors.

Article III delineates the cities property taxing power. Home rule and first class cities, outside a borough, may levy taxes as provided by AS 29.45.010 - 29.45.500. Home rule and first class cities, within boroughs, may levy a property tax as provided by statute in section 560. Differential tax zones are allowed to pay for services not generally provided in the city. A second class city may levy property taxes, with a maximum limit of ½ of 1% of the property's assessed value,except when the taxes are used to repay bonded indebtedness. A ballot proposition to establish a second class city can include the proposition of a stated property tax. The petition may have the binding request that incorporation be dependent on the passage of a property tax proposition.

Article IV provides for borough sales and use tax. A borough may levy and collect a sales tax not exceeding 6% on sales, rents and services within the borough. If the borough levies a sales tax, it may also levy a use tax equal to the sales tax. The use tax will be levied only on buyers. The interest rate on delinquent amounts of sales or use tax may not exceed 15%. A notice of a sales and use tax must be given before the municipality can receive municipal assistance and revenue sharing. A sales or use tax, or an increase in either, must be approved by a majority of the voters.

Article V provides for city sales and use tax. The city may tax on all sources taxed by the borough and can also tax other sources authorized by the borough assembly. A sales and use tax may be incorporated in a petition for a second class city. If a petition asks for incorporation dependent on passage of a sales and use tax and the tax fails, the incorporation also fails.

CHAPTER 46 sets forth special assessments.

An assessment proposal, to the governing body, may be made by a petition from the owners having ½ of the property in value. An assessment proposal, also, may be made by the governing body. The procedure will be set by the municipality following certain requirements stated in Chapter 46. Objections must be filed within 60 days of publication of notice. If 50% or more of the owners of record object in writing during the period set, the improvement can not proceed until the objections are reduced to less than 50%. If, after the hearing and errors and inequities in the assessment roll are done, the assessment must be increased, a new hearing must be held. The procedures for payments, exemptions and the effect of liens is delineated. The State of Alaska will reimburse a municipality for any revenue lost due to Section 80, Chapter 46. The allowable costs of a special assessment district are outlined. The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs incurred in connection with issuances of bonds. An objection and appeal can only be made by an owner who objected in writing to the proposed district within 30 days of the confirmation date of the assessment role. A municipality may provide, by resolution or ordinance, for the issuance of notes for interim financing. Special assessment bonds may be authorized, by ordinance or resolution, to pay all or part of the cost of an improvement. A guarantee fund must be established in an amount adequate to cover a deficiency in meeting payments of principal and interest before the issuance of special improvement bonds.

CHAPTER 47 deals with municipal debt.

Article I deals with revenue anticipation notes. Any municipality may borrow money to meet appropriations in anticipation of receiving the necessary funds, with the requirement that the note be paid by the end of the next fiscal y[illegible] Notes must be authorized by ordinance and resolution under the terms described. Notes in anticipation of State or Federal grants may be made under the described method.

The payment of anticipation notes is from revenues and shall be secured by a pledge of the full faith and credit of the municipality issuing them.

Article II allows bond anticipation notes. A municipality can issue bond anticipation notes if the general obligation bonds have been authorized by ordinance and approved by the voter or if revenue bonds have been authorized by ordinance. Notes for amounts borrowed can not exceed one year. The notes are payable from proceeds of bond sales or from issuance of new notes. The total amount of notes outstanding may not exceed the amount of bonds authorized. The proceeds of the notes may only be used for the purposes of the bonds authorized.

Article III regulates general obligation bonds. General obligation bonds may be issued to raise revenue for capital projects. An election must be held to approve a bond authorization ordinance. A public notice shall be issued 20 days before the election. The notice will include the current general obligation bonded indebtedness, the cost of the debt service, and the total assessed value of property in the municipality. The full faith and credit of the municipality is pledged for the payment of principal and interest.

Article IV regulates revenue bonds. Revenue bonds may be issued to raise revenue for a public enterprise or public corporation. Revenue bonds can be used to finance the purchase of residential mortgage loans. No elections are required and revenue bonds are excluded from the application of the prohibition against a political subdivision of the state making a subscription to the capital stock of a corporation, lending its credit for the use of a corporation, or borrowing money for the use of a corporation.

Article V authorizes the refunding of bonds, both general obligation and revenue bonds by ordinance or resolution. All or part of the bonds can be redeemed with no requirement of an election.

Article VI contains miscellaneous provisions. A municipality may authorize revenue bonds for any project which meets a public need. The payment of these bonds may only be from bond revenue, and the city does not pledge its faith and credit. The municipality sets the terms

and conditions by ordinance and can set the interest rate without limitation to AS 45.45.010. Borough indebtedness is on an areawide basis for areawide functions and on a non-areawide basis for non-areawide services.

CHAPTER 55 provides for municipal programs.

The governing body of a municipality may establish a local historical district or designate the planning commission or itself as the historical district commission. A historical district shall be of a reasonably compact area containing two or more structures important in state or national history, and related by physical proximity or historical association. The establishment of a historical district under this section shall be consistent with any applicable comprehensive plan for the municipality.

CHAPTER 60 establishes state programs.

Article I is a continuation of the municipal tax resource equalization. The equalization entitlement computed for a taxing unit is based on population, the units ability to generate revenue and the amount of taxes paid. A formula of the entitlement = P X R where P = population and R = the millage rate equivalent. The population must be determined annually by the latest figures of the United States Bureau of Census or equally reliable figures. The determination of the millage rate must be initially made by the department, with the final determination no later than December 15. The millage rate is determined according to factors established in article 1. The payments may not be made until the required reports of the estimated revenue and financial report are submitted. A limitation on the computation and use of payments, the administrative authority and necessary definitions are also included in this article.

Article II provides state aid for miscellaneous purposes. State aid for roads is set at $2500 per mile of road properly maintained by the municipality and $1500 per mile for designated ice roads. State aid for health facilities and hospitals is set at $50,000 for facilities with less

than 10 beds and $250,000 for 10 beds or more. State aid to volunteer fire departments registered with the state fire marshal serving in an unorganized area will receive an amount equal to $10 per person served. State aid to unincorporated communities is set at $25,000 per year. A cost of living differential will be reflected in payments to the above Article II programs. The miscellaneous services account is established to carry out the provisions of A.S. 29.60.100 - 29.60.180 and the authority for the necessary regulations given.

Article III providing state aid for hospital and health facility construction was repealed and changed by SB-85 (S.D.18) (see Amendment #10).

Article IV sets administration of state aid programs. Each year the amounts determined by the legislature will be allocated to the accounts established in Chapter 60. The qualifications for minimum payments are set forth along with the procedure for handling proration of payments.

Article V establishes the municipal assistance fund. The legislature may appropriate an amount equal to or greater than 30 percent of the income tax revenue. The money must be distributed to the municipalities on an annual basis with a base amount being the amount the municipality or a like municipality received in FY78. Any amount above the base will be distributed on population. Population will be determined by the Commissioner of the Department of Community Regional Affairs. The intent of municipal assistance above the base amount is to reduce the tax burden of the municipal taxpayer. Article V provides the general provisions. The definition of a health facility and of a hospital are given.

CHAPTER 65 deals with the general land grants.

It has not been changed from the current Title 29. The determination of the entitlement of municipalities is given. A city is entitled to 10% of the maximum total vacant, unappropriated land. The requirements, procedures and actions necessary to obtain a land grant from the State of Alaska, or from school, university, or mental health land, and/or to

receive payments for land deficiency are in this Chapter. This Chapter authorizes land exchanges in the public interest. A municipality must decide if they will continue litigation of claims under former AS 29.18.190 and 29.18.200 or obtain the benefits given by this Chapter. The Commissioner of the Department of Natural Resources may adopt the necessary regulations.

CHAPTER 71 establishes the general provisions of Title 29.

A municipality may not be divested of title to real property by adverse possession. Dedication of streets, rights-of-way, easements or other public use areas does not require the city to maintain, improve, or provide services and does not impose a liability. A municipality may not be taxed by the State unless expressly provided for by law. The necessary terms are defined as to general context. No agency may acquire property which will change municipal boundaries unless the platting authority approves a replat. Elections shall be held on the first Tuesday in October. The elections shall be supervised by the Director of Elections in the Lt. Governor's office. The Lt. Governor shall adopt regulations for the conduct of elections of the regional school board members as comparable to the election of other school board members as possible. The rural school boards are subject to recall and the director of the division of elections shall perform the duties of municipal clerk. A single body can act as both the assembly and school board if certain conditions are met. A bond is required before an officer responsible for a school districts money can take office. The Department of Community and Regional Affairs will prepare a determination of the full value of taxable real and personal property in each district by October 1. There are also many sections which are reworded to conform to the new numbering of HB172.

Article XII establishes the ability of the Commissioner of the Department of Community and Regional Affairs to contract for a feasibility study of establishing boroughs in the unorganized borough. It requires that an appropriation be made for that purpose and that a request come from an individual living in the area to be studied. How to request the study, the boundary requirements and how contracts will be handled is delineated.

AMENDMENTS

The following is a list that presents a brief explanation of the amendments that were discussed and that received approval from the House Committee on Community and Regional Affairs during the 1983 legislative session. The following amendments 1 through 10, cover the concerns brought out from the proposals previously conducted by the Hammond Administration as well as progressively bringing further clarity and flexibility to Title 29.

AMENDMENT #1 - clarifies the participation of a municipal employee or official in instances where the employee or official has substantial financial interest that may constitute a conflict of interest. Other items on the amendment are grammatical changes and general house keeping changes to further clarify the language (S.D.#9). passed

AMENDMENT #2 - removes the requirement of determining the "sufficiency of grounds" for a recall election. It replaces "providing legal grounds" with "providing reasons for" and amends the percentage amount of signatures required to constitute a recall election from 25% to 35% (S.D.#10). DNP

AMENDMENT #3 - defines the intent of eminent domain process. As written, the statement may have not met the intent of allowing municipalities to exercise the right of eminent domain to acquire specific certificates or properties (S.D.#11). passed

AMENDMENT #4 - lowers the minimum value of property to be foreclosed upon without notification to the owner by certified mail to $20,000.00 from the proposed limit of $100,000.00 (S.D.#12). Presently, property of any value must be notified. passed

AMENDMENT #5 - specifies the date that Chapter 45 of Title 29 as written in House Bill 172 will go into effect. The amendment will avoid the possibility of a split tax year and will provide lead time for municipal planning and department assistance for mandated state and federal programs (S.D.#13).

passed

AMENDMENT #6 - This amendment did not receive committee approval (S.D. #14).

dnp

AMENDMENT #7 - deletes "greenhouses" from being considered under a special lower assessment for property taxes on farm use land. The special taxing provisions for farm use land is designed to help farmers resist pressures to sub-divide their land (S.D.#15).

passed

AMENDMENT #8 - deals with required tax exemptions which contain new language that defines "developed" for the implementation of a required federal tax program. This concern was addressed and resolved in Senate Bill 260 (S.D.#16).

dnp

AMENDMENT #9 - relates to the Alaska Public Utilities Commission. The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is not subject to regulation by the Alaska Public Utilities Commission (S.D.#17). Please review HB274 (S.D.#5) which dealt with this issue.

dnp.

PROPOSED AMENDMENTS FOR CONSIDERATION DURING 1984 SESSION

AMENDMENT #10 - Legal Services is preparing this amendment, by request of the Chairman, to be considered by the Committee on Community and Regional Affairs during the 1984 legislative session. It will encompass all legislation that was signed into law during the 1983 session that pertains to Title 29. This action is necessary in order to reflect changes made to Title 29 that are not now incorporated in the revision bill.

passed

Three separate pieces of legislation became law. SB85 relates to the certificate of need program and construction funding for health facilities (S.D.#18).

Senate Bill 260 which provides for the definition of "developed" as it relates to lands that are exempt from taxation as stated by federal law (S.D.#4). House Bill 274 would exempt a utility which furnishes cable television from the provisions of the Alaska Public Utilities Commission Act (AS 42.05.010 thru AS 42.05.721) with the exception of provisions requiring a certificate of public convenience and necessity (AS 42.05.221 thru AS 42.05.281), unless 25 percent of the subscribers petition the commission for regulation (S.D.#5).

AMENDMENT #11 - "special hospitals" to be included in definition of health facilities - AS 29.60.800(2), page 169, line 3 of House Bill 172. That section as currently drafted discriminates against special hospitals by excluding them from hospital revenue sharing. Since these facilities are required to be built to acute hospital standards and function as an acute facility with a specialty license, language to resolve this discrepancy may read as follows:

passed

> AS 29.60.800(2),
> "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state of the federal government (S.D.#19).

The following amendment is the differences between House Bill 172 and CS Senate Bill 1 at present. If adopted, both bills would be in line.

AMENDMENT #12 - page 33, after line 28, insert new line (26) 29.3-5.060 (franchise and permits) and renumber following paragraphs accordingly.

page 77, after line 6, add a new subsection - (c) this section applies to home rule and general law municipalities.

page 77, line 9, after "regulate" delete [,] and add a utility service and"

page 77, line 12 after "is" delete [not] and after AS 42.05, delete [and] and add "or"

page 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

page 77, line 17-20, delete subsection (c) and add a new subsection (c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

page 77, lines 21-22, delete subsection (d) and add a new subsection (d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

page 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

page 77, Sec. 29.35.070, add a new subsection (f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

page 77, Sec. 29.35.070, add a new subsection (g) This section applies to home rule and general law municipalities.

page 195, line 22, add Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber the following sections accordingly.

page 107, line 29, after "borough" delete [including...period;]

page 61, line 10, after "(3) delete [is] and add "has been
after "elections" add for at least 30 days immediately preceding the municipal election; and

page 1[illegible], lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

page 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

page 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

page 14, line 24 after "annexed" add or detached

page 14, after subsection (3) add a new subsection (4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition. (S.D.#20)

AMENDMENT #13 - Change effective dates to present year.

passed

END

AMENDMENT #14 — DNP

SENATE
JOURNAL SUPPLEMENT

February 16, 1981 · Monday No. 10

SB
180

Alaska State Legislature

Senate

Official Business

MEMORANDUM 12 February 1981

TO: Representative Hugh Malone
Chairman, Legislative Council

FROM: Senator Arliss Sturgulewski
Chairman, Title 29 Revision Policy Advisory Group

As chair of the Title 29 Policy Advisory Group, I am pleased to submit a bill revising Title 29 of the Alaska statutes. This revision of the municipal government statutes was mandated last year by SCR 66 "Directing the Alaska Legislative Council to revise AS 29 (Municipal Government)". Under this resolution, a thirteen member Policy Advisory Group was appointed to oversee the revision process. In addition to four legislative members; Senator Bob Ralcahy, Representative Charles Parr, Representative Margaret Branson, and myself, nine members represented various levels of local government and geographic areas of the state.

This proposed bill represents a tremendous volume of work completed within a limited time frame. However, the revision of Title 29 has been throughly and carefully considered in spite of this time constraint. This is due in large measure to the real concern about local government shared by all members of the Policy Advisory Group. Excellent assistance was provided by a Technical Group composed of two Advisory Group members, municipal attorneys, and a city clerk. This Technical Group was formed to assist the legislative legal staff and the Advisory Group in interpreting provisions of the law and in revising specific statutes. Policy decisions were made by the Policy Advisory Group.

Since the first organizational meeting in August 1980, three complete redrafts of Title 29 have been prepared and reviewed. The legislative Legal Services staff, under the direction of Billy Berrier, is due special recognition for the tremendous amount of staff work provided to the Policy Advisory Group, especially Ms. Tamara Brandt Cook, who was responsible for the successive drafts of Title 29.

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Public testimony was received during the monthly meetings of the Policy Advisory Group from representatives of local government, Native organizations and state agencies. Numerous presentations were made to interested organizations, including a work session at the Alaska Federation of Natives annual meeting, participation at the annual Alaska Municipal League conference and numerous presentations to various interest groups.

A complete report of all changes proposed in Title 29, as well as a explanation of those sections that were deleted from the final bill, has been prepared. This section-by-section analysis will be submitted to respective Senate and House committees of first referral.

The Policy Advisory Group voted unanimously to recommend this bill to the Legislature for passage. While, overall, the committee is satisfied with this bill, it necessarily represents compromises on issues of local government structure by all members of the group. The Policy Advisory Group provided for the submission of minority reports with the Title 29 bill. One minority report was received, and is being submitted with the proposed bill.

The Policy Advisory Group, in its initial meetings, developed two basic guidelines for its revision of Title 29. These can be characterized as the simplification of the title's organization and the achievement of maximum flexibility in the structure and functioning of local government. Simplification of the organization of Title 29 will make it easier for everyone involved with, or interested in municipal government to understand the state's municipal code. Simplification included the clarification of the range of local governmental powers and how those powers can be assumed.

Flexibility in carrying out local administrative and procedural responsibilities meant reducing unnecessary statutory directives on local actions. The Policy Advisory Group recommended the deletion of a number of technical requirements on how local governments were to undertake day-to-day functions. These provisions included requirements for specifying a particular date for council and assembly meetings, the form of local ordinances, specific election dates and procedures, and so on.

However, in meeting the public's desire for more flexibility in the functioning of local government, the Policy Advisory Group was well aware that they were in effect eliminating a model for governmental activities that could be used by newly formed municipalities. Although it does not appear in the proposed revision of Title 29, the Policy Advisory Group found that more technical assistance in defining local government's structure and procedure will be required by local governments once the revision of Title 29 is adopted. To this end, the committee recommends that the capability of the Department of Community and Regional Affairs to provide expanded technical assistance be evaluated and matched to the future demand for the Department's services.

The mandate given the Policy Advisory Group was to prepare a revision of Title 29 for submission to the Legislature. With the submission of this bill, the Policy Advisory Group has fulfilled their mandate. However, there were a number of major policy issues brought before the Policy Advisory Group that could not be addressed within the scope of the revision of Title 29. I would like to outline some of these major issues which the Policy Advisory Group feels will merit further consideration by the Legislature.

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The major policy issue beyond the scope of the Title 29 revision was the widespread demand for more local control, both over local matters and over state and federal programs affecting communities. The public brought a variety of proposals before the Policy Advisory Group, from demands for more local direction of state programs, to the granting of municipal rights and powers to Native governments; to the desire for self-governing regional organizations that would be something other than boroughs or unified municipalities. Major policy issues relating to these proposals include the constitutional and statutory basis of such self-governing organizations; questions of representation that must meet federal Supreme Court mandates; and problems of designing mechanisms that will enable the diverse range of local governments to effectively influence state and federal programs.

In testimony before the Policy Advisory Group, two state agencies proposed that local governments consider taking over those agency programs that were primarily local in nature. While responding to the desire for more local control over their programs, neither agency had a clear idea of the cost or manpower requirements such decentralization would place on local governments. As a result, it was not possible to determine whether the total costs of these programs would increase with decentralization, when staff and program costs would be duplicated among several local governments. An important question to be answered by the Legislature, is how much the state is willing to pay to meet the demands for local control. Local governments will need support to carry out statutory mandates. Is the Legislature willing to provide more support to local governments than it presently provides state agencies?

A common problem faced by rural residents is the multiplication of agencies and organizations formed to respond to state and federal program requirements. There was a general call for coordinating and streamlining requirements that now result, in some cases, in up to 10 local boards and organizations. These may include a city council, IRA council, village corporation board and subcommittees, membership in various non-profit organizations (formed to provide health services, state and federal contract construction services, BIA funded social services, regional housing authorities, and so on) and regional Coastal Resource Service Areas and Regional Education Attendance Areas and so on.

Comments on the "pros" and "cons" of the service area concept and its use were brought to the Policy Advisory Group. Some rural residents expressed a strong feeling that the creation of separate single-purpose service areas led to a fragmenting of local control. Others felt that service areas would be the best vehicle for additional public services in the unorganized borough. In any event, the creation of additional single-purpose service areas, to be superimposed on the existing system of REAAs, Coastal Resources Service Areas and Aquaculture Districts, needs to be given serious thought. This is especially true in light of the constitutional intent of a simplified system of local government. Or, put in another way, should the Legislature create a multi-layered type of governmental system in the unorganized borough that is considered undesirable within an organized city or borough?

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In short there is a widespread and growing concern in all areas of the state about the nature and structure of local government. The proposed revision of Title 29 addresses many of the difficulties of organized local governments, and will hopefully make it easier for areas to incorporate and function as municipalities. In addition to this revision the legislature will be faced with a number of questions on the very substance and purpose of local government and local self-determination that go far beyond the recommended revision of Title 29. In order to answer these public concerns, the Legislature will have to be prepared to reassess the constitutional and philosophical foundations of local government in Alaska.

I see the revision of Title 29 as the first ne[illegible]ep in this reevaluation of the structure and function of l[illegible]overnment in our state. When our constitution was adopted in 1956, its provisions for local government were the most advanced in the nation. As with the update of the municipal code in 1972, the present effort to revise Title 29 reflects a continuing commitment to developing a healthy, flexible, and most functional system of local government possible to meet Alaska's needs.

In closing, I would like to request that this memorandum be made a part of the Journal Supplement upon submission of this bill.

Attachments:
Minority Report
Policy Group Members List
Technical Group Members List

CHARLIE·PARR
ALASKA LEGISLATURE

S. R. Box 50599
Fairbanks, Alaska 99701
456-3029

Pouch V
Juneau, Alaska 99811
465-4908

January 21, 1981

Senator Arliss Sturgulewski
Chairman
Title 29 Revision Commission
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

As we discussed during the Title 29 Revision Commission meeting of January 17-18, 1981, I wish to submit a minority report.

In general, I agree with the direction taken, and in some instances do not consider issues of sufficient import to justify taking written exception. I think it speaks well for the Commission that mine will probably be the only minority report, and that I can confine myself to two issues.

It was a pleasure to work with you.

Sincerely,

Charles H. Parr

TITLE 29 REVISION COMMISSION

Minority Report

At the first meeting of the Commission I laid out what appeared to me to be two general directions in which work should proceed:

1 - The garage mechanic, housewife, or other average citizen, when elected to the city council or borough assembly, should be able to read the Code and understand it.

2 - After ensuring that the Code contained provisions which would guarantee democratic rights common to all citizens of the State, we should "take the strings off" the municipalities as much as possible.

In my view, the Commission's work went a long way toward reaching this first goal. Although the Code is still somewhat confusing, it is much improved in organization and a number of passages with convoluted syntax have been removed.

I do not agree with the Commission's recommendation for abolition of the third class borough. No one has, in my judgment, presented compelling arguments for depriving citizens of this local government alternative. The third class borough at the present time offers a form of local government which is less demanding than that of the first and second class borough, and yet it has powers other than education. It may exercise these powers on a service area basis.

Apparently the crux of the matter is the fact that the third class borough is not required to exercise planning and zoning functions and this is anathema to the professional planners in our midst. I can find no other justification for their opposition.

The second point on which I wish to disassociate myself from the Commission's majority recommendations is that of State compliance with local subdivision regulation. It is common knowledge that the present administration, by its refusal to release land into private ownership, held down the safety valve on the steam boiler and caused the Beirne initiative explosion. We were rescued from the (probably) devastating effects of the initiative by the Supreme Court ruling that it was an appropriation and therefore unconstitutional. In an attempt to release some pressure from the "boiler", the Legislature has established the land disposal program and is insistent that sufficient land be made available to prevent a future such initiative which might meet constitutional tests.

If the State must meet subdivision requirements, several things will happen:

1 - The land disposal program will be delayed as necessary roads, and perhaps other improvements, must be constructed and pass municipal inspection before the land can be disposed of.

2 - The cost of improvements will be high and the State will be faced with a large subsidy for each parcel disposed of. If this large subsidy is not to be made, the parcels of land will be priced out of reach of many of the persons who would like to have them (especially young couples getting started).

3 - Subdivision standards vary from place to place. The State will be, in effect, favoring those municipalities which have higher subdivision standards. This could well lead to municipalities upgrading their standards in order to receive more from the State.

The whole issue of what the State should do in land disposal will be before the Legislature this year and a number of major policy decisions need to be made. I do not consider it appropriate to make such decisions in what was intended to be a non-policy revision of Title 29.

Charles H. Parr

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TITLE 29 REVISION POLICY ADVISORY GROUP

Senator Arliss Sturgulewski
Chairman

Senator Bob Mulcahy

Representative Charles Parr

Representative Margaret Branson

Ted Berns
Attorney, Municipality of Anchorage

Terry Cook
City Council, City of Alakanuk

Marilyn Dimmick
Borough Assembly, Kenai Peninsula Borough

James Kohler
City Manager, City of Yakutat

Ronald Larson,
Mayor, Matanuska-Susitna Borough

Gene Moore
City Manager, City of Kotzebue

Jonathan Solomon
Mayor, City of Fort Yukon

Donna Sherby
City Clerk, City of Cordova

Russell Walker
Attorney, City and Borough of Ketchikan

TITLE 29 REVISION TECHNICAL ADVISORY GROUP

Ted Berns
Attorney, Municipality of Anchorage

Russell Walker
Attorney, City and Borough of Ketchikan

Allan Tesche
Attorney, Matanuska-Susitna Borough

Richard Garnett, III
Attorney, Kodiak Borough

John Messenger
Bond Counsel, Preston, Thorgrimson, Ellis, Holman & Fletcher

SB 180

Jim Nordale
Attorney, Fairbanks North Star Borough

Gerald Lee Sharp
Attorney, City and Borough of Juneau

JoAnne Shanley
City Clerk, City of Seward

TITLE 29 REVISION EX-OFFICIO MEMBERS

Ginny Chitwood
Executive Director, Alaska Municipal League

Palmer McCarter
Director, Division of Local Government Assistance
Department of Community and Regional Affairs

Phil Smith
Director, RuralCAP

SB 535 (Cont.)

changing court rules. However, even if a two-thirds vote was necessary, the Senate's vote to concur in the House amendments was not affected by the subsequent failure to adopt the rule changes. The vote to concur passed by the required 11 votes, and that vote was to adopt the identical bill that had passed the House. Under Rule 39(e) the failure of the Senate to take a separate vote on the rule change simply meant only that secs. 43 and 44 (and potentially their respective companios -- 18 and 40) are now "void and without effect."

The issue that is presented is very similar to one which has arisen when one house votes to concur in amendments made by the other house, but then fails to adopt, for example, an immediate effective date included in the bill by a two-thirds vote as required by Rule 39(f). The procedure specified in Rule 39 (e) pertaining to votes on court rule changes is virtually identical to the language in Rule 39 (f) pertaining to votes on special effective date clauses. There is ample authority in support of the rule that a failure to adopt a special effective date by a two-thirds vote after concurring in a bill by a majority vote means that the bill has been adopted with an ordinary 90-day effective date. This authority rests on a construction of the effective date as not being a material factor influencing the favorable vote. This rule should apply by analogy to the failure of the Senate to vote separately on the rule change provisions in this bill. consequently, I have concluded that HCS CSSB 535 (Jud) am H has been adopted by the legislature but without the effect of changing the court rules cited in sec. 43 and 44.

Sincerely,

/s/Jay S. Hammond
Jay S. Hammond
Governor

SB 180 VETOED

July 15, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under Article II, Sec. 15, of the Alaska Constitution, I have vetoed HCS CSSB 180 (Jud) am H, relating to municipal government.

SB 180 (Cont.)

I regret having to take this action for several reasons. Certainly, the bill contains many meritorious revisions and improvements to the municipal code. These were the product of an arduous undertaking accomplished after three years of unprecedented cooperation among legislators, state and local government officials and staff. Further, there are some concepts contained within questionably designed and inadequately considered amendments which I believe should be addressed responsibly by the next Legislature. While perhaps none of these amendments is individually sufficiently flawed to warrant a veto of the entire measure, a combination of them creates significant problems that have incurred greater collective public opposition than has almost any other legislative action in my entire political experience. It's for these reasons that I have regretfully concluded that it is simply not in the best public interest to permit this bill to become law.

For example, the amendment redefining "population" and permitting the counting of workers at "isolated job sites" appropriately recognizes that the influx of seasonal employees can significantly impact local services for which there is now no readjustment provided under revenue sharing statutes. However, I am advised by counsel that the manner in which this matter is handled in SB 180 seriously jeopardizes the resolution reached by the state with the U.S. Census Bureau and could incur substantial losses in federal funding to both state and local governments. While I believe some redistribution of state funds is warranted to assist communities most impacted by seasonal and temporary influxes of population, (whether they be "isolated" communities or otherwise), I am concerned with the potential inequity created by this amendment. The vagueness of the term "isolated job site," I am advised, could result in endless litigation no matter what clarifying efforts might be made through regulation. This questionable feature, coupled with prospective revenue losses to the state treasury ascribed to it by the Department of Revenue in their request for veto, are but two of several causes for concern.

I as well favor the basic policy decision of the Legislature that forest values above ground, (just as mineral values beneath it), should be accorded different status for purposes of municipal taxation. However, the provision exempting forest lands from municipal property taxation contains a definition by reference that poses substantial problems of interpretation and impact according to all concerned state agencies. I am advised by the Department of Law, for example, that the definition problem alone would probably induce costly and unnecessary litigation.

Perhaps more importantly, bond counsel advises that the bill would gravely impede local government general obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaska communities. This feature is perhaps the most damaging potentially of all the questionable features contained in SB 180 and, in the view of most financial consultants, would alone warrant veto. I

SB 180 (Cont.)

am certainly in no position to second guess and override them in this conclusion. They assert the resulting adverse effect of this feature is likely to be a decline in market value of outstinding issues and an increase in the costs for new financing. Potential impact on the state's bond bank is, of course, of equal concern.

Additionally, the Department of Natural Resources has expressed major concerns over the manner in which this amendment might apply, despite their agreement with the avowed basic philosophical intent of the amendment's sponsors. They point to the Oregon forest value taxing policies as a far preferable approach to meet that objective. Accordingly, I have directed that legislation be drafted which would more appropriately address this matter.

Another problem rests in the attempt to clarify statutory references regarding tax exemptions of undeveloped Alaska Native Claims Settlement Act lands. Agencies have raised unanswered questions as to whether the language is indeed clarified. Moreover, a retroactivity feature of this provision casts serious "public purpose" doubts upon the legality of the proposed solution.

The amendment prohibiting local governments from passing ordinances relating to firearms has been violently objected to by some law enforcement people. It causes me concern as well because of my reluctance to permit state government to implede the ability of local communities to govern in a manner deemed by themselves most responsive to their unique needs.

Objected to by many others requesting veto is the further intrusion into the conduct of local government business represented by amentment 13. This would expand the initiative and referendum process to include local administrative matters. Those requesting veto assert that actions of the governing body elected by the public should be subject of initiative and referendum; but that ongoing daily administrative matters should be subjected to the usual review and oversight inherent in the concept of a governing body of elected officials held accountable for actions of those whom they employ. For state government to impose its will in such matters upon local governments without far more public debate than was accorded this amendment, appears to me to be yet another undue incursion of "Big Brother" into local matters.

Another section affects a major change in public utility regulatory philosophy, and reverses the direction chosen with deregulation in 1980. In urging veto a multitude of agencies and utilities pled for further public hearings and agency consideration before so drastic a change be contemplated. Again, if this alone were the measure's greatest flaw, I perhaps would not have vetoed it. However, in conjunction with a multitude of other alleged defects and public confidence eroding features, it adds one more reason for my action.

SB 180 (Cont.)

A final problem is one related to language, not concept. This provision allows municipalities to use the group insurance concept for the purpose of pooling their workers compensation liabilities and claims handling. The language appears to mandate board adoption of regulations permitting a municipal employer group to recede under any circumstances. It seems only prudent that qualifications be stipulated so that municipalities requesting approval for group self insurance status are subject to the same regulatory criteria as any other self-insured employer.

The subject legislation has produced more controversy and debate than any other to emerge from the 12th Legislature. Because I find some issues addressed in the amendments, as well as the municipal code revisions, to be desirable, I am taking specific steps to encourage the 13th Legislature to address these issues. Accordingly, I have directed that legislation be drafted which would accomplish the municipal code revisions effective prior to the floor amendments. This would address the problem areas in a manner both acceptable to me and, I believe, to most legislators.

I have also directed that legislation be prepared to address the forest lands and taxation issues in a more acceptable manner to accommodate the appropriate intent of these amendments' sponsors.

I have also directed legislation be prepared to address the workers compensation provisions allowing local governments to use the group self-insurance concept for the purpose of pooling their workers compensation liabilities and claim handling.

Further, I'm directing the Department of Community and Regional Affairs to draft regulations on the provisions of state assistance to local governments in a manner which compensates more equitably those communities impacted by seasonal, temporary and isolated workers. Minimally, I would hope that in the short term we could at least "hold harmless" the North Slope Borough, which otherwise stands to lose about $2 million in revenues from the amount they received last year. All other municipalities would receive, I'm told, increases. Accordingly, I would hope tht all other municipalities, which rose in violent protest over the prospects of revenue losses to themselves were SB 180 to become law, would be equally concerned about revenue losses ocurred by other municipalities through this measure's veto.

I do not intend to submit legislation re-regulating public utilities at the municipal level unless some valid arguments can be presented for this change.

The legislative package presented to the 13th Legislature will, of course, be that of the future governor. Therefore, I cannot guarantee that all these proposals will come before the House and Senate. However, several key legislators who are likely to return assure me of their dedication towards

SB 180 (Cont)

address of these matters.

Despite the bill's problems, I was at first inclined to go along with policy decisions rendered by the Legislature in their passage of 180. After all, by so doing I could assure these issues would be addressed next session if as serious as opponents were contending. However, a growing crescendo of public opposition, virtually unanimous staff and agency veto recommendations, plus pleas from some legislators who now wish to do penance for having voted for the measure, cause me to conclude that while a veto does a disservice to the legitimate concerns of some communities and interests, permitting the bill to become law could incur even more disservice to all others. Finally, as one of two senators who will assuredly return next session, let me urge you, Mr. President, to place this crucial issue high upon you agenda.

Sincerely,

/s/ Jay S. Hammond
Jay S. Hammond
Governor

Message of July 21 was received July 22 stating the Governor has signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HB 156

SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Fin) am Senate
Relating to public contracts; and providing for an effective date.

Chapter 144, SLA 1982

INDEX OF VETOED AND REDUCED BILLS RECEIVED AFTER ADJOURNMENT:

BILLS VETOED BY THE GOVERNOR

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HCS CSSB 252 (Fin) am House Grants for water supply, sewer & solid waste	1759-60
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CCS SB 365 G.O. bonds for education facilities	1741-43
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CS SB 746 (Fin) am House Special and supplemental appropriations	1773-76
SCS HB 148 (Fin) Operating & capital expenses of the state government	1748-56
HB 348 am Senate Avalanche warning system	1766-67
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This final supplement of the Senate Journal completes the record of legislation for the Second Session of the Twelfth State Legislature.

Peggy Mulligan
Secretary of the Senate
July 1982

Offered: 4/11/83
Referred: Rules

Original sponsors: Lacher and Larson

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 42 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA -

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the determination of population for purposes of calculating amounts of state aid; and providing for an effective date."

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

* Section 1. AS 29.88.015 is amended to read:

Sec. 29.88.015. DETERMINATION OF POPULATION. (a) For purposes of AS 29.88, the population of a taxing unit shall be determined annually by the latest figures of the United States Bureau of the Census or by another method of determining the actual [OTHER] population based on current criteria of the United States Bureau of the Census that [DATA WHICH], in the judgment of the department, is equally reliable.

(b) The population of the taxing unit includes all persons who usually reside within the taxing unit and the population of any military reservation that [WHICH] is a part of the taxing unit. No person may be included in the population of more than one taxing unit.

* Sec. 2. AS 29.89.060 is amended to read:

Sec. 29.89.060. POPULATION DETERMINATION. (a) For purposes of AS 29.89, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including current criteria of the United States Bureau of the Census, [BUT NOT LIMITED TO] public school enrollment figures, public utility connection, registered voters or certified employment payrolls.

* Sec. 3. AS 29.89.060 is amended by adding a new subsection to read:

(b) The population of an area for which a population determination is made under this section includes all persons who usually reside within the area and the population of any military reservation that is a part of the area. A person may not be included in the population of more than one area for which a population determination is made under this section.

* Sec. 4. This Act takes effect July 1, 1983.

6

Chapter 97

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(l) If property or an interest in property that is determined not to be exempt under (a)(9) of this section reverts to an undeveloped state, or if the lease is terminated, the exemption shall be granted, subject to the provisions of (a)(9) and (k) of this section.

* Sec. 3. This Act takes effect January 1, 1984.

LAWS OF ALASKA

1983

Source: SB 260 am H

Chapter No.: 97

AN ACT

Relating to exemption from municipal property taxation of certain property exempt from taxation under federal law; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

Permitted to Become Law Without Signature
Actual Effective Date: January 1, 1984

Chapter 97

AN ACT

Relating to exemption from municipal property taxation of certain property exempt from taxation under federal law; and providing for an effective date.

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* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(9) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended.

* Sec. 2. AS 29.53.020 is amended by adding new subsections to read:

(k) For the purpose of determining property exempt under (a)(9) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) unless superseded by applicable federal law:

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful and productive present use without further substantial modification; surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the condition described in this paragraph, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;

Chapter 30

AN ACT

Relating to the regulation of public utilities; and providing for an effective date.

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* Section 1. AS 42.05.711 is amended by adding new subsections to read:

(k) A utility which furnishes cable television service is exempt from the provisions of this chapter other than AS 42.05.221 - 42.05.281 unless 25 percent of the subscribers petition the commission for regulation.

(l) A person, utility, or cooperative that is exempt from regulation under AS 42.05.711(a) or (d) - (k) is not subject to regulation by a municipality under AS 29.48.060 - 29.48.090.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-10.070(c).

LAWS OF ALASKA

1983

Source: HB 274

Chapter No.: 30

AN ACT

Relating to the regulation of public utilities; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9.

Approved by the Governor: June 29, 1983
Actual Effective Date: June 30, 1983

Introduced: 2/7/83
Referred: Community & Regional
Affairs and Judiciary

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 172

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal government; and providing for an effective date."

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

* Section 1. AS 29.03 is amended by adding a new section to read:

Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the Department of Natural Resources is the platting authority in the unorganized borough in the area outside all cities.

* Sec. 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

Sec. 29.04.010. HOME RULE. A home rule municipality is a municipal corporation and political subdivision. It is a city or a borough that has adopted a home rule charter, or it is a unified municipality. A home rule municipality has all legislative powers not prohibited by law or charter.

Sec. 29.04.020. GENERAL LAW. A general law municipality is a municipal corporation and political subdivision and is an unchartered borough or city. It has legislative powers conferred by law.

Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipalities are of five classes:

(1) first class boroughs;

(2) second class boroughs;

(3) third class boroughs;

(4) first class cities;

(5) second class cities.

Sec. 29.04.040. RECLASSIFICATION OF SECOND CLASS CITIES. (a) A second class city may be reclassified as a first class city by holding an election on the question, if the department determines from the best figures available that the population of the city has reached 600 permanent residents.

(b) An election on the question of reclassification may be initiated in two ways:

(1) a number of voters equal to 15 percent of the number of votes cast in the city at the preceding regular election may file a petition with the council; or

(2) the council may propose reclassification.

(c) The council shall hold at least one public hearing in the city on the question of reclassification. The council shall then evaluate the ability of the city to assume first class status and make its findings public.

(d) The council shall, within 30 days after its findings have been made public, order an election on the question of reclassification. The election shall be held at least 30 days after the order and not later than the next regular election occurring after the 30-day period. If more than one question is to be voted on at the election, each shall appear separately on the ballot.

(e) The council shall certify the election results to the department. If the majority of votes cast is favorable, the city shall be considered reclassified to first class status 30 days after certification of the election results.

Sec. 29.04.050. RECLASSIFICATION OF SECOND CLASS BOROUGHS. A second class borough may reclassify as a first class borough in the manner provided by AS 29.35.320 - 29.35.330 for the addition of an areawide power by a first or second class borough, except the petition

or proposal requests reclassification instead of requesting addition of a power.

Sec. 29.04.060. RECLASSIFICATION OF THIRD CLASS BOROUGHS. (a) A third class borough may reclassify as a first or second class borough in the manner provided by AS 29.35.320 - 29.35.330 for the addition of an areawide power by a first or second class borough, except the petition or proposal requests reclassification instead of requesting addition of a power. At the time of voting on reclassification of a third class borough to first or second class status, voters shall vote also on whether the borough shall on reclassification retain a combined assembly and school board or elect a separate assembly and board as otherwise provided for first and second class boroughs.

(b) If a combined assembly and school board are approved at the reclassification election, the assembly serving at the time of the election continues to serve as the assembly and board on voter approval of reclassification and until terms of assembly members expire as provided before reclassification. If a separate assembly and school board are approved at the reclassification election, a school board shall be elected in conformity with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs within 90 days of the date of the reclassification election, or otherwise at a special election within 90 days of the date of the reclassification election. Expiration dates of terms of school board members elected at a special election must coincide with the date of the regular election. Until a board is elected and qualified, the assembly continues to serve as the board.

* Sec. 3. AS 29 is amended by adding a new chapter to read:

CHAPTER 05. INCORPORATION.

ARTICLE 1. REQUIREMENTS.

Sec. 29.05.010. INCORPORATION OF A CITY. (a) A community that meets the following standards may incorporate as a home rule or first class city:

(1) the community has 600 or more permanent residents;

(2) the boundaries of the proposed city include all areas necessary to provide municipal services on an efficient scale;

(3) the economy of the community includes the human and financial resources necessary to provide municipal services; in considering the economy of the community, the Local Boundary Commission shall consider property values, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue;

(4) the population of the community is stable enough to support city government;

(5) there is a demonstrated need for city government.

(b) A community that meets all the standards established in (a) of this section except (a)(1) may incorporate as a second class city.

Sec. 29.05.020. LIMITATIONS ON INCORPORATION OF A CITY. (a) A community in the unorganized borough may not incorporate as a city if the services to be provided by the proposed city can be provided by annexation to an existing city.

(b) A community within a borough may not incorporate as a city if the services to be provided by the proposed city can be provided on an areawide or nonareawide basis by the borough in which the proposed city is located, or by annexation to an existing city.

Sec. 29.05.030. INCORPORATION OF A BOROUGH. (a) An area that meets the following standards may incorporate as a home rule, first class, or second class borough:

(1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;

(2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of municipal services;

(3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

(4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.

(b) An area may not incorporate as a third class borough.

ARTICLE 2. PROCEDURE.

Sec. 29.05.060. PETITION. Municipal incorporation is proposed by filing a petition with the department. The petition shall include the following information about the proposed municipality:

(1) class;

(2) name;

(3) boundaries;

(4) maps, documents, and other information required by the department;

(5) composition and apportionment of the governing body;

(6) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation;

(7) for a borough, based on the number who voted in the

respective areas in the last general election, the signature and resident address of 15 percent of the voters in

(A) home rule and first class cities in the area of the proposed borough; and

(B) the area of the proposed borough outside home rule and first class cities;

(8) for a first class borough, a designation of areawide powers to be exercised;

(9) for a second class borough, a designation of areawide and nonareawide powers to be exercised;

(10) for a first or second class city, a designation of the powers to be exercised;

(11) for a home rule or first class city, based on the number who voted in the area in the last general election, the signatures and resident address of 50 voters in the proposed city or of 15 percent of the voters in the proposed city, whichever is greater;

(12) for a second class city, based on the number who voted in the area in the last general election, the signature and resident address of 25 voters in the proposed city or of 15 percent of the voters in the proposed city, whichever is greater;

(13) for a home rule municipality, a proposed home rule charter.

Sec. 29.05.070. REVIEW. The department shall review an incorporation petition for content and signatures and shall return a deficient petition for correction and completion.

Sec. 29.05.080. INVESTIGATION. (a) If an incorporation petition contains the required information and signatures, the department shall investigate the proposal and shall hold at least one public informational meeting in the area proposed for incorporation. The

department shall publish notice of the meeting.

(b) The department may combine incorporation petitions from the same general area.

(c) The department shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation.

Sec. 29.05.090. HEARING. The Local Boundary Commission shall hold at least one public hearing in the area proposed to be incorporated for the purpose of receiving testimony and evidence on the proposal.

Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission determines that a proposed municipality fails to meet the standards for incorporation, it shall reject the petition. If the commission determines that the proposed municipality meets the standards, it shall accept the petition. If the commission determines that the proposed boundaries can be altered to meet the standards, it may alter the boundaries and accept the petition.

(b) A Local Boundary Commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62).

Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary Commission shall immediately notify the director of elections of its acceptance of an incorporation petition. Within 30 days after notification, the director of elections shall order an election in the proposed municipality to determine whether the voters desire incorporation and, if so, to elect the initial municipal officials. If incorporation is rejected, no officials are elected. The election must be held not less than 30 or more than 90 days after the date of the election order. The election order must specify the dates during which nomination petitions for election of initial officials may be filed.

(b) A voter who has been a resident of the area within the proposed municipality for 30 days before the date of the election order may vote.

(c) Areawide borough powers included in an incorporation petition are considered to be part of the incorporation question. In an election for the incorporation of a second class borough, each nonareawide power to be exercised is placed separately on the ballot. Adoption of a nonareawide power requires a majority of the votes cast on the question, and the vote is limited to the voters residing in the proposed borough but outside all cities in the proposed borough.

(d) A home rule charter included in an incorporation petition under AS 29.05.060(13) is considered to be part of the incorporation question. The home rule charter is adopted if the voters approve incorporation of the municipality.

(e) The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs under this section.

Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations for initial municipal officials are made by petition. The petition shall be in the form prescribed by the director of elections and shall include the name and address of the nominee and a statement of the nominee that the nominee is qualified under the provisions of this title for the office that is sought. A person may file for and occupy more than one office, but may not serve simultaneously as

(1) borough mayor and as a member of the assembly; or

(2) city mayor and as a member of the council in a first class city.

(b) Except for a proposed second class city, petitions to nominate initial officials must include the signature and resident address

of 50 voters in the area of the proposed municipality, or that area of the proposed municipality from which the officials are to be elected under the composition and apportionment set out in the accepted incorporation petition.

(c) Petitions to nominate initial officials of a second class city must include the signature and resident address of 10 voters in the area of the proposed city.

(d) The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs.

(e) The initial elected officials take office on the first Monday following certification of their election.

(f) The initial elected members of the governing body shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE AREAS. (a) A service area in a newly incorporated municipality shall be integrated into the municipality within two years after the date of incorporation. On integration the municipality succeeds to all the rights, powers, duties, assets and liabilities of the service area. On integration all property in the service area subject to taxation to pay the principal and interest on bonds at the time of integration remains subject to taxation for that purpose.

(b) After integration, the municipality may exercise in a former service area all of the rights and powers exercised by the service area at the time of integration, and, as successor to the service area, may levy and collect special charges, taxes, or assessments to amortize bonded indebtedness incurred by the service area or by a

municipality in which the service area was formerly located.

Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised by cities and service areas that are succeeded to by a newly incorporated municipality continue to be exercised by the cities and service areas until the new municipality assumes the powers and functions, which may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, procedures, and orders in effect before the transfer remain in effect until superseded by the action of the new municipality.

(b) Before the assumption, the new municipality shall give written notice of its assumption of the rights, powers, duties, assets, and liabilities under this section and AS 29.05.130 to the city or service area concerned. Municipal officials shall consult with the officials of the city or service area concerned and arrange an orderly transfer.

(c) After the incorporation of a new municipality, no service area in it may assume new bonded indebtedness, make a contract, or transfer an asset without the consent of the governing body.

(d) This section applies to home rule and general law municipalities.

Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not challenge the formation of a municipality except within six months after the date of its incorporation.

ARTICLE 3. TRANSITIONAL ASSISTANCE.

Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray the cost of transition to city government and to provide for interim government operations, each city incorporated after July 1, 1983 is entitled to an organization grant of $50,000 for the first full or partial fiscal year after incorporation.

(b) To defray the cost of reclassification, each second class city in the unorganized borough incorporated before July 1, 1983 that reclassifies as a home rule or first class city after July 1, 1983 is entitled to an organization grant equal to $50,000 for the first full or partial fiscal year after reclassification.

(c) A city entitled to an organization grant under (a) or (b) of this section is entitled to a second organization grant of $25,000. The Department of Community and Regional Affairs shall disburse the second organization grant within 30 days after the beginning of the city's second fiscal year after incorporation or reclassification, or as soon after that time as money is appropriated and available for the purpose.

(d) The Department of Community and Regional Affairs shall disburse an organization grant under (a) and (b) of this section within 30 days after certification of the incorporation election or the reclassification election, or as soon after certification as money is appropriated and available for the purpose.

Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHS. (a) For the purpose of defraying the cost of transition to borough government and to provide for interim governmental operations, each borough incorporated after July 1, 1983, is entitled to organization grants as follows:

(1) $300,000 for the borough's first full or partial fiscal year;

(2) $200,000 for the borough's second fiscal year; and

(3) $100,000 for the borough's third fiscal year.

(b) The department shall disburse the first organization grant to a borough within 30 days after certification of the incorporation election favoring incorporation of a borough, or as soon after that as

money is appropriated and available for the purpose. The second grant shall be disbursed within 30 days after the beginning of the borough's second fiscal year, or as soon after that as money is appropriated and available for the purpose. The third grant shall be disbursed within 30 days after the beginning of the borough's third fiscal year, or as soon after that as money is appropriated and available for the purpose.

(c) This section does not apply to a borough incorporated by consolidation or to a unified municipality.

Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization grant fund is established in the department. An appropriation made to the fund shall be used for organization grants to municipalities that qualify under AS 29.05.180 or 29.05.190.

(b) Before August 31 of each fiscal year the department shall submit a report to the Department of Administration indicating

(1) each municipality expected to qualify to receive an organization grant during the next fiscal year;

(2) the amount of money needed to cover all organization grants expected to be awarded during the next fiscal year.

Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHS. (a) Within 30 days after the date of incorporation of a borough incorporated after July 1, 1983, the department shall determine the population of the borough.

(b) The department shall provide assistance to each borough incorporated after July 1, 1983, in

(1) establishing the initial sales and use tax assessment and collection department if the borough has adopted a sales or use tax;

(2) determining the initial property tax assessment roll if

the borough has adopted a property tax, including contracting for appraisals of property needed to complete the initial assessment.

(c) This section does not apply to a borough incorporated by consolidation or to a unified municipality.

* Sec. 4. AS 29 is amended by adding a new chapter to read:

CHAPTER 06. ALTERATION OF MUNICIPALITIES.

ARTICLE 1. CHANGE OF NAME.

Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) The governing body of a municipality may change the official municipal name by adopting an ordinance for the purpose and filing the ordinance with the office of the lieutenant governor. Upon receipt of an ordinance ratified by the voters, the lieutenant governor shall issue an order to the municipality changing its existing name. The name change shall become effective on a date fixed in the order and occurring within 45 days after receipt of the ordinance. A copy of the order shall be transmitted to the department.

(b) If an ordinance adopted under (a) of this section that results in a change of the municipal name is subsequently repealed, the lieutenant governor shall issue an order reinstating the former name within 45 days after the date of the order, unless a different name is adopted as provided in (a) of this section.

(c) When a municipal name change takes effect by means of an order issued under (a) or (b) of this section, a civil or criminal suit, application, petition, hearing or other proceeding to which the municipality is a party and that is pending at or brought after the date the name change takes effect shall proceed in the municipal name as changed by the order.

(d) This section applies to home rule and general law municipalities.

ARTICLE 2. ANNEXATION AND DETACHMENT.

Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary Commission may consider any proposed municipal boundary change. It may reject the proposed change, accept the proposed change, or alter the boundaries and accept the proposal as altered. A Local Boundary Commission decision under this subsection may be appealed under the Administrative Procedure Act (AS 44.62).

(b) The Local Boundary Commission may present a proposed municipal boundary change to the legislature during the first 10 days of a regular session. The change becomes 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.

(c) In addition to the regulations governing annexation by local action adopted under AS 44.47.567, the Local Boundary Commission shall establish procedures for annexation and detachment of territory by municipalities by local action. The procedures established under this subsection include a provision that

(1) a proposed annexation and detachment must be approved by a majority of votes on the question cast by voters residing in the area proposed to be annexed or detached;

(2) municipally owned property adjoining the municipality may be annexed by ordinance without voter approval; and

(3) an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body.

(d) A boundary change effected under (a) and (b) of this section prevails over a boundary change initiated by local action, without regard to priority in time.

Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military reservation may be annexed to a municipality in the same manner as prescribed for other territory under AS 29.06.040. If a city in a borough annexes a military reservation under this section, the area encompassing the military reservation automatically is annexed to the borough in which the city is located.

Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to home rule and general law municipalities.

ARTICLE 3. MERGER AND CONSOLIDATION.

Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more municipalities may merge or consolidate to form a single municipality, except a third class borough may not be formed through merger or consolidation.

(b) Two methods may be used to initiate merger or consolidation of municipalities:

(1) petition to the Local Boundary Commission under regulations adopted by the commission; or

(2) the local option method specified in AS 29.06.100 - 29.06.160.

Sec. 29.06.100. PETITION. (a) Residents of two or more municipalities may file a merger or consolidation petition with the department. The petition must be signed by a number of voters of each existing municipality equal to at least 25 percent of the number of votes cast in each municipality's last regular election.

(b) The petition includes

(1) the name and class of each existing municipality;

(2) the name and class of the proposed municipality;

(3) the proposed composition and apportionment of the governing body;

(4) maps, documents, and other information that shows that the proposed municipality meets the standards for municipal incorporation.

Sec. 29.06.110. REVIEW. (a) The department shall review a merger or consolidation petition for content and signatures and shall return a deficient petition for correction or completion.

(b) If the petition contains the required information and signatures, the department shall investigate the proposal.

(c) The department shall report its findings to the Local Boundary Commission with its recommendations regarding the merger or consolidation.

Sec. 29.06.120. HEARING. After receipt of the report by the department on a merger or consolidation petition, the Local Boundary Commission shall hold at least one public hearing in each of the existing municipalities included in the petition, unless officials of the municipalities agree to a single hearing.

Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission determines that the proposed municipality fails to meet the standards for incorporation, it shall reject the merger or consolidation petition. If the commission determines that the proposed municipality meets these standards, it shall accept the petition. If the commission determines that the proposed boundaries or the composition and apportionment of the governing body can be altered to meet the standards, it may alter the proposal and accept the petition.

(b) A Local Boundary Commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62).

Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission shall immediately notify the director of elections of its acceptance of a merger or consolidation petition. Within 30 days after

notification, the director of elections shall order an election in the area to be included in the new municipality to determine whether the voters desire merger or consolidation. The election must be held not less than 30 or more than 90 days after the election order. A voter who is a resident of the area to be included in the proposed municipality may vote.

(b) The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs.

(c) The director of elections shall certify the election results. If merger or consolidation is approved, the director of elections shall, within 10 days, set a date for election of officials of the new municipality. The election date must be not less than 60 or more than 90 days after the election order and it is the effective date for the merger or consolidation.

Sec. 29.06.150. ASSETS AND LIABILITIES. (a) When two or more municipalities merge, one succeeds to the rights, powers, duties, assets, and liabilities of the others.

(b) When two or more municipalities consolidate, the newly incorporated municipality succeeds to the rights, powers, duties, assets, and liabilities of the consolidated municipalities.

Sec. 29.06.160. TRANSITION. After merger or consolidation, the ordinances, resolutions, regulations, procedures, and orders of the former municipalities remain in force in their respective territories until superseded by the action of the new municipality.

Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to home rule and general law municipalities.

ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A

borough and all cities in the borough may unite to form a single unit of home rule government by complying with AS 29.06.190 - 29.06.410.

Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a charter commission to prepare a unification charter shall be proposed by resolution of the assembly or by petition. A resolution to propose formation of a charter commission may be adopted not more often than once every 12 months.

(b) An assembly, a council, or a person living in the area proposed for unification may initiate a unification petition.

Sec. 29.06.210. PETITION REQUIREMENTS. (a) A unification petition shall read:

"PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION CHARTER. We, the undersigned, qualified voters of the borough do hereby petition that the following proposition be placed before the voters as provided by law: '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 the borough and all cities within it as a single unit of home rule government having the powers, duties and functions of a unified municipality as authorized by law? Yes [] No []'

Signature	Address	Inside First Class or Home Rule City [ ]	Outside First Class or Home Rule City [ ]"

(b) The petition shall be signed by at least

(1) the number of voters residing outside all home rule and first class cities in the borough equal to 25 percent of the votes cast in that area in the last regular borough election; and

(2) the number of voters residing in home rule or first

class cities in the borough equal to 25 percent of the votes cast in all home rule and first class cities in the borough in the last regular borough election.

Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a unification petition within 15 days to determine whether it complies with AS 29.06.210. If the petition does not meet the designated requirements, it shall be immediately returned to the person who initiated the petition with a statement indicating which requirements have not been satisfied.

Sec. 29.06.230. DUTIES OF CHARTER COMMISSION. The charter commission shall prepare, adopt, and submit to the voters for approval or rejection a proposed home rule charter for the area to be unified.

Sec. 29.06.240. COMPOSITION OF CHARTER COMMISSION. The charter commission shall consist of 11 voters, three of whom are residents elected at large from the borough and eight of whom, proportionate to the population as determined by the department, are

(1) residents of and elected from the area outside all home rule and first class cities in the borough; or,

(2) residents of and elected from home rule or first class cities in the borough.

Sec. 29.06.250. CHARTER COMMISSION NOMINATIONS. (a) If the assembly determines that a unification petition meets the requirements of AS 29.06.210, or the assembly by its resolution proposes an election on formation of a charter commission, the assembly shall issue a call for the nomination of commission candidates, specifying the filing deadline and the procedure for making nominations.

(b) Charter commission candidates shall be nominated by petition signed by at least 50 voters of the area from which the candidate seeks election, or by a number of voters from that area equal to at

least 10 percent 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 at least 30 days after notice of the call for nominations has been given and on or before a date fixed by the assembly.

(d) If at least one nomination of a qualified charter commission candidate for each available seat is not filed, the unification petition or resolution to propose formation of a charter commission is void and no election on the question shall be held.

Sec. 29.06.260. QUALIFICATIONS OF CANDIDATES. A person is eligible to be nominated as a candidate for the charter commission if that person was a voter of the area from which election is sought for at least one year immediately preceding the date the nomination petition is filed.

Sec. 29.06.270. ELECTION OF CHARTER COMMISSION. (a) After receipt of a valid unification petition or adoption of an assembly resolution to propose formation of a charter commission, the assembly shall submit to the voters the question of whether a charter commission shall be formed to prepare a proposed unification charter. The vote shall be held at the next regular borough election scheduled at least 90 days after receipt of the petition or adoption of the resolution. The ballot shall be worded exactly as in AS 29.06.210(a).

(b) The election of charter commission members shall take place at the same time as the election on the question of formation of the commission.

(c) All costs incurred in conducting an election under AS 29.-06.190 - 29.06.410 shall be paid by the borough.

Sec. 29.06.280. REQUIREMENTS FOR APPROVAL OF FORMATION AND ELECTION OF CHARTER COMMISSION. (a) The votes on the question of

formation of a charter commission shall be tabulated in two separate classifications. One classification consists of all votes cast in first class and home rule cities in the borough. The other classification consists of all votes cast in the remaining area of the borough. In order for formation of a charter commission to be approved, a majority of the votes in each classification must favor formation of the commission.

(b) If formation of a charter commission is approved, the candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

Sec. 29.06.290. CHARTER COMMISSION ORGANIZATION AND PROCEDURE. (a) The charter commission shall hold its first meeting within 30 days after certification of its election. The commission shall elect from among its members a chairman and a deputy chairman.

(b) A majority of the total membership of the charter commission constitutes a quorum. A decision of the commission is not valid or binding unless approved by the number of members necessary to constitute a quorum.

(c) The charter commission may elect other officials from among its membership, adopt rules governing its procedures that are consistent with AS 29.06.190 - 29.06.410 and hire and discharge employees.

(d) Meetings of the charter commission shall be open to the public at all times. A journal of commission proceedings shall be kept and made available for public inspection at the borough office.

Sec. 29.06.300. VACANCIES. (a) Vacancies on the charter commission shall be filled by a majority vote of the commission, except the assembly shall appoint members to fill vacancies if, after a proposed charter is rejected by the voters, more than one-half of the members resign.

(b) A person who fills a vacancy on the charter commission must be a voter of the same area as the person succeeded and must have been a voter of that area for at least one year immediately preceding the date the vacancy is filled.

Sec. 29.06.310. PER DIEM. The assembly may grant a per diem allowance to members of the charter commission and may reimburse the members for travel expenses incurred in carrying out the duties prescribed by AS 29.06.190 - 29.06.410. Costs, fees, and other expenses incurred by the commission are a debt of the borough and shall be paid upon proper verification.

Sec. 29.06.320. CHARTER PROVISIONS. The charter shall include

(1) provision for

(A) adjustment of existing bonded indebtedness and other obligations in a manner that will assure a fair and equitable burden of taxation for debt service, subject to AS 29.06.-380;

(B) the establishment of service areas;

(C) if election of members of the governing body is not areawide, the establishment of districts for the election of members of the governing body of the proposed unified municipality and procedures by which to reapportion the election districts;

(D) reapportionment of districts if they are established;

(E) nonpartisan government, and the selection, organization, authority, and responsibilities of the governing body and its executive and administrator;

(F) the transfer or other disposition of property and other rights, claims, assets, and franchises of the

municipalities to be unified under the charter;

(G) exercise of the rights of initiative and referendum;

(2) a method of amending the charter;

(3) the date on which the charter, if approved at the charter election, is effective;

(4) designation of the proposed unified municipality's official name;

(5) other charter provisions that may be included in a home rule charter.

Sec. 29.06.330. PUBLIC HEARINGS. Both before and after drafting the proposed home rule charter, the charter commission shall hold a public hearing in each area represented on the assembly. Other public hearings may be held by the commission as it considers necessary.

Sec. 29.06.340. FILING OF PROPOSED CHARTER. Upon the adoption of a proposed home rule charter by the charter commission, the charter shall be signed by at least a majority of the total membership of the commission and shall be filed with the borough clerk. A copy of the charter with signatures affixed shall also be filed with the clerk of each city in the borough.

Sec. 29.06.350. PUBLICATION AND POSTING OF PROPOSED CHARTER. Within 10 days after filing the proposed home rule charter, the borough clerk shall have it published. In addition, the clerk shall have a copy of the proposed charter posted in at least three public places in each city and each unincorporated community in the borough. Copies of the proposed charter shall be made available by the assembly to the public at both the office of the borough clerk and the office of the clerk of each city in the borough. The clerk shall have notice of the publication, posting, and availability of the proposed charter

published.

Sec. 29.06.360. ELECTION ON CHARTER. (a) The proposed home rule charter adopted by the charter commission shall be submitted to the voters at a borough election held within 60 days of the date of publication and posting of the proposed charter. The borough clerk shall prepare the ballots for use in the election and shall give notice of the election by radio and television in a manner intended to apprise the entire borough population of the election. The election shall be conducted under procedures applicable to regular elections.

(b) A person who is a voter of the borough may vote in the election on the proposed charter.

(c) If a majority of the votes in the area of the borough outside all home rule or first class cities, and a majority of the votes in all home rule and first class cities in the borough are cast in favor of the proposed charter, the charter is ratified. If the charter is ratified, election results shall be certified to the commission and two copies of the charter shall be filed with

(1) the lieutenant governor;

(2) the commissioner of the department;

(3) the district recorder for the area of the borough;

(4) the clerk of the borough;

(5) the clerk of each city in the borough.

(d) If a proposed charter is rejected, the charter commission shall prepare, adopt, and submit another proposed charter to the voters at a borough election held within one year after the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of unification shall be treated as if it had never been proposed or approved.

Sec. 29.06.370. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon ratification, the home rule charter of a unified municipality operates to dissolve all municipalities in the area unified in accordance with the charter.

Sec. 29.06.380. ASSETS AND LIABILITIES. A unified municipality shall succeed to all the assets and liabilities of the municipalities it unified. A bonded indebtedness or other debt incurred before unification remains the tax obligation of the area that contracted the debt, except that by ordinance the tax obligation may be assumed by a larger area if the governing body determines that the asset for which the bonded indebtedness or other debt was incurred benefited the larger area before unification, or benefits the larger area after unification. However, bonded indebtedness or other debt for sewage collection systems, water distribution systems, and streets, even if determined to be benefiting a larger area than that which incurred the debt, remains the tax obligation of the area that incurred the debt.

Sec. 29.06.390. TRANSITION. Within two years after ratification of the home rule charter, the unified municipality shall revise, repeal, or reaffirm all municipal ordinances, resolutions, and orders in effect in the area of the unified municipality on the date of unification. Each ordinance, resolution, regulation, or order in effect on the date of unification remains in effect until superseded by action of the unified municipality.

Sec. 29.06.400. RIGHT TO STATE AND FEDERAL AID. All provisions of law authorizing aid from the state or federal government to a former municipality that was in the area of a unified municipality remain in effect after unification.

Sec. 29.06.410. POWERS OF A UNIFIED MUNICIPALITY. A municipality unified under AS 29.06.190 - 29.06.410 has all powers

(1) not prohibited by law or charter; and

(2) granted to a home rule borough.

Sec. 29.06.420. APPLICATION. AS 29.06.190 - 29.06.420 apply to home rule and general law municipalities.

ARTICLE 5. DISSOLUTION.

Sec. 29.06.450. METHODS OF DISSOLUTION. (a) Two petition methods may be used to initiate dissolution of a municipality;

(1) petition to the Local Boundary Commission under regulations adopted by the commission; or

(2) the local option method specified in AS 29.06.460 - 29.06.510.

(b) The department shall investigate a municipality that it considers to be inactive and shall report to the Local Boundary Commission on the status of the municipality. The commission may submit its recommendation to the legislature that the municipality be dissolved in the manner provided for submission of boundary changes in art. X, sec. 12 of the state constitution.

(c) A borough is dissolved when its entire territory is included in a home rule or first class city or cities. A city is dissolved when all its powers become areawide borough powers.

Sec. 29.06.460. PETITION. (a) Residents of a municipality may file a dissolution petition with the department in the form prescribed by the department. The petition must be signed by a number of voters equal to at least 25 percent of the number of votes cast in the last regular election in that municipality.

(b) The petition must include

(1) the name of the municipality;

(2) maps, documents, and other information showing that the municipality meets the standards for dissolution.

Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of this section, residents of a municipality may petition for dissolution when the municipality is free of debt, or, if in debt, each of its creditors is satisfied with a method of repayment and

(1) it no longer meets the minimum standards prescribed for incorporation by AS 29.05, or former AS 29.18.030 if it is a third class borough; or

(2) the municipality ceases to use each of its mandatory powers.

(b) Residents of a city in a borough may petition for dissolution of the city if the borough consents to assume the city's rights, powers, duties, assets, and liabilities. The consent must be ratified by a majority of borough voters voting on the question.

Sec. 29.06.480. REVIEW. (a) The department shall review a dissolution petition for content and signatures, and shall return a deficient petition for correction or completion.

(b) If the petition contains the required information and signatures, the department shall investigate the proposal.

Sec. 29.06.490. REPORT AND HEARING. (a) The department shall report its findings to the Local Boundary Commission with its recommendation regarding the dissolution of a municipality .

(b) The Local Boundary Commission shall hold at least one public hearing in the municipality proposed to be dissolved.

Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission determines that a municipality fails to meet the standards for dissolution, it shall reject the petition. If the commission determines that the municipality meets the standards, it shall accept the petition.

(b) A Local Boundary Commission decision under this section may

be appealed under the Administrative Procedure Act (AS 44.62).

Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission shall immediately notify the director of elections of its acceptance of a dissolution petition. Within 30 days after notification, the director of elections shall order an election in the municipality to determine whether the voters desire dissolution. The election must be held at least 30 and not more than 90 days after the election order. A person who is a voter of the municipality may vote in the dissolution election.

(b) The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs.

(c) The director of elections shall certify the election results. If dissolution is approved, the director of elections shall declare that the municipality is dissolved effective on the date of certification.

Sec. 29.06.520. SUCCESSION. The government succeeding to a dissolved municipality succeeds to all its rights, powers, duties, assets, and liabilities.

Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to home rule and general law municipalities.

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

CHAPTER 10. HOME RULE MUNICIPALITIES.

ARTICLE 1. CHARTERS.

Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law borough or first class city may adopt a charter for its own government. A second class city may adopt a charter for its own government if the department determines from the best figures available that the population of the city is at least 600 permanent residents.

(b) At an election to incorporate as a city, an unincorporated community with at least 600 permanent residents may adopt a charter for its own government and incorporate as a home rule municipality.

(c) At an election for borough incorporation, an area in the unorganized borough may adopt a charter for its own government and incorporate as a home rule municipality.

(d) A home rule municipality may adopt a new charter.

(e) A proposed charter for an existing municipality is prepared by a charter commission of seven elected members. A charter commission election is called by filing a petition with the governing body or by resolution of the governing body. The petition shall be signed by a number of voters equal to 15 percent of the votes cast in the last regular election in the municipality.

(f) The proposed charter for an unincorporated community or an area of the unorganized borough shall be prepared by the petitioners and filed with the petition to incorporate a home rule municipality filed under AS 29.05.060.

Sec. 29.10.020. MODEL CHARTERS. The department shall prepare at least one model home rule charter for a borough and at least one model home rule charter for a city. The model charters shall be made available to persons interested in filing a petition to incorporate a home rule municipality under AS 29.05.060.

Sec. 29.10.030. INITIATIVE AND REFERENDUM. (a) A home rule charter shall provide procedures for initiative and referendum.

(b) A charter may not require an initiative or referendum petition to have a number of signatures greater than 25 percent of the total votes cast in the municipality at the last regular election.

(c) A charter may not permit the initiative and referendum to be used for a purpose prohibited by art. XI, sec. 7 of the state

constitution.

Sec. 29.10.040. CHARTER COMMISSION CANDIDATES. (a) A candidate for a charter commission shall be a voter of an existing municipality for three years immediately preceding the charter commission election.

(b) A charter commission candidate is nominated by a petition signed by at least 50 voters or the number of voters equal to 10 percent of the number of votes cast in the municipality during the last regular election, whichever is less. A nomination petition shall be filed with the municipal clerk on or before a date fixed by the governing body.

(c) If at least seven nominations for qualified charter commission candidates are not filed, the petition or resolution calling for a charter commission is void and no election on the question may be held.

Sec. 29.10.050. CHARTER COMMISSION ELECTION. At a charter commission election the voters of an existing municipality shall consider the question "Shall a charter commission be elected to prepare a proposed charter?" and shall elect the members of the commission. If the question is approved, the seven candidates receiving the highest number of votes shall immediately organize as a charter commission.

Sec. 29.10.060. PREPARATION OF CHARTER BY CHARTER COMMISSION. The charter commission shall, within one year, prepare a proposed home rule charter for an existing municipality. The proposed charter shall be signed by a majority of the members of the commission and filed in the office of the municipal clerk. Within 15 days, the clerk shall have the proposed charter published and make copies available. The commission shall give published notice of and hold at least one public hearing on the proposed charter before the signing and filing of the charter.

Sec. 29.10.070. CHARTER ELECTION. The proposed home rule charter for an existing municipality shall be submitted to the voters at an election held not less than 30 days or more than 90 days after the proposed charter is published. The proposed home rule charter for an unincorporated community or area in the unorganized borough shall be submitted to the voters at an incorporation election held under AS 29.05.110.

Sec. 29.10.080. CHARTER ADOPTION. (a) If a majority of those voting in an existing municipality favor the proposed charter or if a majority of those voting in an unincorporated area in the unorganized borough favor incorporation of a home rule municipality, the proposed charter becomes the organic law of the municipality effective on the date the election is certified. Thereafter, a court shall take judicial notice of the charter. The new home rule municipality shall file the indicated number of copies of the charter with

(1) the lieutenant governor -- two copies;

(2) the department -- two copies;

(3) the district recorder -- one copy;

(4) the municipal clerk -- one copy.

(b) At the time of voting on the proposed charter in a third class borough, voters shall vote also on whether the borough shall on adoption of the charter retain a combined assembly and school board or elect a separate assembly and board as otherwise provided for home rule boroughs. If a combined assembly and school board are approved at the charter election, the assembly serving at the time of the election continues to serve as the assembly and board on voter approval of the charter and until terms of assembly members expire as provided before adoption of the charter. If a separate board and assembly are approved at the charter election, a school board shall be

elected in conformity with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs within 90 days of the date of the charter election, or otherwise at a special election within 90 days of the date of the charter election. Expiration dates of terms of school board members elected at a special election must coincide with the date of the regular election. Until a board is elected and qualified, the assembly continues to serve as the board.

Sec. 29.10.090. CHARTER REJECTION. (a) If a proposed charter for an existing municipality is rejected, the charter commission shall prepare another proposed charter to be submitted to the voters at an election to be held within one year after the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of adoption of a charter shall be treated as if it had never been proposed or approved.

(b) If incorporation of a home rule municipality is rejected by the voters in an unincorporated community or area in the unorganized borough, the proposed charter is rejected.

Sec. 29.10.100 CHARTER AMENDMENT. (a) A home rule charter may be amended as provided in the charter except that no amendment is effective unless ratified by the voters.

(b) This section applies to home rule municipalities.

ARTICLE 2. HOME RULE LIMITATIONS.

Sec. 29.10.200. 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. These provisions supersede existing and prohibit future home rule enactments that provide otherwise:

(1) AS 29.05.140 (transition)

(2) AS 29.06.010 (change of municipal name)

(3) AS 29.06.040 - 29.06.060 (annexation and detachment)

(4) AS 29.06.090 - 29.06.170 (merger and consolidation)

(5) AS 29.06.190 - 29.06.420 (unification of municipalities)

(6) AS 29.06.450 - 29.06.530 (dissolution)

(7) AS 29.10.100 (charter amendment)

(8) AS 29.20.010 (conflict of interest)

(9) AS 29.20.020 (meetings public)

(10) AS 29.20.050 (legislative power)

(11) AS 29.20.060 - 29.20.120 (assembly composition and apportionment)

(12) AS 29.20.140 (qualifications of members of governing bodies)

(13) AS 29.20.150 (term of office)

(14) AS 29.20.220 (executive power)

(15) AS 29.20.630 (prohibitions)

(16) AS 29.20.640 (reports)

(17) AS 29.25.010(a)(10) (municipal exemption on contractor bond requirements)

(18) AS 29.25.050 (codification)

(19) AS 29.25.060 (resolutions)

(20) AS 29.26.030 (notice of elections)

(21) AS 29.26.050 (voter qualification)

(22) AS 29.26.240 - 29.26.360 (recall)

(23) AS 29.35.020 (extraterritorial jurisdiction)

(24) AS 29.35.030 (eminent domain)

(25) AS 29.35.050 (garbage and solid waste services)

(26) AS 29.35.070 (public utilities)

(27) AS 29.35.080 (alcoholic beverages)

(28) AS 29.35.120 (post audit)

(29) AS 29.35.150(b) (effect of areawide exercise of borough powers)

(30) AS 29.35.160 (education)

(31) AS 29.35.170(b) (assessment and collection of taxes)

(32) AS 29.35.180(b) (land use regulation)

(33) AS 29.35.250 (cities inside boroughs)

(34) AS 29.35.260 (cities outside boroughs)

(35) AS 29.35.340 (acquisition of areawide power)

(36) AS 29.40.160(a) - (c) (title to vacated areas)

(37) AS 29.40.200 (subdivisions of state land)

(38) AS 29.45.010 - 29.45.570 (property taxes)

(39) AS 29.45.650(c) and (d) (sales and use tax)

(40) AS 29.46.090 (exemption from special assessment)

(41) AS 29.47.200(b) (security for bonds)

(42) AS 29.47.260 (construction)

(43) AS 29.60.050(a) (limitation on computation and use of payment)

(44) AS 29.60.120(a) and (c) (state aid for health facilities and hospitals)

(45) AS 29.60.230 (state aid for hospital and health facility construction)

(46) AS 29.65.010 - 29.65.140 (general grant land)

* Sec. 6. AS 29 is amended by adding a new chapter to read:

CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

ARTICLE 1. CONFLICT OF INTEREST AND PUBLIC MEETINGS.

Sec. 29.20.010. CONFLICT OF INTEREST. (a) Each municipality shall adopt a conflict of interest ordinance that provides that

(1) a member of the governing body shall declare a substantial financial interest the member has in an official action and ask to be excused from a vote on the matter;

(2) the presiding officer shall rule on a request to be excused from a vote; and

(3) the decision of the presiding officer on a request to be excused from a vote may be overridden by the majority vote of the governing body.

(b) This section applies to home rule and general law municipalities.

Sec. 29.20.020. MEETINGS PUBLIC. (a) Meetings of all municipal bodies shall be public as provided in AS 44.62.310. The governing body shall provide reasonable opportunity for the public to be heard at regular and special meetings.

(b) This section applies to home rule and general law municipalities.

ARTICLE 2. GOVERNING BODIES.

Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power of a borough is vested in the assembly. The legislative power of a city is vested in the council.

(b) This section applies to home rule and general law municipalities.

Sec. 29.20.060. 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 the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting.

(d) A member of the assembly may not be elected or appointed by and from the council of a city in the borough.

(e) This section applies to home rule and general law municipalities.

Sec. 29.20.070. ASSEMBLY COMPOSITION AND FORM OF REPRESENTATION. (a) The assembly shall provide for its composition and for the form of its representation.

(b) Not later than the first regular election that occurs after the report of a federal decennial census, the assembly shall propose and submit to the voters of the borough, at that regular election or at a special election called for the purpose, one or more forms of assembly representation. The forms of representation that the assembly may submit to the voters are:

(1) election of members of the assembly at large by the voters throughout the borough;

(2) election of members of the assembly by district, including

(A) election at large by the voters throughout the borough, but with a requirement that a candidate live in an election district established by the borough for election of assembly members; or

(B) election from election districts established by the borough for the election of assembly members by the voters of

a district;

(3) election of members of the assembly both at large and by district.

(c) A form of assembly representation that includes election of assembly members under (b)(2) or (b)(3) of this section shall be submitted to the voters of the borough with a plan of apportionment as required by AS 29.20.080.

(d) The assembly shall, within 30 days after certification of the results of the election held under this section, adopt an ordinance providing for

(1) composition of the assembly;

(2) the form of assembly representation that received the most votes; and

(3) if applicable, the apportionment of assembly seats in accordance with the form of representation that received the most votes.

(e) This section does not apply to a

(1) unified municipality;

(2) home rule borough if the home rule charter contains procedures for changing assembly composition and form of representation.

Sec. 29.20.080. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a) Not later than two months after the official report of a federal decennial census, the assembly shall determine and declare by resolution whether the existing apportionment of the assembly meets the standards of AS 29.20.060. If the assembly submits to the voters a form of representation that includes election of assembly members under AS 29.20.070(b)(2) or (b)(3) the assembly shall submit with the proposition a proposed plan of apportionment that corresponds to the form

of representation proposed. The assembly shall describe the plan of apportionment in the ballot proposition, and may present the plan in any manner that it believes accurately describes the apportionment that is proposed under the form of representation. If the assembly determines that its existing apportionment meets the standards of AS 29.20.060, the assembly may include the existing apportionment as a proposed plan of apportionment of assembly seats that corresponds to a form of representation that is proposed.

(b) The assembly shall provide, by ordinance, for a change in an existing apportionment of the assembly whenever it determines that the apportionment does not meet the standards of AS 29.20.060. At the same time, the assembly may, by ordinance, change the composition of the assembly.

(c) If a petition signed by not less than 50 voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.20.060, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may make the determination requested. The assembly shall make a determination required by this subsection within two months of receipt of a petition that meets the requirements of this subsection.

(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 six months after a determination by the assembly under (b) or (c) of this section that the current apportionment does not meet the standards of AS 29.20.060 the assembly shall adopt an ordinance providing for reapportionment and submit the ordinance to

the voters. If, at the end of the six-month time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner shall provide for the reapportionment in accordance with the standards of AS 29.20.060 by preparing an order of reapportionment and delivering the order to the borough mayor.

Sec. 29.20.090. APPORTIONMENT APPEALS. (a) A reapportionment ordinance approved by the voters, or a decision of the assembly that the standards of AS 29.20.060 do not require a change in apportionment, may be appealed to the commissioner. Fifty voters may submit a petition to the commissioner requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.20.060 or whether a decision of the assembly that the standards of AS 29.20.060 do not require a change of apportionment is correct. If the petition asks the commissioner to review an ordinance approved by the voters under AS 29.20.080(e), the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner to review a decision of the assembly under AS 29.20.080(c), the petition shall be delivered to the commissioner within 20 days of the decision of the assembly.

(b) The commissioner shall review the petition and may make the determination requested. The commissioner shall provide copies of the determination to the persons petitioning for appeal and to borough officials not later than 60 days after the commissioner receives the petition.

(c) If the commissioner determines that the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.20.060, or if the commissioner determines that the decision of the assembly that the standards of AS 29.20.060 do not require a

change of apportionment is not correct, the commissioner shall, by order, direct the assembly to prepare a reapportionment ordinance that meets the standards of AS 29.20.060 and submit the ordinance to the voters.

(d) When the assembly has been directed by the commissioner to prepare a reapportionment ordinance under (c) of this section, the assembly shall, within two months after its receipt of the commissioner's order, adopt an ordinance providing for reapportionment. The assembly shall submit an ordinance adopted under this subsection to the voters at an election held within 60 days after the date of adoption of the reapportionment ordinance.

(e) If at the end of the time period provided under (d) of this section an ordinance providing for reapportionment has not been approved by the voters, the commissioner shall provide for the reapportionment of the assembly in accordance with the standards of AS 29.-20.060 by preparing an order of reapportionment and delivering the order to the borough mayor.

Sec. 29.20.100. JUDICIAL REVIEW AND RELIEF. (a) The commissioner may request the superior court to enforce a reapportionment order issued under AS 29.20.090(e).

(b) Each of the following is subject to judicial review:

(1) a plan of reapportionment approved by the voters under AS 29.20.080(a);

(2) a determination by the assembly under AS 29.20.080 that the standards of AS 29.20.060 do not require a change in apportionment;

(3) a reapportionment ordinance approved by the voters under AS 29.20.080(d);

(4) a reapportionment order of the commissioner made under

AS 29.20.090(c);

(5) a reapportionment ordinance approved by the voters under AS 29.20.090(d); and

(6) a reapportionment order of the commissioner made under AS 29.20.090(e).

Sec. 29.20.110. EFFECTIVE DATE OF APPORTIONMENT. (a) A change in assembly apportionment or composition under AS 29.20.080 or 29.20.-090 is effective beginning with the first regular election for members of the assembly that is held more than 60 days after the later of

(1) approval of a reapportionment ordinance by the voters under AS 29.20.080(a), 29.20.080(e), or 29.20.090(d); or

(2) the delivery to the mayor of a reapportionment order of the commissioner under AS 29.20.090(d).

(b) The provisions of (a) 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 that is held more than 60 days after

(1) receipt by the assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) the delivery to the mayor of a reapportionment order of the commissioner under AS 29.20.090(e); 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. 29.20.120. APPLICABILITY OF APPORTIONMENT PROVISIONS. The provisions of AS 29.20.080 - 29.20.110 do not apply to a

(1) unified municipality;

(2) home rule borough if the borough, by home rule charter, provides for reapportionment of the assembly.

Sec. 29.20.130. CITY COUNCIL COMPOSITION. Each first class city has a council of six members elected by the voters at large. Each second class city has a council of seven members elected by the voters at large. The council of a first or second class city may by ordinance provide for election of members other than on an at-large basis for all members.

Sec. 29.20.140. QUALIFICATIONS. (a) A borough voter is eligible to be a member of the assembly and a city voter is eligible to be a member of the council. A member of the governing body who ceases to be a voter in the municipality immediately forfeits his office.

(b) A municipality may by ordinance establish a durational residency requirement not to exceed three years for members of the governing body.

(c) A municipality may by ordinance establish district residency requirements for members of its governing body. A member of the governing body who represents a district and who becomes a resident of another district in the municipality continues to serve until the next regular election unless provided otherwise by ordinance.

(d) Except by ordinance ratified by the voters, no limit may be placed on the total number of terms or number of consecutive terms a voter may serve on the governing body.

(e) This section applies to home rule and general law municipalities.

Sec. 29.20.150. TERM OF OFFICE. (a) A member of the governing body is elected for a three-year term and until his successor qualifies, unless a different term not exceeding four years is prescribed by home rule charter or ordinance.

(b) Except when otherwise required by a change in composition or apportionment, if the term of a member of a governing body is changed by charter or ordinance the term of the member holding office when the change becomes effective is not affected.

(c) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by charter or ordinance.

(d) This section applies to home rule and general law municipalities.

Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assembly shall elect from among its members a presiding officer and a deputy presiding officer to serve at the pleasure of the members, except that in a borough that has adopted a manager form of government under AS 29.20.460 - 29.20.520 the mayor serves as presiding officer. In a city the mayor serves as presiding officer. If the presiding officer is not present or if the presiding officer is personally disqualified, the deputy presiding officer shall preside.

(b) A governing body shall hold at least one regular meeting each month unless otherwise provided by ordinance. If a majority of the members are given at least 24 hours oral or written notice and reasonable efforts are made to notify all members, a special meeting of the governing body may be held at the call of the presiding officer or at least one-third of the members. A special meeting may be conducted with less than 24 hours notice if all members are present or if absent members have waived in writing the required notice. Waiver of

notice can be made before or after the special meeting is held. A waiver of notice shall be made a part of the journal for the meeting.

(c) A majority of the total membership of a governing body authorized by law constitutes a quorum. A member disqualified by law from voting on a question may be considered present for purposes of constituting a quorum. In the absence of a quorum any number of members may recess or adjourn the meeting to a later date.

(d) Actions of a governing body are adopted by a majority of the total membership of the body. Each member present shall vote on every question, unless required to abstain from voting on a question by law. The final vote of each member on each ordinance, resolution, or substantive motion shall be recorded "yes" or "no", except that if the vote is unanimous it may be recorded "unanimous".

(e) A governing body shall maintain a journal of its official proceedings that shall be a public record.

(f) To the extent otherwise permitted by law, a governing body may determine by ordinance its own rules of procedure and order of business.

Sec. 29.20.170. VACANCIES. The governing body may provide by ordinance the manner in which a vacancy occurs in any elected office except the office of mayor or school board member. Unless otherwise provided by ordinance, the governing body shall declare an elective office, other than the office of mayor or school board member, vacant when the person elected

(1) fails to qualify or take office within 30 days after election or appointment;

(2) is physically absent from the municipality for 90 consecutive days unless excused by the governing body;

(3) resigns and the resignation is accepted;

(4) is physically or mentally unable to perform the duties of office as determined by two-thirds vote of the governing body;

(5) is convicted of a felony or of an offense involving a violation of the oath of office;

(6) is convicted of a felony or misdemeanor described in AS 15.56 and two-thirds of the members of the governing body concur in expelling the person elected;

(7) is convicted of a violation of AS 15.13;

(8) no longer physically resides in the municipality and the governing body by two-thirds vote declares the seat vacant; or

(9) if a member of the governing body, misses three consecutive regular meetings and is not excused.

Sec. 29.20.180. FILLING A VACANCY. (a) If a vacancy occurs in a governing body, the remaining members shall, within 30 days unless a different period is provided by ordinance, appoint a qualified person to fill the vacancy. If less than 30 days remain in a term, a vacancy may not be filled.

(b) Notwithstanding (a) of this section, if the membership is reduced to fewer than the number required to constitute a quorum, the remaining members shall, within seven days, appoint a number of qualified persons to constitute a quorum.

(c) A person appointed under this section serves until the next regular election, when a successor shall be elected to serve the balance of the term.

ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power in a municipality is vested in a mayor. The mayor of a home rule or unified municipality is elected by the voters. The mayors of other municipalities are elected in accordance with AS 29.20.230.

(b) The mayor acts as ceremonial head of government, executes official documents on authorization of the governing body, and is responsible for additional duties and powers prescribed by this chapter or by home rule charter.

(c) This section applies to home rule and general law municipalities.

Sec. 29.20.230. ELECTION AND TERM OF MAYOR. (a) The mayor of a borough or first class city is elected at large. The mayor of a borough or first class city serves a term of three years, unless by ordinance a different term not to exceed four years is provided. The current term of an incumbent mayor may not be altered. The regular term of a mayor of a borough or first class city begins on the first Monday following certification of the election.

(b) The mayor of a second class city is elected by and from the council, and serves until a successor is elected and qualifies. The council of a second class city shall meet on the first Monday after certification of the regular election and elect a mayor who takes office immediately. The mayor of a second class city serves a one-year term, unless a longer term is provided by ordinance. The mayor of a second class city may serve only while a member of the council regardless of the term established for the office of mayor.

(c) Except by ordinance ratified by the voters, no limit may be placed on the total number of terms or number of consecutive terms a mayor may serve.

Sec. 29.20.240. QUALIFICATIONS FOR THE OFFICE OF MAYOR. (a) A voter of the municipality is eligible to hold the office of mayor in a borough or first class city. A member of the city council is eligible to hold the office of mayor in a second class city.

(b) Residency requirements for the office of mayor not exceeding

three years may be prescribed by ordinance.

Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a municipality has not adopted a manager plan of government, the mayor is the chief administrator and the mayor has the same powers and duties as those of a manager under AS 29.20.500.

(b) The mayor may take part in the discussion of a matter before the governing body. The mayor may not vote, except that the mayor of a first class city or the mayor of a borough with a manager form of government may vote in the case of a tie. The mayor of a second class city, as a council member, may vote on all matters.

Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject to assembly approval, shall designate a person to act as mayor during the borough mayor's temporary absence or disability. If a manager plan has been adopted, the assembly shall designate by resolution a borough administrative official to act as manager during the manager's absence or disability.

Sec. 29.20.270. VETO. (a) Except as provided in (c) and (d) of this section, the mayor may veto an ordinance, resolution, motion, or other action of the governing body and may strike or reduce appropriation items.

(b) A veto must be exercised before the next regular meeting of the governing body and must be accompanied by a written explanation of the reasons for the veto. A veto may be overridden by vote of two-thirds of the authorized membership of the governing body within 21 days following exercise of the veto, or at the next regular meeting, whichever is later.

(c) The veto does not extend to

(1) appropriation items in a school budget ordinance;

(2) actions of the governing body sitting as the board of

equalization or the board of adjustment;

(3) adoption or repeal of a manager plan of government.

(d) The mayor of a second class city has no veto power.

Sec. 29.20.280. VACANCY IN THE OFFICE OF MAYOR. (a) The governing body shall, by two-thirds concurring vote, declare the office of mayor vacant only when the person elected

(1) fails to qualify or take office within 30 days after election or appointment;

(2) unless excused by the governing body, is physically absent for 90 consecutive days;

(3) resigns and the resignation is accepted;

(4) is physically or mentally unable to perform the duties of office;

(5) is convicted of a felony or of an offense involving a violation of the oath of office;

(6) is convicted of a felony or misdemeanor described in AS 15.56;

(7) is convicted of a violation of AS 15.13;

(8) no longer physically resides in the municipality; or

(9) if a member of the governing body in a second class city, misses three consecutive regular meetings and is not excused.

(b) A vacancy in the office of mayor occurring six months before a regular election shall be filled by the governing body. The person appointed serves until the next regular election when a successor is elected to serve the balance of the term. If a member of the governing body is appointed mayor, the member shall resign the seat on the governing body. If a vacancy occurs more than six months before a regular election, the governing body shall call a special election to fill the unexpired term.

(c) Notwithstanding (b) of this section, a vacancy in the office of mayor of a second class city shall be filled by and from the council. A mayor appointed under this subsection serves the balance of the term to which appointed, except the mayor may serve only while a member of the council.

ARTICLE 4. BOARDS AND COMMISSIONS.

Sec. 29.20.300. SCHOOL BOARDS. (a) Each municipal school district has a school board. Except as provided in (b) of this section, members of a school board are elected at the regular election for three-year terms and until their successors take office. Members are elected at large unless a different method of election has been approved by the voters in a regular election.

(b) The assembly is the school board for a third class borough. The mayor is the presiding officer of the assembly and president of the school board. However, the mayor may not veto an action of the school board.

Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a municipality operating a public utility may provide by ordinance for a utility board of five members and define the board's powers and duties.

(b) As determined by ordinance, members of a utility board are either appointed by the mayor and confirmed by the governing body or are elected at a regular election. The term of a utility board member is two years and until a successor is selected and qualifies. However, the governing body may by ordinance provide for a different term not to exceed four years. The current term of an elected incumbent may not be altered.

(c) Vacancies on a utility board are filled by the mayor. Executive appointments shall be confirmed by the governing body. A

person appointed to fill a vacancy on a utility board serves until the expiration of the term for which appointed and until a successor is elected and qualifies.

(d) Unless otherwise provided by ordinance, a utility board shall

(1) choose its chairman and secretary;

(2) appoint the manager of the public utility for a term not longer than five years and set the manager's salary;

(3) formulate and enforce the general rules and policies of the utility.

Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The governing body may by ordinance establish advisory, administrative, technical, or quasi-judicial boards and commissions.

(b) Members of boards and commissions, except for members of the board of adjustment and assembly members serving on the board of equalization, are appointed by the mayor and confirmed by the governing body.

ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

Sec. 29.20.360. APPOINTMENT OF OFFICIALS. Unless otherwise provided by ordinance, the municipal clerk, attorney, treasurer, and police chief are appointed by the chief administrator. Unless otherwise provided by ordinance, an official described in this section serves at the pleasure of the appointing authority and, if appointed by the chief administrator, must be confirmed by the governing body.

Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is the legal advisor of the governing body, the school board, and the other officials of the municipality. The municipal attorney represents the municipality as attorney in civil and criminal proceedings. The school board may hire independent counsel when in its judgment

independent counsel is needed.

Sec. 29.20.380. MUNICIPAL CLERK. (a) The municipal clerk shall

(1) give notice of the time and place of meetings of the governing body to the governing body and to the public;

(2) attend meetings of the governing body and keep the journal;

(3) arrange publication of notices, ordinances, and resolutions;

(4) maintain and make available for public inspection an indexed file containing municipal ordinances, resolutions, rules, regulations, and codes;

(5) attest deeds and other documents;

(6) perform other duties specified in this title or prescribed by the chief administrator or by the governing body.

(b) The governing body may combine the office of clerk with that of treasurer. If the offices are combined, the clerk-treasurer shall, as required of the treasurer, give bond to the municipality for the faithful performance of the duties as clerk-treasurer.

Sec. 29.20.390. MUNICIPAL TREASURER. (a) Except as provided in AS 14.14.060, the treasurer is the custodian of all municipal funds. The treasurer shall keep an itemized account of money received and disbursed. The treasurer shall pay money on vouchers drawn against appropriations.

(b) The treasurer shall give bond to the municipality in a sum that the governing body directs.

Sec. 29.20.400. DEPARTMENTS. (a) The governing body may establish municipal departments and distribute functions among them.

(b) Each municipal department is administered by a department head. With the consent of the governing body, the mayor may serve as

head of one or more departments or a single administrator may serve as head of two or more departments.

Sec. 29.20.410. PERSONNEL SYSTEM. (a) Except as provided by (b) of this section, appointments and promotions of municipal employees are made on the basis of merit. The governing body may provide for a personnel system and classified service.

(b) By ordinance the governing body may designate confidential or managerial positions that are wholly or partially exempt from the classified service. A wholly or partially exempt position is filled by a person who serves at the pleasure of the appointing authority and whose term of employment is determined by the appointing authority.

ARTICLE 6. MANAGER PLAN.

Sec. 29.20.460. MANAGER PLAN. A municipality may adopt a manager plan of government. Adoption of a manager plan may be initiated either by petition or by motion of the governing body. A petition for the adoption of a manager plan is submitted to the governing body. The petition must be signed by a number of voters equal to the following percentage of the votes cast at the preceding regular election:

(1) 25 percent if the municipality has fewer than 7,500 persons;

(2) 15 percent if the municipality has 7,500 persons or more.

Sec. 29.20.470. ELECTION ON ADOPTION OF MANAGER PLAN. On receipt of a petition to adopt a manager plan or on its own motion to adopt a manager plan, the governing body shall provide by ordinance or resolution for a vote on the question at the next election.

Sec. 29.20.480. ADOPTION OF MANAGER PLAN. (a) If a manager plan is approved, the governing body shall, within 60 days, adopt the plan by ordinance or resolution.

(b) The governing body shall notify the department of the adoption of a manager plan.

Sec. 29.20.490. APPOINTMENT OF MANAGER. (a) The governing body shall appoint a manager by a majority vote of its membership. A manager is chosen on the basis of administrative qualifications and receives the compensation set by the governing body. A member of the governing body may not be appointed manager of the municipality sooner than one year after leaving office, except by a vote of three-fourths of the authorized membership of the governing body.

(b) Subject to the contract of employment, the manager holds office at the pleasure of the governing body.

Sec. 29.20.500. POWERS AND DUTIES OF A MANAGER. The manager may hire necessary administrative assistants and may authorize an administrative official to appoint, suspend, or remove subordinates. As chief administrator the manager shall

(1) appoint, suspend, or remove municipal employees and administrative officials, except as provided otherwise in this title and AS 14.14.065;

(2) supervise the enforcement of municipal law and carry out the directives of the governing body;

(3) prepare and submit an annual budget and capital improvement program for consideration by the governing body, and execute the budget and capital improvement program adopted;

(4) make monthly financial reports and other reports on municipal finances and operations as required by the governing body;

(5) exercise custody over all real and personal property of the municipality, except property of the school district;

(6) perform other duties required by law or by the governing body; and

(7) serve as personnel officer, unless the governing body authorizes the manager to appoint a personnel officer.

Sec. 29.20.510. INTERGOVERNMENTAL APPOINTMENT OF MANAGER. A borough adopting a manager plan may, on agreement with a city in the borough, provide that the manager of the city serve also as borough manager. A city adopting a manager plan may, on agreement with the borough in which it is located, provide that the manager of the borough serve also as city manager. Appointment and service of the manager shall be as provided in AS 29.20.490 - 29.20.500. Nothing in this section affects the authority of the governing body to provide for other dual officeholding if the dual offices held are compatible, or otherwise to appoint officials and employees in accordance with law.

Sec. 29.20.520. REPEAL OF MANAGER PLAN. A municipality may repeal a manager plan in the same manner used for its adoption. Within 60 days after repeal of a manager plan, the governing body shall enact provisions for the reorganization of the municipal executive and administrative functions.

ARTICLE 7. MISCELLANEOUS PROVISIONS.

Sec. 29.20.600. OATHS OF OFFICE. Before taking office a municipal official shall affirm in writing that the duties of the office will be honestly, faithfully, and impartially performed by the official. The oath is filed with the municipal clerk.

Sec. 29.20.610. BONDING. The manager and the other municipal officials or employees that the governing body may designate shall give bond in the amount and with the surety prescribed by the governing body. Premiums on bonds are paid by the municipality.

Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The governing body shall by ordinance provide a method of determining the

salaries of elected officials. The salary of the mayor may not be reduced durin , the term of office of the mayor, unless during the term a manager plan is adopted. An elected official may not receive compensation for service to the municipality in addition to the salary received as an elected official, unless otherwise provided by ordinance. Per diem payments or reimbursements for expenses are not compensation under this section.

Sec. 29.20.630. PROHIBITIONS. (a) Subject to AS 14.14.140, a state employee or school district employee may not be denied the right to serve as an elected municipal official because of employment by the state or a school district. For purposes of this section a school district employee is not a municipal employee.

(b) This section applies to home rule and general law municipalities.

Sec. 29.20.640. REPORTS. (a) A municipality shall file with the department

(1) maps and descriptions of all annexed or detached territory;

(2) a copy of the annual audit, or, for a second class city, an audit or statement of annual income and expenditures;

(3) tax assessment and tax levy figures as requested;

(4) a copy of the current annual budget of the municipality;

(5) a summary of the optional property tax exemptions authorized together with the estimate of the revenues lost to the municipality by operation of each of the exemptions.

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 and state aid for miscellaneous

municipal services under AS 29.60.100 - 29.60.180. If a municipality does not comply with this section, the department shall withhold the allocations until the required reports are filed.

(c) This section applies to home rule and general law municipalities.

* Sec. 7. AS 29 is amended by adding a new chapter to read:

CHAPTER 25. MUNICIPAL ENACTMENTS.

Sec. 29.25.010. ACTS REQUIRED TO BE BY ORDINANCE. (a) In addition to other actions that this title requires to be by ordinance, the governing body of a municipality shall use ordinances to

(1) establish, alter, or abolish municipal departments;

(2) provide for a fine or other penalty, or establish rules or regulations for violation of which a fine or other penalty is imposed;

(3) provide for the levying of taxes;

(4) make appropriations, including supplemental appropriations or transfer of appropriations;

(5) grant, renew, or extend a franchise;

(6) adopt, modify, or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes, and the official map;

(7) approve the transfer of a power to a first or second class borough from a city;

(8) designate the borough seat;

(9) provide for the retention or sale of tax-foreclosed property;

(10) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works projects within the

limitations set out in AS 36.25.025; this paragraph applies to home rule and general law municipalities.

(b) This section grants no authority but requires the governing body to use ordinances in exercising certain of its powers.

Sec. 29.25.020. ORDINANCE PROCEDURE. (a) An ordinance is introduced in writing in the form required by the governing body.

(b) The following procedure governs the enactment of all ordinances, except emergency ordinances:

(1) an ordinance may be introduced by a member or committee of the governing body, or by the mayor or manager;

(2) an ordinance shall be set by the governing body for a public hearing by the affirmative vote of a majority of the votes authorized on the question;

(3) at least five days before the public hearing a summary of the ordinance shall be published together with a notice of the time and place for the hearing;

(4) copies of the ordinance shall be available to all persons present at the hearing, or the ordinance shall be read in full;

(5) during the hearing the governing body shall hear all interested persons wishing to be heard;

(6) after the public hearing the governing body shall consider the ordinance, and may adopt it with or without amendment;

(7) the governing body shall print and make available copies of an ordinance that is adopted.

(c) An ordinance takes effect upon adoption or at a later date specified in the ordinance.

Sec. 29.25.030. EMERGENCY ORDINANCES. (a) To meet a public emergency the governing body may adopt an emergency ordinance

effective on adoption. Each emergency ordinance shall contain a finding by the governing body that an emergency exists and a statement of the facts upon which the finding is based. An emergency ordinance may be adopted, amended and adopted, or rejected at the meeting at which it is introduced. The affirmative vote of all members present, or the affirmative vote of three-fourths of the total membership, whichever is less, is required for adoption of an emergency ordinance. The governing body shall print and make available copies of adopted emergency ordinances.

(b) An emergency ordinance may not be used to levy taxes, to grant, renew, or extend a franchise, or to regulate the rate charged by a public utility for its services.

(c) An emergency ordinance is effective for 60 days.

Sec. 29.25.040. CODES OF REGULATION. The governing body may in a single ordinance adopt or amend by reference provisions of a published code of municipal regulations. The procedure under AS 29.25.-020 applies to an ordinance adopted under this section, except that neither the ordinance or its amendments must be distributed to the public or read in full at the public hearing. For a period of 15 days before adoption of an ordinance under this section, at least five copies of the code of regulations shall be made available for public inspection at a time and place set out in the hearing notice. Only the ordinance must be printed after it is adopted under this section. The governing body shall provide for an adopted code of regulations to be made available to the public at no more than cost.

Sec. 29.25.050. CODIFICATION. (a) Each ordinance shall be codified after it is adopted.

(b) Within three years after incorporation of a municipality, the municipal clerk or the clerk's designee shall have prepared a

general codification of all municipal ordinances of general applicability having the force and effect of law. The municipal code shall be revised and printed at least every five years, unless the code is kept current by regular supplements.

(c) In (a) of this section, "codified" means

(1) the ordinance has been given a serial number or other permanent identifying number, and, bearing a notation of the date of adoption and the adopting authority, it has been entered by the municipal clerk in a properly indexed book maintained for the purposes of organizing and recording the ordinances; or

(2) the ordinance is a provision that establishes a rule of conduct or behavior and that is included, or to be included, in a code of ordinances or other complete system of law enacted and kept current at reasonable intervals.

(d) This section applies to home rule and general law municipalities.

Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall provide for the maintenance of a permanent file of resolutions that have been adopted.

(b) This section applies to home rule and general law municipalities.

Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance, a municipality may by ordinance prescribe penalties not to exceed those imposed for a class B misdemeanor.

(b) The municipality or an aggrieved person may institute a civil action against a person who violates an ordinance. In addition to injunctive and compensatory relief, a civil penalty not to exceed $1,000 may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other

remedy. On application for injunctive relief and a finding of a violation or a threatened violation, the superior court shall grant the injunction. Each day that a violation of an ordinance continues constitutes a separate violation.

(c) The penalties authorized under this section may be imposed only if copies of the ordinance are made available for distribution to the public at no more than cost.

* Sec. 8. AS 29 is amended by adding a new chapter to read:

CHAPTER 26. ELECTIONS.

ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

Sec. 29.26.010. ADMINISTRATION. The governing body shall prescribe the rules for conducting an election and shall appoint an election board composed of at least three judges for each precinct. A judge shall be a voter of the precinct for which appointed unless no voter is willing to serve.

Sec. 29.26.020. NOMINATIONS. (a) Subject to other provisions of this title, the governing body shall provide by ordinance for nominations of elected officials by providing for declaration of candidacy or for petition requiring the signatures of not more than 10 voters, or for both.

(b) A person may be nominated for and occupy more than one office, but may not serve simultaneously as borough mayor and as a member of the assembly or, in a first class city, as city mayor and as a member of the council.

Sec. 29.26.030. NOTICE OF ELECTIONS. (a) Subject to other provisions of this title, a municipality shall give at least 20 days notice of an election.

(b) This section applies to home rule and general law municipalities.

Sec. 29.26.040. DATE. The date of a regular election is the first Tuesday of October annually, unless a different date or interval of years is provided by ordinance.

Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote in a municipal election only if the person

(1) is a United States citizen who is qualified to vote in state elections;

(2) has been a resident of the municipality for 30 days immediately preceding the election;

(3) is registered to vote in state elections; and

(4) is not disqualified under art. V of the state constitution.

(b) Voter registration by the municipality may not be required. However, a municipality may by ordinance require that a person be registered to vote in state elections in the precinct in which that person seeks to vote in municipal elections.

(c) This section applies to home rule and general law municipalities.

Sec. 29.26.060. RUNOFF ELECTIONS. (a) Unless otherwise provided by ordinance, a runoff election shall be held if no candidate receives over 40 percent of the votes cast for the office of

(1) mayor; or

(2) member of the governing body or school board if candidates run for a designated seat.

(b) Unless otherwise provided by ordinance, if candidates for the governing body or school board run at large, a runoff election for a seat shall be held if no candidate receives a number of votes greater than 40 percent of the total votes cast for all candidates divided by the number of seats to be filled.

(c) Unless otherwise provided by ordinance, a runoff election shall be held within three weeks after the date of certification of the election for which a runoff is required, and notice of the runoff election shall be published at least five days before the election date. The runoff election shall be between the two candidates receiving the greatest number of votes for the seat.

Sec. 29.26.070. ELECTION CONTEST AND APPEAL. (a) The governing body may provide by ordinance the time and procedure for the contest of an election.

(b) Unless otherwise provided by ordinance, an election may be contested only by a voter by filing a written affidavit with the municipal clerk specifying with particularity the grounds for the contest. An election may be contested before or during the first canvass of ballots by the governing body.

(c) Unless otherwise provided by ordinance, the governing body shall declare the election results at the first meeting to canvass the election, record the results in the minutes of that meeting, and authorize the results to be certified.

(d) A contestant shall pay all costs and expenses incurred in a recount of an election demanded by the contestant if the recount fails to reverse a result of the election, or the difference between the winning and losing vote on the result contested is more than two percent.

(e) A person may not appeal or seek judicial review of an election for any cause unless the person is a municipal voter, has exhausted all administrative remedies before the governing body, and has commenced, within 10 days after the governing body has declared the election results, an action in the superior court in the judicial district in which the municipality is located. If court action is not

commenced within the 10-day period, the election and election results are conclusive and valid.

ARTICLE 2. INITIATIVE AND REFERENDUM.

Sec. 29.26.100. RESERVATION OF POWERS. The powers of initiative and referendum are reserved to the residents of municipalities, except the powers do not extend to matters restricted by art. XI, sec. 7 of the state constitution.

Sec. 29.26.110. APPLICATION FOR PETITION. (a) An initiative or referendum is proposed by filing an application with the municipal clerk containing the ordinance or resolution to be initiated or the ordinance or resolution to be referred and the address to which all correspondence relating to the petition may be sent. An application shall be signed by at least 10 voters who will sponsor the petition. An additional sponsor may be added at any time before the petition is filed by submitting the name of the sponsor to the clerk. Within two weeks the clerk shall certify the application if the clerk finds that it is in proper form and, for an initiative petition, that the matter

(1) is not restricted by AS 29.26.100;

(2) includes only a single subject;

(3) relates to a legislative rather than to an administrative matter; and

(4) would be enforceable as a matter of law.

(b) A decision by the clerk on an application for petition is subject to judicial review.

Sec. 29.26.120. CONTENTS OF PETITION. (a) Within two weeks after certification of an application for an initiative or referendum petition, a petition shall be prepared by the municipal clerk. Each copy of the petition shall contain

(1) a summary of the ordinance or resolution to be

initiated or the ordinance or resolution to be referred;

(2) the complete ordinance or resolution sought to be initiated or referred as submitted by the sponsors;

(3) the date on which the petition is issued by the clerk;

(4) notice that signatures must be secured within 60 days after the date the petition is issued;

(5) spaces for each signature, the printed name of each signer, the date each signature is affixed, and the residence and mailing addresses of each signer;

(6) a statement, with space for the sponsor's sworn signature and date of signing, that the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be; and

(7) space for indicating the total number of signatures on the petition.

(b) If a petition consists of more than one page, each page shall contain the summary of the ordinance or resolution to be initiated or the ordinance or resolution to be referred.

(c) Copies of the petition shall be provided to each sponsor by the clerk.

Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on an initiative or referendum petition shall be secured within 60 days after the clerk issues the petition. The statement provided under AS 29.26.120(a)(6) shall be signed and dated by the sponsor. Signatures shall be in ink or indelible pencil.

(b) The clerk shall determine the number of signatures required on a petition and inform each sponsor. A petition shall be signed by a number of voters based on the number of votes cast at the last

regular election held before the date the petition was issued equal to

(1) 25 percent of the votes cast if a municipality has fewer than 7,500 persons; or

(2) 15 percent of the votes cast if a municipality has 7,500 persons or more.

(c) Illegible signatures shall be rejected by the clerk unless accompanied by a legible printed name. Signatures not accompanied by a legible residence address shall be rejected.

(d) A petition signer may withdraw the signer's signature on written application to the clerk before certification of the petition.

Sec. 29.26.140. SUFFICIENCY OF PETITION. (a) All copies of an initiative or referendum petition shall be assembled and filed as a single instrument. Within 10 days after the date the petition is filed, the municipal clerk shall

(1) certify on the petition whether it is sufficient; and

(2) if the petition is insufficient, identify the insufficiency and notify the sponsors at the address provided under AS 29.-26.110(a) by certified mail.

(b) A petition that is insufficient may be supplemented with additional signatures obtained and filed within 10 days after the date on which the petition is rejected.

(c) A petition that is insufficient shall be rejected and filed as a public record unless it is supplemented under (b) of this section. Within 10 days after a supplementary filing the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record.

Sec. 29.26.150. PROTEST. If the municipal clerk certifies an initiative or referendum petition is insufficient, a signer of the petition may file a protest with the mayor within seven days after the

certification. The mayor shall present the protest at the next regular meeting of the governing body. The governing body shall hear and decide the protest.

Sec. 29.26.160. NEW PETITION. Failure to secure sufficient signatures does not preclude the filing of a new initiative or referendum petition. However, a new petition on substantially the same matter may not be filed sooner than six months after a petition is rejected as insufficient.

Sec. 29.26.170. INITIATIVE ELECTION. (a) Unless substantially the same measure is adopted, when a petition seeks an initiative vote the clerk shall submit the matter to the voters at the next regular election occurring no sooner than 45 days after certification of the petition. If no regular election occurs within 75 days after the certification of a petition, the governing body shall hold a special election within 75 days, but not sooner than 45 days after certification.

(b) If the governing body adopts substantially the same measure, the petition is void and the matter initiated may not be placed before the voters.

(c) The ordinance or resolution initiated shall be published in full in the notice of the election, but may be summarized on the ballot to indicate clearly the proposal submitted.

(d) If a majority vote favors the ordinance or resolution, it becomes effective upon certification of the election, unless a different effective date is provided in the ordinance or resolution.

Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance or resolution is repealed, when a petition seeks a referendum vote the clerk shall submit the matter to the voters at the next election occurring no sooner than 45 days after certification of the petition.

If no election occurs within 75 days of certification of a petition, the governing body shall hold a special election within 75 days, but not sooner than 45 days after certification.

(b) If a petition is certified before the effective date of the matter referred, the ordinance or resolution against which the petition is filed shall be suspended pending the referendum vote. During the period of suspension, the governing body may not enact an ordinance or resolution substantially similar to the suspended measure.

(c) If the governing body repeals the ordinance or resolution before the referendum election, the petition is void and the matter referred shall not be placed before the voters.

(d) If a majority vote favors the repeal of the matter referred, it is repealed. Otherwise, the matter referred remains in effect or, if it has been suspended, becomes effective on certification of the election.

Sec. 29.26.190. EFFECT. (a) An ordinance or resolution may not be repealed or amended within one year after its effective date if adopted in an initiative election or if adopted after a petition that contains substantially the same measure has been filed.

(b) If an ordinance or resolution is repealed in a referendum election or by the governing body after a petition that contains substantially the same measure has been filed, substantially similar legislation may not be enacted by the governing body for a period of one year.

(c) If an initiative or referendum measure fails to receive voter approval, a new petition application for substantially the same measure may not be filed sooner than six months after the election results are certified.

ARTICLE 3. RECALL.

Sec. 29.26.240. RECALL. An official who is elected or appointed to an elective municipal office may be recalled by the voters after the official has served the first 120 days of the term for which elected or appointed.

Sec. 29.26.250. GROUNDS FOR RECALL. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

Sec. 29.26.260. APPLICATION FOR RECALL PETITION. (a) An application for a recall petition shall be filed with the municipal clerk and shall contain

(1) the signatures and residence addresses of at least 10 municipal voters who will sponsor the petition;

(2) the address to which all correspondence relating to the petition may be sent;

(3) a statement in 200 words or less of the grounds of the recall stated with particularity.

(b) An additional sponsor may be added at any time before the petition is filed by submitting the name of the sponsor to the clerk.

Sec. 29.26.270. RECALL PETITION. (a) If the municipal clerk determines that an application for a recall petition meets the requirements of AS 29.26.260, the clerk shall prepare a recall petition. All copies of the petition shall contain

(1) the name of the official sought to be recalled;

(2) the statement of the grounds for recall as set out in the application for petition;

(3) the date the petition is issued by the clerk;

(4) notice that signatures must be secured within 60 days after the date the petition is issued;

(5) spaces for each signature, the printed name of each

signer, the date of each signature, and the residence and mailing addresses of each signer;

(6) a statement, with space for the sponsor's sworn signature and date of signing, that the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be; and

(7) space for indicating the number of signatures on the petition.

(b) Copies of the petition shall be provided to each sponsor by the clerk.

Sec. 29.26.280. SIGNATURE REQUIREMENTS. (a) The signatures on a recall petition shall be secured within 60 days after the date the clerk issues the petition. The statement provided under AS 29.26.-270(a)(6) shall be completed and signed by the sponsor. Signatures shall be in ink or indelible pencil.

(b) The clerk shall determine the number of signatures required on a petition and inform each sponsor. If a petition seeks to recall an official who represents the municipality at large, the petition shall be signed by a number of voters equal to 25 percent of the number of votes cast for that office at the last regular election held before the date the petition was issued. If a petition seeks to recall an official who represents a district, the petition shall be signed by a number of the voters residing in the district equal to 25 percent of the number of votes cast in the district for that office at the last regular election held before the date the petition was issued.

(c) Illegible signatures shall be rejected by the clerk unless accompanied by a legible printed name. Signatures not accompanied by

a legible residence address shall be rejected.

(d) A petition signer may withdraw the signer's signature upon written application to the clerk before certification of the petition.

Sec. 29.26.290. SUFFICIENCY OF PETITION. (a) The copies of a recall petition shall be assembled and filed as a single instrument. A petition may not be filed within 180 days before the end of the term of office of the official sought to be recalled. Within 10 days after the date a petition is filed, the municipal clerk shall

(1) certify on the petition whether it is sufficient; and

(2) if the petition is insufficient, identify the insufficiency and notify the sponsors at the address provided under AS 29.-26.260(a)(2) by certified mail.

(b) A petition that is insufficient may be supplemented with additional signatures obtained and filed within 10 days after the date on which the petition is rejected if

(1) the petition contains an adequate number of signatures, counting both valid and invalid signatures; and

(2) the supplementary petition is filed more than 180 days before the end of the term of office of the official sought to be recalled.

(c) A petition that is insufficient shall be rejected and filed as a public record unless it is supplemented under (b) of this section. Within 10 days after the supplementary filing the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record.

Sec. 29.26.300. NEW RECALL PETITION APPLICATION. A new application for a petition to recall the same official may not be filed sooner than six months after a petition is rejected as insufficient.

Sec. 29.26.310. SUBMISSION. If a recall petition is sufficient,

the clerk shall submit it to the governing body at the next regular meeting or at a special meeting held before the next regular meeting.

Sec. 29.26.320. ELECTION. (a) If a regular election occurs within 75 days but not sooner than 45 days after submission of the petition to the governing body, the governing body shall submit the recall at that election.

(b) If no regular election occurs within 75 days, the governing body shall hold a special election on the recall question within 75 days but not sooner than 45 days after a petition is submitted to the governing body.

(c) If a vacancy occurs in the office after a sufficient recall petition is filed with the clerk, the recall question may not be submitted to the voters. The governing body may not appoint to the same office an official who resigns after a sufficient recall petition is filed naming him.

Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall contain

(1) the grounds of recall as stated in 200 words or less on the recall petition;

(2) a statement by the official named on the recall petition of 200 words or less, if the statement is filed with the clerk for publication and public inspection within 20 days before the election;

(3) the following question: "Shall (name of person) be recalled from the office of (office)? Yes [ ] No [ ]".

Sec. 29.26.340. EFFECT. (a) If a majority vote favors recall, the office becomes vacant upon certification of the recall election.

(b) If an official is not recalled at the election, an application for a petition to recall the same official may not be filed

sooner than six months after the election.

Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from the governing body, the office of that official is filled in accordance with AS 29.20.180. If all members of the governing body are recalled, the governor shall appoint three qualified persons to the governing body. The appointees shall appoint additional members to fill remaining vacancies in accordance with AS 29.20.180.

(b) If a member of the school board is recalled, the office of that member is filled in accordance with AS 14.12.070. If all members are recalled from a school board, the governor shall appoint three qualified persons to the school board. The appointees shall appoint additional members to fill remaining vacancies in accordance with AS 14.12.070.

(c) A person appointed under (a) or (b) of this section serves until a successor is elected and takes office.

(d) If an official other than a member of the governing body or school board is recalled, a successor shall be elected to fill the unexpired portion of the term. The election shall be held not more than 60 days after the date the recall election is certified, except that if a regular election occurs within 75 days after certification the successor shall be chosen at that election.

(e) Nominations for a successor may be filed until seven days before the last date on which a first notice of the election must be given. Nominations may not be filed before the certification of the recall election.

Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to home rule and general law municipalities.

* Sec. 9. AS 29 is amended by adding a new chapter to read:

CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

ARTICLE 1. GENERAL POWERS.

Sec. 29.35.010. GENERAL POWERS. All municipalities have the following general powers, subject to other provisions of law:

(1) to establish and prescribe a salary for an elected or appointed municipal official or employee;

(2) to combine two or more appointive or administrative offices;

(3) to establish and prescribe the functions of a municipal department, office, or agency;

(4) to require periodic and special reports from a municipal department to be submitted through the mayor;

(5) to investigate an affair of the municipality and make inquiries into the conduct of a municipal department;

(6) to levy a tax or special assessment, and impose a lien for its enforcement;

(7) to enforce an ordinance and to prescribe a penalty for violation of an ordinance;

(8) to acquire, manage, control, use, and dispose of real and personal property, whether the property is situated inside or outside the municipal boundaries; this power includes the power of a borough to expend, for any purpose authorized by law, money received from the disposal of land in a service area established under AS 29.-35.450;

(9) to expend money for a community purpose, facility, or service for the good of the municipality to the extent the municipality is otherwise authorized by law to exercise the power necessary to accomplish the purpose or provide the facility or service;

(10) to regulate the operation and use of a municipal right-of-way, facility, or service;

(11) to borrow money and issue evidences of indebtedness;

(12) to acquire membership in an organization that promotes legislation for the good of the municipality;

(13) to enter into an agreement, including an agreement for cooperative or joint administration of any function or power with a municipality, the state, or the United States;

(14) to sue and be sued.

Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) To the extent a municipality is otherwise authorized by law to exercise the power necessary to provide the facility or service, the municipality may provide parks, playgrounds, cemeteries, emergency medical services, solid and septic waste disposal, utility services, airports, streets (including ice roads), trails, transportation facilities, wharves, harbors and other marine facilities outside its boundaries and may regulate their use and operation to the extent that the jurisdiction in which they are located does not regulate them. A regulation adopted under this section must state that it applies outside the municipality.

(b) A municipality may adopt an ordinance to protect its water supply and watershed, and may enforce the ordinance outside its boundaries. Before this power may be exercised inside the boundaries of another municipality, the approval of the other municipality must be given by ordinance.

(c) This section applies to home rule and general law municipalities.

Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may exercise the powers of eminent domain and declaration of taking in the performance of a power or function of the municipality under the procedures set out in AS 09.55.250 - 09.55.460.

(b) This section applies to home rule and general law municipalities.

Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality that is wholly or partially in an area that is declared by the President or governor to be a disaster area may participate in and provide for housing, urban renewal, and redevelopment in the same manner as a home rule city. The exercise of these powers by a borough shall be on a nonareawide basis, except a borough may exercise the powers transferred to it by a city as provided by AS 29.35.310.

(b) Powers granted by this section must be initiated within a period of not more than five years after the date of declaration of a natural disaster by the President or governor, but these powers may be extended for an additional period of not more than three years.

Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A municipality may by ordinance

(1) provide for the establishment, maintenance, and operation of a system of garbage and solid waste collection and disposal for the entire municipality, or for districts or portions of it;

(2) require all persons in the municipality or district to use the system and to dispose of their garbage and solid wastes as provided in the ordinance;

(3) award contracts for collection and disposal, or provide for the collection and disposal of garbage and solid waste by municipal officials and employees;

(4) pay for garbage and solid waste collection and disposal from available money;

(5) require property owners or occupants of premises to use the garbage and solid waste collection and disposal system provided by the municipality;

(6) fix charges against the property owners or occupants of premises for the collection and disposal; and

(7) provide penalties for violations of the ordinances.

(b) The governing body of a municipality may not prohibit a person holding a valid certificate from the Alaska Public Utilities Commission from continuing to collect and dispose of garbage, refuse, trash, waste material, or provide other related services in an area in the municipality if the certificate authorizes the collection and disposal of garbage, refuse, trash, or other waste material and providing of other services in the area, and the certificate was originally issued before the municipality provided similar services. A municipality may not provide for a garbage, refuse, trash, or other waste material collection and disposal service in an area to the extent it lies in an area granted to a garbage, refuse, trash, or other waste material carrier by a certificate issued by the Alaska Public Utilities Commission to the carrier until it has purchased the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected, at fair market value. A municipality may exercise the right of eminent domain to determine fair market value.

(c) This section applies to home rule and general law municipalities.

Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may grant franchises, including exclusive franchise privileges, to a person, corporation, organization, or utility not certificated by the Alaska Public Utilities Commission and may permit the use of streets and other public places by the franchise holder under regulations prescribed by ordinance.

(b) Unless the grant is made on a competitive basis, the grant of an exclusive right to use a public street or right-of-way for more than five years to a utility or a transportation system not certificated by the Alaska Public Utilities Commission or by the Alaska Transportation Commission shall be valid only if approved by a majority of the voters at an election.

Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate, fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility to the extent

(1) that it is not subject to regulation under AS 42.05; and

(2) not otherwise prohibited by law.

(b) A municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality, all rates, charges, and regulations established under this section shall be established by ordinance and shall be reasonable and permit a fair return on invested capital.

(d) This section applies to home rule and general law municipalities.

Sec. 29.35.080. ALCOHOLIC BEVERAGES. (a) A municipality may regulate the barter, sale, importation, and consumption of alcoholic beverages in accordance with AS 04.11.480 - 04.11.506 and AS 04.21.-010.

(b) This section applies to home rule and general law municipalities.

Sec. 29.35.090. MUNICIPAL PROPERTY. The governing body shall by

ordinance establish a formal procedure for acquisition and disposal of land and interests in land by the municipality.

Sec. 29.35.100. BUDGET AND CAPITAL PROGRAM. (a) The governing body shall establish the manner for the preparation and submission of the budget and capital program. After a public hearing, the governing body may approve the budget with or without amendments, and shall appropriate the money required for the approved budget.

(b) The governing body may make supplemental and emergency appropriations. Payment may not be authorized or made and an obligation may not be incurred except in accordance with appropriations.

Sec. 29.35.110. EXPENDITURE OF BOROUGH REVENUES. Borough revenues received through taxes collected on an areawide basis by the borough may be expended on general administrative costs and on areawide functions only. Borough revenues received through taxes collected on a nonareawide basis may be expended on general administrative costs and functions that render service only to the area outside all cities in the borough.

Sec. 29.35.120. POST AUDIT. (a) The governing body shall provide for an annual independent audit of the accounts and financial transactions of the municipality or, in the case of a second class city, an audit or statement of annual income and expenditures. To make the audit the governing body shall designate a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the municipality. Copies of the audit shall be available to the public upon request.

(b) This section applies to home rule and general law municipalities.

Sec. 29.35.130. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a) A municipality may establish an emergency services communications

center with one or more other municipalities and one or more state, federal, or private agencies that provide emergency service communications to the same geographic area. An emergency services communications center established under this section may be organized and operated as a public nonprofit corporation under AS 10.20.

(b) An emergency services communications center under this section may be governed by a board of directors. A member of a board of directors of an emergency services communications center serves without compensation but is entitled to per diem and travel expenses. If an emergency services communications center is organized as a nonprofit corporation, a member of its board of directors may not be employed by the nonprofit corporation.

(c) An emergency services communications center may assess the feasibility and desirability of providing emergency services communications for the geographic area in which it is located through one central office. An emergency services communications center may

(1) combine or coordinate the existing emergency services communications programs of the participating municipalities and agencies;

(2) operate a dispatch center to receive all requests for emergency services and dispatch those services;

(3) study the need for improvement in the timely delivery of emergency services to residents of the participating municipalities;

(4) hold public hearings to obtain information concerning the timely delivery of emergency services;

(5) apply for and accept federal, state, municipal, and private money, property, or assistance for use in providing the timely delivery of emergency services;

(6) enter into contracts to carry out the provisions of this section;

(7) employ personnel necessary to carry out the provisions of this section.

(d) In this section

(1) "emergency services" means services provided by law enforcement agencies, fire departments, ambulance services, and other organizations that are intended to respond to emergency situations of imminent danger to life or property;

(2) "state agency" means a department, division, or office in the executive branch of state government.

ARTICLE 2. MANDATORY AREAWIDE POWERS.

Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall exercise the powers as specified and in the manner specified in AS 29.35.150 - 29.35.180 on an areawide basis.

(b) A city may not exercise an areawide power once that power is being exercised by a borough. This subsection applies to home rule and general law municipalities.

Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.-14.060. A military reservation in a borough is not part of the borough school district until the military mission is terminated or until inclusion in the borough school district is approved by the Department of Education. However, operation of the military reservation schools by the borough school district may be required by the Department of Education under AS 14.14.110. If the military mission of a military reservation terminates or continued management and control by a regional educational attendance area is disapproved by the Department of

Education, operation, management, and control of schools on the military reservation transfers to the borough school district in which the military reservation is located.

(b) This section applies to home rule and general law municipalities.

Sec. 29.35.170. ASSESSMENT AND COLLECTION OF TAXES. (a) A borough shall assess and collect property, sales, and use taxes that are levied in its boundaries, subject to AS 29.45.

(b) Taxes levied by a city shall be collected by a borough and returned in full to the levying city. This subsection applies to home rule and general law municipalities.

Sec. 29.35.180. LAND USE REGULATION. (a) A first or second class borough shall provide for planning, platting, and land use regulation in accordance with AS 29.40.

(b) A home rule borough shall provide for planning, platting, and land use regulation.

ARTICLE 3. ADDITIONAL POWERS.

Sec. 29.35.200. FIRST CLASS BOROUGH POWERS. (a) A first class borough may exercise by ordinance on a nonareawide basis any power not otherwise prohibited by law.

(b) A first class borough may by ordinance exercise the following powers on an areawide basis:

(1) provide transportation systems;

(2) provide water pollution control;

(3) provide air pollution control in accordance with AS 46.03.140 - 46.03.240;

(4) license day care facilities;

(5) license, impound, and dispose of animals.

(c) In addition to powers conferred by (b) of this section, a

first class borough may, on an areawide basis, exercise a power not otherwise prohibited by law if the power has been acquired in accordance with AS 29.35.300.

Sec. 29.35.210. SECOND CLASS BOROUGH POWERS. (a) A second class borough may by ordinance exercise the following powers on a nonareawide basis:

(1) provide transportation systems;

(2) regulate the offering for sale, exposure for sale, sale, use or explosion of fireworks;

(3) license, impound, and dispose of animals;

(4) provide garbage, solid waste, and septic waste collection and disposal;

(5) provide air pollution control in accordance with AS 46.03.140 - 46.03.240;

(6) provide water pollution control;

(7) participate in federal or state loan programs for housing rehabilitation and improvement for energy conservation;

(8) provide for economic development;

(9) provide for the acquisition and construction of local service roads and trails under AS 19.30.111 - 19.30.251;

(10) establish an emergency services communications center under AS 29.35.130.

(b) A second class borough may by ordinance exercise the following powers on an areawide basis:

(1) provide transportation systems;

(2) license, impound, and dispose of animals;

(3) provide air pollution control in accordance with AS 46.03.140 - 46.03.240;

(4) provide water pollution control;

(5) license day care facilities.

(c) In addition to powers conferred by (a) of this section, a second class borough may, on a nonareawide basis, exercise a power not otherwise prohibited by law if the exercise of the power has been approved at an election by a majority of voters living in the borough but outside all cities in the borough.

(d) In addition to powers conferred by (b) of this section, a second class borough may, on an areawide basis, exercise a power not otherwise prohibited by law if the power has been acquired in accordance with AS 29.35.300.

Sec. 29.35.220. THIRD CLASS BOROUGH POWERS. (a) A third class borough may borrow money and issue negotiable or nonnegotiable bonds or other evidences of indebtedness as provided by AS 29.47.

(b) Areawide exercise of a power by a third class borough other than education and tax assessment and collection is not authorized.

(c) A third class borough may acquire under AS 29.35.300(b) the power to provide for planning, platting, and land use regulation as provided in AS 29.40 for first and second class boroughs, except the power may only be exercised within a service area.

(d) A third class borough may acquire under AS 29.35.300(b) any power not otherwise prohibited by law, except the power may only be exercised within a service area.

ARTICLE 4. CITY POWERS.

Sec. 29.35.250. CITIES INSIDE BOROUGHS. (a) A city inside a borough may exercise any power not otherwise prohibited by law.

(b) On adoption of a borough ordinance to provide for areawide exercise of a power, no city may exercise the power unless the borough ordinance provides otherwise or the borough by ordinance ceases to exercise the power.

(c) A home rule city in a third class borough shall provide for planning, platting, and land use regulation as provided by AS 29.35.-180(b) for home rule boroughs. A first class city in a third class borough shall provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs. A second class city in a third class borough may provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs.

(d) This section applies to home rule and general law cities.

Sec. 29.35.260. CITIES OUTSIDE BOROUGHS. (a) A city outside a borough may exercise a power not otherwise prohibited by law. A provision that is incorporated by reference to laws governing boroughs applies to home rule cities outside boroughs only if the provision is made applicable to home rule boroughs.

(b) A home rule or first class city outside a borough is a city school district and shall establish, operate, and maintain a system of public schools as provided by AS 29.35.160 for boroughs. A second class city outside a borough is not a school district and may not establish a system of public schools.

(c) A home rule city outside a borough shall provide for planning, platting, and land use regulation as provided by AS 29.35.180(b) for home rule boroughs. A first class city outside a borough shall, and a second class city outside a borough may, provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs.

(d) This section applies to home rule and general law cities.

ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

Sec. 29.35.300. ADDITIONAL POWERS. (a) A first class borough acquires an additional areawide power by transfer of the power by a

city or by holding an areawide election on the question.

(b) A second class borough acquires an additional power by transfer of the power by a city or by holding an election on the question. For acquisition of an areawide power, the election shall be held areawide. For acquisition of a nonareawide power, the election shall be held nonareawide.

(c) A third class borough acquires an additional power to exercise in a service area in accordance with AS 29.35.490(b) and (c).

Sec. 29.35.310. TRANSFER BY CITY. (a) A city in a first or second class borough may transfer to the borough in which it is located any of its powers or functions, subject to the approval of the assembly.

(b) A first or second class borough shall exercise all powers transferred to it by a city.

Sec. 29.35.320. INITIATION OF ACQUISITION OF POWER. (a) An election on the question of adding an areawide power in a first class borough or of adding an areawide or nonareawide power in a second class borough may be initiated in two ways:

(1) a number of voters equal to 15 percent of the number of votes cast at the preceding regular election in the area, either areawide or nonareawide, in which the election is to be held may file a petition with the borough clerk; or

(2) the assembly may propose the acquisition of the power.

(b) An election on the question of adding a power in a third class borough for exercise in service areas may be initiated in tw ways:

(1) a number of voters equal to 15 percent of the number of votes cast at the preceding regular election in a proposed service area in which the power is sought to be exercised may file a petition

with the assembly; or

(2) the assembly may propose the acquisition of the power.

(c) The borough clerk shall certify whether a petition filed under (a) or (b) of this section contains the required number of signatures.

(d) Within 30 days after a petition is certified as containing the required number of signatures or the assembly proposes the acquisition of a power, at least one public hearing shall be held in the borough on the question. The assembly shall then evaluate the ability of the borough to exercise the power and make its findings public. Within 60 days after its findings have been made public, the assembly shall order an election on the question.

Sec. 29.35.330. ELECTION. (a) If more than one power is proposed for acquisition under AS 29.35.320, each shall appear separately on the ballot.

(b) A vote on the question of adding an areawide power in a first or second class borough shall be tabulated in two separate classifications. One shall consist of all votes cast in all cities located in the borough. The other shall consist of all votes cast in the borough area outside all cities. If the majority of the votes cast in each classification is favorable, the borough shall assume the added power within 30 days after certification of the election results.

(c) If a majority of the votes cast on the question of adding a nonareawide power in a first or second class borough or a power to be exercised in service areas in a third class borough is favorable, the borough shall assume the added power within 30 days after certification of the election results.

(d) The borough mayor shall certify the election results to the

department.

Sec. 29.35.340. EFFECT OF ACQUIRING AN AREAWIDE POWER. (a) On acquisition of an areawide power the first or second class borough succeeds to all of the rights, powers, and duties of any city or service area with respect to that power. The borough succeeds to claims, franchises, and other contractual obligations, liability for bonded and all other indebtedness, and to all of the right, title, and interest in the real and personal property held by a city or service area for the exercise of the power.

(b) The assembly may levy and collect special charges, taxes, or assessments including interest for the purpose of amortizing bonded indebtedness previously incurred by a city or service area for exercising an areawide power acquired by the borough. When a city or service area had previously incurred bonded indebtedness, all property that was in the city or service area at the time the bonds were issued remains subject to taxation to pay the principal of and interest on the bonds.

(c) On acquisition of an additional areawide power the first or second class borough, in consultation with the city or service area personnel, shall arrange for an orderly and equitable transfer of rights, assets, liabilities, powers, duties, and other matters related to acquisition of the areawide powers.

(d) This section applies to home rule and general law cities.

ARTICLE 6. CONSTRUCTION OF POWERS.

Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction shall be given to all powers and functions of a municipality conferred in this title.

Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by law, a municipality has and may exercise all powers and functions

necessarily or fairly implied in or incident to the purpose of all powers and functions conferred in this title.

Sec. 29.35.420. ENUMERATION OF POWERS. Specific examples in an enumerated power or function conferred upon a municipality in this title is illustrative of the object and not a limitation on or exclusion from the exercise of the power or function.

ARTICLE 7. SERVICE AREAS.

Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide special services in a borough may be established, operated, altered, or abolished by ordinance. Special services include services not provided on an areawide or nonareawide basis in the borough, or a higher or different level of service than that provided on an areawide or nonareawide basis. The borough may include a city in a service area if

(1) the city agrees by ordinance; or

(2) approval is granted by a majority of voters residing in the city, and by a majority of voters residing inside the boundaries of the proposed service area but outside of the city.

(b) A new service area may not be established if, consistent with the purposes of art. X of the state constitution, the new service can be provided by an existing service area, by annexation to a city, or by incorporation as a city.

Sec. 29.35.460. SERVICE AREA BOARDS. The assembly may provide for an appointed or elected board to supervise the furnishing of special services in a service area.

Sec. 29.35.470. FINANCING. The assembly may levy or authorize the levying of taxes, charges, or assessments in a service area to finance the special services. If the assembly authorizes the levying of taxes, charges, or assessments, the rate of taxation and the

issuance of bonds are subject to assembly approval.

Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHS. In a first class borough, the assembly may exercise in a service area any power granted a first class city by law. The assembly may exercise in a service area any nonareawide power that may be exercised by a first class borough.

Sec. 29.35.490. SERVICE AREAS IN SECOND AND THIRD CLASS BOROUGHS. (a) A second class borough may exercise in a service area any power granted a first class city by law or a nonareawide power that may be exercised by a first class borough if

(1) the exercise of the power is approved by a majority of the voters residing in the service area; or

(2) all owners of real property in the service area consent in writing to the exercise of the power if no voters reside in the service area.

(b) If the exercise of the power is approved by a majority of the voters residing in the service area, a third class borough may exercise in a service area any power that may be acquired by a second class borough under AS 29.35.300(b).

(c) A second or third class borough may establish a service area that includes only vacant, unappropriated, and unreserved land owned by the borough. A second or third class borough may establish a service area, with the concurrence of the commissioner of natural resources, that includes only vacant, unappropriated, and unreserved land owned by the state and classified for disposal to individuals. By ordinance a second or third class borough may provide the services in a service area established under this subsection necessary to develop state or municipal land as required by the planning, platting, and land use regulations of the borough.

ARTICLE 8. MISCELLANEOUS PROVISIONS.

Sec. 29.35.700. DEFINITION. In AS 29.35.200 - 29.35.340 "power" means the provision of a public facility or service, or the exercise of a regulatory power.

* Sec. 10. AS 29 is amended by adding a new chapter to read:

CHAPTER 40. PLANNING, PLATTING, AND LAND USE REGULATION.

Sec. 29.40.010. PLANNING, PLATTING, AND LAND USE REGULATION. (a) A first or second class borough shall provide for planning, platting, and land use regulation on an areawide basis.

(b) If a city in a borough consents by ordinance, the assembly may by ordinance delegate any of its powers and duties under this chapter to the city. The assembly may by ordinance, without first obtaining the consent of the city, revoke any power or duty delegated under this section.

Sec. 29.40.020. PLANNING COMMISSION. (a) Each first and second class borough shall establish a planning commission consisting of five residents unless a greater number is required by ordinance. Commission membership shall be apportioned so that the number of members from home rule and first class cities reflects the proportion of borough population residing in home rule and first class cities located in the borough. A member shall be appointed by the borough mayor for a term of three years subject to confirmation by the assembly, except that a member from a home rule or first class city shall be selected from a list of recommendations submitted by the council. Members first appointed shall draw lots for one, two, and three year terms. Appointments to fill vacancies are for the unexpired term. The compensation and expenses of the planning commission and its staff are paid as directed by the assembly.

(b) In addition to the duties prescribed by ordinance, the

planning commission shall

(1) prepare and submit to the assembly a proposed comprehensive plan in accordance with AS 29.40.030 for the systematic and organized development of the borough;

(2) review, recommend, and administer measures necessary to implement the comprehensive plan, including measures provided under AS 29.40.040.

Sec. 29.40.030. COMPREHENSIVE PLAN. (a) The comprehensive plan is a compilation of policy statements, goals, standards, and maps for guiding the physical, social, and economic development, both private and public, of the first or second class borough, and may include, but is not limited to, the following:

(1) statements of policies, goals, and standards;

(2) a land use plan;

(3) a community facilities plan;

(4) a transportation plan; and

(5) recommendations for implementation of the comprehensive plan.

(b) With the recommendations of the planning commission, the assembly shall adopt by ordinance a comprehensive plan. The assembly shall, after receiving the recommendations of the planning commission, periodically undertake an overall review of the comprehensive plan and update the plan as necessary.

Sec. 29.40.040. LAND USE REGULATION. (a) In accordance with a comprehensive plan adopted under AS 29.40.030 and in order to implement the plan, the assembly by ordinance shall adopt or amend provisions governing the use and occupancy of land that may include, but are not limited to,

(1) zoning regulations restricting the use of land and

improvements by geographic districts;

(2) land use permit requirements designed to encourage or discourage specified uses and construction of specified structures, or to minimize unfavorable effects of uses and the construction of structures;

(3) measures to further the goals and objectives of the comprehensive plan.

(b) A variance from a land use regulation adopted under this section may not be granted if

(1) special conditions that require the variance are caused by the person seeking the variance;

(2) the variance will permit a land use in a district in which that use is prohibited; or

(3) the variance is sought solely to relieve pecuniary hardship or inconvenience.

Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By ordinance the assembly shall provide for an appeal from an administrative decision of a municipal employee, board, or commission made in the enforcement, administration, or application of a land use regulation adopted under this chapter. The assembly may provide for an appeal to a court, hearing officer, board of adjustment, or other body. The assembly shall provide for an appeal from a decision on a request for a variance from the terms of a land use regulation when literal enforcement would deprive a property owner of rights commonly enjoyed by other properties in the district.

(b) By ordinance the assembly may provide for appointment of a hearing officer, or for the composition, appointment, and terms of office of a board of adjustment or other body established to hear appeals from administrative actions. The assembly may define proper

parties and prescribe evidentiary rules, standards of review, and remedies available to the hearing officer, board of adjustment, or other body.

Sec. 29.40.060. JUDICIAL REVIEW. (a) The assembly shall provide by ordinance for an appeal by a municipal officer or person aggrieved from a decision of a hearing officer, board of adjustment, or other body to the superior court.

(b) An appeal to the superior court under this section is an administrative appeal heard solely on the record established by the hearing officer, board of adjustment, or other body.

Sec. 29.40.070. PLATTING REGULATION. By ordinance the assembly shall adopt platting requirements that may include, but are not limited to, the control of

(1) form, size, and other aspects of subdivision, dedications, and vacations of land;

(2) dimensions and design of lots;

(3) street width, arrangement, and rights-of-way, including requirements for public access to lots and installation of street paving, curbs, gutters, sidewalks, sewers, water lines, drainage and other public utility facilities and improvements;

(4) dedication of streets, rights-of-way, public utility easements and areas considered necessary by the platting authority for other public uses.

Sec. 29.40.080. PLATTING AUTHORITY. (a) The assembly by ordinance shall establish a platting authority to administer subdivision regulations and to perform other duties as required by the assembly. The platting authority may consist of members of the planning commission or of other municipal residents.

(b) The assembly may by ordinance provide for an administrative

official to act as the platting authority with regard to abbreviated plats.

Sec. 29.40.090. ABBREVIATED PLATS AND WAIVERS. (a) Notwithstanding other provisions of this chapter, the assembly shall by ordinance establish an abbreviated plat procedure for a plat that will

(1) subdivide a single lot into not more than four lots;

(2) provide legal and physical access to a public highway or street for each lot created by the subdivision;

(3) not contain or require a dedication of a street, right-of-way, or other area;

(4) not require a vacation of a public dedication of land or a variance from a subdivision regulation.

(b) The platting authority shall waive the preparation, submission for approval, and recording of a plat on satisfactory evidence that the subdivision meets the requirements of (a) of this section and each lot created by the subdivision is five acres or larger.

Sec. 29.40.100. INFORMATION REQUIRED. A plat shall show

(1) initial point of survey;

(2) original or reestablished corners and their descriptions;

(3) actual traverse showing area of closure and all distances, angles, and calculations required to determine initial point, corners, and distances of the plat; and

(4) other information that may be required by ordinance.

Sec. 29.40.110. PLAT PROCEDURE. (a) The platting authority shall approve or disapprove a plat within 60 days after it is filed, or shall return it to the applicant for modification or correction. Unless the applicant for plat approval consents to an extension of time, the plat is considered approved and a certificate of approval

shall be issued by the platting authority on demand if the platting authority fails to act within 60 days.

(b) The platting authority shall state in writing its reasons for disapproval of a plat. If the platting authority approves a plat, the plat shall be acknowledged and filed in accordance with AS 40.15.-010 - 40.15.020.

Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat may not be altered or replatted except by the platting authority on petition of the state, the borough, a public utility, or the owners of a majority of the land affected by the alteration or replat. A platted street may not be vacated, except on petition of the state, the borough, a public utility, or owners of a majority of the land fronting the part of the street sought to be vacated. The petition shall be filed with the platting authority and shall be accompanied by a copy of the existing plat showing the proposed alteration or replat.

Sec. 29.40.130. NOTICE OF HEARING. The platting authority shall fix a time for a hearing on an alteration or replat petition that may not be more than 60 days after the petition is filed. Notice shall be published by the platting authority stating when and by whom the petition was filed, its purpose, and the time and place of the hearing. The notice shall generally describe the alteration or replat sought. The platting authority shall also mail a copy of the notice to each affected property owner who did not sign the petition.

Sec. 29.40.140. HEARING AND DETERMINATION. (a) The platting authority shall consider the alteration or replat petition at a hearing and make its decision on the merits of the proposal.

(b) Vacation of a city street may not be made without the consent of the council. Vacation of a street in the borough area outside all cities may not be made without the consent of the assembly. The

governing body shall have 30 days from the decision of the platting authority in which to veto a vacation of a street. If no veto is received by the platting authority within the 30-day period, consent is considered to have been given to the vacation.

Sec. 29.40.150. RECORDING. If the alteration or replat is approved, the revised plat shall be acknowledged and filed in accordance with AS 40.15.010 - 40.15.020.

Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the street or other public area vacated on a plat attaches to the lot or lands bordering the area in equal proportions, except that if the area was originally dedicated by different persons, original boundary lines shall be adhered to so that the street area that lies on one side of the boundary line shall attach to the abutting property on that side, and the street area that lies on the other side of the boundary line shall attach to the property on that side. The portion of a vacated street that lies inside the limits of a platted addition attaches to the lots of the platted addition bordering on the area. If a public square is vacated, the title to it vests in a city if it lies inside the city, and in the borough if it lies inside the borough but outside all cities. If the property vacated is a lot, title vests in the rightful owner.

(b) If the municipality acquired the street or other public area vacated for legal consideration or by express dedication to the municipality other than as a subdivision platting requirement, before the final act of vacation the fair market value of the street or public area shall be deposited with the platting authority to be paid to the municipality on final vacation.

(c) The provisions of (a) and (b) of this section apply to home rule and general law municipalities.

(d) The council of a second class city located outside a borough may vacate streets, alleys, crossings, sidewalks, or other public ways that may have been previously dedicated or established when the council finds that the streets, alleys, crossings, sidewalks, or other public ways are no longer necessary for the public welfare, or when the public welfare will be enhanced by the vacation. If the council determines that all or a portion of the area vacated under this subsection should be devoted to another public purpose, title to the area vacated and held for another public purpose does not vest as provided in (a) of this section but remains in the city.

Sec. 29.40.170. DELEGATIONS. The planning commission and the platting authority may, as authorized by ordinance, delegate powers to hear and decide cases under this chapter, including, but not limited to, delegations to

(1) one or more members of the planning commission or platting authority;

(2) other boards or commissions;

(3) a hearing officer designated by the planning commission or platting authority.

Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of land located in a subdivision to transfer, sell, offer to sell, or enter into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and filed in accordance with this chapter. It is unlawful for a person to file a plat or other document depicting subdivided land in a public recorder's office unless the plat or document has been approved by the platting authority. A person convicted of violating a provision of this chapter, a subdivision regulation adopted under this chapter, or a term, condition, or limitation imposed by a platting authority in the exercise of

its powers under this chapter is guilty of a class B misdemeanor.

Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved person may institute a civil action against a person who violates a provision of this chapter, a subdivision regulation adopted under this chapter, or a term, condition, or limitation imposed by a platting authority. In addition to other relief, a civil penalty not to exceed $1,000 may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy. Upon application for injunctive relief and a finding of a violation or threatened violation, the superior court shall grant the injunction.

(b) Each day that an unlawful act or condition continues constitutes a separate violation.

Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivision requirements adopted under this chapter apply to a subdivision plat of undeveloped state land for disposal under AS 38.05 or AS 38.08 filed with the platting authority. The platting authority may not disapprove the subdivision plat on the basis of requirements for capital improvements on or to state land included in the subdivision plat. Subdivision ordinances and regulations adopted after the platting authority is notified by the commissioner of natural resources of a proposed sale of subdivided state land under AS 38.05 or AS 38.08 do not apply to the state land in the proposed sale.

(b) The platting authority must approve and sign a subdivision plat of state land within 60 days after its receipt from the commissioner of natural resources unless the platting authority

(1) determines that the plat does not comply with subdivision requirements other than those requiring capital improvements to state land; and

(2) notifies the commissioner of each determination of non-compliance within the 60-day period established in this subsection.

(c) The commissioner of natural resources may withdraw the subdivision plat and amend it in response to the determination of non-compliance by the platting authority under (b) of this section. The platting authority shall respond within 30 days to the amendment or response from the commissioner of natural resources.

(d) Notwithstanding any other provision of law, the provisions of this section apply to all disposals of land under AS 38.05 or AS 38.08.

(e) Nothing in this section relieves the Department of Natural Resources of its obligation to provide legal access to a subdivision.

(f) As used in this section, "capital improvements" includes but is not limited to access roads, other physical improvements, and their design and engineering.

(g) This section applies to home rule and general law municipalities.

* Sec. 11. AS 29 is amended by adding a new chapter to read:

CHAPTER 45. MUNICIPAL TAXATION.

ARTICLE 1. MUNICIPAL PROPERTY TAX.

Sec. 29.45.010. PROPERTY TAX. (a) A unified municipality may levy a property tax. A borough may levy

(1) an areawide property tax for areawide functions;

(2) a nonareawide property tax for functions limited to the area outside cities;

(3) a property tax in a service area for functions limited to the service area.

(b) A home rule or first class city may levy a property tax subject to AS 29.45.550 - 29.45.560. A second class city may levy a

property tax subject to AS 29.45.590.

(c) If a tax is levied on real property or on personal property, the tax must be assessed, levied, and collected as provided in this chapter.

Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies and collects property taxes, the governing body shall provide the following notice:

"NOTICE TO TAXPAYER

For the current fiscal year the (city)(borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE (AS 14.17)	$
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)	$
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE (AS 29.60.010 - 29.60.080)	$
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	$
TOTAL AID	$

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	....MILLS	....MILLS
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT	....MILLS	.. .MILLS

MUNICIPAL TAX RESOURCE EQUALI-
ZATION ASSISTANCE ....MILLS ....MILLS
STATE AID FOR MISCELLANEOUS
MUNICIPAL SERVICES ....MILLS ....MILLS
TOTAL MILLAGE EQUIVALENT ....MILLS ....MILLS"

Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation in the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180. The department shall withhold annual allocations under those sections until municipal officials demonstrate that the requirements of this section have been met.

Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) The following property is exempt from general taxation:

(1) municipal, state, or federally owned property, except that a private leasehold, contract, or other interest in the property is taxable to the extent of the interest;

(2) household furniture of the head of a family or household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization or its auxiliary

composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or interests in real property that are exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully provided in (m) and (n) of this section.

(b) "Property used exclusively for religious purposes" includes the following property owned by a religious organization:

(1) the residence of a bishop, pastor, priest, rabbi, minister, or religious order of a recognized religious organization;

(2) a structure, its furniture, and its fixtures used solely for public worship, charitable purposes, religious administrative offices, religious education, or a nonprofit hospital;

(3) lots required by local ordinance for parking near a structure defined in (2) of this subsection.

(c) Property described in (a)(3) or (4) or (b) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital, or educational groups. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.

(d) Laws exempting certain property from execution under the Code of Civil Procedure (AS 09) do not exempt the property from taxes levied and collected by municipalities.

(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. Real property may not be exempted under this subsection that 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 and 44.62.570.

(f) An exemption may not be granted under (e) of this section 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, or a date provided by ordinance that is not later than March 31, of the assessment year for which the exemption is sought. The governing body of the municipality for good cause shown may waive during a year the claimant's failure to make timely application for 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, the assessor shall allow an exemption in accordance with the provisions of this section. If a failure to file by January 15, or a date provided by ordinance that is not later than March 31, of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax that the claimant has already paid for the assessment year for the property exempted shall be refunded to the claimant. The assessor may at any time require proof in the form the assessor considers necessary of the right and amount of an exemption claimed under (e) of this section.

(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 municipality for revenue lost to it only to the extent that the loss exceeds an exemption that was granted by the municipality, or that on proper application by an individual would have been granted under AS 29.45.050(a).

(h) Except as provided in (g) of this section, nothing in (e) - (j) of this section affects similar exemptions from property taxes granted by a municipality on September 10, 1972, or prevents a municipality from granting similar exemptions by ordinance as provided in AS 29.45.050.

(i) In (e) - (i) of this section "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. An exemption may be granted under this subsection only upon written application on a form prescribed by the Department of Public Safety. The state shall reimburse a municipality for tax revenues lost to it because of the exemption required by this subsection. Reimbursement to a municipality equals the amount of registration tax authorized under AS 28.10.431(b) for each vehicle exempted under this subsection.

(k) The department shall adopt regulations to implement the provisions of (g) and (j) of this section.

(l) Two percent of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 19.70.081, in operating condition, and 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 the fire protection system is a fixture of the structure on January 1, 1981; or

(2) an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981.

(m) The tax exemption required by 43 U.S.C. 1620(d), as amended, shall be implemented according to the following conditions and interpretations:

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful or productive present use without further substantial modification; surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the condition described in this paragraph, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of

exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(n) If the property or interest in the property reverts to an undeveloped state, or if the lease is terminated, the exemption shall be reinstated, subject to the provisions of (m) of this section.

Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the department.

(b) For purposes of determining payments to eligible persons, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax

equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment.

Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this section may not exceed the assessed value of $10,000 for any one residence.

(b) A municipality may by ordinance

(1) classify boats and vessels for the purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage;

(2) classify and exempt from taxation

(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;

(B) historic sites, buildings, and monuments;

(C) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c);

(3) exempt personal property from taxation.

(c) The provisions of (a) of this section notwithstanding,

(1) a borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city in the borough, including but not limited to, excluding personal

property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city has the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes if

(A) the exemptions or exclusions have been adopted as to city taxes; and

(B) the city appropriates to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly;

(3) a city in a borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax that have been granted by a home rule municipality in addition to exemptions authorized or required by law, and that are in effect on September 10, 1972, and not later withdrawn, are not affected by this chapter.

(e) A municipality may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property, so that the property owner is compensated at a rate that does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or

part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land, or new maintenance, repair, or renovation of an existing structure, and if the alteration, maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed, or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or part of the increase in assessed value of improvements to a single-family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed, or from the date of approval of an application for the exemption by the local assessor, whichever is later.

Sec. 29.45.060. FARM OR AGRICULTURAL LAND AND GREENHOUSES. (a) Farm use land included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use and may not be assessed as if subdivided or used for some other nonfarm purpose. A farm use greenhouse, whether classified as real or personal property for municipal tax purposes, shall be assessed on the basis of full and true value for farm use. The assessor shall maintain records valuing the land or greenhouse for

both full and true value and farm use value. If the land or greenhouse is sold, leased, or otherwise disposed of for uses incompatible with farm use or converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years, as though the land or greenhouse had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the municipality.

(b) An owner of farm use land or a farm use greenhouse must, to secure the assessment under this section, apply to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that may reasonably be required to determine the entitlement of the applicant. If the land or greenhouse is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land or a greenhouse for profit for raising and harvesting crops or ornamental plants, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land. To be a farm use greenhouse, the owner or lessee must derive at least 10 percent of yearly gross income from the

greenhouse or from the greenhouse together with other commercial greenhouses or farm use land. This section does not apply to land for which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land or greenhouse and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the land or greenhouse. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the property tax revenues lost to it by the operation of this section.

Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house trailers, trailer coaches and similar property used or intended to be used for residential, office, or commercial purposes and attached to the land or connected to water, gas, electric, or sewage facilities are classified as real property for tax purposes unless expressly classified as personal property by ordinance. This section does not apply to house trailers and mobile homes that are unoccupied and held for sale by persons engaged in the business of selling mobile homes.

Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROPERTY. (a) A municipality may levy and collect taxes on property taxable under AS 43.56 only by using one of the methods set out in (b)

or (c) of this section.

(b) A municipality may levy and collect a tax on the full and true value of property taxable under this chapter and under AS 43.56 as valued by the Department of Revenue at a rate not to exceed that which produces an amount of revenue from the total municipal property tax equivalent to $1,500 a year for each person residing in its boundaries.

(c) A municipality may l y and collect a tax on the full and true value of that portion of property taxable under this chapter and under AS 43.56 as assessed by the Department of Revenue which value, when combined with the value of property otherwise taxable by the municipality, does not exceed the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality. For purposes of this subsection, the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

(d) By February 1 of each assessment year a taxing municipality must inform the Department of Revenue which method of taxation the municipality will use.

(e) For purposes of this section, population shall be determined by the commissioner based on the latest statistics of the United States Bureau of the Census or on other reliable population data, and the commissioner shall advise each municipality of its population by January 15 of each year.

Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not, during a year, levy and tax for any purpose in excess of three percent of the assessed value of property in the municipality. All property on which a tax is levied shall be taxed at the same rate during the

year.

(b) A municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may not levy taxes

(1) that will result in tax revenues from all sources exceeding $1,500 a year for each person residing within the municipal boundaries; or

(2) upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality.

(c) The commissioner shall apportion the lawful levy and equitably divide the tax revenues on the basis of need, services performed, and other considerations in the public interest if two or more municipalities occupying the same geographical area, in whole or in part, attempt to levy a tax

(1) the combined levy of which would result in tax revenues from all sources exceeding $1,500 a year for each person residing within the municipal boundaries; or

(2) upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality.

(d) For the purpose of (b) and (c) of this section, population shall be determined by the commissioner based on the latest statistics of the United States Bureau of the Census or on other reliable population data. For purposes of (b) and (c) of this section, the average per capita assessed full and true value of property in the state shall

be calculated without regard to the assessed value of taxable property under AS 43.58.

Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The limitations provided for in AS 29.45.080 - 29.45.090 do not apply to taxes levied or pledged to pay or secure the payment of the principal and interest on bonds. Taxes to pay or secure the payment of principal and interest on bonds may be levied without limitation as to rate or amount, regardless of whether the bonds are in default or in danger of default.

Sec. 29.45.110. FULL AND TRUE VALUE. (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, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that 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.

(b) Assessment of business inventories may be based on the average monthly method of assessment rather than the value existing on January 1. The method used to assess business inventories shall be prescribed by the governing body.

(c) In the case of cessation of business during the tax year, the municipality may provide for reassessment of business inventories using the average monthly method of assessment for the tax year rather than the value existing on January 1 of the tax year, and for reduction and refund of taxes. In enacting an ordinance authorized by this section, the municipality may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.

Sec. 29.45.120. RETURNS. (a) The municipality may require each person having ownership or control of or an interest in property to submit a return in the form prescribed by the assessor, based on property values existing on January 1, except as otherwise provided in this chapter.

(b) The assessor may, by written notice, require a person to provide additional information within 30 days.

Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is not bound to accept a return as correct. The assessor may make an independent investigation of property returned or of taxable property on which no return has been filed. In either case, the assessor may make the assessor's own valuation of the taxable property and this valuation is prima facie evidence of the value of the property.

(b) For investigation, the assessor or the assessor's agent may enter a premise during reasonable hours and may examine property on the premise. The assessor or the assessor's agent may examine all property records involved. A person shall, on request, furnish to the assessor or the assessor's agent every facility and assistance for the investigation. The assessor may seek a court order to compel entry and production of records needed for assessment purposes.

(c) An assessor may examine a person on oath. On request, the person shall submit to examination at a reasonable time and place selected by the assessor.

Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to file a statement required by ordinance or who knowingly makes a false affidavit to a statement required by a tax ordinance relative to the amount, location, kind or value of property subject to taxation with intent to evade the taxation, is guilty of a class B misdemeanor.

Sec. 29.45.150. REEVALUATION. A systematic reevaluation of

taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the municipality directing a systematic reevaluation of all taxable property in the municipality over the shortest period of time practicable, as fixed in the resolution or act.

Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall prepare an annual assessment roll. The roll shall contain

(1) a description of all taxable property;

(2) the assessed value of all taxable property;

(3) the names and addresses of persons with property subject to assessment and taxation.

(b) The assessor may list real property by any description that may be made certain. Real property is assessed to the record owner. The district recorder shall at least monthly provide the assessor a copy of each recorded change of ownership showing the name and mailing address of the owner and the name and mailing address of the person recording the change of ownership. Other persons having an interest in the property may be listed on the assessment records with the owner. The person in whose name property is listed as owner is conclusively presumed to be the legal record owner. If the property owner is unknown, the property may be assessed to "unknown owner". An assessment is not invalidated by a mistake, omission, or error in the name of the owner, if the property is correctly described.

Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give each person named in the assessment roll a notice of assessment, showing the assessed value of the person's property. On each notice is printed a brief summary of the dates when taxes are payable,

delinquent and subject to penalty and interest, and the dates when the board of equalization will sit.

(b) Sufficient assessment notice is given if mailed by first class mail 30 days before the equalization hearings. If the address is not known to the assessor, the notice may be addressed to the person at the post office nearest the property. Notice is effective on the date of mailing.

Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assessment notice shall advise the assessor of errors or omissions in the assessment of the person's property. The assessor may correct errors or omissions in the roll before the board of equalization hearing.

(b) If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing 30 days for appeal to the board of equalization.

Sec. 29.45.190. APPEAL. (a) A person whose name appears on the assessment roll or the agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.

(b) The appellant shall, within 30 days after the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that the board of equalization may require. Otherwise, the right of appeal ceases unless the board of equalization finds that the taxpayer was unable to comply.

(c) The assessor shall notify an appellant by mail of the time and place of hearing.

(d) The assessor shall prepare for use by the board of equalization a summary of assessment data relating to each assessment that is appealed.

(e) A city in a borough may appeal an assessment to the borough

board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city.

Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body sits as a board of equalization for the purpose of hearing an appeal from a determination of the assessor, or it may delegate this authority to one or more boards appointed by it. An appointed board may be composed of not less than three persons, who may be members of the governing body, municipal residents, or a combination of members of the governing body and residents. The governing body shall by ordinance establish the qualifications for membership.

(b) The board of equalization is governed in its proceedings by rules adopted by ordinance that are consistent with general rules of administrative procedure. The board may alter an assessment of a lot only pursuant to an appeal filed as to the particular lot.

(c) Notwithstanding other provisions in this section, a determination of the assessor as to whether property is taxable under law may be appealed directly to the superior court.

Sec. 29.45.210. HEARING. (a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.

(b) The appellant bears the burden of proof. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal or proven at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.

(c) The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments,

the assessor shall enter the changes and certify the final assessment roll by June 1.

(d) An appellant or the assessor may appeal a determination of the board of equalization to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established at the hearing before the board of equalization.

Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor shall include property omitted from the assessment roll on a supplementary roll, using the procedures set out in this chapter for the original roll.

Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL DISASTER. (a) The municipality may provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a natural disaster.

(b) An assessment or reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that losses exceed $1,000. A reduction of taxes may be made only on losses in excess of $1,000 for the remainder of the year following the disaster. On reassessment, the municipality shall recompute this tax and refund taxes that have already been paid.

(c) The municipality shall give notice of assessment or reassessment under this section and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal must be filed with the board of equalization within 10 days after notice of assessment or reassessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.

(d) In enacting an ordinance or resolution authorized by this

section the municipality may, consistent with this section, prescribe procedures, restrictions, and conditions of assessing or reassessing property and of remitting, refunding, or forgiving taxes.

(e) In this section "disaster" means a major disaster declared by the President of the United States under the provisions of the Federal Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or other federal law, or a disaster declared by the governor under AS 26.23.010 - 26.23.110.

Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a municipality to assess, levy, and collect a property tax shall be exercised by means of an ordinance. The rate of levy, the date of equalization, and the date when taxes become delinquent shall be fixed by resolution.

(b) A municipality shall annually determine the rate of levy before June 15. By July 1 the tax collector shall mail tax statements setting out the levy, dates when taxes are payable and delinquent, and penalties and interest.

Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty not to exceed 20 percent of the tax due may be added to all delinquent taxes, and interest not to exceed 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. A municipality may impose a penalty not to exceed 20 percent of the tax due upon the late return of personal property assessment forms. A penalty under this section may be imposed according to a formula that increases the amount of the penalty as the length of time increases during which payment is delinquent or assessment forms are not returned.

(b) If a taxpayer is given the right to pay the tax in two installments, penalty and interest on an unpaid installment accrues from

the date the installment becomes due.

ARTICLE 2. ENFORCEMENT OF TAX LIENS.

Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are valid and binding on all persons, notwithstanding a defect, error, omission, or invalidity in the assessment rolls or proceedings pertaining to the assessment roll.

Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed personal property is personally liable for the amount of taxes assessed against the property. The tax, together with penalty and interest, may be collected in a personal action brought in the name of the municipality.

(b) Property taxes, together with penalty and interest, are a lien upon the property assessed, and the lien is prior and paramount to all other liens or encumbrances against the property.

Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE. (a) A lien for personal property taxes may be enforced by distraint and sale of the property. The municipality shall provide the procedure for distraint and sale by ordinance. A seizure, levy, or distraint is not legal unless demand is first made of the person assessed for the amount of the tax, penalty, and interest, and a sale is not valid unless made at public auction no sooner than 15 days after notice is published. The seizure is made by virtue of a warrant issued by the municipal clerk to a peace officer.

(b) If the personal property sold is not sufficient to satisfy the tax, penalty, and interest, and costs of sale, the warrant may authorize the seizure of other personal property sufficient to satisfy the tax, penalty, interest, and costs of sale. If the property is sold for more money than is needed to satisfy the tax, the municipality shall remit the excess to the former record owner upon

presentation of a proper claim. A claim for the excess filed after six months of the date of sale is forever barred.

Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The municipality shall enforce delinquent real property tax liens by annual foreclosure, unless otherwise provided by ordinance.

(b) If the tax on property described in AS 29.45.070 or on a taxable interest in tax-exempt property is not paid when due, a municipality may enforce the tax by a personal action against the delinquent taxpayer brought in the district or superior court, in addition to other remedies available to enforce the lien.

Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall

(1) annually present a petition for judgment and a certified copy of the foreclosure list for the previous year's delinquent taxes in the superior court for judgment;

(2) publish the foreclosure list for four consecutive weeks in a newspaper of general circulation distributed in the municipality or, if there is no newspaper of general circulation distributed in the municipality, post the list at three public places for at least 30 days;

(3) within 10 days after the first publication or posting, mail to the last known owner of each property as the owner's name and address appear on the list a notice advising of the foreclosure proceeding in which a petition for judgment of foreclosure has been filed and describing the property and the amount due as stated on the list.

(b) The list shall be arranged in alphabetical order as to the last name and shall include

(1) the last known owner;

(2) the property description as stated on the assessment roll;

(3) years and amounts of delinquency;

(4) penalty and interest due;

(5) a statement that the list is available for public inspection at the clerk's office;

(6) a statement that the list has been presented to the superior court with a petition for judgment and decree.

(c) Completion of the requirements of (a) of this section constitutes and has the same force and effect as the filing of an individual and separate complaint and service of summons to foreclose a lien against each property described on the foreclosure list.

Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication or posting of the foreclosure list and up to the time of transfer to the municipality a person may pay the taxes, together with the penalty, interest, and costs. The collector shall note payment on the foreclosure list.

Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or other lien on real property may request the clerk to send by certified mail notice of a foreclosure list that includes the real property.

Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring one general foreclosure proceeding in rem against the properties included in the foreclosure list. If the owner is unknown, the property is proceeded against as belonging to "unknown owner".

Sec. 29.45.370. ANSWER AND OBJECTION. A person having an interest in a lot on the foreclosure list may file an answer within 30 days of the date of last publication, specifying the person's objection. The court shall make its decision in summary proceedings. The foreclosure list is prima facie evidence that the assessment and levy of the tax is valid and that the tax is unpaid.

Sec. 29.45.380. JUDGMENT. The court shall in a proper case give

judgment and decree that the tax liens be foreclosed. It is a several judgment against each lot and a lien on each lot.

Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties are transferred to the municipality for the lien amount. When answers are filed the court may enter judgment against and order the transfer to the municipality of all other properties on the list pending determination of the matters in controversy. The court shall hear and determine the issues raised by the complaint and answers in the same manner and under the same rules as it hears and determines other actions.

(b) The court clerk shall deliver a certified copy of the judgment and decree to the municipal clerk. The certified judgment and decree constitutes a transfer to the municipality.

(c) The judgment and decree stops objections to it that could have been presented before judgment and decree. Appeal from a judgment and decree of foreclosure, or from a final order in the proceeding, may be taken in the manner provided for appeals in civil actions.

Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to the municipality are held by the municipality for at least one year. During the redemption period a party having an interest in the property may redeem it by paying the lien amount plus penalties, interest, and costs, including all costs incurred under AS 29.45.440(a). Property redeemed is subject to all accrued taxes, assessments, liens, and claims as though it had continued in private ownership. Only the amount applicable under the judgment and decree must be paid in order to redeem the property.

Sec. 29.45.410. EFFECT. Receipt of redemption money by the municipality releases the judgment obtained under AS 29.45.380. The clerk or the clerk's designee shall record the redemption and issue a

certificate containing a property description, the redemption amount, and the dates of judgment and decree of foreclosure. The clerk or the clerk's designee shall collect the recording fee at the time of redemption and shall file the certificate with the record as part of the judgment roll.

Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a foreclosure list is removed after payment of delinquencies or redemption by another lienholder, the payment represented by receipt for payment constitutes an additional lien on the property, collectible by the lienholder in the same manner as the original lien.

Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure does not affect the former owner's right to possession during the redemption period. If waste is committed by the former owner or by anyone acting under the permission or control of the former owner, the municipality may declare an immediate forfeiture of the right to possession.

Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the expiration of the redemption period the clerk or the clerk's designee shall publish a redemption period expiration notice. The notice shall contain the date of judgment, the date of expiration of the period of redemption, and a warning that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the municipality immediately on expiration of the period of redemption and that every right or interest of a person in the properties will be forfeited forever to the municipality. The notice appears once a week for four consecutive weeks in a newspaper of general circulation distributed in the municipality. If there is no newspaper of general circulation distributed in the municipality, the notice is posted in three public places for at least four consecutive weeks. The clerk shall send a copy of the

notice by certified mail to each record owner of property against which a judgment of foreclosure has been taken and, if the assessed value of the property is more than $100,000, to all holders of mortgages or other liens of record on the property. The notice shall be mailed within five days after the first publication. The mailing shall be sufficient if mailed to the property owner and to the holder of a mortgage or recorded lien at the last address of record.

(b) The right of redemption expires 30 days after the date of the first notice publication.

(c) Costs incurred in the determination of holders of mortgages and other liens of record and costs of notice publication incurred by a municipality under (a) of this section are a lien on the property and may be recovered by the municipality.

Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property in the area of the borough outside all cities is deeded to the borough by the clerk of the court. Unredeemed property in a city is deeded to the city subject to the payment by the city of unpaid borough taxes and costs of foreclosure levied against the property before foreclosure. The deed shall be recorded in the recording district in which the property is located.

(b) Conveyance gives the municipality clear title, except for prior recorded tax liens of the United States and the state.

(c) If unredeemed property lies in a city and if the city has no immediate public use for the property but the borough does have an immediate public use, the city shall deed the property to the borough. If unredeemed property lies in the borough outside all cities and if the borough does not have an immediate public use for the property but a city does have an immediate public use, the borough shall deed the property to the city.

(d) No deed is invalid for irregularities, omissions, or defects in the proceedings under this chapter unless the former owner has been misled so as to be injured. Two years after the date of the deed, its validity is conclusively presumed and a claim of the former owner or other person having an interest in the property is forever barred.

Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY. (a) The municipality shall determine by ordinance whether foreclosed property deeded to the municipality shall be retained for a public purpose. The ordinance shall contain the legal description of the property, the address or a general description of the property sufficient to provide the public with notice of its location, and the name of the last record owner of the property as the name appears on the assessment rolls.

(b) Tax-foreclosed property conveyed to a municipality by tax foreclosure and not required for a public purpose may be sold. Before the sale of tax-foreclosed property held for a public purpose, the municipality, by ordinance, shall determine that a public need does not exist. The ordinance shall contain the information required under (a) of this section.

(c) The clerk or the clerk's designee shall send a copy of the published notice of hearing of an ordinance to consider a determination required under (a) or (b) of this section by certified mail to the former record owner of the property that is the subject of the ordinance. The notice shall be mailed within five days after its first publication and shall be sufficient if mailed to the last record owner of the property as the name appears on the assessment rolls of the municipality.

(d) The provisions of (c) of this section do not apply with respect to property that has been held by the municipality for a

period of more than 10 years after the close of the redemption period.

Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record owner at the time of tax foreclosure of property acquired by a municipality, or the assigns of that record owner, may, within 10 years and before the sale or contract of sale of the tax-foreclosed property by the municipality, repurchase the property. The municipality shall sell the property for the full amount applicable to the property under the judgment and decree, with interest not to exceed 15 percent a year from the date of entry of the judgment of foreclosure to the date of repurchase, delinquent taxes assessed and levied as though it had continued in private ownership, and costs of foreclosure and sale.

(b) After adoption of an ordinance providing for the retention of tax-foreclosed property by the municipality for a public purpose, the right of the former record owner to repurchase the property ceases.

Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of foreclosed real or personal property the municipality shall divide the proceeds less cost of collection, between the borough and the city having unpaid taxes against the property. The division is in proportion to the respective municipal taxes against the property at the time of foreclosure.

(b) If tax-foreclosed real property that has been held by a municipality for less than 10 years after the close of the redemption period and never designated for a public purpose is sold at a tax-foreclosure sale, the former record owner is entitled to the portion of the proceeds of the sale that exceeds the amount of unpaid taxes, the amount equal to taxes that would have been assessed and levied after foreclosure if the property had continued in private ownership, penalty, interest, and costs to the municipality of foreclosing and

selling the property. If the proceeds of the sale of tax-foreclosed property exceed the total of unpaid and delinquent taxes, penalty, interest, and costs, the municipality shall provide the former owner of the property written notice advising of the amount of the excess and the manner in which a claim for the balance of the proceeds may be submitted. Notice is sufficient under this subsection if mailed to the former record owner at the last address of record of the former record owner. On presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred.

Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a municipality takes title to tax-foreclosed property for a public purpose, the municipality shall satisfy unpaid taxes and assessments against the property held by other municipalities, with accrued interest but without penalty. If the amount required to satisfy the unpaid taxes and assessments exceeds the assessed value of the property, the municipality shall pay the other municipalities the assessed value, which shall be divided between the other municipalities in proportion to their respective taxes and assessments against the property at the time of foreclosure.

Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes under protest, the taxpayer may bring suit in the superior court against the municipality for recovery of the taxes. If judgment for recovery is given against the municipality, or, if in the absence of suit, it becomes obvious to the governing body that judgment for recovery of the taxes would be obtained if legal proceedings were brought, the municipality shall refund the amount of the taxes to the taxpayer with interest at eight percent from the date of payment plus costs.

(b) If, in payment of taxes legally imposed, a remittance by a taxpayer through error or otherwise exceeds the amount due, and the municipality, on audit of the account in question, is satisfied that this is the case, the municipality shall refund the excess to the taxpayer with interest at eight percent from the date of payment. A claim for refund filed one year after the due date of the tax is forever barred.

(c) The governing body may correct manifest clerical errors at anytime.

ARTICLE 3. CITY PROPERTY TAX.

Sec. 29.45.550. CITIES OUTSIDE BOROUGHS. Home rule and first class cities outside boroughs may assess, levy, and collect a property tax. A property tax if levied must be assessed, levied, and collected as provided by AS 29.45.010 - 29.45.500.

Sec. 29.45.560. CITIES INSIDE BOROUGHS. Home rule and first class cities inside boroughs may levy a property tax. A property tax, if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The council shall by June 15 of each year present to the assembly a statement of the city's rate of levy unless a different date is agreed upon by the borough and city.

Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to home rule and general law municipalities.

Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance establish, alter, and abolish differential tax zones to provide and levy property taxes for services not provided generally in the city or a different level of service than that provided generally in the city.

Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS CITIES. A second class city may by referendum levy property taxes as

provided for first class cities. However, levy by a second class city may not exceed one-half of one percent of the assessed value of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest on bonded or other indebtedness that is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments.

Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for second class city incorporation may request that a property tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that incorporation be dependent on the passage of the property tax proposition. If so, the incorporation proposition fails if the property tax fails.

ARTICLE 4. BOROUGH SALES AND USE TAX.

Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and collect a sales tax not exceeding six percent on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) A borough levying a sales tax may also by ordinance levy a use tax on the storage, use, or consumption of tangible personal property in the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only on buyers.

(c) A person who furnishes proof, in the form required by the borough tax collector, that the person has paid a sales tax on the source on which a use tax is levied by the borough is required to pay the use tax only to the extent of the difference between the amount of the sales tax paid and the amount of the use tax levied by the borough. This subsection applies to a sales tax levied in any taxing jurisdiction whether inside or outside the state.

(d) If the assembly charges interest on sales taxes not paid when due, the rate of interest may not exceed 15 percent a year on the delinquent taxes and shall be charged from the due date until paid in full. This subsection applies to home rule and general law municipalities.

(e) A borough may provide for the creation, recording, and notice of a lien on real or personal property to secure the payment of a sales and use tax, and the interest, penalties, and administration costs in the event of delinquency. When recorded, a lien authorized under this section has priority over other liens except those for property taxes and special assessments.

Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the borough levies and collects only a sales tax and use tax, the assembly shall provide a notice substantially in the form set out in AS 29.45.020. In providing notice under this subsection, the assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in AS 29.45.020. Notice shall be provided

(1) by publishing in a newspaper of general circulation in the borough a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the borough's budget; or

(2) if there is no newspaper of general circulation in the borough, by posting a copy of the notice for at least 20 days in at least two public places in the borough, with posting to occur not later than 45 days after the final adoption of the borough's budget.

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 and state aid for miscellaneous

municipal services under AS 29.60.100 - 29.60.180. The department shall withhold annual allocations under those sections until municipal officials demonstrate that the requirements of this section have been met.

Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new sales and use tax or an increase in the rate of levy of a sales tax approved by ordinance does not take effect until ratified by a majority of the voters at an election.

ARTICLE 5. CITY SALES AND USE TAXES.

Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on all sources taxed by the borough in the manner provided for boroughs, except that the assembly may by ordinance authorize a city to levy and collect sales and use taxes on other sources.

(b) A city in a borough that does not levy and collect sales and use taxes for areawide borough functions may levy and collect sales and use taxes in the manner provided for boroughs.

(c) A city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs.

Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for incorporation of a second class city may request that a sales and use tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that incorporation be dependent on the passage of the tax proposition. If so, the incorporation proposition fails if the tax fails.

* Sec. 12. AS 29 is amended by adding a new chapter to read:

CHAPTER 46. SPECIAL ASSESSMENTS.

Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may

assess against the property of a state or federal governmental unit and private real property to be benefited by an improvement all or a portion of the cost of acquiring, installing, or constructing capital improvements. The state shall pay an assessment levied, except as otherwise provided by law and subject to its right of protest under AS 29.46.020(a)(8). If a governmental unit other than the state benefited by an improvement refuses to pay the assessment, it shall be denied the benefit of the improvement. An improvement proposal may be initiated by

(1) petition to the governing body of the owners of one-half in value of the property to be benefited; or

(2) the governing body.

Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe by ordinance the procedures relating to creating special assessment districts, making local improvements, levying and collecting assessments, and financing improvements, including the following:

(1) a procedure for filing petitions;

(2) a survey and report by the mayor concerning the need for, desirable extent of, and estimated cost of each proposed local improvement;

(3) a public hearing on the necessity for the proposed local improvement;

(4) a resolution or ordinance determining to proceed or not to proceed with the proposed local improvement;

(5) a public hearing by the governing body on the special assessment roll for the proposed local improvement;

(6) published notice of each public hearing required by this section and mailing notice to each record owner of real property in the special assessment district;

(7) a resolution or ordinance confirming the special assessment roll for the proposed local improvement.

(b) If protests as to the necessity of a proposed local improvement are made by owners of property that will bear 50 percent or more of the estimated cost of the improvement, the governing body may not proceed with the improvement until the objections have been reduced to less than 50 percent, except on approval of not fewer than three-fourths of the governing body.

(c) To the extent that the municipality does not prescribe a procedure for special assessments as permitted by this section, the municipality shall comply with the special assessment procedures set out in AS 29.46.030 - 29.46.100.

Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement proposal is filed with the municipal clerk and presented to the governing body, the municipality shall find by resolution or ordinance whether (1) the improvement requested is necessary and should be made, and (2) if by petition, the request has sufficient and proper petitioners. The findings under this section are conclusive.

(b) If the municipality approves an improvement proposal, it shall develop a proposed improvement plan including the total cost estimate and the percentage of the cost to be assessed against the benefited property. The improvement plan shall be filed with the municipal clerk.

(c) The governing body shall set a time for public hearing on the improvement plan and the period for filing objections to the plan. The governing body shall publish a notice of the hearing and of the period during which objections may be filed at least once a week for four consecutive weeks in a newspaper of general circulation if distributed in the municipality and shall send notice by mail to every

record owner of property in the special assessment district.

Sec. 29.46.040. RECORD OWNER. The person in whose name property is listed on the municipal property tax roll as owner is conclusively presumed to be the legal owner of record. If the owner is unknown, the assessment roll may designate "unknown owner".

Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an improvement plan may be filed during a period of 60 days after publication of notice. The municipality may by resolution or ordinance approve the plan and order the improvement subject to the limitation of (b) of this section.

(b) If objections are made in writing during the period set for objections by the owners of property bearing 50 percent or more of the estimated total cost of the improvement, the governing body may not proceed with the improvement unless it revises the plan to meet the objections and the objections are reduced to less than 50 percent. A revised plan shall be approved and adopted as an original plan in accordance with AS 29.46.030.

Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after approval of an improvement plan, the governing body shall assess the authorized percentage of the cost against property in the district included in the plan in proportion to the benefit received.

(b) The special assessment roll shall contain property descriptions, names of record owners, and assessment amounts.

(c) The governing body shall fix a time to hear objections to the roll. The municipal clerk shall send an assessment and hearing notice by mail to each record owner of an assessed property not less than 15 days before the hearing.

Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing, the governing body shall correct errors and inequalities in the

roll. If an assessment is increased, a new hearing shall be set and notice published, except that a new hearing and notice is not required if all record owners of property subject to the increased assessment consent in writing to the increase. Objections to the increased assessment shall be limited to record owners of property on which the assessment was increased. When the roll is corrected, it shall be confirmed by resolution or ordinance.

Sec. 29.46.080. PAYMENT. (a) The governing body shall fix times of payment, penalties on delinquent payments, and the rate of interest on the unpaid balance of the assessment. Payment may be in one sum or by installments. If payment is to be in one sum, payment may not be required sooner than 60 days after mailing of the assessment statement. The entire assessment may be prepaid without interest or penalty within 30 days after mailing of the assessment statement, and thereafter the assessment may be prepaid in whole or in part with interest to the payment date.

(b) Within 30 days after fixing the time of payment the municipal clerk shall mail a statement to the record owner of each property assessed. The statement designates the property, the assessment amount, method of payment, rate of interest on the unpaid balance of the assessment, the time of delinquency, and penalties on delinquent payments. Within five days after the statements are mailed, the clerk shall have notice published that the statements have been mailed.

(c) Assessments are liens on the property assessed and are prior and paramount to all liens except municipal tax liens. They may be enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of property tax liens.

Sec. 29.46.090. EXEMPTION. (a) The real property owned and occupied by a resident 65 years of age or over, or the spouse, widow,

widower, or minor heir of the original applicant, on which is located only the permanent abode of the applicant that is a single-family residence, is exempt from (1) special sewer assessments levied by a municipality after September 2, 1975, and (2) special water assessments levied by a municipality after September 2, 1975. 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. Real property may not be exempted under this subsection that the municipality 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 municipality is appealable under AS 44.62.560 - 44.62.570.

(b) An exemption may not be granted under this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors and in accordance with the following requirements:

(1) The claimant must file the initial application during the period of time between the date the assessment roll is confirmed and the time of payment fixed by the governing body. Within one year after the date the assessment roll is confirmed the governing body for good cause shown may waive the claimant's failure to make timely initial application for the exemption and authorize the assessor to accept the application as if timely filed.

(2) A claimant receiving the exemption must file with the assessor by March 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 assessor for good cause shown may waive the

claimant's failure to make timely application and approve the application as if timely filed.

(3) If an application is filed within the required time under this subsection and is approved by the governing body, the exemption shall be allowed in accordance with the provisions of this section. If a waiver under this subsection is granted and the application for exemption approved, the amount of any assessment, penalty, or interest that the claimant has already paid on the assessment shall be refunded to the claimant. The municipality may at any time require proof in the form considered necessary of the right and amount of an exemption claimed under this section.

(c) The state shall reimburse a municipality for the sewer and water assessment revenues that it would receive but for the operation of this section. Reimbursement under this subsection is a lien in favor of the state against the property exempted to the extent of the assessment against the property exempted. When properly recorded, the lien is prior and superior to other liens against the property except for property taxes or other special assessments and may be enforced by lien foreclosure. The lien becomes immediately due and payable

(1) upon sale or other transfer of the property except to a spouse, widow, widower, or minor heir; however, if the property is transferred to a minor heir the lien becomes due and payable on the date the minor heir reaches the age of 25 years;

(2) when property exempted under (a)(1) or (2) of this section receives more than one sewer connection or more than one water connection; or

(3) when the claimant fails to prove eligibility under (b)(2) of this section.

(d) This section applies to home rule and general law

municipalities.

(e) In this section

(1) "minor heir" means a person who, at the time of transfer of the property, has not attained the age of 19 years or who, if under 22 years of age, is a full-time student at an educational institution or a member of the armed forces of the United States;

(2) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes.

Sec. 29.46.100. REASSESSMENT. (a) The governing body shall within one year correct any deficiency in a special assessment found by a court. Notice and hearing must conform to the initial assessment procedures.

(b) Payments on the initial assessment are credited to the property upon reassessment. The reassessment becomes a charge upon the property notwithstanding failure to comply with any provision of the assessment procedure.

Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment district is created, there may be included in the assessments

(1) all of the cost of acquiring, installing, making, or constructing the local improvement;

(2) the costs of all engineering and surveying to be done in connection with creating the district or improvement;

(3) the cost of mailing and publishing notices;

(4) interest on interim financing;

(5) the cost of legal services and other expenses incurred in the formation of the special assessment district;

(6) the cost of completing the improvement and financing the improvement, including the issuance of bonds.

(b) The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs to be incurred in connection with issuance of bonds.

Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an assessment may not be contested by a person who did not file with the municipal clerk a written objection to the assessment roll before its confirmation.

(b) The decision of the governing body on an objection may be appealed to the superior court within 30 days after the date of confirmation of the assessment roll. If no objection is filed or appeal taken within that time, the assessment procedure is considered valid in all respects.

Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may provide by resolution or ordinance for the issuance of notes in payment of the costs of a local improvement project, payable out of special assessments for the improvement. The notes shall bear interest at a rate or rates authorized by the resolution or ordinance, and shall be redeemed either in cash or bonds for the improvement project.

(b) Notes issued against assessments shall be claims against the assessments that are prior and superior to a right, lien or claim of a surety on the bond given to the municipality to secure the performance of its contract for a local improvement project, or to secure the payment of persons who have performed work or furnished materials under the contract.

(c) The municipal treasurer may accept notes against special assessments on conditions prescribed by the governing body in payment of

(1) assessments against which the notes were issued in order of priority;

(2) judgments rendered against property owners who have become delinquent in the payment of assessments; and

(3) certificates of purchase when property has been sold under execution or at tax sale for failure to pay the assessments.

Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality may by ordinance authorize the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in a special assessment district. The principal and interest of bonds issued shall be payable solely from the levy of special assessments against the property to be benefited. The assessments shall constitute a sinking fund for the payment of principal and interest on the bonds. The benefited property may be pledged by the governing body to secure a payment.

(b) On default in a payment due on a special assessment bond, a bondholder may enforce payment of principal, interest, and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period for redemption is the same as for a mortgage foreclosure on real property.

(c) Before the governing body may issue special assessment bonds, it shall establish a guarantee fund and appropriate to the fund annually a sum adequate to cover a deficiency in meeting payments of principal and interest on bonds if the reason for the deficiency is nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund.

* Sec. 13. AS 29 is amended by adding a new chapter to read:

CHAPTER 47. MUNICIPAL DEBT.

ARTICLE 1. REVENUE ANTICIPATION NOTES.

Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A municipality that is authorized to incur indebtedness may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year. Negotiable or nonnegotiable revenue anticipation notes may be issued as evidence of the borrowing.

Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordinance or resolution authorize the issuance of revenue anticipation notes. The governing body may delegate to its chief fiscal officer the power to issue the notes from time to time under the terms and conditions of the ordinance or resolution that provides for the manner of their sale.

Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FEDERAL GRANTS. (a) A municipality, on adoption of a long-range capital improvement budget by ordinance or resolution, may by resolution provide for negotiable or nonnegotiable revenue anticipation notes in an amount not to exceed the total amount of any state or federal grants finally committed for these projects. The notes mature no later than the end of the next fiscal year. The notes may be for single or multiple projects outlined in the adopted capital improvement budget.

(b) If the state or federal grants for capital improvement projects have not been paid to the municipality before maturity of the notes issued in anticipation of the receipt of the revenue, the governing body may issue new notes in order to meet payment of the notes then maturing or may renew the outstanding revenue anticipation notes. New notes issued or renewals of outstanding revenue anticipation notes

mature not later than the end of the next fiscal year.

Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the principal and interest on revenue anticipation notes is payable from revenues, and their payment additionally shall be secured by a pledge of the full faith and credit of the municipality issuing them.

ARTICLE 2. BOND ANTICIPATION NOTES.

Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may borrow money in anticipation of the sale of general obligation and revenue bonds if

(1) the general obligation bonds to be sold have been authorized by ordinance and ratified by a majority vote at an election;

(2) the revenue bonds to be sold have been authorized by ordinance.

Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall issue negotiable or nonnegotiable notes for the amounts borrowed with a maturity date not to exceed one year from the date of issue. All notes and the interest on them are payable at fixed places on or before a fixed time from the proceeds of the sale of bonds in anticipation of which the original note or notes were issued, unless the bonds have not been sold by the maturity date of the notes.

Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds has not occurred before the maturity of the notes issued in anticipation of the sale, the governing body shall issue new notes in order to meet payment of the notes then maturing, or shall renew the outstanding bond anticipation notes. New notes issued or renewals of outstanding bond anticipation notes bear a maturity date not to exceed one year from the date of issue. Notes, new notes, and renewals of notes may not be outstanding for a total elapsed time of more than

three years.

Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from the proceeds of the sale of bonds that the notes anticipated or from the proceeds of the sale of new bond anticipation notes.

Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions of this chapter as to payment of notes, notes issued in anticipation of the sale of general obligation bonds and the interest on them are secured by the full faith and credit of the municipality. The municipality may levy ad valorem taxes for payment without limitation of rate or amount.

(b) Notes issued in anticipation of the sale of revenue bonds and the interest on them are secured in the same manner as are the revenue bonds in anticipation of which the notes are issued.

Sec. 29.47.130. LIMITATION. The total amount of notes issued and outstanding may at no time exceed the total amount of bonds authorized to be issued.

Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of notes shall be used only for the purposes for which the proceeds from the sale of bonds may be used, or to meet payment of outstanding bond anticipation notes.

ARTICLE 3. GENERAL OBLIGATION BONDS.

Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may acquire, construct, improve, and equip capital improvements and issue negotiable or nonnegotiable general obligation bonds for these purposes.

Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED. (a) A municipality may incur general obligation bond debt only after a bond authorization ordinance is approved by a majority vote at an election. Any municipal voter may vote in the bond

election, except as otherwise provided by law.

(b) Before a general obligation bond issue election, the governing body shall have published a notice of the total existing bond indebtedness at least once a week for three consecutive weeks. The first notice shall be published at least 20 days before the date of the election. A notice shall include

(1) the current total general obligation bonded indebtedness, including authorized but unsold bonds of the municipality;

(2) the cost of the debt service on the current indebtedness;

(3) the total assessed value of property in the municipality.

Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a municipality are pledged for the payment of principal and interest on general obligation bonds. The municipality may levy ad valorem taxes for payment without limitation of rate or amount to pay or secure the payment of the principal and interest on bonds, regardless of whether the bonds are in default or in danger of default.

(b) General obligation bonds issued for acquiring, constructing, improving and equipping a municipally owned utility or other revenue-generating enterprise may be additionally secured by a pledge of the revenue derived from operation. Bonds so secured are not subject to a debt limitation imposed by a home rule charter. This subsection applies to home rule and general law municipalities.

ARTICLE 4. REVENUE BONDS.

Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue negotiable or nonnegotiable revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenue of the public enterprise or corporation.

(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 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.

Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085 do not apply to the issuance of revenue bonds or the use of proceeds from revenue bonds by a home rule or general law municipality.

ARTICLE 5. REFUNDING BONDS.

Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding general obligation or revenue bonds and the governing body determines that it would be financially advantageous to refund the bonds, the municipality may provide by ordinance or resolution for the issuance of negotiable or nonnegotiable

(1) general obligation refunding bonds; or

(2) revenue refunding bonds.

Sec. 29.47.310. EFFECT OF REFUNDING BONDS. The refunding bonds may take up and refund all or part of outstanding bonds at or before their maturity or redemption date. The governing body may include various series and issues of bonds in a single issue of refunding bonds.

Sec. 29.47.320. NO ELECTION REQUIRED. An election is not required to authorize the issuance and sale of refunding bonds. Their issuance may be authorized and all proceedings with reference to them

prescribed by ordinance. However, when it is desirable to use general obligation bonds to refund a revenue bond issue, the governing body shall call an election on the question.

Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation refunding bonds are payable according to AS 29.47.200. Revenue refunding bonds are payable according to AS 29.47.240.

Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or revenue refunding bonds may, at the discretion of the governing body, be exchanged for the bonds being refunded, or may be sold at public or private sale. They may be issued and delivered at any time before the date of maturity or redemption of the refunded bonds.

ARTICLE 6. MISCELLANEOUS PROVISIONS.

Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality may authorize by ordinance or resolution the issuance of negotiable or nonnegotiable revenue bonds to finance any project that serves a public purpose, and the bonds shall be secured and payable from any source except revenues, including tax revenue, of the municipality.

(b) Bonds issued under this section are not a debt or liability of the municipality and do not create or constitute an indebtedness, liability, or obligation of the municipality, nor do they constitute a pledge of faith, credit, or taxing power of the municipality. Each bond must contain on its face a statement that the municipality is not obligated to pay the principal or the interest on the bonds except from those sources indicated, and that neither the faith and credit nor the taxing power of the municipality is pledged to the payment of principal or interest on the bond.

(c) A municipality may

(1) loan the proceeds of the bonds issued under this section;

(2) pledge, mortgage or assign money, leases, agreements, property, or other assets of the project being financed;

(3) enter into covenants and agreements concerning bonds issued under this section that the municipality determines to be desirable;

(4) provide for any matter that affects the security of the bonds.

(d) In this section

(1) "bonds" means bonds, notes, or other evidence of indebtedness;

(2) "project" includes but is not limited to commercial, manufacturing, agricultural, industrial, residential housing, recreation, tourism, and medical projects and programs.

Sec. 29.47.400. SALE. Bonds and notes issued under this chapter may be sold at either public or private sale by the municipality in the manner and at the price it determines.

Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordinance or resolution fix the date, denominations, maturities, rate or rates of interest, redemption terms, registration privileges, manner of execution, signatures required, purchase price, manner of sale, and other requirements for issuing bonds or notes under this chapter. If an official whose signature appears on the bonds or coupons ceases to be an official before delivery of the bonds, the signature of the former official is valid as if the former official had remained in office until delivery.

Sec. 29.47.420. INTEREST RATE. The interest rate payable on a bond or note issued under this chapter shall be determined by the municipality and is not subject to the usury rate limitations of AS 45.45.010.

Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note issued under this chapter may be made subject to redemption before maturity as stated in the authorization or in the bond or note.

Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur indebtedness

(1) on an areawide basis for areawide functions; or

(2) on a nonareawide basis for functions performed only in the borough area outside all cities; or

(3) on a service area basis for functions performed only in a service area.

(b) Payment of debt principal and interest as well as other costs shall be derived from the area incurring the debt under (a)(2) or (a)(3) of this section, except that the full faith and credit of the entire borough may be pledged to guarantee payment of principal and interest.

(c) If the bonded debt to be incurred by a borough is an areawide debt, the vote is areawide. If the full faith and credit of the entire borough is pledged for the payment of the debt of the borough area outside all cities or of a service area, an areawide election is held and the proposition must pass both areawide and in the area that will benefit from the improvement. If the bonded indebtedness to be incurred is limited to the borough area outside all cities, the vote is limited to voters outside all cities. If the indebtedness to be incurred is limited to a service area, the vote is limited to voters in the service area. Only the full faith and credit of the area voting on the indebtedness is pledged for the payment of the debt.

(d) The indebtedness of a municipality reclassified under AS 29.04.040 - 29.04.060 is not affected by reclassification. All property in a municipality that is reclassified remains subject to

taxation to amortize bonded or other indebtedness affecting the municipality and authorized on the effective date of reclassification.

Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service area acquired under AS 29.47.440 remains the indebtedness of the area that incurred the debt, notwithstanding a subsequent court determination that the service area was not validly formed under law or by virtue of a defect in the proceedings creating the service area. All property in the service area remains subject to taxation to pay the bonded indebtedness.

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

CHAPTER 55. MUNICIPAL PROGRAMS.

Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS. The governing body of a municipality may establish a local historical district commission or designate the planning commission or itself to serve as the historical district commission.

Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In addition to existing municipal authority providing for the preservation, protection, and maintenance of historic sites, the local historical district commission, in consultation with the Historic Sites Advisory Committee in the Department of Natural Resources, may establish historical districts within the boundaries of the municipality.

(b) A historical district shall be a reasonably compact area of historical significance in which two or more structures important in state or national history, and related by physical proximity or historical association, are located. For purposes of this section, "structures important in state or national history" means properties recommended by historical district commissions that are listed in the National Register of Historic Places or are characteristic of the Russian-American period before October 18, 1867, the early territorial

period before 1930, or early Native heritage, reflecting the indigenous characteristics of Native culture in Alaska. On recommendation of the governing body of a municipality and the Historic Sites Advisory Committee, the Department of Natural Resources may by regulation formulate additional criteria for the establishment of historical districts not inconsistent with this subsection.

(c) The establishment of a historical district under this section shall be consistent with any applicable comprehensive plan for the municipality.

* Sec. 15. AS 29 is amended by adding a new chapter to read:

CHAPTER 60. STATE PROGRAMS.

ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL SERVICES. (a) During each fiscal year the department shall compute an equalization entitlement for municipal services provided by a taxing unit.

(b) The equalization entitlement computed for a taxing unit is based on the population, relative ability to generate revenue, and local tax burden of the taxing unit and is determined by the application of the formula

Entitlement = P x R

where P = population, and

R = millage rate equivalent, determined by dividing the sum of the locally generated revenue of the taxing unit by one-tenth of one percent of the full and true value of assessed property of the taxing unit determined under AS 29.60.030(d); however, the per capita 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.

(c) For purposes of this section, locally generated revenue

(1) includes

(A) the actual revenue derived from the levy and collection of local taxes in the taxing unit for municipal services during the preceding fiscal year of the taxing unit;

(B) motor vehicle payments received by the municipality during the preceding fiscal year under AS 28.10.431;

(C) revenue 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, offstreet parking, and garbage and solid waste disposal services;

(D) special assessments received during the preceding fiscal year; and

(E) payments received by a municipality from a utility that are in place of taxes levied and collected by the municipality;

(2) excludes

(A) revenue derived from the levy and collection of municipal taxes and appropriated for the operating expenses and debt service of utilities;

(B) revenue from interest earned on investments and from the sale and lease of land or equipment; and

(C) all other revenue from whatever service derived.

Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of AS 29.60.010 - 29.60.080, the population of a taxing unit shall be determined annually by the latest figures of the United States Bureau of the Census or other population data that in the judgment of the

department is reliable.

Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a) The department may require a municipality to return a certification, signed by the municipal treasurer or manager and the mayor, that provides an estimate of the locally generated revenue received by the municipality during the preceding fiscal year.

(b) By October 15 of each year, the department shall make an initial determination of the millage rate equivalent of each taxing unit to be used for computing and distributing equalization entitlements for the current fiscal year under AS 29.60.010 - 29.60.080. The department shall base the initial determination on the estimates in the certification returned by a municipality under (a) of this section.

(c) As early as possible, but not later than December 15 of each year, the department shall make a final determination of the millage rate equivalent of each taxing unit to use to compute and distribute equalization entitlements under AS 29.60.010 - 29.60.080. The department shall base the determination on audits, financial statements and other financial reports prepared and submitted by a municipality. The department shall adjust the locally generated revenue reported by a municipality to exclude the municipal revenue claimed that does not qualify for inclusion in or recognition as locally generated revenue for municipal purposes under AS 29.60.010(c)(1). The adjustment shall be made by deducting from total revenue claimed by the municipality the amount of the department's estimate of revenue that is not recognized for municipal purposes.

(d) The full and true assessed property value shall be determined by the department in the manner provided for the computation of state aid to education under AS 14.17.140. When the determination of

locally generated revenue includes revenue of a utility received under AS 29.60.010(c)(1)(E), the full and true assessed property value shall include the computed assessed value of the utility, determined by dividing the amount of the payment in place of taxes made by the utility by the millage rate that would apply to the utility if the utility were subject to levy and collection of taxes under AS 29.45.

(e) In addition to the computation for municipalities that levy and collect a property tax, the department shall determine an estimated full and true assessed property value under (d) of this section for

(1) each municipality that is a school district and that does not levy and collect a property tax;

(2) each second class city with a population of 750 or more persons; however, a computation is not required under this paragraph more often than once during a period of three successive calendar years; and

(3) all other second class cities, by determining the average per capita full and true assessed property value of all cities having a population of less than 750 persons in which an assessment has been completed by a municipality or for which a determination is not made under (1) or (2) of this subsection.

(f) The department shall annually compute a statewide average per capita full and true assessed property value.

Sec. 29.60.040. REPORTS. A payment of an equalization entitlement may not be made to a municipality under AS 29.60.010 - 29.60.080 until the municipality has submitted its certificate of estimated revenue and its financial report to the department for the fiscal year preceding the year for which the equalization entitlement is sought, together with a budget for the municipality's current fiscal year.

The financial report shall include a listing of general revenue collected from taxes levied and assessed and any other revenue that, in the opinion of the municipal officials, is eligible for inclusion in computations of the locally generated revenue of the taxing unit.

Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS. (a) An equalization entitlement generated by the tax levy of a taxing unit may be used only for authorized expenditures of that taxing unit, but up to 15 percent of the payment of an equalization entitlement generated by areawide revenue of a municipality may be used by the municipality for areawide or nonareawide purposes at the discretion of its governing body. This subsection applies to home rule and general law municipalities.

(b) An equalization entitlement determined with reference to revenue other than revenue obtained from the levy and collection of taxes may be used for areawide or nonareawide purposes, at the discretion of the governing body.

Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization account is established. Money to carry out the provisions of AS 29.-60.010 - 29.60.080 shall be allocated by the department to the account. The amount allocated to the account shall be fully distributed by the department as payments to municipalities to fulfill each share authorized under AS 29.60.010. The amount allocated to the account shall be distributed by the department pro rata among eligible municipalities.

Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt regulations necessary to implement AS 29.60.010 - 29.60.080. The regulations shall include, among other provisions,

(1) procedures and filing dates for submitting certification and financial reports;

(2) procedures for obtaining information required to compute and determine the municipality's millage rate equivalent; and

(3) procedures by which the department shall notify a municipality in writing of the reasons for a proposed disallowance or adjustment of any factor bearing upon the determination of the municipality's entitlement and by which the municipality will be provided reasonable time in which to respond or to challenge the department's determination.

(b) The department shall make reasonable efforts to advise and assist municipalities in collecting information and completing reports necessary for the determination of entitlements under AS 29.60.010 - 29.60.080.

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a municipality's millage rate equivalent under AS 29.60.010 any tax revenue appropriated for a utility not included in the definition set out in AS 29.60.080(2).

Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

(1) "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone;

(2) "utility" means electric, water, sewer, gas heat, telephone, or refuse and garbage collection service.

ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the equalization entitlements paid under AS 29.60.010 - 29.60.080, during each fiscal year the department shall pay aid

(1) to a municipality or other eligible recipient that has the power to provide the services described in AS 29.60.110 -

29.60.130 and exercises the power in the manner required by AS 29.60.100 - 29.60.180;

(2) to an unincorporated community under AS 29.60.140.

Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The department shall pay to a municipality that has power to provide for road maintenance and exercises that power, $2,500 a mile for each mile of road, street, or highway maintained by the municipality, excluding (1) the official state highway system, (2) roads, streets, or highways not dedicated to public use, (3) roads, streets, or highways maintained under the local service road program (AS 19.30.111 - 19.30.-251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road that is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway that may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for a payment of $1,500 per mile if the waterway and connection are maintained during the period of use by a municipality or combination of municipalities. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection, unless the municipalities involved have agreed in writing to a particular distribution.

Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department shall pay

(1) to a municipality that has the power to provide hospital facilities and services and that exercises that power, $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 $250,000 a hospital for those hospitals with 10 or more beds, or $50,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals that have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) to a municipality in which a health facility is operated, $2,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $8,000 per health facility as the municipality determines.

(b) A hospital may not receive payment under both (a)(1) and (a)(2) of this section.

(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and

maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and regional affairs that any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose.

(e) Subsections (a) and (c) of this section apply to home rule and general law municipalities.

Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized municipality a sum for protection purposes equal to $10 per capita for the population served by the fire department, as determined by the state fire marshal.

(b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized municipality, upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The Department of Community and Regional Affairs shall pay to each unincorporated community an entitlement of $25,000 each fiscal year to be used for a public purpose. The Department of Community and Regional Affairs with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the Department of Community and

Regional Affairs shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The Department of Community and Regional Affairs may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit.

Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.60.100 - 29.60.180, population shall be determined by the latest figures of the United States Bureau of the Census or other population data that in the judgment of the department is reliable.

Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments to a municipality or other eligible recipient under AS 29.60.110 - 29.60.130 shall reflect area cost-of-living differentials. Payments shall be based on the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential for each recipient shall be determined annually by election district under the provisions of AS 39.27.030. Application of the area cost-of-living differential may not result in distribution

of an amount less than the amount of the payment determined without reference to application of this section.

(b) The election districts used to establish area cost-of-living differentials under (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous services account is established. Money to carry out the provisions of AS 29.60.100 - 29.60.180 shall be allocated by the department to the account in accordance with AS 29.60.280. If amounts in the account are insufficient to pay each municipality's or other recipient's share authorized under AS 29.60.100 - 29.60.180, the amounts that are available shall be distributed pro rata among eligible municipalities and other recipients.

Sec. 29.60.180. REGULATIONS. The department shall adopt regulations necessary to carry out the purposes of AS 29.60.100 - 29.60.180. The regulations shall include minimum standards required to qualify a municipality or other recipient for payments for each service. The department may require a municipality or other recipient to submit a performance report adequate to demonstrate to the department that a service for which payment is requested under AS 29.60.100 - 29.60.180 was performed by the municipality or other recipient and meets minimum standards of service prescribed by regulation.

ARTICLE 3. STATE AID FOR HOSPITAL AND HEALTH FACILITY CONSTRUCTION.

Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CONSTRUCTION. (a) If construction of a hospital began after January 1, 1968, or if construction of a health facility began after January 1,

1968, and before July 1, 1980, and state matching aid for construction approved for payment to a municipality or other hospital or health facility sponsor constitutes less than 25 percent of the total project cost, the department shall pay to the municipality or other hospital or health facility sponsor each fiscal year $2,500 a bed for the maximum number of beds provided for in the construction design of the hospital or health facility or five percent of the total project cost, whichever is greater. State aid provided for in this section shall continue until the municipality or other hospital or health facility sponsor has received an amount that, combined with state matching money for construction of the hospital or health facility, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose.

(b) In this section "total project cost" means

(1) costs directly related to the project; and

(2) the total of all costs of financing and carrying out the project, including but not limited to,

(A) 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;

(B) an allocable portion of the administrative and operating expenses of the municipality or other hospital or health facility sponsor;

(C) the cost of financing the project, including interest on bonds issued to finance the project; and

(D) 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.

(c) This section applies to home rule and general law municipalities.

Sec. 29.60.240. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSISTANCE ACCOUNT. The hospital and health facility construction assistance account is established. Money to carry out the provisions of AS 29.60.230 - 29.60.240 shall be allocated by the department to the account in accordance with AS 29.60.280. If amounts in the account are insufficient to pay each recipient's share authorized under AS 29.60.230 - 29.60.240, the amounts that are available shall be distributed pro rata among eligible recipients.

ARTICLE 4. ADMINISTRATION OF STATE AID PROGRAMS.

Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year, the department shall allocate money appropriated to the accounts established in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts determined by the legislature.

(b) Money in the miscellaneous services account established in AS 29.60.170 that exceeds the amount required to fully fund distributions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to the tax equalization account established in AS 29.60.060 and distributed according to the provisions of AS 29.60.010 - 29.60.080.

(c) Money in the hospital and health facility construction assistance account established in AS 29.60.240 that exceeds the amount required to fully fund distributions authorized by AS 29.60.230 - 29.60.240 shall be reallocated to the tax equalization account established in AS 29.60.060 and distributed according to the provisions of

AS 29.60.010 - 29.60.080.

Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A municipality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment of $25,000 plus an area cost-of-living differential for each fiscal year if

(1) the municipality has conducted a regular election during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and has reported the results of the election to the commissioner;

(2) regular meetings of the governing body are held in the municipality during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement for the preceding fiscal year has been prepared and furnished to the department in accordance with AS 29.20.640(a); and

(4) local ordinances adopted by the municipality have been codified in accordance with AS 29.25.050.

(b) The area cost-of-living differential payable to each municipality under this section shall be determined annually by election district under the provisions of AS 39.27.030 Except as provided in AS 29.60.300, application of the area cost-of-living differential may not result in a payment that is less than the minimum payment determined under (a) of this section. For purposes of this subsection, the election districts used are those designated by the proclamation of

reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

(c) The department shall pay to each municipality eligible to receive a minimum payment under this section an amount equal to the difference between the minimum payment determined under (a) and (b) of this section and the sum of the amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

(d) A payment under this section may be prorated and reduced under AS 29.60.300.

(e) Payments under this section shall be made from the money allocated to the tax equalization account established in AS 29.60.060.

Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under AS 29.60.290 and 29.60.010 - 29.60.180 shall equal the amount allocated to the tax equalization account (AS 29.60.060), adjusted in accordance with AS 29.60.280.

(b) Adjustments of payments shall be determined by prorating amounts payable under AS 29.60.290 and amounts payable under AS 29.60.010 - 29.60.180 by a factor that, when applied, reduces all payments in equal proportion so that payment under AS 29.60.290 and payments under AS 29.60.010 - 29.60.180 equal the amount allocated to the tax equalization account established in AS 29.60.060.

ARTICLE 5. MUNICIPAL ASSISTANCE.

Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is established in the department the municipal assistance fund. The legislature may appropriate to the municipal assistance fund during each fiscal year an amount equal to or greater than 30 percent of the income tax revenue received by the state under AS 43.20.011(e) for the previous fiscal year.

(b) The department shall distribute money from the municipal assistance fund to each municipality on an annual basis as provided in AS 29.60.360 and 29.60.370. A municipality may not receive payment until it submits to the department a resolution approved by the governing body of the municipality that requests the money. Distribution of money from the municipal assistance fund to a municipality with a fiscal year beginning on January 1 shall be made on February 1 of the state fiscal year for which the appropriation to the fund is made. Distribution of money from the municipal assistance fund to all other municipalities shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A municipality that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount to be distributed from the municipal assistance fund to each municipality for the fiscal year shall be the amount received by the municipality during fiscal year 1978 under AS 43.70.080. A city incorporated within a 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 a 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.

(b) If the amount appropriated to the municipal assistance fund

by the legislature during a fiscal year is insufficient for distribution of the full base amount to each municipality, the department shall prorate the amount available for distribution on the basis of amounts received during the fiscal year 1978 under AS 43.70.080.

Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the municipal assistance fund at the time of distribution exceeds the base amount to be distributed under AS 29.60.360, the excess amount shall be distributed to each municipality on the basis of population. Population for the purpose of this section shall be as certified by the commissioner of community and regional affairs. In determining the population of a borough, the population of all cities in the borough shall be deducted from the total population of the borough.

(b) The intent of (a) of this section is that a municipality that levies property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by the municipality. The governing body of each municipality shall furnish a notice with each tax statement describing its use of this increased state aid.

ARTICLE 15. GENERAL PROVISIONS.

Sec. 29.60.800. DEFINITIONS. In this chapter

(1) "health facility"

(A) means a facility that is licensed, when required, by the state under AS 18.20.010 - 18.20.130 and that is owned or operated or both by a municipality or by a nonprofit corporation or other nonprofit sponsor;

(B) includes a public health center, maternity home, community mental health center, facility for the mentally or physically handicapped, nursing home, or convalescent center;

(C) excludes a facility operated or wholly supported

by the state or the federal government;

(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

* Sec. 16. AS 29 is amended by adding a new chapter to read:

CHAPTER 65. GENERAL GRANT LAND.

Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGHS AND UNIFIED MUNICIPALITIES. The general grant land entitlement of each of the municipalities in this section is the amount set out opposite each:

(1) Municipality of Anchorage - 44,893 acres;

(2) City and Borough of Juneau - 19,584 acres;

(3) City and Borough of Sitka - 10,500 acres;

(4) Bristol Bay Borough - 2,898 acres;

(5) Fairbanks North Star Borough - 112,000 acres;

(6) Haines Borough - 2,800 acres;

(7) Kenai Peninsula Borough - 155,780 acres;

(8) Ketchikan Gateway Borough - 11,593 acres;

(9) Kodiak Island Borough - 56,500 acres;

(10) Matanuska-Susitna Borough - 355,210 acres;

(11) North Slope Borough - 89,850 acres.

Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The general grant land entitlement of a city formerly eligible to receive general grant land under the provisions of AS 29.18.190 and 29.18.200 is 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land in the boundaries of each city at any time between the initial date of eligibility under former AS 29.18.190 and 29.18.200 and July 1, 1978. Within six months after July 1, 1978, the director

shall determine the entitlement for each city eligible to receive general grant land under this section and certify that entitlement to the city.

Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES. (a) The general grant land entitlement of a municipality incorporated after July 1, 1978, is 10 percent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality on the date of its incorporation.

(b) Within six months after the date of incorporation of a municipality that is incorporated after July 1, 1978, the director shall determine the entitlement of each municipality eligible to receive general grant land under (a) of this section and certify the entitlement to the municipality.

Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1, 1978, general grant land entitlements provided in AS 29.65.010 and 29.65.020 are vested property rights that must be fulfilled as provided in AS 29.65.050 or 29.65.080.

(b) General grant land entitlements provided by AS 29.65.030 are property rights that vest on the date of incorporation of the municipality. The entitlement must be fulfilled as provided in AS 29.65.-050.

(c) Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under AS 29.65.010 and 29.65.020 at any time before October 1, 1980. However, if a municipal selection or nomination or a part of a municipal selection or nomination is rejected by the director, the municipality may, not later than 90 days after receipt of the director's rejection, select additional state land as necessary to satisfy its entitlement.

(d) Land may be selected by a municipality to satisfy a general

grant land entitlement under AS 29.65.030 at any time within one year after the director certifies the entitlement to the municipality.

(e) The time limitations imposed by (c) and (d) of this section for exercising a vested general grant land entitlement do not apply to

(1) the portion of an entitlement that cannot be satisfied by that date because of a shortage of land suitable for residential, commercial, and industrial purposes that is vacant, unappropriated, unreserved land;

(2) payments for land deficiency under AS 29.65.080;

(3) the portion of an entitlement that cannot be satisfied because the land selected by a municipality has been selected by a party entitled to select land owned by the United States or the state; or

(4) the portion of an entitlement that cannot be satisfied because the land nominated for selection by the municipality is not tentatively approved for patent to the state.

Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The acreage of each municipality's land selections for which patent has been issued before July 1, 1978, shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under former AS 29.18.190 and 29.18.200 for which patent has not been issued to a municipality on July 1, 1978, shall be reviewed by the director within nine months after July 1, 1978. Any approved selection of land that was vacant, unappropriated, or unreserved on the date of selection is valid as of the date of the approval under former AS 29.18.190 and 29.18.200, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement. A

municipality is not entitled to receive patent under this chapter to more than its entitlement determined under AS 29.65.010 - 29.65.030. Any prior approval by the director of municipal selections for land that was not vacant, unappropriated, or unreserved on the date of selection shall be rescinded, and patent may not be issued except when disposal to a third party by sale or lease has occurred. Transfers of land to municipalities under this chapter are subject to AS 38.05.321. Classification actions as reflected on the land status records of the Department of Natural Resources are determinative of land classification status for purposes of this chapter.

(c) The director shall approve each selection for patent within nine months of its selection by a municipality, and a patent shall be issued to the municipality for land selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 - 29.65.030 within three months after approval by the director of a plat of survey.

Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a) If an entitlement determined in AS 29.65.010 or 29.65.020 results in a per capita entitlement for the municipality of less than one and one-half acre, the municipality may select vacant school, university, or mental health land in the municipality in partial fulfillment of its land entitlement under this chapter. School, university, or mental health land may be selected notwithstanding the fact that these lands are not unappropriated and unreserved within the meaning of this chapter and under former AS 29.18.190 and 29.18.200, but each selection of school, university, or mental health land by a municipality must be vacant, unappropriated, or unreserved land as defined in this chapter, except that it need not be general grant land.

(b) The acreage of school, university, or mental health land, if

any, in a municipality may not be included in the determination of entitlement under AS 29.65.010 or 29.65.020.

(c) Land conveyed under this section will be credited against a municipality's remaining land entitlement under this chapter.

(d) Within six months after approval of a municipal selection of school, university, or mental health land, the director shall identify state general grant land of approximately equal value to the land requested by the municipality and shall propose the replacement land for the concurrence of the appropriate board. If a proposal by the director is rejected by the board, the director shall meet with the board as often as necessary to determine the type and amount of equal value replacement land that would be required to obtain the board's concurrence, and shall propose the replacement land for consideration by the board. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and State of Alaska.

(e) The notice and review provisions of AS 38.05.305 and 38.05.345 apply to the designation of other general grant land as school, university, or mental health land in replacement of land selected under this section. The provisions of AS 38.50 and AS 38.05.032 do not apply to such designations under this section. The provisions of AS 38.05.030(a), 38.05.030(e), and 38.05.035(a)(13) that require the approval of the respective trust board before disposal of land by the director do not apply to selections of school, university, or mental health land by a local government under this section.

(f) For purposes of determining the per capita entitlement under (a) of this section, the population of a municipality shall be the population determined by the commissioner under former AS 43.18.010 for the program year beginning July 1, 1978, for a municipality whose

entitlement is determined under AS 29.65.010.

Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(b) The director may approve municipal selections of land that have been tentatively approved or patented to the state by the federal government but may not issue patent to a municipality until the land has first been patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the director. Conditional sales and conditional leases made before July 1, 1978, do not require the consent of the director.

(c) Nothing in this chapter 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. Nothing in this chapter affects the rights of an owner, claimant, locater, or entryman to the full use and enjoyment of the land so occupied.

Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska municipal land account is established in the general fund for the following purposes:

(1) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 for a deficiency of land

physically suitable for residential, commercial, or industrial purposes; or

(2) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 for certain general grant lands selected by the state and conveyed to a Native corporation under the provisions of the Alaska Native Claims Settlement Act.

(b) A municipality shall receive payment for its land deficiency from the municipal land account. A municipality is eligible to receive payment for land deficiency if, after July 1, 1980, the amount of land selected by a municipality that is physically suitable for residential, commercial, or industrial purposes amounts to less than one-third acre per capita. Any entitlement under AS 29.65.010 that is less than one- third acre per capita will, for the purposes of this subsection, be considered a land deficiency. An unselected remaining entitlement will, for the purpose of deficiency payment under this subsection, be considered as land physically suitable for residential, commercial, or industrial purposes. A municipality eligible under this subsection is entitled to receive a payment for land deficiency equal to $1,000 per acre for a number of acres equal to the difference between one-third of the population of the municipality less the number of acres physically suitable for residential, commercial or industrial purposes that has been selected by the municipality. For the purpose of this subsection, the population of the municipality shall be the population determined in accordance with AS 29.65.060(f). No payment may be made to a municipality under this subsection in excess of $9,000,000.

(c) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and that land was also selected

by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 92-203), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment for land deficiency from the municipal land account. The acceptance of payment under this subsection by a municipality constitutes a relinquishment of any other right, title, or claim to the land by that municipality. The total payment to a municipality under this subsection may not exceed $1,000 per acre to a maximum of 8,000 acres.

(d) The governor shall annually submit to the legislature a request for an appropriation to the municipal land account for the municipalities that have elected to receive payments under (b) or (c) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for land deficiency under (b) of this section and those required to make payments for land deficiency under (c) of this section.

(e) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than $4,000,000 per fiscal year, and not more than $12,000,000 in total, for the purpose of paying entitlements under (b) of this section;

(2) not more than $1,000,000 per fiscal year, and not more than $8,000,000 in total, for the purpose of paying entitlements under (c) of this section.

(f) If an annual appropriation is not sufficient to meet the amount due to all municipalities that have elected to accept payment for land deficiency under (b) or (c) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year.

When a distribution of payments is made under (c) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to eligible municipalities.

(g) Payments authorized by this section may not be made to a municipality eligible for an entitlement under AS 29.65.020 or 29.65.030.

(h) Payments made under this section shall be used by a municipality that levies property taxes to reduce the levy in proportion to the amount of state payments received by the municipality for a given fiscal year. The governing body of each municipality shall furnish a notice with the tax statement describing the effect on property tax levies of payments received under this section.

Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director, with the concurrence of the commissioner, and a municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the nonmonetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of AS 38.05.305 and 38.05.345 apply to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section.

Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or

private settlement or development, it shall be the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.315 or (b) of this section.

(b) Where state land is the most logical location for demonstrated municipal expansion for nonpublic settlement and development purposes, and when an exchange of land under AS 29.65.090 is not possible or is not in the public interest, it is the policy of the state to sell or lease the land at public auction. The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the expenses that the director determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the director to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.315. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.315 shall be credited toward fulfillment of the entitlement.

Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that on July 1, 1978, is engaged in litigation, or that becomes engaged in litigation, regarding a claim to state land under former AS 29.18.190 and 29.18.200 shall elect either to obtain the benefits provided in this chapter or to pursue the litigation and waive any claim to entitlement under this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in AS 29.65.010, the municipality shall file its motion for dismissal

within 60 days after July 1, 1978. If a claim involves a city eligible to receive an entitlement under AS 29.65.020 the city shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the director under AS 29.65.020. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection is considered a waiver of entitlement under this chapter.

(b) A municipality that was eligible to file land selections under former AS 29.18.190 and 29.18.200 and that does not enter into litigation over a claim to rights under those sections before the expiration of the time period within which it could make an election under (a) of this section is considered to have elected to receive benefits under this chapter and to have waived any claim that might have been raised under former AS 29.18.190 and 29.18.200.

(c) The provisions of this chapter do not affect the rights of a party to litigation regarding the former AS 29.18.190, 29.18.200 or 29.18.420 maintained by a municipality that has elected not to obtain the benefits provided by this chapter.

Sec. 29.65.120. ADMINISTRATION. The commissioner of natural resources may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of this chapter.

Sec. 29.65.130. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "approved selection" means a municipal land selection that has been approved in writing by the director for transfer by patent to a municipality;

(2) "director" means the director of the division of lands, Department of Natural Resources, or the director's designee;

(3) "general grant land" means land patented or tentatively approved to the state from the United States under sec. 6(a) or (b) of the Alaska Statehood Act;

(4) "mental health land" means land granted under Title II, sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

(5) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of former AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

(6) "patent" means a document, issued by the director to a municipality for a previously approved selection, that conveys and quitclaims all the right, title, and interest of the state without reservation or condition except as may be required by law;

(7) "remaining entitlement" means the general grant land entitlement determined in accordance with this chapter, reduced by the total acreage of approved selections, including both patented and unpatented parcels;

(8) "school land" means those rectangular sections 16 and 36 within each township surveyed on or before January 3, 1959, and confirmed and transferred to the State of Alaska upon its admission under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land designated solely for school revenues;

(9) "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;

(10) "vacant, unappropriated, unreserved land" means general grant land as defined in (4) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, that

(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 this chapter or former AS 29.18.190 and 29.18.200; 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 is classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

Sec. 29.65.140. APPLICATION. This chapter applies to home rule and general law municipalities.

* Sec. 17. AS 29 is amended by adding a new chapter to read:

CHAPTER 71. GENERAL PROVISIONS.

Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be divested of title to real property by adverse possession.

Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of streets, rights-of-way, easements or other areas for public use may not be construed to require the municipality to maintain, improve or provide for municipal services in the area dedicated and the dedication does not impose any liability on the municipality for the condition of the area dedicated.

Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or regulation may assess or tax, or be construed to assess or tax, a municipality unless the law or regulation expressly provides that the municipality is to be assessed or taxed by the particular law or regulation.

Sec. 29.71.800. DEFINITIONS. In this title, unless otherwise provided or the context otherwise requires,

(1) "areawide" means throughout a borough, both inside and outside all cities in the borough;

(2) "assembly" means the governing body of a borough;

(3) "borough" means a general law borough or a home rule borough;

(4) "city" means a general law first or second class city or a home rule city;

(5) "commissioner" means the commissioner of community and regional affairs;

(6) "consolidation" means dissolution of two or more municipalities and their incorporation as a new municipality;

(7) "council" means the governing body of a city;

(8) "department" means the Department of Community and Regional Affairs;

(9) "election" means a regular or special municipal election and does not include a state election;

(10) "governing body" means the legislative body of a municipality that is the assembly of a borough or the council of a city;

(11) "majority" means a simple majority;

(12) "merger" means dissolution of a municipality and its absorption by another municipality;

(13) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;

(14) "nonareawide" means throughout the area of a borough outside all cities in the borough;

(15) "owner" or "record owner" means the owner of record or purchaser of record as shown in the records of the district recorder;

(16) "personal property" means tangible property other than

real property, such as merchandise, stock in trade, machinery, equipment, furniture, fixtures, vehicles, boats, and aircraft;

(17) "property" means real and personal property;

(18) "published" means appearing at least once in a newspaper of general circulation distributed in the municipality or, if there is no newspaper of general circulation distributed in the municipality, posting in three public places for at least five days;

(19) "real property" means land and improvements, all possessory rights and privileges appurtenant to the property, and includes personal property affixed to the land or improvements;

(20) "regular election" means the municipal election held on the first Tuesday of October annually, or on a different date or interval of years provided by ordinance or charter;

(21) "special election" means a municipal election and does not include a regular election or a state election;

(22) "street" includes streets, avenues, boulevards, roads, lanes, alleys, and other ways;

(23) "subdivision"

(A) means the division of a parcel of land into two or more lots or other divisions for the purpose of sale or building development, includes resubdivision, and relates to the process of subdividing or to the land subdivided;

(B) does not include cadastral plats, cadastral control plats, open-to-entry plats, or remote parcel plats created by or on behalf of the state regardless of whether these plats include easements or other public dedications;

(24) "unified municipality" means a municipality unified in accordance with AS 29.06.190 - 29.06.410;

(25) "voter" means a United States citizen who is qualified

to vote in state elections, has been a resident of the municipality for 30 days immediately preceding the election, is registered to vote in state elections, and is not disqualified under art. V of the state constitution.

* Sec. 18. AS 01.10.060 is amended by adding a new paragraph to read:

(15) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality.

* Sec. 19. AS 09.55.275 is amended to read:

Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or municipality may acquire property located within a municipality exercising the powers conferred by AS 29.35.180 or AS 29.35.260(c) that [AS 29.33.150 - 29.33.245 WHICH] results in a boundary change unless the agency or municipality first obtains from the municipal platting authority preliminary approval of a replat showing clearly the location of the proposed public streets, easements, rights-of-way, and other taking of private property. Final approval of replat shall be similarly obtained. However, if a state agency clearly demonstrates an overriding state interest, a waiver to the approval requirements of this section may be granted by the governor. The platting authority shall treat applications for replat made by state or local governmental agencies in the same manner as replat petitions originated by private landowners.

* Sec. 20. AS 09.65.070(e)(1) is amended to read:

(1) "municipality" means a home rule borough or city, a general law borough or city of any class, or a unified municipality [ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTABLISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110]; the term includes a public corporation established by a municipality;

* Sec. 21. AS 14.08.071(b) is amended to read:

(b) Except for the first election of regional school members under (a) of this section, elections [ELECTION] shall be held annually on the first Tuesday in October. Elections shall be supervised by the director of elections in the office of the lieutenant governor, but shall be administered within second class cites as part of the regular municipal election. The lieutenant governor shall adopt [PROMULGATE] regulations for the conduct of the election of regional school board members comparable, as far as practicable, to those prescribed for election of school board members under AS 14.12 and AS 29.20.300 [AS 29.28] except that the majority election requirements of AS 29.-26.060 [AS 29.28.040] do not apply to, nor may the regulations require runoff elections for, the first election of regional school board members under (a) of this section or, if a school board by resolution so requests, to subsequent elections in the regional educational attendance area served by that school board.

* Sec. 22. AS 14.08.081 is amended to read:

Sec. 14.08.081. RECALL. The members of a regional school board are subject to recall in accordance with AS 29.26.240 - 29.26.360 [AS 29.28.130 - 29.28.250], except that the director of the division of elections shall perform the functions of a municipal clerk, and the lieutenant governor shall perform the functions of the assembly or council under those sections.

* Sec. 23. AS 14.12.030(c) is amended to read:

(c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this section do not apply if [, WHERE] the [BOROUGH] assembly serves as the school board of the borough school district [UNDER AS 29.41.020 THE NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN THE MANNER PRESCRIBED BY AS 29.23.020].

* Sec. 24. 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 third class boroughs under AS 29.20.300(b) [AS 07.17.030], if

(1) an [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

(2) [IF] the public school population within the borough is 500 pupils or less.

* Sec. 25. AS 14.14.020 is amended to read:

Sec. 14.14.020. BOND REQUIRED. Before the officer responsible for custody [OF], investment, or management of school district money enters upon the duties of office, the district, or the municipality if the treasury is centralized, shall obtain a bond with sufficient sureties in an amount equal to the money that may come into the officer's official custody, but not to exceed $50,000. The bond shall be conditioned on the officer's honest and faithful disbursement and accounting of all money that may come into the official custody of the officer. The bond shall be filed with the clerk of the school board. This section does not apply to an officer who has been bonded under AS 29.20.610 [AS 29.23.520].

* Sec. 26. AS 14.14.050(d) is amended to read:

(d) The school board shall not make the audit if an audit that [WHICH] satisfies the requirements of this section and that [WHICH] is filed and posted as required by this section [,] is made according to AS 29.35.110 [AS 29.48.220].

* Sec. 27. AS 14.17.140(a) is amended to read:

(a) To determine the equalized percentage to be applied to basic need under AS 14.17.021, and the matching ratio for required local effort under AS 14.17.071, the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district. Exemptions granted under ch. 129, SLA 1957, known as the Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there is no local assessor or current local assessment for a district, then the Department of Community and Regional Affairs shall make the determination of full value from information available. In making the determination, the Department of Community and Regional Affairs shall be guided by AS 29.45.110 [AS 29.53.060]. The determination of full value shall be made before October 1 and sent by certified mail, return receipt requested, before that date to the president of the school board in each district. Duplicate copies shall be sent to the commissioner. The governing body of the municipality that [BOROUGH OR CITY WHICH] is the district may obtain judicial review of the determination by filing a motion in the superior court of the judicial district in which the district is located within 30 days after receipt of the determination. The superior court may modify the determination of the Department of Community and Regional Affairs only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

* Sec. 28. AS 15.13.010(a) is amended to read:

(a) This chapter applies in every election for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, or judge seeking electoral confirmation. It also applies to every candidate for election to a municipal office

in a municipality [CITY OR BOROUGH] with a population of more than 1,000 inhabitants according to the latest United States census figures or estimates of population certified as correct for administrative purposes by the Department of Community and Regional Affairs. A municipality may exempt its elected municipal officers from the requirements of this chapter if a majority of the voters voting on the question at a [ANY] regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)], or a special municipality-wide election called for that purpose, vote to exempt its elected municipal officers from the requirements of this chapter. The question of exemption from the requirements of this chapter may be submitted by the governing body [CITY COUNCIL OR BOROUGH ASSEMBLY] by ordinance or by initiative election [ORDINANCE]. Nothing in this chapter prohibits a municipality from regulating by ordinance campaign contributions and expenditures.

* Sec. 29. AS 15.13.120(f)(3) is amended to read:

(3) AS 29.20.170 [AS 29.23.060(c)], if the candidate is a candidate for the borough assembly;

* Sec. 30. AS 15.13.120(f)(4) is amended to read:

(4) AS 29.20.280 [AS 29.23.130(f)], if the candidate is a candidate for borough mayor;

* Sec. 31. AS 15.13.120(f)(5) is amended to read:

(5) AS 29.20.170 [AS 29.23.210(b)], if the candidate is a candidate for city council;

* Sec. 32. AS 15.13.120(f)(6) is amended to read:

(6) AS 29.20.280 [AS 29.23.255], if the candidate is a candidate for city mayor;

* Sec. 33. AS 15.56.110(b)(2) is amended to read:

(2) a member of the borough assembly [ASSEMBLYMAN] under

AS 29.20.170(6) [AS 29.23.060(c)];

* Sec. 34. AS 15.56.110(b)(3) is amended to read:

(3) a borough mayor under AS 29.20.280(6) [AS 29.23.130-(f)];

* Sec. 35. AS 15.56.110(b)(4) is amended to read:

(4) a member of the city council [COUNCILMAN] under AS 29.-20.170(6) [AS 29.23.210(b)];

* Sec. 36. AS 15.56.110(b)(5) is amended to read:

(5) a city mayor under AS 29.20.280(6) [AS 29.23.255];

* Sec. 37. AS 16.20.036(g) is amended to read:

(g) The establishment of a refuge under this section does not impair or alter existing rights of a municipality [BOROUGH OR CITY] to state land selected [SELECT STATE LAND] under former AS 29.18.190 - 29.18.200.

* Sec. 38. AS 16.20.038(g) is amended to read:

(g) The establishment of a refuge under this section does not impair or alter existing rights of a municipality [BOROUGH OR CITY] to state land selected [SELECT STATE LAND] under former AS 29.18.190 - 29.18.200.

* Sec. 39. AS 18.26.250(2) is amended to read:

(2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

* Sec. 40. AS 18.80.290(d) is amended to read:

(d) The governing [LEGISLATIVE] body of a general law or home rule municipality has the authority under AS 29.20.320 [AS 29.48.035] to grant to local commissions powers and duties similar to those exercised by the Alaska Human Rights Commission under the provisions of this Act.

* Sec. 41. AS 19.30.241(2) is amended to read:

(2) "home rule city" means a city as defined in AS 29.04.-010 [AS 29.08.010];

* Sec. 42. AS 19.30.241(3) is amended to read:

(3) "local government" means an organized borough of any class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.-440], a home rule city, or a first class city [OF THE FIRST CLASS];

* Sec. 43. AS 26.23.230(5) is amended to read:

(5) "political subdivision" means a home rule or general law borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a unified municipality [MUNICIPALITIES UNIFIED UNDER AS. 29.68.240 - 29.68.440], an unincorporated village, or other unit of local government;

* Sec. 44. AS 28.15.051(d) is amended to read:

(d) The department may issue a special driver's permit to a person who is at least 14 years of age with the consent of his parents or guardians for the purpose of driving a motor-driven cycle. This permit may be issued upon application and successful completion of all prescribed tests and fees, and is valid for the same period of time as a driver's license. The permit is not valid in a municipality that [WHICH] by ordinance prohibits the driving of a motor-driven cycle by a person under the age of 16 years; a borough may adopt the ordinance on a nonareawide basis only, unless the power to adopt it on an areawide basis is acquired under AS 29.35.300 - 29.35.330 or former AS 29.33.250 - 29.33.290.

* Sec. 45. AS 38.04.020(b)(1) is amended to read:

(1) land nominated for selection or selected by a municipality to satisfy a general grant land entitlement under AS 29.65 or former AS 29.18.201 - 29.18.213;

* Sec. 46. AS 38.04.020(e)(4) is amended to read:

(4) for preliminary feasibility studies, engineering design work, and construction of access roads and capital improvements required by municipal subdivision ordinance or regulation of the platting authority [BOARD UNDER AS 29.33.150]; if an accurate determination of the amounts necessary for access roads or capital improvements cannot be made at the time the estimate is submitted, a schedule for obtaining the estimates, constructing the access roads or capital improvements, and disposing of the land shall be submitted;

* Sec. 47. AS 38.04.021(a) is amended to read:

(a) A municipality may apply for financial assistance for the execution of a land disposal program of general grant land entitlements received from the state under AS 29.65 or former AS 29.18.201 - 29.18.213 by submitting a request to the commissioner for inclusion in the request submitted to the legislature under AS 38.04.020(e). A municipality may request financial assistance for expenses of surveying land, designing subdivision plats, installing improvements required by municipal ordinance or regulation of the local platting authority [BOARD], and other reasonable direct costs of land disposal.

* Sec. 48. AS 38.04.021(d) is amended to read:

(d) A grant made under this section may not exceed five times the amount of money appropriated by a first class city, a borough, or a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for the disposal of municipal land in the current fiscal year unless the commissioner exempts the municipality from this subsection.

* Sec. 49. AS 38.04.021(e)(2) is amended to read:

(2) a first class city, a borough, or a unified municipality that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by the commissioner under (d) of this section.

* Sec. 50. AS 38.04.900(b) is amended to read:

(b) A municipality has standing to petition the commissioner for the adoption of a regulation, or for the amendment or repeal of an existing regulation, or to appeal a decision of the commissioner with respect to classification, management, or disposal of land made under authority of a regulation adopted under (a) of this section with respect to state land outside the corporate boundaries of the municipality to protect any interest which the municipality is authorized to regulate outside its boundaries under AS 29.35.020 [AS 29.48.037].

* Sec. 51. AS 38.05.127(d) is amended to read:

(d) Upon application by a municipality or an affected owner of land, the department may vacate, release, modify, or relocate an easement and right-of-way for public access to or along navigable or public waters reserved by the department in a patent issued under AS 29.18.510 - 29.18.610, AS 29.05, AS 29.65, or former AS 29.18.011 - 29.18.460, [AS 29.18] if the commissioner determines the action is consistent with the public interest.

* Sec. 52. AS 38.05.290(b) is amended to read:

(b) Consistent with the best interests of the state, in the selection of general grant land it is the policy of the state to make available the maximum land area from which municipalities may fulfill land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

* Sec. 53. AS 38.05.321(b) is amended to read:

(b) State land classified as agricultural land that [WHICH] has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the director for patent under AS 29.65.050(c) or former AS 29.18.205(f); however, only rights in the land for agricultural purposes may be transferred and all other interests in the land will remain with the state. Agricultural land approved for patent to a municipality [UNDER AS 29.18.205(f)] shall be

credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural land, those rights shall pass without consideration to the municipality in which the land is located. The notice and review provisions of [AS 38.05.305 AND] AS 38.05.345 are applicable to conveyance of rights under this section.

* Sec. 54. AS 38.05.321(c) is amended to read:

(c) The provisions of this section do not apply to state land classified as agricultural land which has been selected by a municipality under the provisions of former AS 29.18.190 - 29.18.200 if the selection is an approved selection before April 1, 1978 and is otherwise valid under AS 29.65.050(b) or former AS 29.18.205(b).

* Sec. 55. AS 38.05.362(b) is amended to read:

(b) Nothing in this section affects the selection rights of a municipality [BOROUGH OR CITY] under former AS 29.18.190 - 29.18.200 for areas selected as of July 1, 1977, or a valid existing claim, location, or entry under law, as of July 1, 1976.

* Sec. 56. AS 39.50.145 is amended to read:

Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality may exempt its municipal officers from the requirements of this chapter if a majority of the voters voting on the question at a [ANY] regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)], or a special municipality-wide election, vote to exempt its municipal officers from the requirements of this chapter. The question of exemption from the requirements of this chapter may be submitted by the city council or borough assembly by ordinance or by initiative

election [ORDINANCE].

* Sec. 57. AS 39.50.200(a)(6) is amended to read:

(6) "municipal officer" includes a borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, members of a city or borough planning or zoning commission within a home rule or general law city or borough or [INCLUDING BUT NOT LIMITED TO] a unified municipality [UNDER AS 29.68];

* Sec. 58. 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 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240]. Costs of publication and mailing [AS WELL AS OTHER COSTS] authorized in AS 29.40.130 [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. 59. AS 40.15.200 is amended to read:

Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS. All subdivisions of land made by the state, its agencies, instrumentalities and political subdivisions are subject to the provisions of this chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 - 29.33.240], or home rule ordinances or regulations governing subdivisions, and shall comply with ordinances and other local regulations adopted under this chapter and AS 29.40.070 - 29.40.160 or former

AS 29.33.150 - 29.33.240, or under home rule authority, in the same manner and to the same extent as subdivisions made by other landowners.

* Sec. 60. AS 41.22.020(d) is amended to read:

(d) In (a) of this section "municipalities" includes cities or organized boroughs of any class and unified municipalities exercising powers to initiate projects described in AS 41.22.020 and acquire parks and open space land, as otherwise authorized by law [, AND INCLUDES BUT IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER AS 29.68.240 - 29.68.440].

* Sec. 61. AS 41.35.180(5) is amended to read:

(5) consult with local historical district commissions regarding the establishment of historical districts under AS 29.55.010 - 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project alterations under AS 45.98.040; recommend, if appropriate, the formulation of additional criteria for the designation of historical districts under AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and evaluate the suitability of specific structures for purposes of loan eligibility and continuance under the historical district revolving loan fund (AS 45.98); and consult with the Department of Commerce and Economic Development relative to the adoption of regulations for historical district loans under AS 45.98.

* Sec. 62. AS 43.18.430 is amended to read:

Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own, maintain and employ a facility constructed under AS 43.18.400 - 43.18.460. The exercise of this power on an areawide basis is at the option of the borough and is not subject to the restrictions on acquiring additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290].

* Sec. 63. AS 43.18.500(d)(2)(A) is amended to read:

(A) has the authority under AS 29.35 [AS 29.41 OR AS 29.48] to provide and maintain a cultural facility;

* Sec. 64. AS 43.56.010(b) is amended to read:

(b) A municipality may levy and collect a tax under AS 29.45.080 [AS 29.53.045] at the rate of taxation that applies to other property taxed by the municipality. The tax shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality. No municipality may exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.025] and AS 43.56.020.

* Sec. 65. AS 43.56.010(c) is amended to read:

(c) If the total value of assessed property of a municipality taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state (to be determined by the department and reported to each municipality by January 15 of each year) multiplied by the number of residents of the taxing municipality, the department shall designate the portion of the tax base against which the local tax may be applied. For purposes of this subsection the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

* Sec. 66. AS 43.56.010(d) is amended to read:

(d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.045] on or before June 30 of the tax year shall be credited against the tax levied under (a) of this section for that tax year. If, however, a tax is not paid to a municipality until after June 30 of

the taxable year, the department upon application shall refund to the taxpayer the amount of tax paid to the municipality under AS 29.45.080 [AS 29.53.045]. The credit or refund of taxes paid to a municipality may not exceed the total amount of tax levied by the department upon the taxpayer for the tax year, under (a) of this section.

* Sec. 67. AS 43.56.060(a) is amended to read:

(a) The department shall assess property for the tax levied under AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used or committed by contract or other agreement for use fo the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil at its full and true value as of January 1 of the assessment year.

* Sec. 68. AS 43.75.130(1) is amended to read:

(1) to each unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440,] and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

* Sec. 69. AS 44.07.360(8) is amended to read:

(8) "municipality" means a home rule or general law city or borough including but not limited to the capital city and a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440];

* Sec. 70. AS 44.47 is amended by adding new sections to read:

ARTICLE 12. BOROUGH FEASIBILITY STUDIES.

Sec. 44.47.700. BOROUGH FEASIBILITY STUDIES. (a) The commissioner may contract for studies of the feasibility of establishing boroughs in the unorganized borough. A study may be conducted under this section only if

(1) appropriations are available for that purpose; and

(2) the study is requested by a person residing in the area

to be studied or by a city located in the area to be studied.

Sec. 44.47.710. REQUESTS FOR STUDIES. A request for a study of the feasibility of establishing a borough in the unorganized borough shall be submitted to the commissioner in writing and shall include

(1) a description of the boundaries of the area of the proposed study; and

(2) an indication of local interest in the proposed study consisting of either

(A) a petition requesting the study containing the signatures and addresses of five percent of the voters residing in the area of the proposed study based on the number of voters who voted in the area in the last statewide election; or

(B) resolutions requesting the study adopted by the governing bodies of at least five percent of the cities within the area of the proposed study.

Sec. 44.47.720. BOUNDARIES. The boundaries of an area studied shall conform to the boundaries indicated in the request for the study under AS 44.47.710 unless the commissioner, after a public hearing held in the area of the proposed study, determines that the boundaries should be altered. In determining the boundaries of an area to be studied, the commissioner shall consider

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

(2) boundaries of regional corporations established under 43 U.S.C. 1606;

(3) census divisions of the state used for the 1980 census;

(4) boundaries of the regional educational attendance areas established under AS 14.08.031; and

(5) boundaries of coastal resource service areas organized

under AS 46.40.110 - 46.40.210.

Sec. 44.47.730. CONTRACTS. (a) The commissioner shall contract for a study of the feasibility of establishing a borough in the unorganized borough by following the procedures set out in AS 36.98. The commissioner shall include terms in the contract that provide for

(1) public participation in the preparation of the study;

(2) completion of the study not later than June 30 of the third year after the year the contract is executed.

(b) A study under this section shall include

(1) a recommendation for or against incorporation of a borough containing all or part of the area studied;

(2) an evaluation of the economic development potential of the area studied;

(3) an evaluation of capital facility needs of the area studied;

(4) an evaluation of demographic, social, and environmental factors affecting the area studied;

(5) an evaluation of the relationships among regional educational attendance areas, coastal resource service areas, and other regional entities responsible for providing services in the area studied;

(6) an evaluation of the relationships between the existing cities within the area studied and regional entities responsible for providing services in the area; and

(7) specific recommendations for

(A) organization of a home rule or general law borough government if one is recommended;

(B) changes in organization of cities in the area studied; or

(C) the improvement of the delivery of services to the public by the state in the area studied.

* Sec. 71. AS 44.83.162(m) is amended to read:

(m) For purposes of (c) of this section, the number of residents of the community equals the number of residents of the community determined by the Department of Community and Regional Affairs in accordance with AS 29.60.020 [AS 29.88.015].

* Sec. 72. AS 44.85.270(i) is amended to read:

(i) All references to the "reserve fund" in this section include special accounts within the reserve fund which may be created by the authority to secure the payment of particular bonds, including, without limitation, bonds issued by the capital city established under AS 29.14.010 [AS 29.18.510]. The commissioner of revenue may lend surplus money in the general fund to the authority for deposit to any account in the reserve fund in an amount equal to the required debt service reserve. The loans shall be made on such terms and conditions as may be agreed upon by the commissioner of revenue and the authority, including, without limitation, terms and conditions providing that the loans need not be repaid until the obligations of the corporation secured and to be secured by the account in the reserve fund are no longer outstanding.

* Sec. 73. AS 44.85.410(3)(A) is amended to read:

(A) a general obligation bond that [WHICH] is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.45.590 [AS 29.53.410]; or

* Sec. 74. AS 44.85.410(3)(D) is amended to read:

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; [.]

* Sec. 75. AS 45.98.020 is amended to read:

Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and plan approval by a local historical district commission established under AS 29.55.010 or former AS 29.48.108 and the recommendation of a majority of the members of the Historic Sites Advisory Committee, the Department of Commerce and Economic Development may make loans to a person, firm, business or municipality subject to applicable laws for the restoration, improvement, rehabilitation, or maintenance of a structure that [WHICH] is

(1) within the boundaries of a historical district established under AS 29.55.020 or former AS 29.48.110;

(2) identified as important in state or national history as provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

(3) another building or structure within a historical district, and suitable for superficial modification so that it can conform to the period or motif of the surrounding buildings or structures that are the reason for the area's designation as a historical district.

* Sec. 76. AS 46.03.210(a) is amended to read:

(a) A municipality with a population in excess of 1,000 may, within five years from August 5, 1969, establish and administer within its jurisdiction an air pollution control program. Organized boroughs may establish an air pollution control program on an areawide basis, and the exercise of powers with respect to the program is not subject to the restrictions on acquiring additional areawide powers specified in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local

programs shall

(1) provide by ordinance for requirements compatible with those imposed by the provisions of AS 46.03.140 and 46.03.170 and applicable regulations;

(2) provide for the enforcement of the requirements imposed through appropriate administrative and judicial processes;

(3) provide for a local administrative organization, staff, and other resources necessary to effectively carry out the purposes of the program; and

(4) be approved by the department as being satisfactory to meet the requirements of AS 46.03.140 - 46.03.170 and the applicable regulations.

* Sec. 77. AS 46.11.040(3)(A) is amended to read:

(A) is constructed under an exception to the municipal building code granted <u>because the exception will result in increased energy efficiency</u> [UNDER AS 29.33.080(g)];

* Sec. 78. AS 46.11.900(8) is amended to read:

(8) "state financial assistance" means a loan, grant, guarantee, insurance, payment, rebate, subsidy, or other form of state assistance (other than aid under <u>AS 29.60</u> [AS 29.88, AS 29.89, AS 29.90, AS 29.95] and AS 43.18) including the purchase by a state agency of a loan to finance the construction of a new residential, commercial, or industrial building;

* Sec. 79. AS 46.35.200(3) is amended to read:

(3) "local government" means a city or borough including a <u>unified</u> municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

* Sec. 80. AS 46.40.140(h) is amended to read:

(h) Members of coastal resource service area boards are subject to recall on the same grounds and in the same manner as provided for

recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.-130 - 29.28.250]. The lieutenant governor functions in place of the assembly or council and municipal clerk for receipt and review of recall petitions and the conduct of recall elections.

* Sec. 81. AS 46.40.210(2)(A) is amended to read:

(A) unified municipalities [ESTABLISHED UNDER AS 29.-68.240 - 29.68.440];

* Sec. 82. AS 47.35.010(b) is amended to read:

(b) The department shall, within 90 days after receiving a written request that it do so, delegate its powers relating to nurseries under this section and under AS 47.35.040, 47.35.050 and 47.-35.060 to a municipality which has adopted an ordinance providing for day care licensing under home rule powers or as authorized under AS 29.35.200 - 29.35.210 [AS 29.48.035(a)(20)]. A municipality to which these powers have been delegated may waive or modify any regulation or standard established by the department under the authority of AS 47.35.010 - 47.35.080 as it applies to nurseries or the application of any such regulation or standard as it applies to a particular day care licensee but must notify the department of any waiver.

* Sec. 83. The following laws are repealed: AS 04.11.400(c); AS 04.-21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6); AS 18.55.950-(10); AS 18.20.015(f); AS 24.55.330(3); AS 28.35.260(a)(10); AS 29.08; AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41; AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.-78; AS 29.88; AS 29.89; AS 29.90; AS 29.95; AS 30.15.070(3); AS 30.30.170-(2); AS 35.15.120(3); AS 42.06.630(6); AS 43.18.500(j)(6); AS 43.20.016; AS 43.56.210(8); AS 44.47.310(5); and AS 44.85.410(4).

* Sec. 84. A right or liability of a municipality existing on July 1, 1983, is not affected by the enactment of this Act. Ordinances and

regulations in effect on July 1, 1983, remain in effect unless they conflict with provisions of this Act. Ordinances and regulations in effect on July 1, 1983, that conflict with provisions of this Act remain in effect for 180 days after July 1, 1983. The terms of elected or appointed municipal officials in office on July 1, 1983, are not affected by this Act, and their terms expire as provided before July 1, 1983.

* Sec. 85. AS 29.45 as enacted in sec. 11 of this Act is retroactive to January 1, 1983.

* Sec. 86. AS 29.45 as enacted in sec. 11 of this Act and sec. 85 of this Act take effect immediately in accordance with AS 01.10.070(c).

* Sec. 87. Except for AS 29.45 as enacted in sec. 11 of this Act and except for sec. 85 of this Act, this Act takes effect July 1, 1983.

Section-by-Section Analysis
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Sec. 29.03.030. This is added to the chapter dealing with the unorganized borough in order to cross-reference the section authorizing the division of lands to act as the platting authority in the unorganized borough.

CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

Sec. 29.04.010. This section is altered to allow a city of any class to adopt a home rule charter, whereas existing law allows only a first class city to adopt a charter. Unified municipalities are included within the definition of home rule municipality. (AS 29.-08.010)

Sec. 29.04.020. No change. (AS 29.08.020)

Sec. 29.04.030. No change. (AS 29.08.030)

Sec. 29.04.040. (a) The phrase "as provided in this subsection" is deleted as unnecessary. To reclassify as a first class city, a second class city must have 600 residents, whereas existing law requires only 400 residents for reclassification. (AS 29.08.040(a))

(b) No change. (AS 29.08.040(b))

(c) No change. (AS 29.08.040(c))

(d) Minor rewording, but no substantive change. (AS 29.-08.040(d) and (e))

(e) "Department of Community and Regional Affairs" is altered to read "department". This bill adds "department" to the definitions section and uses that term throughout the title in place of "Department of Community and Regional Affairs". (AS 29.08.040(f))

Sec. 29.04.050. This deletes the provision for reclassification of a second class borough to a third class borough. (AS 29.08.040(g))

The material currently dealing with reclassification to third class status is deleted. (AS 29.08.040(h), and (j))

Sec. 29.04.060. (a) Minor rewording, but no substantive change. (AS 29.08.040(g) and (h))

(b) Minor rewording, but no substantive change. (AS 29.-08.040(i))

CHAPTER 05. INCORPORATION.

Sec. 29.05.010. (a) A community that meets certain standards may incorporate as a home rule or first class city, whereas existing law provides for incorporation of a first class city only. (AS 29.18.011)

(1) A community must have 600 residents to incorporate as a home rule or first class city, whereas existing law requires 400 residents for incorporation as a first class city. (AS 29.18.011(a)(1))

(2) No change. (AS 29.18.011(a)(2))

(3) The term "local services" is altered to "municipal services". (AS 29.18.011(a)(3))

(4) The term "local government" is altered to "city government". (AS 29.18.011(a)(4))

(5) The term "local government" is altered to "city government". (AS 29.18.011(a)(5))

(b) No change. (AS 29.18.011(b))

Sec. 29.05.020. (a) No change. (AS 29.18.021(a))

(b) The term "organized borough" is altered to "borough", which is defined for the title. (AS 29.18.020(b))

Sec. 29.05.030. (a) This provides for incorporation of a home rule, first class, or second class borough, but not for incorporation of a third class borough. This section contains several technical changes. The term "organized borough" is replaced with "borough" since that is defined. The term "local services" is replaced by "municipal services". The term "local government" is replaced by "borough government" as being more precise since this section deals with the incorporation of boroughs and not cities. (AS 29.18.030)

(b) This is new and provides that an area may not incorporate as a third class borough.

Sec. 29.05.060. "Department of Community and Regional Affairs" is replaced by the word "department" which is defined for the title. The paragraphs are reorganized so that the most general requirements precede the most specific requirements for incorporation. (AS 29.18.050)

(7) Signature requirements apply to home rule and first class cities as a unit and then to the rest of the voters in the area of the proposed borough as another unit. Under existing law only first class cities are treated as a special unit for the purpose of gathering signatures. (AS 29.18.050(10))

(11) Signature requirements for incorporation of a first class city must also be complied with for incorporation of a home rule city. (AS 29.05.060(8))

(13) A new provision for incorporation of a home rule municipality requiring that a proposed home rule charter be filed with the incorporation petition.

Sec. 29.05.070. Minor rewording, but no substantive change. (AS 29.18.060)

Sec. 29.05.080. (a) Combines material currently found in two subsections. Adds requirement that notice of the meeting be published. "Published" is defined for the title. (AS 29.18.070(a) and (c))

(b) No change. (AS 29.18.070(b))

(c) No substantive change. (AS 29.18.080(a))

Sec. 29.05.090. "Department of Community and Regional Affairs" is altered to "department". (AS 29.18.080(b))

Sec. 29.05.100. No substantive change. (AS 29.18.090)

Sec. 29.05.110. This section contains a few minor changes, so that the use of language is consistent throughout the bill. The word "officer" is changed to "official" and that is the term used throughout. Currently, Title 29 uses the terms municipal "officer" and "official" interchangeably. Effective January 1, 1981, the director of elections became responsible for conducting state elections rather than the lieutenant governor and here the responsibility for the election is conferred on the director of elections. (AS 29.18.110)

Sec. 29.05.120. This section is reorganized. Current references to the lieutenant governor are changed to the director of elections. (AS 29.18.120)

(a) Contains material currently found in AS 29.18.120(b).

(b) Contains material currently found in AS 29.18.120(b).

(c) Contains material currently found in AS 29.18.120(b).

(d) Contains material currently found in AS 29.18.120(c).

(e) Contains material currently found in AS 29.18.120(d).

(f) Contains material currently found in AS 29.18.120(e).

Sec. 29.05.130. The phrase "borough assembly or city council" is replaced by the phrase "governing body" which is defined for the title. The last line of the current section is dropped as no longer necessary. The provisions of this section apply to all organized boroughs whether incorporated or organized before or after September 10, 1972. (AS 29.18.130)

Sec. 29.05.140. Minor wording changes are made to improve readability and to insure that terms are used consistently throughout the title. (AS 29.18.140)

(d) Added to indicate that the section applies to home rule and general law municipalities, however, this is not a substantive change because the section currently applies to home rule municipalities under AS 29.13.100.

Sec. 29.05.150. No substantive change. (AS 29.18.150)

Sec. 29.05.180. This section now applies only to organization grants for cities. A new section has been added to the bill to deal with organization grants for boroughs. A newly incorporated city or a second class city in the unorganized borough that reclassifies shall be entitled to a first year organization grant of $50,000 and to a second organization grant of $25,000. Under existing law, a municipality is entitled to receive $10 for every voter or $25,000 minimum, and the municipality receives no grant the second year. (AS 29.18.180)

Sec. 29.05.190. This section deals with organization grants to boroughs only and applies to boroughs incorporated after July 1, 1983. A borough shall be entitled to a first year organization grant of $300,000; a second year grant of $200,000; and a third year grant of $100,000. Under existing law a borough receives $10 for every voter or a minimum $25,000 grant. (AS 29.18.180)

Sec. 29.05.200. This is new material establishing an organization grant fund. The Department of Community and Regional Affairs is required to prepare a yearly report on the fund to be presented to the Department of Administration.

Sec. 29.05.210. This is new material which requires the Department of Community and Regional Affairs to determine the population of a newly incorporated borough, help the borough establish an initial assessment and collection department if it has adopted a

sales or use tax; and help the borough to determine the initial assessment roll if the borough has adopted a property tax.

CHAPTER 06. ALTERATION OF MUNICIPALITIES.

Sec. 29.06.010. The phrase "qualified voters voting on the question at a regular or special election" is replaced by "voters after an election". Both "voters" and "election" are defined for the title. References to the lieutenant governor are changed to the director of elections. (AS 29.73.050)

(d) This is added and applies the section to home rule municipalities. This is not a substantive change since the section is a home rule limitation under AS 29.13.100.

Sec. 29.06.040. (a) Authorizes an appeal of a decision of the Local Boundary Commission regarding a proposed municipal boundary change. (AS 29.68.010(a))

(b) Minor rewording. (AS 29.68.010(a))

(c) Adds a new provision that standards and procedures that apply to detachment shall be the same as standards and procedures that apply to annexation, except that provisions for equitable prorated payment of debts must be included in the case of detachment. Requires the Local Boundary Commission to make a decision on a petition for annexation or detachment within 90 days. (AS 29.68.010(b))

(d) Minor reorganizing but no substantive change. (AS 29.68.-010(c))

Sec. 29.06.050. No substantive change. (AS 29.68.020)

Sec. 29.06.060. This is new material specifically applying all sections dealing with annexation as home rule limitations. The material contained in sec. 29.06.040 of this bill is currently a limitation on home rule municipalities.

Sec. 29.06.090. Adds a provision that a third class borough may not be formed through merger or consolidation. (AS 29.68.030)

Sec. 29.06.100. The word "existing" is added to make it clear that some requirements refer to an existing municipality and some to a proposed municipality. (AS 29.68.040)

Sec. 29.06.110. "Department of Community and Regional Affairs" is changed to "department". (AS 29.68.050, 29.68.060 29.-68.070(a))

Sec. 29.06.120. No substantive change. (AS 29.68.070(b))

Sec. 29.06.130. "Assembly or council" is changed to "governing body". Material contained in the last sentence under current law is placed into a new subsection (b). (AS 29.68.080)

Sec. 29.06.140. Material currently contained in AS 29.68.090(a) and (b) is combined into (a). The statutory reference in AS 29.-68.090(d) is eliminated as unnecessary. References to "lieutenant governor" are changed to "director of elections". (AS 29.68.090)

Sec. 29.06.150. No substantive change. (AS 29.68.100)

Sec. 29.06.160. No substantive change. (AS 29.68.110)

Sec. 29.06.170. This is a new section providing that the article on merger and consolidation applies to home rule municipalities. These sections are currently applied to home rule municipalities under AS 29.13.100.

Sec. 29.06.190. No substantive change. (AS 29.68.240)

Sec. 29.06.200. No substantive change. (AS 29.68.250)

Sec. 29.06.210. "Unification" is added to make it clear that this is a special type of petition. (b)(1) and (2) are slightly rewritten for clarity. (AS 29.68.260)

Sec. 29.06.220. No substantive change. (AS 29.68.270)

Sec. 29.06.230. New section setting out duties of charter commission. (AS 29.68.350(a))

Sec. 29.06.240. This is rewritten for clarity. Under existing law membership is divided between the area outside cities and the area inside cities. This approach is altered so that membership is divided between the area outside home rule and first class cities and the area inside home rule and first class cities in the borough. (AS 29.68.310)

Sec. 29.06.250. (a) No substantive change. (AS 29.68.280)

(b) No substantive change. (AS 29.68.290(a))

(c) No substantive change. (AS 29.68.290(b))

(d) This is new material providing that a resolution or petition for unification is void if insufficient nominations are received for the charter commission.

Sec. 29.06.260. No substantive change. (AS 29.68.300)

Sec. 29.06.270. (a) The question submitted is whether a charter commission shall be formed, not whether unification shall take place. (AS 29.68.320(a) and (b))

(b) No substantive change. (AS 29.68.320(c))

(c) No substantive change. (AS 29.68.320(d))

Sec. 29.06.280. Reworded to clarify that formation of a charter commission is being considered, not unification. (AS 29.68.330)

Sec. 29.06.290. No substantive change. (AS 29.68.340(a) - (d))

Sec. 29.06.300. No substantive change. (AS 29.68.340(e), 29.68.390(e))

Sec. 29.06.310. No substantive change. (AS 29.68.340(f))

Sec. 29.06.320. The language "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 sec. 380 of this chapter" is deleted since this appears elsewhere. Parts have been slightly rewritten for clarification and statutory references to other sections in AS 29.68.350(a)(5) and (7) are deleted as unnecessary. AS 29.68.350(b) is deleted as unnecessary. (AS 29.68.350)

Sec. 29.06.330. Some excessive verbage is eliminated. (AS 29.-68.360)

Sec. 29.06.340. No substantive change. (AS 29.68.370)

Sec. 29.06.350. The language "once in at least one newspaper having general circulation distributed within the borough, if there is a newspaper having general circulation distributed in the borough" is eliminated as unnecessary since "published" is defined for the title. (AS 29.68.380)

Sec. 29.06.360. (a) No substantive change. (AS 29.68.635(a), 29.68.390(a))

(b) No substantive change. (AS 29.68.390(b))

(c) No substantive change. (AS 29.68.390(c))

(d) No substantive change. (AS 29.68.390(d))

Sec. 29.06.370. The statutory referance to the article on unification is eliminated as unnecessary. (AS 29.68.400)

Sec. 29.06.380. This section is slightly reworded for clarity. (AS 29.68.410)

Sec. 29.06.390. This section is slightly reworded for clarity. (AS 29.68.420)

Sec. 29.06.400. This is reworded for clarity and the statutory reference to the unification article is deleted as unnecessary. (AS 29.68.430)

Sec. 29.06.410. (2) is changed so that it is clear that a unified municipality has the powers of a home rule borough, since a unified municipality is a home rule unit of government. (AS 29.68.440)

Sec. 29.06.420. This is a new section making the provisions dealing with unification applicable to home rule municipalities. Although annexation, merger and consolidation, and dissolution are currently home rule limitations, the sections dealing with unification are not applicable to home rule municipalities as limitations under existing law.

Sec. 29.06.450. No changes other than changes in terminology used consistently throughout in this bill. (AS 29.68.500)

Sec. 29.06.460. No changes except for minor rewording for clarity. (AS 29.68.510)

Sec. 29.06.470. No changes, except for minor rewording for clarity. (AS 29.68.520)

Sec. 29.06.480. "Department of Community and Regional Affairs" is altered to "department". (AS 29.68.530, 29.68.540)

Sec. 29.06.490. No changes except for minor rewording for clarity. (AS 29.68.550)

Sec. 29.06.500. (a) No change. (AS 29.68.560)

(b) Provides for an administrative appeal of a Local Boundary Commission decision.

Sec. 29.06.510. Material contained in AS 29.68.570(a) and (b) is consolidated into (a). References to the "lieutenant governor" are changed to the "director of elections", who is now in charge of state elections. (AS 29.68.570)

Sec. 29.06.520. The statutory reference contained in existing law is deleted as unnecessary. (AS 29.68.580)

Sec. 29.06.530. This is a new section providing that the article dealing with dissolution applies to home rule municipalities. AS 29.13.100 makes these sections applicable to home rule municipalities under current law.

CHAPTER 10. HOME RULE MUNICIPALITIES.

Sec. 29.10.010. A city or borough of any class may adopt a home rule charter, but a second class city must have at least 600 residents before it may adopt a charter. This is a significant change from existing law which allows first class boroughs and cities, and second class boroughs to adopt a charter, but does not authorize a second class city to adopt a charter. An unincorporated community with at least 600 residents may adopt a charter and incorporate as a home rule city. An area in the unorganized borough may adopt a charter and incorporate as a home rule borough. A proposed charter for an unincorporated community or area is prepared by the petitioners and filed with the incorporation petition. (AS 29.13.010)

(b) This is new and allows an unincorporated community with at least 600 residents to adopt a charter and incorporate as a home rule city.

(c) This is new and allows an area in the unorganized borough to adopt a charter and incorporate as a home rule borough.

(e) This is new and requires the proposed charter for an unincorporated community or area to be filed with the incorporation petition.

Sec. 29.10.020. This is new and requires the Department of Community and Regional Affairs to prepare model charters to be available to persons interested in filing a petition to incorporate a home rule municipality.

Sec. 29.10.030. No substantive change. (AS 29.13.050)

Sec. 29.10.040. (a) This has been reworded slightly, but contains no significant changes. (AS 29.13.010)

(b) No substantive change. (AS 29.13.020)

(c) This is new material providing that if enough nominations for candidates are not filed no election is held on the question of forming a charter commission.

Sec. 29.10.050. Changed to reflect the fact that a charter commission is elected only in an existing municipality considering the question of home rule. For incorporation of a home rule

municipality, the charter is prepared and filed by the petitioners with the incorporation petition. (AS 29.13.030)

Sec. 29.10.060. The clerk shall have the charter published, which is defined, and shall make copies available. Under existing law the governing body is responsible for publishing a charter. (AS 29.13.040)

Sec. 29.10.070. "Municipal" is deleted as no longer necessary as "voter" is defined. "Regular or special" is deleted since "election" is defined. Adds a provision that a proposed charter for an unincorporated community or area shall be voted on at the incorporation election. (AS 29.13.060)

Sec. 29.10.080. (a) The provision that the charter becomes effective on the date the election is certified has been added. (AS 29.13.070)

(b) This is new and authorizes voters to determine if a combined assembly and school board should be retained when voting on adoption of a home rule charter in a third class borough.

Sec. 29.10.090. (a) No substantive change. (AS 29.13.070(b))

(b) This is new providing that if incorporation of a home rule municipality is rejected, the proposed charter is rejected as well.

Sec. 29.10.100. The provision that a charter may be amended by initiative referendum has been deleted. The charter is amended as provided in the charter itself. (AS 29.13.080)

Sec. 29.10.200. The following paragraphs contain sections which are added to the limitations of home rule powers:

(5) unification of municipalities;

(10) legislative power;

(11) assembly composition and apportionment (only one section on assembly composition and reapportionment, AS 29.-23.021 which is, now sec. 29.60.060, is a limitation under existing law), however, AS 29.20.033 provides that the other section might apply to some home rule municipalities;

(12) qualifications of members of governing bodies;

(14) executive power;

(28) alcoholic beverages;

(32) assessment and collection of taxes;

(33) land use regulation;

(37) title to vacated areas;

(39) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);

(43) construction;

(47) general grant land;

The following paragraphs under AS 29.13.100 no longer appear as limitations:

(4) election and term of mayor;

(8) municipal elections (material now contained in AS 29.-28.010 is not a limitation under this bill; material in AS 29.28.020(b) is expanded so that the notice requirement covers both regular and special elections and the requirement is a limitation under this bill);

(15) borough building code jurisdiction within cities (the material is deleted from this bill);

(20) expenditures of borough revenue;

(25) bond attorneys (the material is deleted from this bill);

(35) bonded debt for school construction (the material is deleted from this bill);

(37) zoning of state land for homesite entry (this was repealed in 1979);

(39) applicability of local platting regulations (the material is deleted from this bill);

(40) expulsion of borough assemblymen (this material is substantially rewritten and not made binding upon home rule municipalities);

(41) removal of borough mayor from office (this material is substantially rewritten and not made applicable as a home rule limitation);

(42) expulsion of city councilmen (this material is substantially rewritten and not made applicable as a home rule limitation);

(43) removal of mayor from office (this material is substantially rewritten and not made applicable as a home rule limitation);

(44) expulsion, removal from office (this material is substantially rewritten and not made applicable as home rule limitation).

CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

Sec 29.20.010. Each municipality must adopt a conflict of interest ordinance. A member of the governing body shall declare a financial interest he has in an official action and ask to be excused. The presiding officer rules on the question and his decision may be overridden. Under existing law an officer or employee is required to disqualify himself from participating in an official action in which he has a substantial financial interest. (AS 29.23.555)

Sec. 29.20.020. "Assembly and council" is altered to "governing body" and the section is divided into subsections for ease of use. (AS 29.23.580)

Sec. 29.20.050. The second sentence is new material, however it does not substantively change existing law since it can be implied that the legislative power of a city is vested in the council. This is made applicable as a home rule limitation. (AS 29.23.010)

Sec. 29.20.060. No substantive change. This is made specifically applicable to home rule municipalities, but is a home rule limitation now under AS 29.13.100(3). (AS 29.23.021)

Sec. 29.20.070. "Borough" is dropped before the word "assembly" when it appears and "assembly" is defined for the title. The statutory reference contained in AS 29.23.023(e)(1) is deleted as unnecessary since "unified municipality" is defined. (AS 29.23.023)

Sec. 29.20.080. "Borough" is deleted as unnecessary when it appears before the word "assembly". In (e) "of the Department of Community and Regional Affairs" is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect new numbering. (AS 29.23.025)

Sec. 29.20.090. "Borough" is deleted as unnecessary when it appears before "assembly". "Of Community and Regional Affairs", appearing several times in the section, is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect renumbering. (AS 29.23.027)

Sec. 29.20.100. "Borough" is deleted where it appears before "assembly". "Of Community and Regional Affairs" is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect new numbering. (AS 29.23.029)

Sec. 29.20.110. Statutory references are altered to reflect new numbering. (AS 29.23.031)

AS 29.20.120. The statutory reference in (1) is deleted since "unified municipality" is defined for the title. Statutory references are revised to reflect new numbering. (AS 29.23.033)

Sec. 29.20.130. No change. (AS 29.23.200(a))

Sec. 29.20.140. This section is substantially rewritten to combine material concerning the qualifications for membership in assemblies with material concerning the qualifications for membership in councils.

(a) Rewritten, but no substantive change. (AS 29.23.050, 29.-23.200(b))

(b) Combines material currently found in different sections. (AS 29.23.050, 29.23.200(b))

(c) This contains new material allowing a municipality to establish district residency requirements for members of the assembly or council. Current law allows an assemblyman elected from one district who becomes a resident of another district to serve only until the next regular election. The subsection allows a municipality to provide otherwise by ordinance. It is also made applicable to city councils. Under existing law a council may be elected by district rather than at-large, but no provision deals with the possibility that a councilman might change his district residency. (AS 29.23.050, 29.23.200(a))

(d) New material prohibiting a municipality from limiting the number of terms or number of consecutive terms a voter may serve on the assembly or council, unless the limit is ratified.

(e) This is applicable to both home rule and general law municipalities. Under current law the qualifications for assemblymen are applicable to home rule and general law municipalities but the qualifications for city councilmen are not. (AS 29.23.050, 29.-23.200)

Sec. 29.20.150. Combines material dealing with the term of office of members of the assembly with material dealing with the term of office of members of the council.

(a) This is substantially rewritten, however, the only substantive change is that members of the council may serve different terms when allowed by charter, as well as by ordinance. (AS 29.23.-040(a), 29.23.200(c))

(b) No substantive change. (AS 29.23.040(a), 29.23.200(c))

(c) The material permitting a different date to be prescribed by charter or ordinance is made applicable to city councils. (AS 29.23.040(b), 29.23.200(c))

(d) This is added as a home rule limitation with respect to city councils. (AS 29.23.040(c))

Sec. 29.20.160. Combines material dealing with assemblies and with councils into one section.

(a) The last line dealing with the presiding officer is new material as it applies to the council. (AS 29.23.060(b), 29.23.240)

(b) The material dealing with the calling of a special meeting is substantively changed. Under existing law a special meeting may not be called unless all members receive 24 hours written notice or, if there is an emergency and all absent members waive the notice. As rewritten, a special meeting may be held if a majority of the members receive 24 hours notice and reasonable efforts are made to notify all members. (AS 29.23.060(a), 29.23.210(a))

(c) A member of the governing body disqualified from voting is considered present for purposes of constituting a quorum. A majority of the membership of a council constitutes a quorum, while under existing law four councilmen constitute a quorum. This is not a substantive change, since a first class city has a council of six members and second class city has a council of seven members. Four councilmen are still required for a quorum. (AS 29.23.060(d), 29.23.210(c))

(d) Actions are adopted by a majority of the total membership of the governing body, while under existing law actions are adopted by a majority of votes authorized on the question. All members vote and unless they are required to abstain by law, while under existing law a member may abstain if permitted by the governing body, and must abstain if he has a substantial financial interest in the question. This section is applicable to city councils as well as to assemblies. (AS 29.23.060(d), 29.23.210(c))

(e) Specifically provides that the journal shall be a public record. (AS 29.23.060(c), 29.23.210(b))

(f) Requires a governing body to determine by ordinance its rules and order of business. (AS 29.23.060(c), 29.23.210(b))

Sec 29.20.170. This allows the governing body to prescribe the manner in which a vacancy occurs in any elected office, other than the office of mayor or member of the school board. The governing body is required to declare an elective office vacant under specific conditions, unless a municipality establishes otherwise by ordinance. (AS 29.23.060(c), 29.23.080, 29.23.210(b), 29.23.220, 29.23.570)

Sec. 29.20.180. (a) Requires a vacancy to be filled within 30 days unless a different period is established by ordinance. If less than 30 days remain in a term, a vacancy need not be filled, unless filling the vacancy is necessary to preserve a quorum. The material contained in AS 29.23.080 dealing with filling a vacancy in dual assembly council seats has been deleted. (AS 29.23.080, 29.23.220)

(b) This is new material requiring appointments within seven days if needed to preserve a quorum.

(c) No substantive change. (AS 29.23.080, 29.23.220)

Sec. 29.20.220. This section is substantially rewritten to combine material dealing with the mayor of a city with material dealing with the mayor of a borough.

(a) This is a clear statement that the executive power is vested in a mayor, which is only implied with reference to cities under current law. The mayor of a home rule or unified municipality is elected by the voters, which is not a substantive change. (AS 29.23.200(a) and (c), 29.23.240)

(b) This material currently exists with respect to city mayors but not with respect to borough mayors, although these duties may be implied for borough mayors. The language "and is responsible for additional duties and powers prescribed by this chapter or by home rule charter" is new, but is not a substantive change. (AS 29.23.240)

(c) This section is a limitation on home rule municipalities. Under existing law it is not listed as a limitation.

Sec. 29.20.230. This is substantially rewritten in order to combine material dealing with the election and term of a borough mayor and a city mayor.

(a) No substantive change. (AS 29.23.130(c), 29.23.250(b) and (d))

(b) Allows a second class city to provide by ordinance for a term longer than one year for the office of mayor, as long as the mayor is a member of the council. Existing law provides a one-year term

of office for the mayor of a second class city. (AS 29.23.250(c) and (d))

(c) This is new material providing that the number of terms or number of consecutive terms a mayor may serve may not be limited.

Sec. 29.20.240. Rewritten to combine sections dealing with the mayor of a borough and the mayor of a city.

(a) No substantive change. (AS 29.23.130(b), 29.23.250(a) and (c))

(b) The reference in AS 29.23.250(a) to additional residency requirements prescribed by charter is eliminated. This section is not a limitation on home rule governments, so a home rule municipality may prescribe additional residency requirements by charter without statutory authority. (AS 29.23.130(b), 29.23.250(a))

Sec. 29.20.250. This is rewritten to combine sections dealing with a city and sections dealing with a borough, and to achieve a clear statement of existing law.

(a) No substantive change. (AS 29.23.130(a), 29.23.290)

(b) Authorizes the mayor of a borough with a manager form of government to vote in the case of a tie. The fact that a mayor may take part in discussions is not stated with respect to the mayor of a city under existing law. (AS 29.23.160, 29.23.260)

Sec. 29.20.260. No change, except for minor rewording for clarity. (AS 29.23.150)

Sec. 29.20.270. This is substantially rewritten in order to combine sections dealing with the mayor of a borough and the mayor of a city.

(a) No substantive change. (AS 29.23.270(a))

(b) The material requiring that a veto be overridden within 21 days after the exercise of the veto or during the next regular meeting is new. Current law does not specify a time period during which a veto may be overridden. (AS 29.23.170(a), 29.23.270(a))

(c) A veto does not extend to actions of a city council sitting as a board of equalization or a board of adjustment, nor may the city mayor veto the adoption or repeal of a manager form of government. Current law is silent as to these issues with respect to a city. (AS 29.23.170(a) and (b), 29.23.270)

(d) No change. (AS 29.23.270(b))

Sec. 29.20.280. (a) Under existing law the governing body has the option of declaring the office of mayor vacant when he is convicted of a corrupt practice. (AS 29.23.130(f), 29.23.255, 29.-23.570)

(b) No substantive change. (AS 29.23.180, 29.23.280(a))

(c) No substantive change. (AS 29.23.280(b))

Sec. 29.20.300. The statutory reference to a repealed section is deleted. School board members may be elected by area rather than at-large, if approved by the voters. (AS 29.23.310)

Sec. 29.20.310. No change, except for minor rewording so the usage is consistent throughout the title. (AS 29.23.340)

Sec. 29.20.320. This is new material allowing the governing body to establish boards and commissions. Arguably, this power is implied to exist in current law as part of the ability of a governing body to delegate responsibility. (AS 29.48.010(1))

Sec. 29.20.360. Certain officials shall be appointed by the chief administrator unless otherwise provided by ordinance. Under current law these officials are appointed by the chief administrator or by the governing body as determined by ordinance. Current law provides that appointments by the chief administrator are subject to confirmation, and this section allows a municipality to provide otherwise by ordinance. (AS 29.23.360)

Sec. 29.20.370. No change, except for minor rewording to achieve consistent usage throughout the title. (AS 29.23.370)

Sec. 29.20.380. No change, except for minor rewording in order to achieve consistent usage. (AS 29.23.380)

Sec. 29.20.390. The statutory reference is added to provide notice that, when a central treasury is established for the school board and the municipality, the treasurer is not custodian of the funds. (AS 29.23.390)

Sec. 29.20.400. Slightly reworded for clarity. (AS 29.23.070)

Sec. 29.20.410. Allows the governing body to provide for a classified service and to designate positions which are wholly or partially exempt from the classified service. (AS 29.23.550)

Sec. 29.20.460. No change, except for minor rewording to achieve consistent usage. (AS 29.23.410, 29.23.420)

Sec. 29.20.470. The last line dealing with notice requirements is omitted because notice requirements for elections are now contained in Sec. 29.26.030. At least 20 days notice shall be provided, while under current law 30 days notice is required before an election to adopt a manager plan. (AS 29.23.430)

Sec. 29.20.480. No change, except for minor rewording to achieve consistent usage. (AS 29.23.440)

Sec. 29.20.490. In the second line the word "solely" and the word "executive" have been omitted, so that the manager is to be chosen on the basis of his administrative qualifications. A member of the governing body may not be appointed manager until one year after leaving office unless authorized by more than a majority vote. Under existing law this limitation applies to all elected municipal officials. (AS 29.23.450, 29.23.460)

Sec. 29.20.500. This is substantially rewritten so that material dealing with duties of a city manager and material dealing with duties of a borough manager are combined. A statutory reference to the section concerning appointment of school employees is added for clarification. The requirement that the manager prepare and make available to the public an annual report on municipal affairs is deleted. AS 29.23.140(10)(A) and (C), requiring the borough manager to administer functions of borough employees and to administer public works is deleted because those requirements appear adequately covered by (1) and (5) of this section. (AS 29.23.140, 29.23.290)

Sec. 29.20.510. Rewritten slightly for clarity. (AS 29.23.130(e))

Sec. 29.20.520. After repeal of a manager plan, the governing body has 60 days to reorganize the municipal executive and administrative functions. Under existing law, no time period is provided for reorganization. (AS 29.23.480)

Sec. 29.20.600. No change, except for rewording to achieve uniform usage. (AS 29.23.500)

Sec. 29.20.610. No change, except for minor rewording to achieve uniform usage. (AS 29.23.520)

Sec. 29.20.620. A method of determining salaries shall be provided by ordinance, while under current law the governing body fixes by ordinance the salaries of elected officials. The salary of the mayor may be reduced during his term of office if a manager plan is adopted. An elected official may not receive compensation for additional service to the municipality, unless provided otherwise by ordinance. (AS 29.23.530)

Sec. 29.20.630. Material currently contained in AS 29.23.540(a) is deleted. Subject to requirements contained in the title dealing with education, a school district employee, or state employee may not be denied the right to serve as an elected municipal official. Current law allows a municipality to prohibit the right to serve by charter or ordinance. (AS 29.23.540)

Sec. 29.20.640. No changes, except for rewording for consistency and changes in statutory references to reflect renumbering. (AS 29.23.560)

CHAPTER 25. MUNICIPAL ENACTMENTS.

Sec. 29.25.010. The governing body is no longer required to fix the compensation of members of the assembly or council by ordinance, nor is it required to regulate the rate charged by a public utility by ordinance. (AS 29.48.130)

Sec. 29.25.020. This is substantially reorganized, but contains no substantive changes. (AS 29.48.140, 29.48.150)

Sec. 29.25.030. No change, except for minor word changes in order to achieve maximum clarity. (AS 29.48.160)

Sec. 29.25.040. Requires the governing body to see that the adopted code is made available to the public at no more than cost, while existing law requires the governing body to provide for the adopted code to be sold to the public. (AS 29.48.170)

Sec. 29.25.050. (b) allows the designee of the municipal clerk to prepare a general codification of municipal ordinances and deletes the requirement that the codification be prepared with the assistance of a legal advisor. The rest of the section is unchanged. (AS 29.48.180)

Sec. 29.25.060. This has been made applicable as a home rule limitation. (AS 29.48.185)

Sec. 29.25.070. A penalty not to exceed that imposed for a class B misdemeanor may be imposed for a violation of an ordinance. The maximum fine for a class B misdemeanor is $1,000 and the maximum sentence of imprisonment is 90 days. Under existing law punishment not to exceed $500 or imprisonment for 30 days is provided for. A mandatory, nonsuspendable term of imprisonment for 5 days may be imposed for violation of an ordinance. The municipality or aggrieved person may institute a civil action against a person who violates an ordinance, and a civil penalty of up to $1,000 may be imposed for each violation. An action to enjoin a violation may be brought and, upon a finding of a violation, the superior court shall grant the injunction. Each day that a violation of an ordinance continues is a separate violation.

These penalties are authorized only if copies of the ordinance are made available. (AS 29.48.200)

CHAPTER 26. ELECTIONS.

Sec. 29.26.010. A judge shall be a voter of the precinct for which he is appointed unless no voter is willing to serve. The language "the municipality may not alter voter qualification requirements of this title" is deleted as unnecessary. This is no longer a limitation on home rule municipalities. (AS 29.28.010)

Sec. 29.26.020. The language "subject to other provisions of this title" is added because other sections in the title provide a procedure for the nomination of candidates, for example, see secs. 29.06.250 and 29.10.040. (AS 29.28.015)

Sec. 29.26.030. At least 20 days notice of a regular or special election is required. This applies as a limitation on home rule municipalities, whereas under existing law only the notice requirement for a special election applies. (AS 29.28.020(b))

Sec. 29.26.040. No change, except for minor rewording for clarity. (AS 29.28.020(a))

Sec. 29.26.050. This has been reorganized. To qualify to vote in municipal elections a person must have been registered to vote in state elections for at least 30 days preceding the municipal election. Existing law requires only that the person be registered to vote in state elections without a durational requirement. A municipality may require a person to be registered to vote in the precinct in which he seeks to vote. (AS 29.28.030)

Sec. 29.26.060. The runoff election requirement is limited to the office of mayor, member of the governing body, or school board and the municipality may adopt an ordinance to alter this runoff requirement. A runoff election shall be held three weeks after the date of certification of the original election, rather than within two weeks, and is between the two candidates that received the greatest number of votes for the seat. (AS 29.28.040)

Sec. 29.26.070. This has been rewritten for clarity. A requirement that the governing body authorize the election results to be certified is added in (c). The provision that expulsion of certain officials is final and not subject to judicial review contained in AS 29.28.050(f) is deleted. In this bill there is no provision denying judicial review in cases involving the declaration of vacancy in office. (AS 29.28.050)

Sec. 29.26.100. No substantive change. (AS 29.28.060)

Sec. 29.26.110. This is new material establishing a process for applying for a petition for initiative or referendum. An application is signed by ten voters who sponsor the petition. If the clerk finds that an application is in proper form and that the four listed requirements are met, he shall certify the application. A decision by the clerk on an application for petition is subject to judicial review.

Sec. 29.26.120. Within two weeks after certification of application a petition is prepared by the municipal clerk. Signatures must be obtained within 60, rather than 90 days from the date the petition is first circulated. Spaces are provided for signatures, the printed name of each signer, the date signature is affixed, and the residence and mailing addresses of each signer. Each petition contains a statement that the sponsor circulated the petition, that all signatures were fixed in his presence, and that he believes the signatures to be those of the persons whose names they purport to be. Spaces are provided for indicating the total number of signatures on a petition. If the petition consists of more than one page, each page contains a summary of the matter to be initiated or referred. Copies of the petition are supplied to each sponsor. (AS 29.28.065)

Sec. 29.26.130. Signatures must be secured within 60, rather than 90 days. The clerk shall determine the number of signatures required on a petition and inform each sponsor. The number of signatures required remains identical to the number required under current law, except that no provision is made for signatures only from persons in services areas or outside cities when the matter to be initiated or referred applies only to the service area or area outside cities. Illegible signatures must be rejected by the clerk, whereas under existing law they may be rejected. A signer may withdraw his signature before certification of the petition, whereas under existing law he may only withdraw his signature within 7 days after the petition is filed. (AS 29.28.070)

Sec. 29.26.140. All copies of a petition are filed as a single instrument. An insufficient petition may be supplemented only with signatures obtained within ten days after the date the petition is rejected, while under current law there is no requirement that the signatures be obtained during this period. (AS 29.28.073)

Sec. 29.26.150. No change, except for minor rewording for consistency. (AS 29.28.075)

Sec. 29.26.160. "On substantially the same matter" has been added so that it is clear that the waiting period for filing a new petition does not apply if the petition sought to be filed deals with a different subject. (AS 29.28.077)

Sec. 29.26.170. Unless the same measure is adopted, the clerk submits a petition seeking an initiative vote to the voters at the next regular election occurring no sooner than 45 days after certification of the petition, or, if no regular election occurs within 75 days, a special election is held. If the governing body adopts the same measure, the petition is void and the subject is not placed before the voters, while under existing law the governing body may not adopt an ordinance or resolution within 10 days from the date of election. If the vote is favorable, the ordinance or resolution becomes effective upon certification of the election unless a different effective date is provided in the ordinance or resolution, while under existing law an ordinance or resolution becomes effective when the election results are declared. There is no provision for the governing body to reject a petition, as there is in current law. (AS 29.28.080)

Sec. 29.26.180. When a petition seeks a referendum vote the clerk shall submit the matter to the voters in the same manner as provided for an initiative election. Under current law the vote is held during the next regular or special election, or within 75 days of filing the petition. If a petition is certified before the effective date of the matter referred, the ordinance or resolution is suspended, while under existing law the suspension occurs if a sufficient petition is filed within 30 days after passage of the ordinance or before the effective date of the ordinance. If the governing body repeals the ordinance or resolution, the petition is void and no election is held. If a majority vote does not favor repeal of the matter referred, it remains in effect, or, if it has been suspended becomes effective upon certification of the election. Existing law is silent as to the effective date of a suspended ordinance in this situation. (AS 29.28.090)

Sec. 29.26.190. If adopted in an initiative election or if adopted after a petition has been filed, an ordinance or resolution may not be repealed or amended within one year. If an ordinance or resolution is repealed in a referendum election, or after a petition has been filed, similar legislation may not be enacted for a period of one year. Existing law provides that the governing body may not act in any way within two years to modify or negate the effect of a successful initiative or referendum and if an ordinance has been repealed after a petition has been filed, the governing body may not enact similar legislation for one year. (AS 29.28.110)

Sec. 29.26.240. This is broadened to include an official appointed to elected office, because when a vacancy occurs an official may, in certain cases, be appointed. He will be subject to recall just as an elected person would be. An official may be recalled when he has served six months of a term for which elected or appointed, while under existing law there is some ambiguity as to the status of an official who is reelected to the same office. (AS 29.28.130)

Sec. 29.26.250. No change. (AS 29.28.140)

Sec. 29.26.260. This is new material establishing a procedure for applying for a recall petition. The application must contain information concerning 10 voters who will sponsor the petition, the address to which correspondence relating to the application may be sent, and a statement in 200 words or less of the grounds of the recall. Additional sponsors may be added.

Sec. 29.26.270. A recall petition is prepared by the clerk. It contains the names of the official sought to be recalled, the grounds for recall, the date the petition is issued by the clerk, notice that the signatures are secured within 60 days after the date the petition is issued (while under existing law a petition must be filed within 60 days after the date of the earliest signature on it), spaces for signatures, printed name, date of each signature, and residence and mailing addresses of each signor, a statement that the sponsor personally circulated the petition, all signatures where fixed in his presence, and he believes the signatures to be those of the persons they purport to be, and space for indicating the number of signatures on the petition. Copies of the petition are provided to each sponsor. (AS 29.28.150)

Sec. 29.26.280. Signatures are secured within 60 days after a recall petition is issued. Signatures not accompanied by a legible residence address are rejected. The clerk determines the number of signatures required and informs each sponsor. If a petition seeks to recall an official who represents the municipality at large, the petition shall be signed by a number of voters equal to 25 percent of the number of votes cast for that office. If a petition seeks to recall an official who represents a district, the petition shall be signed by a number of voters residing in the district equal to 25 percent of the number of votes cast in that district for the office. Under existing law signature requirements are identical to the requirements for initiative and referendum. (AS 29.28.150, 29.28.160)

Sec. 29.26.290. Copies of a recall petition are filed as a single instrument. An insufficient petition may be supplemented with additional signatures obtained within ten days after the date on which the petition is rejected, while under existing law there is no requirement that the signatures be obtained during that time period. A petition which does not contain an adequate number of signatures, both valid and invalid signatures, may not be supplemented and this is a new provision not contained in existing law. (AS 29.28.160, 29.28.170)

Sec. 29.26.300. Reworded so that it is clear that the six-month waiting period before a new petition may be obtained applies only to a petition seeking to recall the same official. (AS 29.28.180)

Sec. 29.26.310. No change, except for minor rewording for consistency. (AS 29.28.190)

Sec. 29.26.320. The requirement that an election to recall an official not be held sooner than 45 days after submission of the petition to the governing body is added. The governing body may not appoint to the same office an official who resigns after a petition is filed. (AS 29.28.200)

Sec. 29.26.330. The grounds for recall must be stated in 200 words or less. (AS 29.28.210)

Sec. 29.26.340. The provision that an office becomes vacant upon certification of the election is added. (AS 29.28.230, 29.28.240)

Sec. 29.26.350. When an official is recalled, his office is filled in accordance with the provision dealing with vacancies. If all members of a governing body are recalled the governor appoints three persons and they appoint additional members needed to fill vacancies in accordance with the provisions dealing with vacancies. If all members of the school board are recalled the governor appoints three persons and they appoint additional members to fill remaining vacancies. A person appointed by the governor serves until a successor is elected. After an official is recalled, the clerk conducts an election for a successor. The election is held not more than 60 days from the date the recall election is certified unless a regular election is held within 75 days, in which case the successor is chosen at the regular election. Nominations may be filed until seven days before the last date upon which notice of the election must be published, but they may not be filed until the election is certified. Under existing law the election of successor shall be held at least ten but not more than 45 days from the date of the recall election and there are no provisions dealing with a situation involving the recall of all members of the governing body or school board. (AS 29.28.250)

Sec. 29.26.360. The sections dealing with recall are made applicable as limitations on home rule municipalities, and are currently limitations under AS 29.13.100(9).

CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

Sec. 29.35.010.

(1) No change. (AS 29.48.010(2))

(2) No change, except for rewording due to a change in organization. (AS 29.23.510)

(3) No change. (AS 29.48.010(1))

(4) Minor rewording. (AS 29.48.010(5))

(5) Minor rewording. (AS 29.48.010(3))

(6) "and impose liens for their enforcement" is added. (AS 29.48.010(7))

(7) No change. (AS 29.48.010(8))

(8) "for a purpose authorized under this title, federal law, or other law, or in accordance with such law" is deleted as excessive verbage. (AS 29.48.010(9))

(9) "facility or service" is added. (AS 29.48.010(11))

(10) This is added as a general power. Under existing law the power may be exercised by a first class borough on a nonareawide basis, so long as the borough seeks to have it transferred from cities or proposes joint city/borough exercise of the power. A first class borough may exercise the power on an areawide basis if it is assumed. A second class borough may exercise the power on an areawide or nonareawide basis if it is assumed. (AS 29.38.010, 29.48.035(a) and (b))

(11) No change. (AS 29.48.010(12))

(12) Minor rewording. (AS 29.48.010(10))

(13) Minor rewording. (AS 29.48.010(4))

(14) No change. (AS 29.48.010(6))

Sec. 29.35.020. A municipality may not exercise outside of its boundaries a power which it may not exercise within its boundaries. The word "roads" has been changed to "streets" which is defined for the title. The following have been included within the list of facilities which a municipality may provide outside its boundaries: solid and septic waste facilities, transportation facilities, wharves, harbors and other marine facilities. A municipality which provides a facility outside its boundaries may regulate its use to the extent that the jurisdiction in which the facility is located does not regulate it. Existing law provides that a municipality may regulate a facility outside its boundaries, and provides no right for the municipality within which the facility is located to regulate it. (AS 29.48.037)

Sec. 29.35.030. Allows all classes of municipalities to exercise eminent domain and declaration of taking. Under existing law a second class city may not exercise the power without formal approval of the Department of Community and Regional Affairs, and

must exercise the power by ordinance approved by the voters. This is a limitation on home rule municipalities, and is an existing limitation under AS 29.13.100(29). (AS 29.73.020)

Sec. 29.35.040. This becomes applicable when a disaster is declared by the governor as well as by the President. Since (a) allows a municipality within a disaster area to exercise the powers in the same manner as a home rule city, the subsection providing that differences between areawide and nonareawide powers do not apply has been eliminated as redundant. (AS 29.48.270)

Sec. 29.35.050. This is reorganized and minor changes are made to the wording for clarity. The phrase "provide the charges for collection and disposal shall be paid by the property owner or occupants of the premises" is eliminated as implied within the specified ability to fix charges. (AS 29.48.033)

Sec. 29.35.060. (a) The language "for the construction, operation and maintenance of bus transportation systems and public utilities" is eliminated, so that franchises and permits may be granted without restrictions as to type of franchise involved. This applies only to an entity not certificated by the Alaska Public Utilities Commission. (AS 29.48.050(a)) Not CS HB 172

(b) Unless a grant of a franchise or permanent permit is made on a competitive basis, the grant of any exclusive right to use a public street or right-of-way for more than five years to a utility or transportation system which is not certificated is valid only if approved by vote. Under existing law no franchise is valid unless it is submitted to the qualified voters for approval. The material dealing with use of streets by utilities contained in AS 29.48.-040(c) is deleted. (AS 29.48.050(b))

(c) This is made a home rule limitation and is one under existing law. (AS 29.13.100(17))

Sec. 29.35.070. The governing body may regulate a utility except to the extent that it is subject to regulation by the state or otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. A municipality must adopt an ordinance that provides procedures for regulating service, rates and charges and that provides procedures necessary to insure due process. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(17). (AS 29.48.060, 29.48.070)

Sec. 29.35.080. Requires municipal regulation of alcoholic beverages to conform to state requirements and is made a home rule limitation. (AS 29.48.035(a)(10))

Sec. 29.35.090. The governing body is required by ordinance to establish a formal procedure for acquisition and disposal of land. The provisions authorizing a municipality to acquire, hold and dispose of real property are deleted as unnecessary. The provisions dealing with the requirements which must be met in the formal procedure established for disposal of land have been eliminated to provide more flexibility. The provisions dealing with restricting land to agricultural use have been deleted. (AS 29.48.260)

Sec. 29.35.100. Under existing law, obligations requiring payment of funds from appropriations of later years must be approved by ordinance. This has been eliminated as misleading in that it could be construed to suggest that bonded indebtedness may be acquired, whether or not for a capital project, so long as the indebtedness is approved by ordinance. AS 29.48.190(d) is eliminated as unnecessary. (AS 29.48.190)

Sec. 29.35.110. This is rewritten for clarity. (AS 29.48.210)

Sec. 29.35.120. No change, except for minor rewording to achieve consistent usage throughout the title. (AS 29.48.220)

Sec. 29.35.130. No substantive change. (AS 29.73.080)

Sec. 29.35.150. Statutory references have been added to reflect reorganization. Subsection (b) is applicable as a home rule limitation, and exists as a home rule limitation under AS 29.13.100(10). (AS 29.33.010, 29.41.010(d))

Sec. 29.35.160. No change, except for minor rewording to achieve consistent usage. This is a home rule limitation, and exists as a limitation under AS 29.13.100(34). (AS 29.33.050)

Sec. 29.35.170. The subsection dealing with collection by a borough of taxes levied by a city is made applicable as a limitation on home rule municipalities. (AS 29.33.030)

Sec. 29.35.180. This is a new statement requiring first and second class boroughs to provide for planning and land use regulation under provisions of Chapter 40 so that this article will contain a complete list of areawide powers. A home rule borough is required to provide for planning, platting, and land use regulation.

Sec. 29.35.200. (a) Allows a first class borough to exercise on a nonareawide basis any power not otherwise prohibited by law. Under existing law a first class borough may exercise on a nonareawide basis any general law municipal power, but before exercising the power, the borough must seek to have it transferred from cities or propose joint city/borough exercise. (AS 29.38.010)

(b) No change. (AS 29.48.030, 29.48.035(b))

(c) Allows a first class borough to exercise on an areawide basis any power not prohibited by law if it has been acquired. Under existing law, a first class borough may acquire additional areawide municipal powers, but only the powers listed in Title 29. The authority to acquire powers which is granted in this bill is broader, since a borough may acquire any power not specifically prohibited by statute whether or not it is identified as a municipal power in Title 29. (AS 29.33.250)

Sec. 29.35.210. (a) Allows a second class borough to exercise certain powers on a nonareawide basis. Under existing law before a nonareawide power may be exercised, the borough must seek to have it transferred from cities or propose joint borough/city exercise of the power, and the requirement is not contained in this bill. (AS 29.38.020)

(1) No change. (AS 29.48.030(a)(12))

(2) No substantive change. (AS 29.48.020(1))

(3) No change. (AS 29.48.020(2), 29.48.035(a)(5) and (b))

(4) Under existing law this power is subject to the section dealing with garbage and solid waste, sec. 29.35.050 of this bill. (AS 29.48.020(5))

(5) Under existing law providing air pollution control is permitted on an areawide basis only. (AS 29.48.035(a)(18) and (b))

(6) No change. (AS 29.48.020(6), 29.48.035(a)(17) and (b))

(7) Minor rewording. (AS 29.48.020(7))

(8) This is new material.

(9) No change. (AS 29.48.020(8))

(10) No change. (AS 29.48.020(9))

Under existing law a second class borough may exercise the following additional nonareawide powers not specified in this bill:

(1) powers approved at incorporation (AS 29.38.020);

(2) regulate snow vehicles, subject to other law (AS 29.48.020(4));

(3) licensing of day care facilities (AS 29.48.035(a)(20) and (b)).

(b)(1) No change. (AS 29.48.030(12))

(2) No change. (AS 29.48.035(a)(5) and (b))

(3) No change. (AS 29.48.035(a)(18) and (b))

(4) No change. (AS 29.48.035(a)(17) and (b))

(5) No change. (AS 29.48.035(a)(20) and (b))

(c) Allows a second class borough to exercise a nonareawide power not otherwise prohibited by law if the exercise of the power is approved by the voters living in the borough area outside the cities. Under existing law a second class borough may acquire additional nonareawide powers upon approval of the voters. However, the powers which may be acquired are limited to those itemized in Title 29, so under this bill broader authority to acquire powers is provided. (AS 29.38.030, 29.38.040, 29.38.050)

(d) Allows a second class borough to exercise an areawide power not otherwise prohibited by law if the exercise of the power is approved by the voters or transferred by the cities in the borough. Under existing law a borough may acquire only the powers authorized in Title 29. (AS 29.33.250)

Sec. 29.35.220. (a) No substantive change. (AS 29.41.010(c))

(b) No substantive change. (AS 29.41.010(a))

(c) No substantive change. (AS 29.41.010(b))

(d) A third class borough may acquire any power not prohibited by law for exercise in a service area. (AS 29.41.010(b))

Sec. 29.35.250. This expands the authority of the city to exercise powers, since under existing law a city may only exercise listed municipal powers. A city may not exercise a power once that power has been exercised on an areawide basis by the borough. Existing law is in conflict as to whether a city may exercise a power being exercised on an areawide basis by the borough. In one section, existing law provides that the city may not do so, while in another section it provides that a city may exercise the power if the borough by ordinance permits exercise of the power by the city or ceases to exercise the power. (AS 29.33.010(b), 29.43.040(b), 29.48.035(b))

Sec. 29.35.260. (a) A city outside a borough may exercise a power not otherwise prohibited by law. Under existing law, a city

is granted only enumerated powers, so this is a broader authorization. (AS 29.43.010)

(b) Minor rewording. (AS 29.43.030)

(c) Requires a home rule city to provide for planning, platting, and land use regulation but it does not have to comply with Chapter 40. General law cities that provide for land use regulation must do so in accordance with Chapter 40. (AS 29.43.040)

(d) This is new making the section applicable as a home rule limitation. Under existing law material contained in (c) is not a limitation on home rule municipalities.

Sec. 29.35.300. Combines material dealing with the acquisition of areawide and nonareawide powers. (AS 29.33.250, 29.41.010)

Sec. 29.35.310. No change, except for minor rewording for consistent usage. (AS 29.33.260)

Sec. 29.35.320. Provides that a petition shall be filed with the borough clerk who certifies whether it contains sufficient signatures. After certification the assembly orders an election to be held within 60 days of the order, while under existing law, the election is held at least 30 days after the order, but not later than the next regular election. (AS 29.33.270, 29.33.280, 29.33.290(a), 29.38.030, 29.38.040, 29.38.050(a), 29.41.010(b))

Sec. 29.35.330. No change, except for minor rewording to achieve consistent usage. (AS 29.33.290(b) and (c), 29.38.050(b) and (c))

Sec. 29.35.340. Reorganized, but no substantive change. (AS 29.33.290(c))

Sec. 29.35.400. No substantive change. (AS 29.48.310)

Sec. 29.35.410. No substantive change. (AS 29.48.320)

Sec. 29.35.420. No substantive change. (AS 29.48.330)

Sec. 29.35.450. (a) Allows a borough to include a city in a service area if the city council agrees by ordinance or if approval is granted by a majority of voters residing in the city and by a majority of voters residing outside the city, but within the service area boundaries. Existing law is silent as to whether a city may be included within a service area. (AS 29.63.090(a))

(b) No change. (AS 29.63.090(d))

Sec. 29.35.460. No substantive change. (AS 29.63.090(c))

Sec. 29.35.470. No substantive change. (AS 29.63.090(b) and (e))

Sec. 29.35.480. No substantive change. (AS 29.63.090(a) and (e))

Sec. 29.35.490. New material has been added to allow owners of real property within a service area to consent in writing to the exercise of a power if no voters reside within the service area. (AS 29.41.010(b), 29.63.090(a) and (e))

(b) No change. (AS 29.41.010(b), 29.68.010(f))

Sec. 29.35.700. This is new and provides a definition of "power".

CHAPTER 40. PLANNING, PLATTING, AND LAND USE REGULATION.

The word "zoning" has been replaced by the phrase "land use regulation" throughout the title in order to confer broader planning powers on municipalities. The term "land use regulation" allows a municipality to use a variety of planning tools which might not necessarily be regarded as falling within traditional "zoning" practices.

Sec. 29.40.010. The assembly may delegate any of its planning responsibilities to a city if the city consents by ordinance. The assembly may, without obtaining the consent of the city, revoke the power delegated. Under existing law, there is no requirement that a city consent to the delegation of planning power. (AS 29.-33.070)

Sec. 29.40.020. Membership on the planning commission shall be apportioned so that the number of members from home rule and first class cities reflects the proportion of borough population residing in those cities. Under existing law membership is apportioned so that the number of members from first class cities reflects the proportion of borough population residing in first class cities, but the population of home rule cities is not taken into account. The planning commission shall prepare measures necessary to implement the comprehensive plan, while under existing law the planning commission is required to prepare a zoning ordinance to implement the plan. Under this bill, the planning commission has authority to utilize methods other than zoning to implement a plan. (AS 29.33.080(a) and (b))

Sec. 29.40.030. This is reorganized and reworded for clarity. After receiving the recommendations of the planning commission, the assembly is required periodically to undertake an overall review of the plan and update it as necessary. Under existing law, the planning commission is required to undertake an overall

review of the plan at least once every two years and present recommendations to the assembly. (AS 29.33.085)

Sec. 29.40.040. (a) This is substantially new material. It requires the assembly to implement a comprehensive plan through zoning regulations, land use permit requirements, or other methods. The material dealing with "contract zoning" has been eliminated. The list of items for which zoning may be used in AS 29.33.090(b) and (c) has been eliminated. The material contained in AS 29.33.090(e), allowing a business licensed by the Alcoholic Beverage Control Board to continue to operate before the adoption of the zoning ordinance, is eliminated. (AS 29.33.090(a))

(b) No substantive change. (AS 29.33.110(c))

Sec. 29.40.050. (a) Requires the assembly to provide for an appeal from the application of a land use regulation. Under existing law, the board of adjustment hears appeals. (AS 29.33.110(b))

(b) Allows the assembly to provide for the appointment of hearing officers or of a board of adjustment to hear appeals. Under existing law, the assembly is the board of adjustment, but may delegate its functions. (AS 29.33.110(a))

Sec. 29.40.060. (a) Allows for an appeal from a decision dealing with land use regulation. Under existing law, appeals are limited to decisions from the board of adjustment. (AS 29.33.130(a) and (b))

(b) An appeal from a land use regulation is an administrative appeal. The provision in AS 29.33.130(c), that an appeal stays enforcement proceeding unless the court issues an enforcement order, has been eliminated. (AS 29.33.130(d) and (e))

Sec. 29.40.070. Material in paragraph (4) dealing with dedication of rights-of-way and easements is added. (AS 29.33.150(a))

Sec. 29.40.080. This is new material requiring the assembly to establish a platting authority. Under existing law, the planning commission acts as platting authority. The material contained in AS 29.33.150(b) dealing with subdivisions of state land, is eliminated. (AS 29.33.150(a))

Sec. 29.40.090. (a) This is new and requires the assembly to establish an abbreviated plat procedure for plats meeting certain requirements.

(b) Authorizes waiver of plat requirements if a subdivision meets requirements for an abbreviated plat and each lot is five acres or larger. (AS 29.33.170)

Sec. 29.40.100. Rewritten for clarity. (AS 29.33.180)

Sec. 29.40.110. This is rewritten for clarity. Material dealing with filing a preliminary subdivision plat contained in AS 29.33.-160(c) has been eliminated. (AS 29.33.160(a) and (b))

Sec. 29.40.120. Allows a plat to be altered upon petition of the state, the borough, a public utility, or the owners of a majority of the land affected. Existing law allows a plat to be altered only upon petition of the owners of a majority of the land or by the platting board. A platted street may be vacated upon petition of the state, the borough, a public utility, or owners of the majority of the land fronting the portion of the street sought to be vacated. Under existing law, only the municipality or owners of the majority of the land fronting the part of the street sought to be vacated may petition to vacate a street. (AS 29.33.200)

Sec. 29.40.130. Requires the platting authority to publish notice of a hearing for a replat petition. "Published" is defined to require publication once in a newspaper of general circulation or posting in three public places. Under existing law, notice is required to be published once a week for two consecutive weeks. (AS 29.33.210)

Sec. 29.40.140. Rewritten for clarity. (AS 29.33.220)

Sec. 29.40.150. Requires a plat to be acknowledged and filed by the recorder with a certificate that taxes have been paid. (AS 29.33.230)

Sec. 29.40.160. Minor rewording. The material in (a) - (c) has been applied as a home rule limitation. None of this section is a limitation under existing law. (AS 29.33.240)

Sec. 29.40.170. Rewritten for clarity. (AS 29.33.245)

Sec. 29.40.180. A person who violates a land use regulation, condition imposed by a platting authority, or a section of law under the chapter dealing with land use regulation is guilty of a class B misdemeanor. (AS 29.33.190)

Sec. 29.40.190. A civil action may be initiated against a person who violates a section of law of the chapter dealing with land use regulation, a subdivision regulation or a term imposed by the platting authority. An action to enjoin may be brought and the superior court shall grant an injunction upon a finding of violation or threatened violation. In addition, a civil penalty not to exceed $1,000 may be imposed and each day that an unlawful condition continues constitutes a separate violation. Under existing law, a person who transfers land in a subdivision before a plat has been recorded, and a person who records a plat which has not been

approved by the platting board may be punished by a fine of not more than $500. (AS 29.33.190)

Sec. 29.40.200. Made applicable to home rule municipalities. Under existing law only the material contained in (a) of this section is a home rule limitation under AS 29.13.100(39). (AS 29.33.150(b) - (g))

CHAPTER 45. MUNICIPAL TAXATION.

Sec. 29.45.010. Authorizes a municipality to levy a property tax on real or on personal property. The distinction between areawide and nonareawide property taxes as applied to a unified municipality is eliminated. A property tax may be levied in a service area for functions in the service area. Cross-references to the provisions dealing with the taxing power of cities are added. (AS 29.53.010)

Sec. 29.45.020. No substantive change. (AS 29.73.070(a) and (c))

Sec. 29.45.030. Household furniture is exempt from taxation without regard to the value of the furniture. Property of an auxiliary of a nonbusiness organization is exempt. Under existing law, lots supporting and adjacent to a structure used for religious purposes are exempt from taxation. That exemption is eliminated. Property from which income is derived is exempt if used by nonprofit educational groups for classroom space, or by nonprofit religious, charitable or hospital groups. Under existing law, there is some ambiguity as to whether property, other than property used for classroom space, is exempt. An exemption for real property owned as a permanent place of abode by a resident 65 years of age or over may not be granted except upon written application. Under existing law, there is some ambiguity as to whether any exemption may be granted without a written application. One motor vehicle per household owned by a resident 65 years of age or older is exempt. A provision for implementation of a federal tax exemption is included. (AS 29.53.020)

Sec. 29.45.040. No change, except that "Department of Community and Regional Affairs" is replaced by "department". (AS 29.73.060)

Sec. 29.45.050. (a) No change, except "regular or special" is deleted since "election" is defined. (AS 29.53.025(a))

(b) Eliminates the requirement that a tax based upon tonnage not exceed [illegible] dollars a year for a boat of less than five net tons, and not exceed fifteen dollars a year for a boat of more than five tons. The optional exemption of household furniture over five hundred dollars in value has been eliminated since all household furniture is exempted under this bill. (AS 29.53.025(b))

(c) The reference to "weighted" voting is eliminated. (AS 29.53.025(c))

(d) "Act" has been changed to "chapter". (AS 29.53.025(d))

(e) No substantive change. (AS 29.53.025(e))

(f) Minor rewording. (AS 29.53.025(f))

(g) No change. (AS 29.53.025(g))

Sec. 29.45.060. Provides that a farm use greenhouse be assessed on the basis of value for farm use. "Farm use" includes the use of property for raising ornamental plants. (AS 29.53.035)

Sec. 29.45.070. No substantive change. (AS 29.53.040)

Sec. 29.45.080. No substantive change. (AS 29.53.045)

Sec. 29.45.090. Requires all property upon which a tax is levied to be taxed at the same rate during the year. Reorganized and slightly reworded for clarity. (AS 29.53.050)

Sec. 29.45.100. Statutory references are altered to reflect new numbering. (AS 29.53.055)

Sec. 29.45.110. Statutory reference is altered to reflect new numbering. (AS 29.53.060)

Sec. 29.45.120. "Assembly" is replaced by "governing body". (AS 29.53.070)

Sec. 29.45.130. Allows the assessor to seek a court order to compel production of records, as well as to compel entry. (AS 29.53.080)

Sec. 29.45.140. A person who fails to file a tax statement or makes a false tax statement is guilty of a class B misdemeanor. Under existing law, he is guilty of a misdemeanor punishable by a fine of $500 or by imprisonment for up to 30 days or both. (AS 29.53.090)

Sec. 29.45.150. "Assembly" is replaced by "governing body" and "borough" is replaced by "municipality". (AS 29.53.095)

Sec. 29.45.160. Minor rewording. (AS 29.53.100)

Sec. 29.45.170. Minor rewording. (AS 29.53.110)

Sec. 29.45.180. Minor rewording for clarity. (AS 29.53.120)

Sec. 29.45.190. Minor rewording for clarity. (AS 29.53.130)

Sec. 29.45.200. (a) Requires an appointed board to be composed of no less than three persons, and eliminates the requirement that the board consist of the number of members of the assembly above the number required for a quorum. Requires the governing body to establish by ordinance the qualifications for board membership. (AS 29.53.135)

(b) Allows the board to alter an assessment only if an appeal is filed as to that particular lot. (AS 29.53.135)

(c) This subsection is new, allowing an appeal directly to the superior court on the issue of whether property is taxable.

Sec. 29.45.210. Provides that if, upon appeal, a valuation is found to be too low, the board may raise the assessment. An appeal to the superior court shall be tried as an administrative appeal, while under existing law an appellant may demand a jury trial. (AS 29.53.140)

Sec. 29.45.220. No change. (AS 29.53.150)

Sec. 29.45.230. Reassessment is permitted when property is affected by a disaster declared by the President, or by the governor. Under existing law, this section applies only when property is affected by a disaster declared by the President. (AS 29.53.-160)

Sec. 29.45.240. Minor rewording. (AS 29.53.170)

Sec. 29.45.250. Allows a penalty not to exceed 20 percent of the tax due to be added to delinquent taxes and interest at the rate of 15 percent a year to accrue upon unpaid taxes. Under existing law, a penalty not to exceed 10 percent may be added, and interest at the rate of eight percent shall accrue. A penalty not to exceed 20 percent of the tax due may be imposed upon the late return of personal property assessment forms. Under existing law, only 10 percent of the tax due may be imposed. If a taxpayer may pay a tax in two installments, penalty and interest on the unpaid installment accrues from the date the installment becomes due. Under existing law, if the taxpayer does not pay the first half when due, the entire tax becomes delinquent. A penalty of eight percent is added on delinquent taxes until the due date fixed for payment of the second half, and after the due date of the payment of the second half, the penalty may be increased to 10 percent. (AS 29.53.180)

Sec. 29.45.290. No substantive change. (AS 29.53.200)

Sec. 29.45.300. Property taxes, together with penalty and interest are a lien upon the property assessed, while under this section of existing law, only real property taxes are mentioned as a lien upon the property assessed. However, under AS 29.53.220 it is clear that unpaid personal property taxes are also a lien. (AS 29.53.210)

Sec. 29.45.310. If property is sold for more money than needed to satisfy the tax, the municipality is required to remit the excess to the former record owner. A claim for the excess filed after six months is barred. Under existing law, there is no provision for remitting the excess to the former record owner. (AS 29.53.220)

Sec. 29.45.320. Reworded slightly, and the statutory reference is altered to reflect new numbering. (AS 29.53.230)

Sec. 29.45.330. Minor rewording. (AS 29.53.240)

Sec. 29.45.340. "Borough" is altered to "municipality". (AS 29.53.250)

Sec. 29.45.350. "Such" is altered to "the". (AS 29.53.260)

Sec. 29.45.360. Minor rewording, and the statutory reference is altered to reflect new numbering. (AS 29.53.270)

Sec. 29.45.370. "Tract" is altered to "lot". (AS 29.53.280)

Sec. 29.45.380. Minor rewording. (AS 29.53.290)

Sec. 29.45.390. Minor rewording and reorganization. (AS 29.-53.300)

Sec. 29.45.400. The material currently contained in AS 29.-53.310(b), allowing a person holding a lien against part of real property included in a judgment and decree of foreclosure to redeem only that part, has been eliminated. (AS 29.53.310)

Sec. 29.45.410. Receipt of redemption money by the municipality releases the judgment obtained through foreclosure. Under existing law, receipt of redemption by the clerk releases all claims of the municipality to the property. (AS 29.53.320)

Sec. 29.45.420. No change. (AS 29.53.330)

Sec. 29.45.430. No substantive change. (AS 29.53.340)

Sec. 29.45.440. Allows the clerk's designee to publish a redemption period expiration notice. Requires the clerk to send a copy of the notice to holders of liens if the assessed value of property

being foreclosed is over $100,000. Under existing law, notice must be sent if the assessed value is over $10,000. (AS 29.53.350)

Sec. 29.45.450. Minor rewording. (AS 29.53.360)

Sec. 29.45.460. Allows the designee of the clerk to send a copy of the published notice, while under existing law, the clerk is required to send the copy. (AS 29.53.370)

Sec. 29.45.470. Minor rewording. (AS 29.53.375)

Sec. 29.45.480. No substantive change. (AS 29.53.380)

Sec. 29.45.490. "City or borough" is changed to "municipality". (AS 29.53.385)

Sec. 29.45.500. New material is added to this section so that if, in the absence of suit, it becomes obvious to the governing body that judgment for recovery of taxes would be obtained, the municipality shall refund the amount of taxes plus interest. The governing body is permitted to correct manifest clerical errors at any time. (AS 29.53.390)

Sec. 29.45.550. Minor rewording. (AS 29.43.020)

Sec. 29.45.560. Statutory references are altered to reflect new numbering. All sections under existing law which apply to taxes levied by a city apply under this bill as well. Sec. 29.45.250, dealing with rates of penalty and interest; sec. 29.45.460, dealing with disposition and sale of foreclosed property; sec. 29.45.470, dealing with repurchase by record owner; sec. 29.45.490, dealing with payment of taxes upon public utilization; sec. 29.45.500, dealing with refund of taxes have been added as provisions which a city is subject to. (AS 29.53.400)

Sec. 29.45.570. This is new, applying the provisions dealing with property taxes to home rule municipalities as a limitation.

Sec. 29.45.580. Minor rewording. (AS 29.53.405)

Sec. 29.45.590. No substantive change. (AS 29.53.410)

Sec. 29.45.600. This is new material allowing a petition for second class city incorporation to request that a property tax proposal be placed on the same ballot. The petition may request that incorporation be dependent on passage of the property tax. Under existing law, a petition may combine a request for sales and use tax with a request for incorporation, but no provision exists for combining a request for property tax with a request for incorporation.

Sec. 29.45.650. Interest at the rate of 15 percent, rather than eight percent may be charged on delinquent sales and use taxes, and this is made applicable as a home rule limitation. Material in (e) has been added to allow a lien to be placed on the property to secure the payment of a sales and use tax. (AS 29.53.415)

Sec. 29.45.660. Minor rewording. (AS 29.73.070(b) and (c))

Sec. 29.45.670. The requirement that a sales tax proposition be presented only once a year has been eliminated. Material now in AS 29.53.420(b) is deleted. (AS 29.53.420(a))

Sec. 29.45.700. Allows the borough assembly by ordinance to authorize the city to levy and collect sales and use taxes on sources other than the sources being taxed by the borough. Under existing law, a city within a borough may levy sales and use taxes only upon sources taxed by the borough. The provision that a city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs has been added. (AS 29.53.440, 29.53.450)

Sec. 29.45.710. No substantive change. (AS 29.53.460)

CHAPTER 46. SPECIAL ASSESSMENTS.

Sec. 29.46.010. Minor rewording and the statutory reference is altered to reflect new numbering. (AS 29.63.010)

Sec. 29.46.020. A list of procedures which the governing body may prescribe includes procedures relating to creating special assessment districts, making local improvements, levying and collecting assessments, and financing improvements. Under existing law, the governing body is authorized to prescribe the complete special assessment procedure for local improvements. Statutory references are altered to reflect new numbering. (AS 29.63.015)

Sec. 29.46.030. The heading is altered from "DECISION AND NOTICE" to "CREATION OF DISTRICT". Minor rewording. (AS 29.63.020)

Sec. 29.46.040. Minor rewording. (AS 29.63.025)

Sec. 29.46.050. Objections may be filed any time within 60 days after publication of notice. Under existing law, objections to an improvement plan may be filed not less than 30 nor more than 60 days after publication of notice on a date specified by the governing body. Minor rewording. (AS 29.63.030)

Sec. 29.46.060. Minor rewording for clarity. (AS 29.63.040)

Sec. 29.46.070. Requires a new hearing if the assessment is increased as a result of correcting errors and inequalities in the assessment roll. Objections to the increased assessment are limited to record owners of property on which the assessment was increased. Under existing law, there is no provision for an additional hearing if an assessment is increased as a result of correcting errors. (AS 29.63.050)

Sec. 29.46.080. Minor rewording for clarity, and statutory references are altered to reflect new numbering. (AS 29.63.060)

Sec. 29.46.090. Slightly reorganized, and statutory references are altered to reflect new numbering. The section is applicable as a home rule limitation, and is a limitation now under AS 29.13.-100(36). (AS 29.63.065)

Sec. 29.46.100. Minor reorganization and rewording. (AS 29.63.070)

Sec. 29.46.110. (a) This is new material itemizing the costs which may be included in a special assessment.

(b) The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs incurred in connection with issuance of bonds. (AS 29.-63.040(a))

Sec. 29.46.120. Minor rewording and reorganization. (AS 29.63.080)

Sec. 29.46.130. This is new material allowing the governing body to issue notes to secure payment of the costs of a local improvement project. The notes are payable out of special assessments for the improvement and the notes are claims against the assessments.

Sec. 29.46.140. Minor rewording. The last line of AS 29.-63.085(c), providing that interest on the guarantee funds are a cost of the improvement district, is eliminated. (AS 29.63.085)

CHAPTER 47. MUNICIPAL DEBT.

Sec. 29.47.010. Minor rewording. (AS 29.58.010)

Sec. 29.47.020. Minor rewording. (AS 29.58.020)

Sec. 29.47.030. Minor rewording. (AS 29.58.040)

Sec. 29.47.040. Minor rewording. (AS 29.58.050)

Sec. 29.47.080. Minor rewording. (AS 29.58.070)

Sec. 29.47.090. "Assembly or council" is replaced with "governing body". (AS 29.58.080)

Sec. 29.47.100. "Assembly or council" is replaced by "governing body".

Sec. 29.47.110. No substantive change. (AS 29.58.100)

Sec. 29.47.120. Minor rewording. (AS 29.58.110)

Sec. 29.47.130. Minor rewording. (AS 29.58.120)

Sec. 29.47.140. No change. (AS 29.58.130)

Sec. 29.47.180. Minor rewording. (AS 29.58.150)

Sec. 29.47.190. Minor rewording. The reference to a charter is eliminated since this section does not apply as a home rule limitation. (AS 29.58.160)

Sec. 29.47.200. Minor rewording. The last sentence in (b) is added since this subsection applies to home rule municipalities as a limitation. It is currently a limitation under AS 29.13.100(24). (AS 29.58.180)

Sec. 29.47.240. Rewritten for clarity. (AS 29.58.200)

Sec. 29.47.250. Minor rewording. (AS 29.58.205)

Sec. 29.47.260. This is a new section excluding revenue bonds from the application of the prohibition against a political subdivision of the state making a subscription to the capital stock of a corporation, lending its credit for the use of a corporation, or borrowing money for the use of a corporation.

Sec. 29.47.300. Minor rewording. (AS 29.58.240)

Sec. 29.47.310. No substantive change. (AS 29.58.250)

Sec. 29.47.320. "Assembly or council" is replaced by "governing body". (AS 29.58.260)

Sec. 29.47.330. The statutory reference is altered to reflect new numbering and the fact that sections dealing with payment on bonds are combined into one section. (AS 29.58.270)

Sec. 29.47.340. The requirement that refunding bonds be exchanged at par for bonds being refunded is eliminated, so that refunding bonds may be exchanged at the discretion of the governing body. (AS 29.58.280)

Sec. 29.47.390. This contains new material allowing the issuance of revenue bonds to finance any project and to be secured and payable solely from the revenue and property of the project. The city or borough is not obligated to make payments on the bonds from any other sources. (AS 29.58.200(c))

Sec. 29.47.400. Bonds and notes may be sold in the manner and at the price determined by the municipality. Under existing law, no bonds may be sold at less than par value. (AS 29.58.060, 29.58.140, 29.58.300)

Sec. 29.47.410. Minor rewording. (AS 29.58.170, 29.58.210)

Sec. 29.47.420. Allows the interest rate payable on a bond or note to exceed the usury rate. Under existing law, no bond or note may bear an interest which exceeds the contract usury rate. (AS 29.58.310)

Sec. 29.47.430. No substantive change. (AS 29.58.320)

Sec. 29.47.440. Rewritten for clarity. The statutory reference is altered to reflect new numbering. (AS 29.58.340)

Sec. 29.47.450. This is new material providing that the indebtedness of a service area will remain a debt even though a court subsequently determines that the service area was not validly formed under law.

CHAPTER 55. MUNICIPAL PROGRAMS.

Sec. 29.55.010. "General or home rule" is eliminated since "municipality" includes by definition both a general law and a home rule municipality. (AS 29.48.108)

Sec. 29.55.020. The statutory reference to the preceding section is eliminated as unnecessary. (AS 29.48.110)

CHAPTER 60. STATE PROGRAMS.

Sec. 29.60.010. "Local government services" is replaced by "municipal services". (AS 29.88.010)

Sec. 29.60.020. Material in AS 29.88.015(b) is deleted. Since municipal tax resource equalization is organized as an article, rather than a chapter, the statutory reference is added. (AS 29.88.015)

Sec. 29.60.030. Statutory references are added since this material is no longer located in a separate chapter. (AS 29.88.020)

Sec. 29.60.040. Statutory references are added since this material no longer appears as a separate chapter. (AS 29.88.025)

Sec. 29.60.050. Subsection (a), dealing with limitation on use of payments, is a home rule limitation. Under existing law all of the tax equalization program is a home rule limitation under AS 29.13.-100(46). "Assembly or council" is replaced by "governing body". (AS 29.88.030)

Sec. 29.60.060. Statutory references are added, since this material is no longer contained in a separate chapter. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.88.035)

Sec. 29.60.070. Statutory references are added, since this material is no longer contained in a separate chapter. Statutory references currently contained in this section are altered to reflect new numbering. (AS 29.88.040)

Sec. 29.60.080. Definitions of "department" and "municipality" are eliminated since these are now defined with respect to the entire title. (AS 29.88.045)

Sec. 29.60.100. Statutory references are altered to reflect new numbering. Provision for revenue sharing payable to a "Native village government" is altered to "an unincorporated community". (AS 29.89.010)

Sec. 29.60.110. "Local government" is replaced by "municipality". (AS 29.89.020)

Sec. 29.60.120. Subsections (a) and (c) dealing with distribution and use of money, are home rule limitations. Under existing laws all of the program of aid for miscellaneous services is a limitation under AS 29.13.100(47). (AS 29.89.030)

Sec. 29.60.130. "Borough or city" is replaced by "municipality". (AS 29.89.040)

Sec. 29.60.140. Provides for aid to unincorporated communities rather than to Native village governments. The Department of Community and Regional Affairs shall pay the money to the entity in an unincorporated community most qualified to receive it. No money may be paid to a Native village council unless it waives immunity from suit. If there is no entity in an unincorporated community willing to receive the money, the community receives no entitlement. (AS 29.89.050)

Sec. 29.60.150. The last portion of the section listing possible sources of population data is eliminated. Statutory references are

added, since this material is no longer organized as a separate chapter. (AS 29.89.060)

Sec. 29.60.160. Statutory references are altered to reflect new numbering. Authorizes area cost-of-living differentials to be reflected in payments to volunteer fire departments. (AS 29.89.-070)

Sec. 29.60.170. Statutory references are added, since this material is no longer organized as a separate chapter. The statutory reference currently contained in this section is altered to reflect new numbering. (AS 29.39.080)

Sec. 29.60.180. Statutory references are added, since this material is no longer organized as a separate chapter. (AS 29.89.090)

Sec. 29.60.230. Made applicable as a home rule limitation. (AS 29.90.010, 29.90.030(3))

Sec. 29.60.240. Statutory references are added, since this material is no longer organized as a separate chapter. The statutory reference currently contained in this section is altered to reflect new numbering. (AS 29.90.020)

Sec. 29.60.280. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.95.010)

Sec. 29.60.290. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.95.020)

Sec. 29.60.300. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.95.030)

Sec. 29.60.350. Administration of the municipal assistance fund is transferred from the Department of Revenue to the Department of Community and Regional Affairs. (AS 43.20.016(a))

Sec. 29.60.360. No substantive change. (AS 43.20.016(b))

Sec. 29.60.370. No substantive change. (AS 43.20.016(c) and (d))

Sec. 29.60.800. No substantive change. (AS 29.89.100(2) and (3), 29.90.030(2) and (4))

CHAPTER 65. GENERAL GRANT LAND.

Sec. 29.65.010. No change. (AS 29.18.201)

Sec. 29.65.020. No substantive change. (AS 29.18.202)

Sec. 29.65.030. Minor rewording. (AS 29.18.203)

Sec. 29.65.040. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.18.204)

Sec. 29.65.050. The statutory references to repealed sections are deleted as unnecessary in (a). The statutory references contained in this section are altered to reflect new numbering. (AS 29.18.-205)

Sec. 29.65.060. Statutory references are altered to reflect new numbering. (AS 29.18.206)

Sec. 29.65.070. No substantive change. (AS 29.18.207)

Sec. 29.65.080. Reworded for clarity. The statutory references contained in this section are altered to reflect new numbering. (AS 29.18.208)

Sec. 29.65.090. "Any" is changed to "a". (AS 29.18.209)

Sec. 29.65.100. The statutory reference contained in this section is altered to reflect new numbering. (AS 29.18.210)

Sec. 29.65.110. The statutory reference contained in this section is altered to reflect new numbering. (AS 29.18.211)

Sec. 29.65.120. Since this material is now organized in a separate chapter, the statutory reference to the sections dealing with general grant land is eliminated. (AS 29.18.212)

Sec. 29.65.130. Since this material is now organized in a separate chapter, the statutory reference is eliminated. The definition of "municipality" is eliminated since that term is now defined for the entire title. (AS 29.18.213)

Sec. 29.65.140. This is a new section indicating that the chapter dealing with general grant land applies to home rule municipalities as well as to general law municipalities. This material is not a home rule limitation under existing law.

CHAPTER 71. GENERAL PROVISIONS.

Sec. 29.71.010. No substantive change. (AS 29.73.030)

Sec. 29.71.020. This is a new section providing that dedication of rights of way or other areas for public use does not require the municipality to maintain, improve, or provide for municipal services in the area dedicated and does not impose any liability on the municipality for the condition of the area dedicated. The section is applicable to home rule municipalities.

Sec. 29.71.030. No substantive change. (AS 29.73.040)

Sec. 29.71.800. The following definitions are added or changed from existing law:

(1) "areawide" is defined to include cities in the borough. (AS 29.78.010(18))

(2) this is added;

(3) includes home rule as well as general law boroughs; (AS 29.78.010(1))

(4) includes home rule as well as general law cities; (AS 29.78.010(2))

(5) this is added;

(7) this is added;

(8) this is added;

(9) "election" includes both regular and special municipal elections, but does not include a state election; (AS 29.78.-010(7))

(10) this is added to refer to either a borough or city legislative entity;

(13) "municipality" includes a home rule or general law borough, city, or unified municipality, while the existing definition includes only general law municipal corporations; (AS 29.78.010(8))

(14) "nonareawide" includes the area of a borough outside cities in the borough, while under existing law "nonareawide power" is defined; (AS 29.78.010(19))

(15) "owner" or "record owner" means the owner of record shown in the records of the district recorder; (AS 29.-78.010(9))

(20) minor rewording; (AS 29.78.010(14))

(21) this has been added;

(23) subparagraph (A) has been reworded and (B) is new; (AS 29.78.010(16))

(24) this has been added; and

(25) a person qualified to vote in municipal elections under the applicable statute is a "voter". (AS 29.78.010(17))

The definition of "conditional use" has been eliminated. (AS 29.-78.010(3))

* Sec. 18. A definition of "municipality" is added for all Alaska Statutes.

* Sec. 20. The statutory references are altered to reflect new numbering. References to merger and consolidation are eliminated as unnecessary.

* Sec. 21. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 22. The statutory references are altered to reflect new numbering.

* Sec. 23. Reworded to delete incorrect statutory references.

* Sec. 24. References to third class boroughs have been eliminated. Subsection (b) has been added containing material currently made applicable by the reference to third class boroughs.

* Sec. 25. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 26. The statutory references are altered to reflect new numbering.

* Sec. 27. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 28. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 29. The statutory references are altered to reflect new numbering.

* Sec. 30. The statutory references are altered to reflect new numbering.

* Sec. 31. The statutory references are altered to reflect new numbering.

* Sec. 32. The statutory references are altered to reflect new numbering.

* Sec. 33. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 34. The statutory references are altered to reflect new numbering.

* Sec. 35. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 36. The statutory references are altered to reflect new numbering.

* Sec. 38. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 39. Minor rewording for consistency.

* Sec. 40. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 41. The statutory references are altered to reflect new numbering.

* Sec. 42. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 43. Minor rewording. Incorrect statutory references are deleted.

* Sec. 44. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 45. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 46. The statutory reference is deleted as unnecessary.

* Sec. 47. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 48. The statutory references are deleted as unnecessary.

* Sec. 49. The statutory references are deleted as unnecessary.

* Sec. 50. The statutory reference is altered to reflect new numbering.

* Sec. 51. The statutory references are altered to reflect new numbering. Some references are eliminated as unnecessary. "Former" is added before citations to sections repealed in this bill.

* Sec. 52. The statutory references are altered to reflect new numbering. "Former" is added before citations to sections repealed in this bill.

* Sec. 53. The word "former" is added before the statutory citation because those sections are repealed in this bill.

* Sec. 54. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 55. "Former" is added before citations to sections previously repealed.

* Sec. 56. Minor rewording. The statutory reference is altered to reflect new numbering.

* Sec. 57. Minor rewording. The statutory reference is deleted as unnecessary.

* Sec. 58. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 59. The statutory references are altered to reflect new numbering. "Former" is added before citations to sections repealed in this bill.

* Sec. 60. The statutory reference is deleted as unnecessary.

* Sec. 61. The statutory references are altered to reflect new numbering.

* Sec. 62. This is new material that precludes a municipality from regulating utilities exempt from regulation by the Alaska Public Utilities Commission, except for certain municipally owned utilities.

* Sec. 63. The statutory references are altered to reflect new numbering.

* Sec. 64. The statutory references are altered to reflect new numbering.

* Sec. 65. The statutory references are altered to reflect new numbering.

* Sec. 66. The statutory references are altered to reflect new numbering.

* Sec. 67. The statutory references are altered to reflect new numbering.

* Sec. 68. The statutory references are altered to reflect new numbering.

* Sec. 69. Minor rewording. The statutory references are deleted as unnecessary.

* Sec. 70. The statutory references are deleted as unnecessary.

* Sec. 71. Adds new sections dealing with borough feasibility studies. Authorizes the commissioner of community and regional affairs to contract for a study requested by a person residing in the area to be studied. Sets out requirements for the contract and what a study must include.

* Sec. 72. The statutory reference is altered to reflect new numbering.

* Sec. 73. The statutory reference is altered to reflect new numbering.

* Sec. 74. The statutory reference is altered to reflect new numbering.

* Sec. 75. The new statutory reference is inserted and "former" added before the citation to a section repealed by this bill.

* Sec. 76. The new statutory references are inserted and "former" added before citations to sections repealed by this bill.

* Sec. 77. The statutory references are altered to reflect new numbering.

* Sec. 78. The statutory reference to a repealed section is deleted and language inserted to take the place of the deleted reference.

* Sec. 79. The statutory references are altered to reflect new numbering.

* Sec. 80. The statutory references are deleted as unnecessary.

* Sec. 81. The statutory references are altered to reflect new numbering.

* Sec. 82. The statutory references are deleted as unnecessary.

* Sec. 83. The statutory references are altered to reflect new numbering.

* Sec. 84. All of Title 29 is repealed except for AS 29.03.010 and AS 29.03.020. Additional provisions are repealed to reconcile this bill with other titles.

* Sec. 85. A right or liability of a municipality in existence on the effective date of this Act is not affected by this Act. Ordinances and regulations in effect on the effective date of this Act remain in effect unless they conflict with a provision of this Act. If an ordinance or regulation conflicts, it remains in effect for 180 days. The terms of elected or appointed municipal officials are not affected by the Act and their terms expire as they would have before the effective date of this Act.

* Sec. 86. The chapter on taxation is retroactive to January 1, 1983, the beginning of the tax year.

* Sec. 87. An immediate effective date is provided for the retroactive clause and the chapter on taxation.

* Sec. 88. The rest of the Act takes effect July 1, 1983.

In addition to the material already noted as having been deleted from this bill, the following sections have been eliminated entirely:

AS 29.18.202 (determination of entitlement for cities);

AS 29.18.220 - 29.18.460 (development cities);

AS 29.18.510 - 29.18.610 (Capital City Incorporation Act);

AS 29.23.395 - 29.23.401 (involvement of young people in local government);

AS 29.23.470 (appointment of temporary or new manager);

AS 29.28.220 (election procedure);

AS 29.33.120 (adjustment procedure);

AS 29.43.100 - 29.43.110 (curfews)

AS 29.45.480 (proceeds of tax sale);

AS 29.48.070 (hearing for regulation of utilities rates);

AS 29.48.080 (right to participate and compel testimony);

AS 29.48.090 (further proceedings);

AS 29.48.100 (application);

AS 29.48.250 (centralized purchasing);

AS 29.53.030 (mining claims);

AS 29.58.220 (payment);

AS 29.58.315 (bond attorneys, bond and financial consultants);

AS 29.58.345 (bonded indebtedness for school construction);

AS 29.58.350 (bond guarantee fund).

TBC:ljb

HB 172

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

HB 172 was accompanied by a fiscal note which appears in House Journal Supplement No. 4, and the following letter:

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill revising the municipal code (AS 29). By our using the data base prepared by the Legislative Affairs Agency, this bill is identical to the bill introduced this session as Senate Bill No. 1, except for the correction of a typographical error (page 35, line 5 -- "overridden"), the justification of the right-hand-margin on several pages, and 11 rather technical changes that are described below. The bill was modeled on the bill approved last session by the House Finance Committee as HCS CSSB 180 (Fin). A detailed section-by-section analysis of SB 1 is being prepared by the Legislative Affairs Agency.

The bill does not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982 veto message for HCS CSSB 180(Jud) am H. See 1982 Senate Journal, pages 1788 -- 1792. This bill makes many non-controversial improvements to our municipal code and I urge its prompt consideration and passage. It is my hope that the AS 29 issues on which last year's amendments created such a controversy will be addressed by separate legislation so that this needed code revision is not once again delayed.

For your convenience in comparing SB 1 and this bill, here is a list of the 11 changes from SB 1 which are contained in this bill (with page and line numbers referring to SB 1):

1. page 8, line 26 -- following "council" the phrase "in a first class city" is added;

2. page 11, line 1 -- between the words "city" and "incorporated," the phrase "in the unorganized borough" is added;

3. page 29, line 8 -- following the first use of "commission," the phrase "of seven elected members" is added;

HB 172

4. page 29, lines 14 and 15 -- following "shall be" on line 14, the phrase "prepared by the petitioners and" is added and the word "incorporation" is deleted; following "petition" on line 15, the phrase "to incorporate a home rule municipality" is added;

5. page 62, line 3 -- a sentence to read "The runoff election shall be between the two candidates receiving the greatest number of votes for the seat." is added to sec. 29.26.060(c);

6. page 63, lines 7 and 26, and page 64, line 15 -- replace the words "bill" and "Act" with the phrase "ordinance or resolution";

7. page 82, line 18 -- following "emergency," the word "services" is added, and following "center," the phrase "under AS 29.35.130" is added;

8. page 85, lines 4 and 5 -- subsection (c) is amended as follows:

(c) A third class borough acquires an additional power to exercise in a service area in accordance with AS 29.35.490(b) and (c) [AREAS BY HOLDING AN ELECTION ON THE QUESTION IN WHICH EACH PERSON WHO IS A VOTER OF THE BOROUGH MAY VOTE].

9. page 106, line 8 -- the first sentence of sec. 29.45.040(b) is amended as follows:

(b) For purposes of determining payments to eligible persons, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax [AT THE RATE OF ONE PERCENT PER MILL].

10. page 161, line 20 -- "29.60.120" is replaced with "29.60.130;"

11. page 182, line 1 -- following "general law," the phrase "first or second class" is deleted.

Sincerely,

Bill Sheffield
Governor

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

TO: Committee on Community and Regional Affairs

FROM: Staff Lacher

DATE: April 25, 1983

RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

Page 35, line 5:
Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";"

Page 35, after line 8:
Insert "(4) a municipal employee or official, other than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

passed

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 2

The following changes are proposed by Ginny Chitwood, Alaska Municipal League.

Page 68, lines 5-7:
Delete section 29.26.250.

Page 68, line 15:
Delete "grounds of", insert "reasons for".

Page 68, line 24:
Delete "grounds" insert "reasons".

Page 69, lines 20,24:
Delete "25", insert "35".

Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a concensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

adopted

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU ALASKA 9981[illegible]
907-465 3800

MEMORANDUM February 24, 1983

SUBJECT: Recall of municipal officials
(Work Order No. 13-0837)

TO: Representative Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have asked what the responsibility of the clerk is in reviewing recall petitions for sufficiency.

What a recall petition must contain and the method of determining the sufficiency of a petition depends on the specific statute involved and these types of laws vary from state to state. Some statutes require only a general statement of the grounds for recall and an official may be recalled for purely political reasons. However, other statutes require grounds for recall that are more than simple disagreement with matters of policy and the grounds stated must actually constitute misfeasance, malfeasance or nonfeasance in office. McQuillan, Municipal Corporations, vol. 4, sec. 12.251b: Noel v. Oakland County Clerk, 284 N.W.2d 761 (Michigan 1979); Bent v. Ballantyne, 368 S.2d 351 (Florida 1979); Tolar v. Johns, 147 S.2d 196 (Florida 1962); Jacobsen v. Nagel, 96 N.W.2d 569 (Minnesota 1959).

Where petitioners are required to state only general grounds, the recall petition need not state the cause for removal with the same particularity as where the requirement is that reasons for removal be stated clearly. The purpose of a general statement of grounds is to furnish information to electors upon which a political and not a legal issue may be raised. Under statutes providing that a statement of grounds for recall is for the information of the electors, the question of the sufficiency of those grounds is also for the electors, but under provisions authorizing recall for malfeasance or similar language, the sufficiency of the grounds provided is a legal question. 63 Am. Jur.2d, Public

Officers and Employees, sec. 245; Pybus v. Smith, 141 P. 203 (Washington 1914).

Statutory provisions as to recall are to be liberally construed in favor of the electorate's right to exercise recall. Hazelwood v. Saul, 619 P.2d 199 (Colorado 1980). Under this principle and in the absence of statutory language limiting the recall to specific, indicated reasons, the adequacy of grounds stated in a petition is treated as a political matter and courts refuse to enjoin recall petitions on complaints that charges are insufficient. However, where recall is limited to specified grounds of malfeasance or similar language it is generally held that

> . . . petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Municipal Corporation Law, sec. 22.200, pages 22-304 - 22-305.

The officer designated to ascertain the sufficiency of a petition in a particular statute may be required to determine legal sufficiency rather than matters of form only. Unless an appeal is specifically provided for, the officer's determination as to sufficiency of a recall petition is final and subject only to judicial correction if the determination is capricious, arbitrary, or plainly erroneous as a matter of law. McQuillan, supra., vol. 4, sec. 12.251(d); Hold v. Trantham, 575 S.W.2d 83 (Texas 1979).

Article XI, section 8 of the Constitution of the State of Alaska provides:

> All elected public officials, in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedure and grounds for recall shall be prescribed by the legislature. (Emphasis added)

In carrying out this constitutional responsibility the legislature has provided under AS 29.28.140 that misconduct in office, incompetence, and failure to perform prescribed duties are the grounds for recall. In addition, under AS 29.28.150(a)(3), a petition for recall must contain ". . . a statement of the grounds of the recall stated with particularity as to specific instances". (Emphasis added)

The municipal clerk is required to review the petition ". . . for content and signatures . . ." under AS 29.28.160.

These statutory provisions dealing with recall have not been judicially construed by the Supreme Court in this state, so it cannot be determine with certainty whether the clerk is required to review the petition for signatures and form only or whether the clerk must determine as a legal matter whether the specific instances set out in a petition, if true, constitute misconduct in office, incompetence or failure to perform prescribed duties. Under the principles set out previously in this memorandum it appears that the clerk is required to determine whether the specific instances set out support a claim of misconduct in office, incompetence or failure to perform prescribed duties because AS 29.28.150 demands more than just a general statement of the grounds for recall and does not specifically indicate that the stated grounds are for the information of the voters only.

Under both versions of the bill revising Title 29, SB 1 and HB 172, the grounds for recall remain unchanged although the procedure for recall has been substantially changed. Nevertheless, an applicant for a recall petition under Sec. 29.26.260(a)(3) is still required to set out the grounds ". . . with particularity". The clerk must prepare a recall petition only if the clerk determines that the application for the petition meets the requirements of AS 29.26.260, including the requirement that grounds be ". . . stated with particularity" (Sec. 29.26.280). After a petition is filed the clerk must again determine whether the petition is sufficient and, if insufficient, ". . . identify the insufficiency and notify the sponsors. . ." (Sec. 29.-26.290). It seems clear that since the clerk must identify the insufficiency, a determination of sufficiency is not limited to review of signatures, even though (b) and (c) of the section only provide for correcting a petition insufficient for lack of signatures. It appears under these sections that the clerk would still be required to determine whether the grounds stated, if true, actually constitute misconduct in office, incompetence, or failure to perform prescribed duties.

I believe that this interpretation conforms to the intent of the policy committee that produced the original version of a Title 29 revision bill. There was considerable discussion of the recall provisions by that committee and at one point

the committee considered requiring only a general statement of reasons for recall and allowing recall to proceed upon purely political grounds. It was even suggested that grounds for recall be eliminated entirely. That approach was specifically rejected by the committee. Consequently, I would recommend that HB 172 be amended to clearly reflect the fact that the clerk is to review a recall petition for form and signatures only, and not to determine whether grounds stated actually constitute misconduct in office, incompetence, or failure to perform prescribed duties, if that is the result intended by the legislature.

TBC:ljb

SD# 14

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:
Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to excercise the right of eminent domain to acquire certificates or property.

adopted

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Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Don Clocksin
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "$100,000.00" insert "$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a concessus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high ($100,000.00).

adopted

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Alaska State Legislature

Barbara Lacher, Chairman
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Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 5

Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

adopted

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Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
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Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 6

The attached letter of intent and proposed language for implementation was prepared during hearings of SB 1, comparison legislation to HB 172.

Present law requires first class and home rule cities in the unorganized borough to accept the responsibility for delivery of Educational services. It is perceived that the requirement to be responsible for educational services may be a deterrant to certain cities or areas to organizing or upgrading to first class or home rule status. The opposition for a city to assume the educational powers could come either from an existing REAA or the city.

The proposed change to HB 172 would resolve the issue of the assumption of education powers by vote of the residents in the city and in the REAA.

failed

17

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT
TO CSSB 1

February 24, 1983

It is the intent of the Senate Community and Regional Affairs Committee that the assumption of the education power by newly formed or upgraded first class or home rule cities be dependent upon a vote in the existing Regional Education Attendance Area. If the vote both within the city and in the remainder of the REAA was not in favor of the city assuming the education power, it would not.

This Letter of Intent was discussed and unanimously approved by the Senate C & RA Committee. The attached page labelled "Proposed Amendment #10" is what the committee members had in front of them when the Letter of Intent was endorsed. The longer attached amendment, drafted by Legal Services, represents all of the actual changes that need to be made to SB 1 to carry out the Letter of Intent.

Though the committee strongly endorses this concept it was felt the full amendment should be available for review before it was adopted, which is why this method of presentation was followed. The Community and Regional Affairs Committee urges the Finance Committee to incorporate the intent of the attached proposed Amendment #10 into SB 1.

Senator Frank R. Ferguson
Chairman

PROPOSED AMENDMENT #10

S-E-N-A-T-E---A-M-E-N-D-M-E-N-T

PROPOSED SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: LINE:

Note: This change is listed as a proposal rather than an amendment because of the complex drafting that will be required to make sure all the necessary sections are cross referenced. Legal Services has reviewed this proposal and suggested this approach because of time constraints. If the Committee approves this proposal, Legal Services will incorporate it as part of the Committee Substitute.

Page 10, after line 19, insert new section:

"29.05.145. ASSUMPTION OF THE EDUCATION POWER. (a) When an unincorporated area or second class city that is part of a Regional Education Attendance Area incorporates or upgrades to first class or home rule city status, the assumption of the education power shall be in accordance with this section

(b) When an unincorporated area or city that is part of a REAA incorporates or upgrades to first class or home rule city status, that Director of Elections shall conduct an election in the REAA within 90 days of the incorporation.

(c) At this election, voters of the REAA shall be given an opportunity to approve or disapprove the assumption of the education power by the newly incorporated or upgraded first class or home rule city.

(1) The vote shall be counted separately within the city limits of the newly incorporated or upgraded city and in the remainder of the REAA.

(2) A majority of voters in both areas must approve the assumption of the education power by the newly incorporated or upgraded city or it may not assume the education power"

Alter other sections as necessary to conform.

A M E N D M E N T

Offered in the SENATE

TO: CSSB 1 (C&RA)

By the Community and Regional Affairs Committee

Page 2, after line 25 insert:

"(f) A second class city in a regional educational attendanc area that reclassifies to first class status after July 1, 1983 re mains part of the regional educational attendance area unless th education power is acquired under AS 29.35.270."

Page 10, after line 18 insert:

"(d) A first class or home rule city in a regional educationa attendance area that incorporates after July 1, 1983 remains part o the regional educational attendance area unless the education power i acquired under AS 29.35.270."

Reletter the following subsection accordingly.

Page 34, after line 20 insert:

"(36) AS 29.35.270. (acquisition of education power)"

Renumber the following paragraphs accordingly.

Page 85, line 23:

Delete "A" and insert "Subject to AS 29.35.270, a"

Page 86, after line 5 insert:

"Sec. 29.35.270. ACQUISITION OF EDUCATION POWER. (a) A hom rule or first class city formed in a regional educational attendanc area after July 1, 1983 remains part of the regional educationa attendance area and may not establish a city school district unles the education power is acquired by the city under this section.

(b) Within 90 days after a community in a regional educational attendance area is incorporated as a home rule or first class city o a second class city in a regional educational attendance area reclassifies to first class status or adopts a home rule charter the director of elections shall conduct an election in the regional educational attendance area on the question of whether the city should acquire the education power and form a city school district.

(c) After an election under this section the vote shall be counted separately within the boundaries of the newly formed city and within the area of the regional educational attendance area outside of the city.

(d) If a majority of voters within the newly formed city and a majority of the voters within the area of the regional educational attendance area outside of the newly formed city approve, the city shall assume the education power and form a school district. If a majority of voters in both areas do not approve, the city remains a part of the regional educational attendance area.

(e) This section applies to home rule and general law cities."

Page 186, after line 6 insert:

"* Sec. 21. AS 14.08.031 is amended by adding a new subsection to read:

(e) A first class or home rule city in a regional educational attendance area that incorporates after July 1, 1983 and a second class city in a regional educational attendance area that reclassifies to first class status or adopts a home rule charter after July 1, 1983 shall be included in the regional educational attendance area boundary unless the city acquires the education power under AS 29.35.270."

Renumber following sections accordingly.

Page 186, after line 29 insert:

"* Sec. 24. AS 14.12.010(1) is amended to read:

(1) each home rule and first class city in the unorganized borough is a city school district, except as provided under AS 29.35.270;

* Sec. 25. AS 14.12.010(3) is amended to read:

(3) the area outside organized boroughs and outside home rule and first class cities is divided into regional educational attendance areas, except that a home rule or first class city may be included in a regional educational attendance area in accordance with AS 29.35.270."

Renumber following sections accordingly.

Page 205, line 20:

Delete "86" and insert "89"

Page 205, line 23:

Delete "86" and insert "89"

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 7

During Committee review of HB 172 there was discussion but no apparent concensus concerning the exemption of greenhouses from assessement at full valuation for taxation purposes (Page 109, line 22).

The existing law does not give special treatment for greenhouses. The intent of providing special tax treatment for farm lands (not including barns, houses, sheds, etc.) was to assist the farmer in resisting the pressures of urban growth rather than being forced to subdivide farm land because of inflated land values. The effect of the new language is to provide a special tax treatment for greenhouses, including commercial greenhouses raising ornimental flowers.

adopted
special committee level
con form use.

8

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "develcped" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substanative or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation.

THIRTEENTH ALASKA LEGISLATURE

FIRST SESSION

HB172 Suggested Amendments - Cape Fox Corporation

Line 15, Page 105

(1) (m) (1) ... gainful and [or] productive present use...

Line 18-19, Page 105

(2) (m) (1) ... process even though income may be derived from related incidental timber harvesting, utility usage, or similar activities;

Line 3, Page 106 - Add New Subsection:

(3) (m) (4) "Gainful" means a condition resulting in net taxable income or when revenue derived from an activity taking place over the tax year of the property owner exceeds the expenses and deductions related to the activity.

Matanuska-Susitna Borough
BOX B, PALMER, ALASKA 99645 • PHONE 745-4801
BOROUGH ATTORNEY'S OFFICE

April 6, 1983

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

Dear Barbara:

Subject: HB 172 "DEVELOPED" DEFINITION

The present version of HB 172 provides for a tax exemption as required by 43 U.S.C. 16.20(d) for certain Native lands. This exemption provides a definition of "developed" for implementing the federal law. I recommend that this matter be treated in a separate bill rather than in HB 172 or SB 1, the parallel bills intended as housekeeping measures to revamp Title 29.

During the last legislative session certain amendments were made to the Title 29 bill on the House floor which caused a great deal of controversy. In re-introducing the Title 29 in the present legislature, all of these amendments were removed except for the provisions for implementing the tax exemptions under 43 U.S.C. 16.20(d). This amendment was incorporated in AS 29.45.030 of the bill.

Pursuant to federal law, certain Native lands are not taxable until "developed". The intent of the proposed definition in AS 29.45.030 is to clarify what improvements of land will constitute "development" for tax exemption status.

I believe that the intent of this section is to assure that lands will not be taxed simply because an access road is constructed to the property or improvements are placed on the property in anticipation of future development. However, the language is sufficiently ambiguous to permit the interpretation that even a regular, residential or commercial subdivision development would not be taxable until the lots were sold. Once land is subdivided, roads are constructed and other improvements are put in place, the available lots become the sale inventory of the real estate developer. An exemption from taxation of these lots would give the exempted developer an unfair advantage over other developers with which it was in competition.

Because this provision is not in existing Title 29 and because there is potential controversy involved, I recommend that

it not be included in HB 172, a housekeeping bill. As a separate bill, I believe that the Borough would support a definition between a taxable subdivision development and tax exempt lands which have been surveyed and have constructed roads.

Sincerely,

Steven H. Morrissett
Borough Attorney

er

cc: Steve VanSant, Borough Assessor

KENAI PENINSULA BOROUGH

BOX 850 · SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

February 24, 1983

TO: Stan Thompson, Mayor

FROM: Don Thomas, Assessor

SUBJECT: Native Lands, Title 29 Revisions – Sec M #1 Lines 28 + 29 page 100 – 101

By the definition included in the work draft of Title 29 the Kenai Peninsula Borough would loose approximately 13.9 Million in assessed valuation. This would equal about $41,727 based on a 3 mill average.

This would also put the Native lands in a better position to develope and compete in the open market, if they wished. They could do all the preliminary work, such as roads, utilities, survey, and hold the property for the highest return, and still not pay taxes. – this would only apply to land ~~that~~ they could potentially be ~~engaged~~ in the land ~~business~~ ~~at~~ ~~the~~ ~~time~~ ~~of~~ ~~sale~~ ~~to~~ ~~the~~ ~~Boro~~ ~~and~~ ~~would~~ ~~not~~ ~~be~~ ~~on~~ ~~the~~ ~~tax~~ ~~rolls~~ ~~at~~ ~~the~~ ~~time~~ ~~of~~ ~~sale~~ ~~to~~ ~~the~~ ~~Boro~~ ~~-~~ ~~they~~ ~~would~~ ~~be~~ ~~exempt~~ ~~at~~ ~~a~~ ~~tremendous~~ ~~loss~~ ~~to~~ ~~the~~ ~~Boro~~ ~~-~~ We currently have 13.9 million in assessed value that the different regions have been paying taxes on. We have had them on the tax rolls for 4 or 5 years and they paid their taxes without paying under protest.

Cook Inlet	7,281,205
Ninilchik	924,950
Seldovia Native	2,882,300
Slamatoff	589,500
English Bay	2,708,800
Port Graham	1,068,000
Total	15,454,755

Also when 20 years are up & Native lands would be taken on the tax rolls – they they would be Exempt at a tremendous loss to the Boro – until sold

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

May 20, 1983

Bob Harris
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

FILE: HB 172

SUBJECT: Substitute Utility Language
for Title 29 Revision

Dear Bob:

If the House Community and Regional Affairs Committee would like to consider alternative language to that which has been proposed for the utilities section of the Title 29 revision, may I suggest the following. This language, I believe, accommodates the interests of the municipalities and of the utilities. It would exempt from municipal regulation those utilities, including co-ops, which have elected to exempt themselves from APUC regulation by a vote of the subscribers or members. It would also exempt from municipal regulation those small electric, telephone and garbage utilities which are presently exempt from APUC regulation but which may come under APUC regulation if 25% of the subscribers petition the commission for regulation. In addition, it would exempt from municipal regulation those utilities which the APUC itself exempts upon a finding of no legitimate public interest in regulation if the commission also finds that the utility should also be exempt from municipal regulation. If cable TV is given an exemption from APUC regulation, and the legislature believes that it should also be exempt from municipal regulation, a simple amendment to the following language making reference to the statute exempting cable TV would extend the exemption to municipal regulation of cable TV also. The substitute language would be as follows:

> AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).
>
> (b) A municipality may not regulate a utility
>
> (1) to the extent it is subject to regulation under AS 42.05; or

(2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or

(3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(e), (f), (g), (h) or (i); or

(4) specifically exempted by law from municipal regulation.

(c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(e) This section applies to home rule and general law municipalities.

Sincerely,

Gerald L. Sharp
City/Borough Attorney

GLS:jr

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

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 proposed amendment number 9

The attached amendment proposed by representatives of utility companies is a significant change from present law.

The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is also subject to regulation by the Alaska Public Utilities Commission. Stated in another way, if the Alaska Public Utilities Commission does not or can not regulate a utility or a matter pertaining to a utility, then a municipality may not impose a regulation.

Present law provides municipalities the power to regulate utilities and matters pertaining to utility services to the extent the utilities are not regulated by the Alaska Public Utility Commission.

In several instances, the regulation of a condition of service by a utility company, or the regulation of a utility company is optional for the Public Utilities Commission, or optional for the utility.

In cases where utilities are not regulated by the Alaska Public Utilities Commission, Municipalities generally feel they need to have the authority to exercise regulatory powers. On the other hand, utility companies believe that; if the Alaska Public Utility Commission does not regulate them, then the municipalities should not have the authority to provide regulation.

AD

SENATE AMENDMENT

BY Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: 2728

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

Page 33, line 29, insert:

"(28) 29.35.075 (disputes and conflicts with state certificated utilities)"

Page 77, after line 26, insert:

"(c) This section applies to home rule and general law municipalities."

Page 77, line ~~4-19~~ 7-22, delete Section 29.35.070 and insert:

"Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service, and may fix, establish, and change the rates and the charges imposed for a utility service provided to the municipality or its inhabitants by a utility except to the extent

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or otherwise specifically prohibited by law.

(b) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality establishing

the procedures for regulating service and procedures for establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

(d) This section applies to home rule and general law municipalities.

Page 77, after line ~~19~~ 22, insert:

"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES. (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251.

(b) In case of a conflict between the provisions of AS 29.35.070 or AS 42.05 or an action taken under either as to the regulation of service, rates or charges of a utility, the provisions of AS 42.05.641 apply.

(c) This section applies to home rule and general law municipalities.

Page 195, after line ~~19~~ 22, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

delete [(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711."

Renumber following sections accordingly.

Lee Sharp
City-Boro Attorney Juneau.

Chugach Elec. Ass'n, Sup. Ct. Op. No. 1636 (File Nos. 2969, 2993), 580 P.2d 687 (1978); B-C Cable Co. v. City of Juneau, Sup. Ct. Op. No. 2112 (File No. 4587), 613 P.2d 616 (1980).

Sec. 42.05.711. Exemptions. (a) The provisions of AS 42.05.010 — 42.05.721 do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon, or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which he has an "affiliated interest."

(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of AS 42.05.010 — 42.05.721, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of AS 42.05.010 — 42.05.721.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of AS 42.05.010 — 42.05.721.

(e) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, any electric or telephone utility that does not gross $50,000 annually is exempt from regulation under AS 42.05.010 — 42.05.721 unless 25 percent of the subscribers petition the commission for regulation.

(f) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, an electric or telephone utility that does not gross $325,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(g) A utility, other than a telephone or electric utility, that does not gross $100,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(h) A cooperative organized under AS 10.25.010 — 10.25.650 may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721, other than AS 42.05.221 — 42.05.281, under the procedure described in AS 42.05.712.

(i) A utility which furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of $200,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 — 42.05.281,

unless 25 percent of the subscribers or subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation.

(j) The provisions of this chapter do not apply to sales, exchanges or gifts of energy to an electric utility certificated under AS 42.05.010 — 42.05.721 when the energy which is the subject of the sale, exchange or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange or gift of energy exempt under this subsection does not make the supplier a public utility, and does not transfer the responsibility to provide utility services from a certificated utility to any other person. (§ 6 ch 113 SLA 1970; am § 3 ch 76 SLA 1973; am § 8 ch 83 SLA 1980; am §§ 7-9 ch 136 SLA 1980; am § 89 ch 59 SLA 1982)

Revisor's notes. — As enacted by chs. 83 and 136, SLA 1980, present subsections (j) and (i) were designated as subsections (f) and (j), respectively, but were redesignated by the revisor of statutes pursuant to AS 01.05.031(b). Former subsection (i) of this section was transferred as § 13, ch. 136, SLA 1980 to the 1980 Temporary and Special Acts and Resolutions by the revisor of statutes pursuant to AS 01.05.031(b).

Effect of amendments. — The first 1980 amendment added subsection (j).

The second 1980 amendment deleted "excepting the furnishing of collection and disposal service of garbage, refuse, trash or other waste material" following "none of whose utilities" near the beginning of subsection (b), deleted the former second sentence in subsection (b), which read: "Notwithstanding any other provisions of this chapter, municipalities providing collection and disposal service of garbage, refuse, trash or other waste material within their corporate boundaries are not subject to regulation by the Alaska Public Utilities Commission unless the municipality elects to be subject to the provisions of this chapter," substituted "$50,000" for "$25,000" following "does not gross" near the middle of subsection (e), substituted "under this chapter" for "hereunder" following "exempt from regulation" near the middle of subsection (e), and added subsections (f) through (i).

The 1982 amendment, effective May 28, 1982, deleted "on June 30, 1980" preceding "a utility," and inserted "annual" preceding "gross revenue" in subsection (i).

Editor's notes. — Section 13, ch. 136, SLA 1980, as revised by the revisor of statutes, provides: "Cable television systems are exempt from the provisions of AS 42.05 [AS 42.05.010 — 42.05.721], other than the provisions of AS 42.05.221 — 42.05.281, until July 1, 1983. This exemption does not apply in cities or villages which have a population of less than 3,500 people and which are not located on a state road or marine highway. The effects of the exemption of cable television systems from rate regulation by the Alaska Public Utilities Commission provided in this section shall be reviewed by the legislature before July 1, 1983. If the legislature fails to extend the exemption before July 1, 1983, this section is repealed on that date and cable television systems lose their exempt status on that date and become subject to regulation by the Alaska Public Utilities Commission."

Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.

21

LAWS OF ALASKA

1983

Source

CSSB 85(Fin)

Chapter No.

95

AN ACT

Amending or repealing provisions related to state aid for health facilities, certificate of need, Medicaid and general relief medical assistance; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 25, 1983
Actual Effective Date: July 26, 1983

AN ACT

Amending or repealing provisions related to state aid for health facilities, certificate of need, Medicaid and general relief medical assistance; and providing for an effective date.

* Section 1. AS 18.07.031 is amended to read:

Sec. 18.07.031. CERTIFICATE OF NEED REQUIRED. No person may make an expenditure of $1,000,000 or more for any of [UNDERTAKE] the following unless authorized under the terms of a certificate of need issued by the office:

(1) construction of a health care facility;

(2) alteration of the bed capacity of a health care facility; or

(3) addition or elimination of a category of health services provided by a health care facility.

* Sec. 2. FINDINGS AND DECLARATION OF POLICY. The legislature acknowledges the need to pay health facilities for services provided to beneficiaries of state programs at a level that will meet the proportionate share of the total financial requirements of the facilities that are attributable to those programs given prudent and cost-effective management and operation of such facilities. The legislature finds that, because Medicaid is a joint state and federal program and because federal Medicaid funds have been and are likely to continue to be reduced dramatically, a retrospective payment system no longer serves as an appropriate method of compensation,

nor does it respond with appropriate flexibility to continued federal cutbacks. A prospective payment system is necessary to prudently address payments to health facilities under the Medicaid and general relief medical assistance programs.

* Sec. 3. AS 47.07.070 is repealed and reenacted to read:

Sec. 47.07.070. PAYMENT TO HEALTH FACILITIES. (a) The commission shall determine prospectively the rate of payment to a health facility under this chapter and AS 47.25.120 - 47.25.300 based on a fair rate for reasonable costs incurred by the facility. The commission shall by regulation list the factors it considers in making its rate determinations under this section.

(b) In determining a rate of payment to a health facility under this section, the commission shall consider the proportionate share of the facility's financial requirements for patient care for

(1) costs of current operations, including salaries and wages, purchased services, supplies, insurance, leases, depreciation, taxes, interest expense, maintenance and other health facility operating expenses; and

(2) education, research, and appropriate capital development.

(c) In determining a rate of payment to a health facility under this section, the commission may consider whether the rate of utilization of the facility has been reduced because of improvident or careless development of the facility.

* Sec. 4. AS 47.07 is amended by adding new sections to read:

Sec. 47.07.071. REPORTS BY HEALTH FACILITIES. Not later than 120 days after the end of each fiscal year of a health facility, the facility shall submit to the commission a report on the facility's financial performance during the fiscal year.

Sec. 47.07.072. REPORT BY THE COMMISSION. Not later than September 30 of each year, the commission shall submit to the governor a report on the prospective payments made under this chapter during the current fiscal year and an estimate of the prospective payments that will be made during the remainder of the current fiscal year and the next fiscal year. The report shall state the assumptions that are used as a basis for the estimates.

Sec. 47.07.073. UNIFORM ACCOUNTING, BUDGETING, AND FINANCIAL REPORTING. (a) The commission by regulation shall require a uniform system of accounting, budgeting, and financial reporting for health facilities receiving prospective payments under this chapter. The regulations shall provide for reporting revenues, expenses, assets, liabilities, and units of service. The commission shall specify the date the system becomes effective for each health facility.

(b) In adopting regulations under this section, the commission shall consider

(1) accounting, budgeting, and financial reporting procedures used by health facilities;

(2) variations among health facilities in the types of health care services provided by health facilities;

(3) the size and organizational structure of health facilities;

(4) the methods used by health facilities to obtain payments; and

(5) other factors the commission considers relevant.

(c) The commission may waive or modify a requirement for accounting, budgeting, or financial reporting for a health facility if waiver or modification is

(1) necessary to avoid excessive costs to the facility; and

(2) consistent with the policies of this chapter.

(d) Notwithstanding other provisions of this section, the commission may, by regulation, modify the system of accounting, budgeting, and financial reporting required under this section for a health facility having less than 25 acute care beds in order to reduce the operating costs of that facility.

Sec. 47.07.074. AUDITS AND INSPECTIONS. As a condition of obtaining payment under AS 47.07.070, a health facility shall allow

(1) the department and the commission reasonable access to the financial records of medical assistance beneficiaries; and

(2) inspection of financial records by state and federal agencies to the extent required by federal law.

Sec. 47.07.075. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. Actions of the commission under AS 47.07 and AS 47.25.120 - 47.25.300 are subject to the provisions of the Administrative Procedure Act (AS 44.62).

* Sec. 5. AS 47.07.080 is amended by adding new paragraphs to read:

(6) "commission" means the Medicaid Rate Commission;

(7) "health facility" includes a hospital, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, rehabilitation facility, inpatient psychiatric facility, home health agency, rural health clinic, and outpatient surgical clinic.

* Sec. 6. AS 47.07 is amended by adding new sections to read:

ARTICLE 2. MEDICAID RATE COMMISSION.

Sec. 47.07.110. MEDICAID RATE COMMISSION ESTABLISHED. The Medicaid Rate Commission is established in the Department of Health and Social Services.

Sec. 47.07.120. COMPOSITION OF COMMISSION. The commission

consists of five members as follows:

(1) the chief executive officer of a health facility that is licensed by the state but not owned or operated by the state or federal government and that is subject to the budget review process under this chapter;

(2) the commissioner of administration, the commissioner of health and social services, or the appointed designee of either commissioner;

(3) a physician licensed to practice medicine in the state who is actively engaged in the practice of medicine and who is not employed by the state;

(4) a certified public accountant with relevant experience;

(5) a person representing consumers of health services who does not have a direct or indirect interest in an entity that provides health care services.

Sec. 47.07.130. APPOINTMENT OF MEMBERS. Members of the commission are appointed by the governor and serve at the pleasure of the governor.

Sec. 47.07.140. TERM OF MEMBERSHIP. The term of a member of the commission appointed under AS 47.07.120(1), (3), (4), or (5) is three years. A member may not be appointed to a successive term. The terms of the members shall be staggered. A member appointed to fill a vacancy serves for the unexpired term of the member. A term shall be measured from January 1 of the year in which the term of the vacant position begins, regardless of when the vacancy is filled.

Sec. 47.07.150. COMPENSATION. A member of the commission serves without compensation but is entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180.

Sec. 47.07.160. OFFICERS. At the first meeting of each year,

the commission shall elect a chair from among its members.

Sec. 47.07.170. MEETINGS AND QUORUM. The commission shall meet as often as necessary to conduct its business. Three members of the commission constitute a quorum.

Sec. 47.07.180. DUTIES. The commission shall review proposed payment rates and budgets of health facilities and establish payment rates for health facilities under this chapter and AS 47.25.120 - 47.25.300.

Sec. 47.07.190. EMPLOYMENT OF PERSONNEL. The commission may employ and determine the salary of an executive director. With the approval of the commission, the executive director may select and employ additional staff. The commission shall be assisted by the officers or personnel of the department as the commissioner of health and social services shall direct. The executive director of the commission is in the exempt service under AS 39.25.

* Sec. 7. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.195. PAYMENT TO HEALTH FACILITIES FOR TREATMENT OF NEEDY PERSONS. (a) The department may make payments to a health facility for the treatment of a needy person.

(b) A health facility receiving a payment under this chapter is subject to the requirements of AS 47.07.070 - 47.07.075.

(c) For purposes of this section, "health facility" includes a hospital, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, rehabilitation facility, inpatient psychiatric facility, home health agency, rural health clinic, and outpatient surgical clinic.

* Sec. 8. INTERIM PROSPECTIVE PAYMENT SYSTEM. The department shall establish an interim system of prospective payments for health facilities under this Act for the period July 1, 1983, to June 30, 1984.

* Sec. 9. The sponsor of a hospital or health facility construction project who is receiving or entitled to receive state aid under AS 29.90 on the day preceding the effective date of this Act shall continue to receive state aid until the sponsor has received an amount which, combined with state matching money for construction of the hospital or health facility, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose.

* Sec. 10. AS 29.90 and AS 47.07.080(1) are repealed.

* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.070(c).

ACK- COPY GABRIELLI AND FILE WITH SB1

amendment
I.O

alaska state hospital association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

Chairman of the Board
Ronald A. Pavelitas
Humana Hospital Alaska
Anchorage

Chairman-Elect
Mark Hawkins
Sitka Community Hospital
Sitka

Immediate Past Chairman
Tom Mingen
Fairbanks Memorial Hospital
Fairbanks

Secretary/Treasurer
Edward Zaine
Cordova Community Hospital
Cordova

Delegate to the American Hospital Association
Al M. Camosso
Providence Hospital
Anchorage

Alternate Delegate to the American Hospital Assoc.
Michael Lockwood
Central Peninsula Hospital
Soldotna

Delegate to the American Health Care Association
Jack Buck
St. Ann's Nursing Home
Juneau

Alternate Delegate to the American Health Care Association
Emma G. Ivy
Wrangell General Hospital
Wrangell

Delegate to the Association of Western Hospitals
Michael Herring
South Peninsula Hospital
Homer

Alternate Delegate to the Association of Western Hospitals
Daniel Van Wieringen
Kodiak Island Hospital
Kodiak

Trustee Delegate to the American Hospital Assoc.
Moe Kadish
Trustee, Providence Hospital
Anchorage

Alternate Trustee Delegate to American Hospital Association
Robert Jensen
Central Peninsula Hospital
Soldotna

Physician Member of the Board
Kevin Brownsberger, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

March 17, 1983

The Honorable Bill Ray
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Page 1&2, Line 3

Subject: Senate Bill 1

Dear Senator Ray:

You have before you SB 1, the municipal code revision which includes in it revisions to the existing law, AS 29.89, state aid to municipalities and other eligible recipients for health facilities and hospitals.

That section as currently drafted, AS 29.60.120 in SB 1, continues to discriminate against the Juneau Regional Rehabilitation Hospital by excluding it from hospital revenue sharing. This, inspite of the fact that the facility was required to be built to acute hospital standards and functions as an acute facility with a specialty license. The specific problem is caused in the definition section of Article 15, General Provisions, Section 29.60.800(2). This should be changed to read as follows:

> (2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

Your assistance in securing this amendment would be greatly appreciated.

Sincerely,

Dennis L. DeWitt
President

cc: Representative Mike Miller
Matthew Felix

SB 1

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

TO: House C & R A Committee

FROM: Staff

SUBJECT: Difference between CSSB 1 and HB 172

DATE: March 22, 1983

HB 172 amendments needed to make it the same as CSSB 1:

p. 33, after line 28, insert new line (26) 29.35.060 (franchise and permits) and renumber following paragraphs accordingly.

p. 77, after line 6, add a new subsection
(c) this section applies to home rule and general law municipalities.

p. 77, line 9, after "regulate" delete [,] and add a utility service and"

p. 77, line 12 after "is" delete [not]
after AS 42.05, delete [and] and add "or"

p. 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

p. 77, line 17 -20, delete subsection (c) and add a new subsection
(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

p. 77, lines 21-22, delete subsection (d) and add a new subsection
(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges

established under this section shall be reasonable and permit a fair return on invested capital. p. 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

p. 77, Sec. 29.35.070, add a new subsection

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

p. 77, Sec. 29.35.070, add a new subsection
(g) This section applies to home rule and general law municipalities.

p. 195, line 22, add
*Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber following sections accordingly.

p. 107, line 29, after "borough" delete [including...period;]

p. 61, line 10, after "(3) delete [is] and add "has been
after "elections" add for at least 30 days immediately preceeding the municipal election; and

p. 14, lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

p. 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

p. 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

p. 14, line 24 after "annexed" add or detached

p. 14, after subsection (3) add a new subsection
(4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition.

HB

227

(7)

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

2/25/83

Date: _____

Mr. Speaker:

The Committee on C & RA has had HB 227

An Act making miscellaneous supplemental appropriations; and providing for an effective date.

under consideration and reports it back as follows:

[ ] 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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

TO: To All Community and Regional Affairs Committee Members.

FROM: House Community and Regional Affairs Staff

DATE: March 26, 1983

RE: HB 227

House Bill 227, introduced at the request of the Governor, contained several supplemental appropriations for various state programs and, the appropriations to fund salary increases that have been paid since January 1, 1983.

At the request of the Committee, CSHB 227 deletes all supplemental appropriations in HB 227 except for appropriations for salary increases. The amount of the appropriation for legislative branch employees has been reduced by the amount that would have been paid to legislators retroactively to Janurary 1, 1983. (page 3, line 26, CSHB 227).

The title of CSHB 227 has been changed to relate only to salary increases.

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

M E M O R A N D U M

TO: COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

FROM: STAFF

DATE: MARCH 18, 1983

SUBJECT: HB 227

In accordance with instructions from the Committee a CSHB 227 has been prepared. The CS contains only those portions of HB 227 that pertain to salary increases; and, the amount of $312,200 for the Legislative Affairs Agency was reduced to $273,265. The difference, $38,935, is the amount in the Legislative Affairs Agency appropriation that was designated for salary increase of Legislators.

The staff is having a committee sponsored bill prepared that will include all remaining appropriations from the original HB 227 except that the amounts for municipal aid and revenue sharing will reflect the same amounts previously approved by the committee for those purposes.

Alaska Public
Employees Association APEA
State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

TO: Representative Barbara Lacher, Chairman
House Community and Regional Affairs Committee

FROM: Cherie Shelley, Executive Director
Alaska Public Employees Association

DATE: March 14, 1983

SUBJECT: State Employees Salary and Benefits

Attached is a summation of the benefits received by APEA members under the General Government Unit and Supervisory Unit contracts with the State of Alaska. A comparison of the Anchorage Consumer Price Index and salary increases received under these contracts is also included.

CS/rb

Attachments

Fairbanks Field Office
825-D College Road
Fairbanks, AK 99701
Telephone: (907) 456-5412

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
Telephone: (907) 274-1888

Juneau Field Office
227 4th Street
Juneau, AK 99801
Telephone: (907) 586-6305

	ANCHORAGE ANNAUL AVERAGE CPI-ALL URBAN CONSUMERS PERCENTAGE INCREASE	GGU CONTRACT PERCENTAGE INCREASE	SU CONTRACT PERCENTAGE INCREASE
1979	10.4	5.0	3.5
1980	10.2	8.0	9.3
1981	8.0	7.5	7.5
1982	5.5	7.1	7.1
1983		5.0	5.0

The Division of Retirement and Benefits estimates the cost of employee benefits to be 33 percente of salary. Benefits include health insurance, SBS which replaced Social Security, unemployment insurance, workers' compensation, life insurance, liability, the Legal Trust, and contributions to the retirement system.

The "average" GGU member is a Range 13, which receives $2,100.00 per month. The new salary schedule would require a contribution of $693.00 per month to the benefit package.

The "average" Supervisory Unit member is a Range 20, which receives $3,469.00 per month. Under the salary schedule the monthly benefit contribution would be $1,144.77.

Bargaining unit positions are distributed as follows:

GENERAL GOVERNMENT UNIT			SUPERVISORY UNIT		
RANGE	NUMBER OF POSITIONS	MONTHLY SALARY STEP A	RANGE	NUMBER OF POSITIONS	MONTHLY SALARY STEP A
05	47	1314			
06	61	1389			
07	576	1471			
08	987	1553			
09	639	1649	09	0	1693
10	520	1748	10	1	1795
11	526	1862	11	3	1911
12	621	1973	12	25	2026
13	661	2100	13	4	2155
14	749	2241	14	42	2298
15	259	2398	15	19	2459
16	964	2573	16	40	2636
17	180	2757	17	33	2824
18	685	2965	18	135	3034
19	289	3177	19	79	3249
20	146	3394	20	259	3469
21	159	3630	21	120	3709
22	31	3880	22	154	3962
23	4	4149	23	86	4234
24	6	4441	24	35	4530
			25	8	4849
			26	3	5030
			27	3	5198
TOTAL	8108		TOTAL	1045	

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

M E M O R A N D U M

TO: Representative Al Adams
Chairman, House Finance Committee

FROM: Representative Barbara Lacher
Chairman, House C & R A Committee

SUBJECT: HB 227

DATE: March 14, 1983

In order that HB 227 may quickly pass through the legislative process, the House C & R A Committee held abbreviated hearings on HB 227 and refers the legislation to the House Finance Committee.

Section 4 through Section 11 did not receive close examination by the House C & R A Committee because the appropriations contained therein are more properly within the real of the Finance Committee's expertise and responsibility.

Section 1 of HB 227 pertains to legislation previously addressed by this committee and referred to the Finance Committee in the form of HB 153. Testimony and evidence presented to the committee substantiated that the amount of $25.1 million, as stated in HB 153, is the required funding level. The committee requests that HB 227 be amended by the Finance Committee to reflect the amount of $25,100,000 on page 1, line 9.

Sections 2 and 3 of HB 227 have been reviewed by this committee. In each instance, the committee believes the appropriation to be proper and required. CSHB 152, previously referred to the Finance Committee, appropriates funds for the same purposes as in Section 2 of HB 227.

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

POSITION PAPER

RE: HB 227

SPONSOR: Rules by Request

Program Effects

Section 3 of the Bill provides a supplemental appropriation of $2,500,000 to fully fund the Aid to Unincorporated Communities program for FY 83. The supplemental would partially offset cuts made last year which resulted in a "short funding" of the program.

Comments

Presently, the Department's FY 83 funding does not contain sufficient funds to fully fund the Aid to Unincorporated Communities Program.

Because of the current shortfall, and existing contractual commitments of full $1,000 per capita allotments to 26 communities, the balance of unincorporated communities will be receiving an estimated entitlement of only $550 per capita. This disparity would be eliminated if this measure were adopted.

3/11/83

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 227
Title: Misc. supplemental Appropriations
Sponsor: Rules by Request
Requestor: House C& RA

II. FISCAL DETAIL

Agency Affected: Community & Regional Affairs
Program Category Affected: development
BRU, Program of Subprogram(s) Affected:
Local Government Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING	0					
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0					
CAPITAL	56,183.1					
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	56,183.1					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

This appropriation Bill is included in the Governor's spending plan.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry L. Earley
Division: Local Government Assistance
Phone: 465-4730
Date: 3/11/83

Approved by Commissioner:
Department: Community & Regional Affairs
Date: 3/11/83

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
Copy to Requestor (if different from Sponsor)

3/8/83

FISCAL NOTE

ANALYSIS:

This Fiscal Note deals only with Section 3 of the bill. This section provides supplemental funding for Aid to Unincorporated Communities Program and would not create any additional impact.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 227 (corrected version) Date on Bill: 2/25/83
Title: An Act making miscellaneous supplemental appropriations.
Sponsor: Rules Committee, for the Governor
Requestor: C&RA, Finance

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total			22.1 mill					

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:
Section 1 of this bill would appropriate $16.1 million to the Department of Revenue to be distributed in accordance with the provisions of AS 43.20.016 for FY 83. Upon receipt of the appropriation, the Department would make a per capita distribution to those cities and boroughs who qualified for a February 1, 1983 payment. The Department would make a per captia distribution to those cities and boroughs who qualified for the June 1, 1983 payment in conjunction with that payment. Section 8 would appropriate $6.0 million to the Department of Revenue to fund the added costs of the political campaign contribution refund program. As a result of record contributions exceeding $12 million in 1982, the Department is expecting in excess of 60,000 applications for the refundable credit.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Mary Pehrfeld Phone: 465-2300
Division: Commissioner's Office Date: 3/1/83

Approved by Commissioner: Date: 3/9/83
Department:

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

Suggested by: City Council

CITY OF KENAI

RESOLUTION NO. 83-35

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA REQUESTING THE THIRTEENTH LEGISLATURE OF THE STATE OF ALASKA TO SUPPORT SB 17 AND/OR HB 136 BOTH OF WHICH REPRESENT SUPPLEMENTAL MUNICIPAL ASSISTANCE FUNDING FOR MUNICIPALITIES THROUGHOUT THE STATE OF ALASKA.

WHEREAS, the supplemental appropriation of $25 million for FY 83 municipal assistance revenues is designed to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State Legislative Session, and

WHEREAS, it was the intent of the Twelfth Legislature to provide this funding for the purpose of permitting local governments to reduce taxes in the local community, and

WHEREAS, the City of Kenai, Alaska used all of its municipal assistance funding for the purpose for which the Twelfth Legislature intended municipal assistance to be used by reducing the mill levy to 2.1 mills for the property taxpayers within the City of Kenai, and

WHEREAS, the City anticipated full funding of municipal assistance at the same rate previously provided by the old corporate income tax, and

WHEREAS, to maintain this low mill levy and to meet the anticipated expectations of the local taxpayers, the supplementary municipal assistance funding becomes extremely important to the City of Kenai, Alaska, and

WHEREAS, the Twelfth Legislature of the State of Alaska is basically and primarily responsible for the actions of the Kenai City Council in reducing its mill levy and therefore entitled to a major portion of the credit for the low mill levy in the City of Kenai.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that said Council go on record urging the Thirteenth Legislature of the State of Alaska to fund the supplemental municipal assistance bill which will permit the City of Kenai to carry out the Legislature's original intent to permit that money to be used in the General Fund Budget for the sole purpose of reducing the mill levy for local taxpayers and to

- PENDING -
JUDGMENTS
SUPPLEMENTAL APPROPRIATIONS

	Payee	Date of Judgment	Amt	Anticipated Interest + thru 6/1 =	Total	Cumultv
1)	Dept. of Revenue (McClelland vs State)	1-29-82	1,636.00	-0-	1,636.00	1,636.00
2)	Terris & Sunderland N. Slope Boro. vs Hammond	9-22-82	29,300.00	2,135.55	31.453.55	33,089.55
3)	AK Legal Svcs. David vs CFEC	9-16-82	900.00	67.72	967.72	34,057.27
4)	Charlene Lichtmann Cleary, Beirne (partial payment.)	9-14-82	2,013.44	152.69	2,166.13	36,223.40
5)	Roy Alley		1,677.00	N/A	1,677.00	37,900.40
6)	Timothy Stearns Moseley vs Beirne	11-28-82	24,929.03	1,346.17	26,275.20	64,175.60
7)	Margie McNeille Moseley vs Beirne	11-28-82	1,504.13	81.22	1,585.35	65,760.95
8)	Jim Lingo Lingo vs State	12-08-82	250.00	N/A	250.00	66,010.95
9)	Local 71	10-23-81	19,642.00	3,328.49	22,970.49	88,981.44
10)	Anderson vs CFEC	12-17-82	791.76	38.57	830.33	89,811.77
11)	Fry vs CFEC	9-15-82	1,317.55	99.91	1,417.46	91,229.23
12)	Fred Honsinger & Lenore Thodore Smith & Sara Michael Holms, Atty.	1-18-83	4,415.00	172.56	4,587.56	95,816.79
13)	Glenn Anderson Pamela Finley, Esq.	2-18-83	2,035.58	61.75	2,097.33	97,914.12

	Payee	Date of Judgment	Amt	Anticipated Interest + thru 6/1 =	Total	Cumultv
14)	Lyle P. Jones Ellis Law Offices	9-14-82	798.46	N/A	798.46	98,712.58
15)	Ronald Somerville William Council, Atty.	11-29-83	2,000.00	N/A	2,000.00	100,712.58
			93,209.95	7,502.63		

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

FY 83 MISC. SUPPLEMENTALS APPROVED HB 227

BILL SECTION	AGENCY	TITLE AND DESCRIPTION	AMOUNT	FUNDING SOURCE
Section 1	Revenue	MUNICIPAL ASSISTANCE: To fund FY 83 at FY 82 level of $87.4 million.	16,100.0	GF
Section 2	C&RA	CHAPTER 89 REVENUE SHARING SHORTFALL: Chapter 89 is one of three chapters in Title 29 comprising the Municipal Revenue Sharing Program. Chapter 89 provides funds to communities based on a number of specific factors, such as the number of miles of road in the area and the number of hospital beds.	2,900.0 ~~3,500.0~~	GF
Section 3	C&RA	UNINCORPORATED COMMUNITY ASSISTANCE: (SB168) This supplemental appropriations will provide sufficient funds to the Department of Community and Regional Affairs to pay unincorporated communities $1,000.00 per capita.	2,500.0	GF
Sections 4 & 5	DNR	ANCHORAGE LAND DEFICIENCY PAYMENT: FY 82 FY 83 To pay FY 82 and FY 83 land deficiency entitlement due Anchorage as required by AS 29.18.208.	4,000.0 1,000.0	GF GF
Sections 6 & 7	DOA	TRS MATCH: FY 82 FY 83 State match to Teachers Retirement System required by AS.14.25.080.	1,467.3 2,136.6 3,603.9	GF
Section 8	Revenue	POLITICAL CAMPAIGN CONTRIBUTION CREDITS: To provide $100 refunds to individuals who made political campaign contributions during 1982.	6,000.0	GF

FY 83 MISC. SUPPLEMENTALS APPROVED

BILL SECTION	AGENCY	TITLE AND DESCRIPTION	AMOUNT	FUNDING SOURCE
Section 9	H&SS	INCREASED PRISONER POPULATION: This funding covers costs for ongoing programs, to secure appropriate spaces for inmate populations, and to satisfy legal requirements arising from recent litigation (the Cleary case).	1,972.7	GF
Section 10	Law	CLAIMS AND JUDGEMENTS AGAINST STATE This funding provides for payment of judgements against the State which have been established through legal actions. Eleven individual cases are covered here.	89.1	GF
Section 11	All	SALARY INCREASES This will fund the cost of new labor contracts which take effect during FY 83. FY 84 costs will be funded by budget amendments. Employees not covered by contracts will receive comparable salary increases and the estimated cost is included in the total amount shown here. Other non-GF funding sources will also be used, but are not identified here. The amount shown includes University of Alaska non-covered employees.	15,059.7 2,957.7 18,017.4	GF Other Funds
		TOTAL	56,183.8 ~~56,783.1~~ 53,225.4 ~~53,825.4~~	
		FUNDING	2,957.7	GF Other Funds

Sara

Attached are two (4783)
two computer runs which
show how computation was mad

In both cases Ch. 90 is subtracted
from the combined amount to determine
the Ch. 89 figure used on the
Spread sheet.

All the headings
we have on
Sec. 1 & 2

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

FEBRUARY 1, 1983

The following assumptions were used to compute the attached:

All applicants were included that have applied for the program in a timely manner.

We are using the FY 1983 State Revenue Sharing Program, Provisional Population figures.

$3.5 million was added to the Chapter 89 funding, which includes funding for the following:

Public Roads	$2,500/per mile
Ice Roads	$1,500/per mile
Health Facilities	$4,000/per facility or
	$2,000/per bed
Hospitals	$250,000/per hospital (with 10 or more beds)or
	$50,000/per hospital (with 10 or less beds)or
	$1,000/per bed
Volunteer Fire Departments	$10/per capita
Unincorporated Communities	$25,000

Area cost-of-living adjustment was added to roads, health facilities and hospitals.

OK. Doug Griffin

Section 1

		$55,721,000	$58,721,000		$59,221,000	
		CH. 89	CH. 89	Difference	CH. 89	Difference
		Currently	+3 million		+3.5 million	
1	Anchorage	22,441,457	22,722,271	280,814	22,856,083	414,626
2	Bristol Bay	119,181	123,296	4,115	123,586	4,405
3	FNKS Boro.	296,090	359,609	63,519	364,076	67,986
4	Haines Boro	-0-	-0-	-0-	-0-	-0-
5	Juneau	4,011,635	5,022,814	1,011,179	5,079,828	1,068,193
6	Kenai Peninsula	14,207,654	17,533,222	3,325,568	17,565,458	3,357,803
7	Ketchikan Boro	-0-	-0-	-0-	-0-	-0-
8	Kodiak Island	4,438,504	5,390,575	952,071	5,389,190	950,686
9	Mat-Su	14,057,239	17,059,977	3,002,738	17,181,216	3,123,977
10	North Slope	2,623,780	3,205,217	581,437	3,244,336	620,556
11	Sitka	2,773,201	3,382,563	608,362	3,396,693	623,492
12						
13	Barrow	-0-	-0-	-0-	-0-	-0-
14	Cordova	2,178,019	2,737,661	559,642	2,841,855	663,836
15	Craig	229,467	295,788	66,321	296,233	66,766
16	Dillingham	2,901,165	3,256,636	355,471	3,307,091	405,926
17	Fairbanks	6,605,542	7,729,737	1,124,195	7,738,425	1,132,883
18	Galena	2,448,234	3,036,761	588,527	3,090,536	642,302
19	Haines	2,441,133	2,953,310	512,177	2,970,674	529,541
20	Homer	480,331	568,983	88,652	569,591	89,260
21	Hoonah	87,063	176,632	89,569	176,764	89,701
22	Hydaburg	62,437	73,818	11,381	73,915	11,478
23	Kake	1,536,855	1,826,633	289,778	1,826,689	289,834
24	Kenai	11,176,861	14,102,931	2,926,070	14,145,694	2,968,833
25	Ketchikan	5,641,302	6,231,147	589,845	6,237,284	595,982
26	King Cove	1,146,534	1,352,105	205,571	1,352,355	205,821
27	Kodiak	3,143,232	3,914,068	770,836	3,914,220	770,988
28	Kodiak	3,229,689	3,887,774	658,085	3,897,458	667,769
29	Nenana	836,151	1,043,807	207,656	1,044,452	208,301
30	Nome	3,958,232	4,956,579	998,347	4,962,250	1,004,018
31	North Pole	2,625,225	3,166,966	541,741	3,181,017	555,792
32	Palmer	2,529,230	3,083,947	554,717	3,087,766	558,536
33	Pelican	179,379	211,446	32,067	211,557	32,178
34	Petersburg	2,516,897	3,070,721	553,824	3,075,606	558,709
35	Port Lions	425,420	531,309	105,889	531,888	106,468
36	Saint Mary's	930,480	1,137,019	206,539	1,137,429	206,949
37	Soldotna	2,405,168	2,941,982	536,814	2,941,993	536,825
38	Seward	5,911,615	7,195,227	1,283,612	7,248,534	1,336,919
39	Skagway	2,777,641	3,337,717	559,756	3,341,436	563,475
40	Soldotna	5,411,668	6,651,788	1,240,120	6,656,605	1,244,937

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Section 1

		1	2	3	4	5	
						(34)	
1	Tanana	89635	108864	19229	111216	20581	1
2	Unalaska	109363	132824	23461	121474	21111	2
3	Valdez	599184	364095	64311	368417	68833	3
4	Wrangell	2240446	2491541	514496	2295644	565118	4
5	Yakutat	14230	17288	3053	17488	3268	5
6							6
7	Akhiok	8745	12619	1876	16251	2008	7
8	Akiachak	38448	97430	16582	57892	11442	8
9	Akiak	15268	14900	2637	15085	2817	9
10	Akolmiut	89107	99625	17518	108855	18748	10
11	Akutan	⊖	⊖	⊖	⊖	⊖	11
12	Antiquik	32388	39234	6946	46228	8440	12
13	Aleknagik	29167	35424	6257	35864	6487	13
14	Allakaket	11314	13741	2427	13911	2597	14
15	Ambler	23816	28925	5115	29284	5468	15
16	Anderson	16914	20545	3629	20798	3884	16
17	Angoon	17695	21490	3775	21735	4040	17
18	Arctic Village	82451	100139	17688	101382	18931	18
19	Anvik	9051	10992	1941	11129	2078	19
20	Atmautluak	8743	10609	1876	10740	2007	20
21	Bethel	234003	284203	50200	287233	53230	21
22	Brevig Mission	9051	10992	1941	11129	2078	22
23	Buckland	⊖	⊖	⊖	⊖	⊖	23
24	Chefornak	8724	10595	1871	10727	2003	24
25	Cheniak	11587	14072	2485	14247	2660	25
26	Chuathbaluk	36547	97101	2554	97562	7015	26
27	Clark's Point	⊖	⊖	⊖	⊖	⊖	27
28	*Cold Bay	⊖	⊖	⊖	⊖	⊖	28
29	Deering	10691	12985	2294	13146	2455	29
30	Delta Junction	33204	40288	7084	40786	7582	30
31	Diomede	⊖	⊖	⊖	⊖	⊖	31
32	Eagle	6829	7687	1358	7783	1454	32
33	Eek	8724	10595	1871	10727	2003	33
34	Ekwok	8408	10212	1804	10339	1931	34
35	Elim	19577	10490	2013	16669	3118	35
36	Emmonak	50289	96787	2499	97244	2955	36
37	Fort Yukon	38969	46433	8204	47007	8778	37
38	Fortuna Ledge	23992	29068	5136	29500	5568	38
39	Gambell	⊖	⊖	⊖	⊖	⊖	39
40	Golovin	11044	19424	8677	19734	8987	40

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Sec. 1

		1	2	3	4	5
1	Goodnews Bay	10769	13677	2310	13241	2402
2	Grayling	27436	33322	5886	33236	16300
3	Holy Cross	20365	24734	4369	25041	14676
4	Hooper Bay	—	—	—	—	—
5	Houston	67254	81682	14428	82186	41544
6	Hughes	—	—	—	—	—
7	Huslia	59115	71797	12682	72689	13574
8	Kachemak	—	—	—	—	—
9	Kaktovik	—	—	—	—	—
10	Kaltag	14708	17863	3155	18285	3377
11	Kasaan	16498	7892	1394	7990	1492
12	Kiana	16244	20326	3592	20689	3845
13	Kipnuk	—	—	—	—	—
14	Kobuk	9057	10992	1941	11129	2078
15	Kotlik	8724	10595	1871	10727	2003
16	Kotzebue	53091	64480	11389	65281	12190
17	Koyuk	14114	17142	3028	17355	3241
18	Koyukuk	—	—	—	—	—
19	Kupreanof	—	—	—	—	—
20	Kwethluk	8724	10595	1871	10727	2003
21	Lance Bay	—	—	—	—	—
22	Lower Kalskag	80138	97116	17178	98322	18384
23	Manokotak	—	—	—	—	—
24	McGrath	41740	50695	8999	51578	9632
25	Metlakatla	8724	10595	1871	10727	2003
26	Mountain Village	8743	10609	1876	10740	1997
27	Napakiak	—	—	—	—	—
28	Napaskiak	8724	10595	1871	10727	2003
29	Nenana	8498	10262	1804	10395	1931
30	New Stuyahok	—	—	—	—	—
31	Nome	8724	10595	1871	10727	2003
32	Nightmute	8724	10595	1871	10727	2003
33	Nikolai	9734	11836	2092	11947	2203
34	Nondalton	12350	14999	2649	15185	2835
35	Noorvik	15896	19306	3410	19546	3650
36	Nulato	26870	32634	5765	33060	6170
37	Nunapitchuk	—	—	—	—	—
38	Old Harbor	9727	11814	2087	11961	2234
39	Oscarville	8776	8230	1454	8332	1556
40	Pilot Station	5452	6622	1170	6704	1252

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Sec 1

		1	2	3	4	5
1	Platinum					
2	Point Hope					
3	Port Alexander					
4	Port Heiden	18204	35102	16798	16284	17980
5	Port Lions	7410	9000	1590	7411	1701
6	Quinhagak	17456	13207	2457	14079	2585
7	Ruby					
8	Russian Mission					
9	St. Michael	9051	10792	1941	11129	1738
10	St. Paul	78537	91676	21139	101162	22625
11	Savoonga					
12	Saxman	4498	7897	1394	7790	1492
13	Scammon Bay	12132	14732	2603	14918	2786
14	Selawik					
15	Shageluk	15952	19375	3423	19625	3673
16	Shaktoolik	4949	60117	11018	60964	11365
17	Sheldon Point					
18	Shishmaref	5600	6801	1201	6886	1286
19	Shungnak	12594	16145	2851	16344	3052
20	Stebbins	9051	10992	1941	11129	2078
21	Teller	16699	20233	3574	20485	3826
22	Tenakee Springs	10951	13306	2350	13471	2515
23	Togiak	21441	26169	4629	26494	4954
24	Tatitlek Bay	8704	10895	1971	10227	2003
25	Tuluksak	111780	135760	23980	137447	25667
26	Tununak	8704	10595	1871	10727	2003
27	Unalakleet	35978	43697	7719	44237	8259
28	Upper Kalskag					
29	Venetie					
30	Wales	8408	10212	1804	10339	1931
31	Wasilla	142280	172847	30567	174461	32181
32	White Mountain	15434	18988	3354	19224	3590
33	Whittier	14118	17147	3029	17360	3242
34						
35	NEDs (AFRB overcount)	6141	7458	1317	7551	1410
36	UNIVERSE (22,300 est.)	1549019	1881543	332524	1908148	359129
37						
38			24K incomplete		49,991 incomplete	
39			2246 1241		0 24 001	
40						
		1402602	1706443	301841	1729183	324581

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Sec I

Current preliminary

FY 83 MUNICIPAL REVENUE SHARING ENTITLEMENTS — JANUARY 31, 1983

TAL APPROPRIATION = $55,721,000
FTER 88 APPROPRIATION = $34,913,800
FTER 89 APPROPRIATION = $14,061,200
FTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 7.67664302003720
CHAPTER 89 PRORATION FACTOR = 0.81411336496305
CHAPTER 90 PRORATION FACTOR = 1.00000000000000
MINIMUM ENT. PRORATION FACTOR = 0.96157802745230
HOLD HARMLESS PRORATION FACTOR = 0.99780319602530

NAME	POPULATION	MILL RATE FOV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
OUGHS AND SERVICE AREAS							
ANCHORAGE A.M.	204,216	3.98	$5,535,167	$3,890,197	$0	$0	$9,425,384
CITY S.A.	76,924	0.00	$113	$0	$0	$318,942	$319,055
EAGLE RIVER	9,225	0.71	$43,503	$132,633	$0	$0	$176,136
CHUGIAK	5,564	0.62	$25,558	$0	$0	$10,779	$36,336
GIRDWOOD	790	0.29	$1,728	$21,404	$0	$0	$23,133
GLEN ALPS	271	2.13	$4,254	$21,506	$0	$0	$25,760
FIRE S.A.	197,794	1.10	$1,524,167	$0	$0	$0	$1,524,167
ROADS & DRAINAGE	166,269	1.32	$1,620,031	$0	$0	$0	$1,620,031
LIMITED ROAD S.A.	10,908	0.01	$1,346	$0	$0	$0	$1,346
POLICE S.A.	182,860	1.76	$2,382,939	$0	$0	$0	$2,382,939
PARKS & REC	187,712	0.55	$766,291	$0	$0	$107,819	$874,111
P & R/CHUGIAK	14,977	0.62	$69,019	$0	$0	$0	$69,019
SOLID WASTE S.A.	183,444	0.25	$355,283	$0	$0	$0	$355,283
CHUGIAK/SOLID WASTE	14,977	0.06	$7,395	$0	$0	$0	$7,395
BUILDING SAFETY	187,654	0.37	$521,259	$0	$0	$0	$521,259
CITY SA ROADS & DRAINAGE	76,924	0.00	$2,892	$0	$0	$25,292	$22,195
SERVICE AREA 35	166,269	0.34	$427,925	$0	$0	$0	$427,925
UPPER O'MALLEY	1	0.00	$0	$29,852	$0	$0	$29,852
PORT OF ANCH.	204,216	0.45	$694,837	$0	$0	$0	$694,837
ROADS	1	0.00	$0	$181,087	$0	$0	$181,087
AIRPORT S. A.	204,216	0.01	$27,413	$0	$0	$0	$27,413
PUBLIC TRANSIT	204,216	0.13	$210,139	$0	$0	$0	$210,139
PARKING S.A.	204,216	0.15	$237,854	$0	$0	$0	$237,854
TOTAL			$14,449,139	$4,274,690	Ch. 89 $2,241,427		$19,183,655
			Ch. 90 →	(2,035,253)			
BRISTOL BAY BOROUGH	1,221	23.49	$219,922	$19,181	$0	$0	$239,104
FAIRBANKS BOROUGH	58,721	5.59	$2,301,971	$296,090	$0	$0	$2,597,962
ESTER F.P.	1	0.00	$0	$0	$0	$0	$0
NORTH STAR F.P.	1	0.00	$0	$0	$0	$56,062	$56,062
UNIVERSITY F.P.	1	0.00	$0	$0	$0	$61,902	$61,902

Sec 23 2

+ 3.5 million Ch. 89

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS — JANUARY 31, 1983

TOTAL APPROPRIATION = $59,221,000
CHAPTER 88 APPROPRIATION = $34,913,900
CHAPTER 89 APPROPRIATION = $17,561,250
CHAPTER 90 APPROPRIATION = $5,744,000

CHAPTER 88 PRORATION FACTOR = 7.735713842900970
CHAPTER 89 PRORATION FACTOR = 1.000000000000000
CHAPTER 90 PRORATION FACTOR = 1.000000000000000
MINIMUM ENT. PRORATION FACTOR = 0.9e564953998504
HOLD HARMLESS PRORATION FACTOR = 0.9938429565C6E2

EY	NAME	POPULATION	MILL RATE EQV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
BOROUGHS AND SERVICE AREAS								
010	ANCHORAGE A.M.	204,216	3.98	$5,423,609	14,318,231	$0	$0	$9,941,841
020	CITY S.A.	76,924	0.00	$113	$0	$0	$318,941	$319,055
030	EAGLE RIVER	9,225	0.71	$44,070	$163,066	$0	$0	$207,136
040	CHUGIAK	5,564	0.62	$25,890	$0	$0	$10,447	$36,338
050	GIRDWOOD	290	0.29	$1,751	$26,319	$0	$0	$28,070
070	GLEN ALPS	271	2.12	$4,709	$25,444	$0	$0	$30,154
080	FIRE S.A.	167,794	1.10	$1,544,006	$0	$0	$0	$1,544,006
090	ROADS & DRAINAGE	166,269	1.12	$1,641,119	$0	$0	$0	$1,641,119
095	LIMITED ROAD S.A.	10,503	0.01	$1,364	$0	$0	$0	$1,364
100	POLICE S.A.	182,940	1.76	$2,413,956	$0	$0	$0	$2,413,956
110	PARKS & REC	137,712	0.55	$776,266	$0	$0	$97,844	$874,111
120	P & P/CHUGIAK	14,977	0.62	$69,916	$0	$0	$0	$69,916
130	SOLID WASTE S.A.	188,444	0.26	$359,908	$0	$0	$0	$359,908
140	CHUGIAK/SOLID WASTE	14,977	0.06	$7,491	$0	$0	$0	$7,491
150	BUILDING SAFETY	187,454	0.37	$523,044	$0	$0	$0	$523,044
160	CITY SA ROADS & DRAINAGE	76,924	0.00	$2,929	$0	$0	$125,255	$128,185
170	SERVICE AREA 35	166,269	0.34	$433,495	$0	$0	$0	$433,495
175	UPPER O'MALLEY	1	0.00	$0	$136,707	$0	$0	$136,707
180	PORT OF ANCH.	204,216	0.45	$693,752	$0	$0	$0	$693,752
195	ROADS	1	0.00	$0	$222,667	$0	$0	$222,667
190	AIRPORT S. A.	204,216	0.01	$27,770	$0	$0	$0	$27,770
195	PUBLIC TRANSIT	204,216	0.11	$212,874	$0	$0	$0	$212,874
200	PARKING S.A.	204,216	0.15	$240,950	$0	$0	$0	$240,950
	TOTAL			$14,653,593	$4,793,456	Ch. 89 2,756,083		$19,899,533
					Ch. 90 (2,037,373) →			
210	BRISTOL BAY BOROUGH	1,271	25.49	$922,764	$323,596	$0	$0	$1246,371
230	FAIRBANKS BOROUGH	53,721	5.59	$2,333,370	$364,076	$0	$0	$2,697,446
240	ESTER F.P.	1	0.00	$0	$0	$0	$0	$0
250	NORTH STAR F.P.	1	0.00	$0	$0	$0	$56,062	$56,062
260	UNIVERSITY F.P.	1	0.00	$0	$0	$0	$61,902	$61,902

See 1 & 2

Burroughs
Form M506 Batt - Form G506

	Initials	Date
Prepared By		
Approved By		

Page 1

	Munc. Acct 16.1 millions		CRA Local Gov't Acct. 3.5 millions		Total	
	(1)	(2)	(3)	(4)	(5)	(6)
Anch. Munc.	7463267		514656		7977923	
Juneau	970453		108293		978746	
Sitka	327328		62872		390200	
1 Bristol Bay Boro	48808		4405		53213	
2 North Star Boro	1039052		67986		1107038	
3 Haines Boro	28699		0		28699	
4 Kenai Pen. Boro	580412		327803		908215	
5 Ketchikan Gateway	160918		0		160918	
6 Kodiak Isl. Boro	111284		100686		211970	
7 Mat-Su	592016		323277		915293	
8 North Slope Boro	20770		60556		81326	
9						
10 Total Boro	11243007		1570534		12813541	
11						
12 Akhiok	4253		2008		6261	
13 Akiachak	17962		7044		25006	
14 Akiak	8135		2817		10952	
15 Akolmiut	28699		18748		47447	
16 Akutan	7804		0		7804	
17 Alakanuk	22050		7440		29490	
18 Aleknagik	6277		6697		12974	
19 Allakaket	6524		2597		9121	
20 Ambler	8476		5468		13644	
21 Anaktuvuk Pass	9704		0		9704	
22 Anderson	20646		3884		24530	
23 Angoon	18375		4040		22415	
24 Aniak	13957		18931		32888	
25 Anvik	4542		2078		6620	
26 Atmautluak	9332		1997		11329	
27 Barrow	97162		0		97162	
28 Bethel	146548		53730		200278	
29 Brevig Mission	6153		2078		8231	
30 Buckland	8713		0		8713	
31 Chefornak	9497		2003		11500	
32 Chevak	20275		2660		22935	
33 Chuathbaluk	4294		7015		11309	
34 Clarks Point	3221		0		3221	
35 Cordova	91794		63936		155630	
36 Craig	23124		6766		29890	
37 Deering	6400		2455		8855	
38 Delta Junction	39022		7582		46604	
39 Dillingham	68969		6926		75895	
40 Diomede	6153		0		6153	
41 Eagle	7680		1454		9134	
42 Elim	9332		2003		11335	
43						
Page 1 Total	7347631		2422571		9770201	

Sec I & 2

Burroughs Hadley
Form H506 Buff - Form G506

	Initials	Date
Prepared By		
Approved By		

Muni. Asst. 16.1 million
C+RA Local Govt Asst. 3.5 million
Page 2 Total

		(1)	(2)	(3)	(4)	(5)	(6)
	Ekwok	3138		1931		5069	
	Elim	9415		3118		12533	
	Emmonak	23454		6955		30409	
1	Fairbanks	10557776		137883		11936659	
2	Fort Yukon	24734		8738		33472	
3	Fortuna Ledge	10034		5508		15542	
4	Galena	33241		5702		38943	
5	Gambell	19821		0		19821	
6	Golovin	3882		9287		13169	
7	Goodnews Bay	6896		2472		9368	
8	Grayling	9341		6300		14641	
9	Haines	41995		5541		47536	
10	Holy Cross	9621		4676		14297	
11	Homer	106866		9260		116126	
12	Hoonah	32993		2001		34994	
13	Hooper Bay	25767		0		25767	
14	Houston	24074		15442		39516	
15	Hughes	2932		0		2932	
16	Huslia	9497		13574		23071	
17	Hydaburg	14700		1478		16178	
18	Kachemak	17549		0		17549	
19	Kake	24074		3144		27218	
20	Kaktovik	8300		0		8300	
21	Kaltag	9869		3377		13246	
22	Kasaan	2643		1492		4135	
23	Kenai	188213		26833		215046	
24	Ketchikan	297309		62982		360291	
25	Kiana	14700		3845		18545	
26	King Cove	21183		3801		24984	
27	Kipalina	10282		0		10282	
28	Klawock	16043		788		16851	
29	Kobuk	2643		2078		4721	
30	Kodiak	193168		7369		200537	
31	Kotlik	13998		2003		16001	
32	Kotzebue	92909		12190		105099	
33	Kotzuk	8382		3241		11623	
34	Koyukuk	3923		0		3923	
35	Kwinhagak	2023		0		2023	
36	Kwethluk	18623		2003		20626	
37	Larsen Bay	6896		0		6896	
38	Lower Kalskag	10075		18184		28259	
39	Makoshotak	11975		0		11975	
40	McGrath	14163		9632		23795	
41	Mekoryuk	7268		2003		9271	
42							
43	Page 2 Total	2463408		404831		2868239	

See 1 & 2

Burroughs
Form H506 Buff - Form G506

	Initials	Date
Prepared By		
Approved By		

Page 3

		Mune. Asst. 16.1 million	(2)	C+RA Local Gov't Asst. 3.5 million	(4)	Total	(6)
	Mountain Village	23950		1997		25947	
	Napakiak	11686		0		11686	
	Naaskiak	9993		2003		11996	
1	Nenana	24445		8301		32746	
2	New Stuyahok	13503		0		13503	
3	Newhalen	5575		1931		7506	
4	Newtok	7226		2003		9229	
5	Nightmute	5575		2003		7578	
6	Nikolai	3634		2143		5777	
7	Nome	125489		86318		211807	
8	Nondalton	7061		2835		9896	
9	Noorvik	20977		3650		24627	
10	North Pole	38320		5792		44112	
11	Nuiqsut	11190		0		11190	
12	Nulato	13957		6170		20127	
13	Old Harbor	13792		2234		16026	
14	Ouzinkie	7020		1556		8576	
15	Palmer	93941		58030		151971	
16	Pelican	7102		2158		9260	
17	Petersburg	123920		57609		181529	
18	Pilot Station	13338		1252		14590	
19	Platinum	2271		0		2271	
20	Point Hope	21927		0		21927	
21	Port Alexander	3716		0		3716	
22	Port Heiden	3758		17980		21738	
23	Port Lions	8713		1701		10414	
24	Quinhagak	16889		2629		19518	
25	Ruby	7846		0		7846	
26	Russian Mission	6937		0		6937	
27	Saint Marys	17839		6999		24838	
28	Saint Michael	10654		2078		12732	
29	Saint Paul	24404		22625		47029	
30	Sand Point	28781		5768		34549	
31	Savoonga	21885		0		21885	
32	Saxman	11397		1492		12889	
33	Scammon Bay	10282		2786		13068	
34	Selawik	15361		0		15361	
35	Seldovia	20853		4724		25577	
36	Seward	80232		89919		170151	
37	Shaktoolik	5244		3663		8907	
38	Shaktoolik	7309		11365		18674	
39	Sheldon Point	4253		0		4253	
40	Shishmaref	17549		1286		18835	
41	Shungnak	8589		3052		11641	
42							
43	Page 3 Total	938383		426052		1364435	

Sec. 1 & 2

Burroughs
Form H506 BuH - Form G506

	Initials	Date
Prepared By		
Approved By		

Page 4

		Municipal Assist. 16.1 million		C&RA Local Gov't Assist. 3.5 million		Total	
		(1)	(2)	(3)	(4)	(5)	(6)
	Skagway	33819		6375		40194	
	Soldotna	100961		12437		113398	
	Stebbins	14742		2078		16820	
1	Tanana	19119		20581		39700	
2	Teller	9456		3826		13282	
3	Tenakee Springs	5451		2515		7966	
4	Togiak	21101		4948		26049	
5	Tokeen Bay	13668		2003		15671	
6	Tuluksak	9663		25667		35330	
7	Tununak	12429		2003		14432	
8	Unalakleet	27749		8261		36010	
9	Unalaska	80273		25111		105384	
10	Upper Kalskag	5285		0		5285	
11	Valdez	135399		68833		204232	
12	Wainwright	16930		0		16930	
13	Wales	5905		1931		7836	
14	Wasilla	79613		25781		105394	
15	White Mountain	5575		3590		9165	
16	Whittier	8713		3242		11955	
17	Wrangell	96882		55118		151950	
18	Yakutat	17756		3268		21024	
19							
20	Page 4 Total	720439		277568		998007	
21							
22							
23	Total Cities	48,56,993		13,50,708		62,07,701	
24	Total Boro.	12,43,007		1,57,0534		2,813541	
25							
26	Grand Total	10,100,000		2921,242		19021242	
27							
28							
29							
30							
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43							

Sec 1 & 2

S 8-08-02

MEMORANDUM State of Alaska

RECEIVED
DEC 3 1982
BUDGET AND MANAGEMENT

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Ron Lehr
Director

DATE: December 2, 1982

FILE NO: 1403X/nk

TELEPHONE NO:

FROM: Lee McAlearney
Commissioner

SUBJECT: Unincorporated Community Aid

As part of a larger program the Aid to Unincorporated communities program was established by the Legislature. This program was established to entitle all unincorporated communities in the state to $1,000 per resident to be used for various local projects.

For purposes of funding these entitlements the Legislature appropriated funds in two fiscal years. During the last session the Legislature saw fit to substantially reduce the funding.

The original funding level of $13,131,100 for FY82 and $5,246,700 for FY83 was more than sufficient for all eligible communities to receive the full entitlement. For the first year of operation the Department signed contracts with all participants to give them their $1,000 per capita in fact a considerable sum has been distributed at that rate. The reduction in funding will not allow all communities to participate at this level. The following is a breakdown of the current projections.

Currently obligated by Contract	$4,491,000
Contract currently being prepared	$4,406,000
Communities preparing proposals	$ 685,000
Communities needing to form Non-Profit Corporations	$ 540,000
Additional for Communities not having Applied	$ 124,000
Total funding required	$10,246,000
Total appropriation as reduced	$7,746,000
Total to be requested	$2,500,000

It is obvious that the Department will not be able to grant the full entitlement to all eligible communities without this supplemental appropriation. If this were to happen the Department would have two alternatives. The first would be to distribute the balance on hand to all communities currently under contract (including those currently being prepared) on a prorata basis. This alternative would not allow the State to fulfill it's portion of those contractual obligations. The second alternative would be for the Department to only contract for the amount currently appropriated. This would mean not signing all the contracts currently being prepared and not accepting any more applications for funds. This would require the Department to tell all communities applying and some that are currently having contracts prepared that even though they are eligible under the law that they will not be able to receive their entitlement due to the lack of available funds. It is obvious that either of the alternatives do not afford equitable treatment of all of the States unincorporated communities.

Section 3

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1 - 11/30	FY 83 OTHER OBLIGATIONS 7/1 - 11/30	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES 12/1 - 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATION
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BUILDING											
GRANTS, CLAIMS	-0-	4,500.0	949.5	-0-	6,246.7	6,796.5*	3,518.5	23.0	5,755.0	2,500.0	-0-
MISC.											
TOTAL	-0-	4,500.0	949.5	-0-	6,246.7	6,796.5*	3,518.5	23.0	5,755.0	2,500.0	-0-
FEDERAL RECEIPTS											
GENERAL FUNDS	-0-	4,500.0	949.5	-0-	6,246.7	6,796.5*	3,518,5	23.0	5,755.0	2,500.0	-0-
I/A RECEIPTS											
RECEIPTS											

* This figure includes $3,550.5 carried forward from FY'82 authorization and $3,246.0 current authorized for FY'83.

AGENCY: Comm & Reg Affairs BRU: Special Legislation COMPONENT: CH61/SLA81 Community Entitlements REVISED: _____

3. Section

MEMORANDUM State of Alaska

TO: B.J. Lewis, Assist A.G.
Department of Law

DATE: January 28, 1983

FILE NO: 8852

THRU: Mary Halloran, Director
Division of Management

TELEPHONE NO: 465-2407

FROM: Virginia Stonkus
Deputy Director
Division of Management
Dept. of Natural Resources

SUBJECT: Municipality of Anchorage - Deficiency Payment

This is in response to your January 17, 1983 request for an analysis of the Municipality of Anchorage's land selection deficiency payment.

The acreage figures below are summary figures taken from the Division of Land and Water Management files and from Division of Technical Services compilations.

Land Entitlement (AS 29.18.201)

Municipality of Anchorage	44,893 Acres

Land Selections and Conveyances

Total Patented to Municipality	15,514 acres (DTS 1-3-83)
Total Patents in Progress	319 acres (DTS 1-3-83)
Selections Approved	5,599 acres (SCD 12-31-82)
	21,442 acres
Selections Pending	3,858 acres (SCD)

The selection pending acreage (22 casefiles) is in various stages of processing (see attached summary). We anticipate less than 1000 acres will be approved. The balance has been rejected and is in various stages of appeal or will be rejected due to land status. Department of Natural Resources has submitted a request for an AG's opinion on several management issues (copy of request is attached).

Selection Potential

The Division of Land and Water Management has recently searched all townships within the Anchorage area for land which could provide DHSS with prison facility locations. That search leads us to believe there is no other significant selection potential for the Municipality unless major land status changes were to occur within the military complexes or Chugach State Park. A.S. 29.18.210 does provide that, consistent with the best interests of the

Sec 4 & 5

State, land could be selected outside the Municipality under AS 38.05.315. In summary the selection potential within the municipality is quite small, probably limited to 1000 acres or less.

Presently Unfulfilled Entitlement

Total Entitlement	44,893 acres
Approved Selections & Patents	21,442 acres
Remaining Entitlement (less some small acreage now under appeal or small selection yet to be made)	23,451 acres

The inescapable conclusion is that the State cannot convey a sufficient land entitlement, barring a major change in the land status of the military complex or Chugach State Park. Recent contact with the Division of Research and Development related that the recent Eklutna - Municipal - State Agreement will not affect the Municipal Entitlement under AS 38.18.201.

AS 29.18.208 Deficiency Provisions

This section of the law allows for a monetary payment of $1000 per acre for the number of acres of deficiency due to municipality. The deficiency calculation is based on a land entitlement of 1/3 acre per capita as of the program year beginning July 1, 1978.

Anchorage population *(1978) 183,600

183,600 X 1/3 acre per capita = 61,200 acres

This calculation obviously exceeds the stated entitlement in AS 28.18.201 of 44,983, therefore we again interpret the deficiency to be 23,451 acres as previously calculated above.

*This population figure is from the State of Alaska demographer (Department of Labor, Juneau). The Department of Community and Regional Affairs, which is charged with delivering this figure (see AS 29.18.206(f) could not do so upon request. The State demographer related they (DCRA) would have revenue sharing population figure which would be higher than those supplied by the State demographer. The Municipality of Anchorage was contacted and their demographer supplied the figure of 180,246 for 1978.

Sec 4 B5

23,451 acres deficiency times $1000 per acres would lead us to a figure of $23,451,000 as proper for deficiency payment. However, AS 29.18.208(b) limits the deficiency payments resulting from a lack of available land to $9,000,000 for any one municipality.

The Municipality also has a 1968 selection of 138.33 acres (40281) rejected due to conveyances to Eklutna, Inc. This would appear to qualify for a deficiency payment under AS 29.18.208(c), if the Municipality so requests. Care should have to be taken to avoid duplicate counting of this acreage in the deficiency counted under AS 29.18.208(b).

Limitations on the deficiency payments are found in AS 29.18.208(e)(1) of a maximum of $4,000,000 in any one calendar year. AS 29.18.208(f) requires apportioning between municipalities if the requests for all municipalities exceeds $4,000,000 in any one year.

Our determination is that the $5,000,000 request does not exceed the total amount due them under 29.18.208(c). This is based on the following calculation:

Deficiency payment due (Statutory Limit)	$9,000,000
Prior deficiency payment paid	4,000,000
Amount due	$5,000,000

The $5,000,000 request, however, does exceed the $4,000,000 per year limit found in AS 29.18.208(e)(1).

Sec 4 #5

MEMORANDUM State of Alaska

DEPT. OF NATURAL RESOURCES, DIV. OF LAND & WATER MGMT., SOUTHCENTRAL DISTRICT

TO: Stan Fischer
Assistant Attorney General

THRU: J. W. Sedwick, Director
Land & Water Management

THRU: L. A. Dutton
FROM: District Manager

FROM: Gary McWilliams
Municipal Entitlements Officer

GM pcb

DATE: November 19, 1982

FILE NO: 2381

TELEPHONE NO: 276-2653

SUBJECT: Appeal Municipal Selections ADL 201143 & ADL 201182

Enclosed is an appeal received from the Municipality of Anchorage in response to a proposed decision dated August 10, 1982 concerning Municipal Selections ADL 201143 and ADL 201182.

These selection files have been involved in a series of actions over the past three years. Three proposed decisions have been issued. The lands have been subject to negotiations between the State and Eklutna, Inc. Several third party interests has developed over this period of time.

The Municipality has raised several procedural and legal questions concerning past actions by the State in regards to these selections.

In order that we may properly answer the appeal we are requesting your opinions on the following:

(1) In accordance with A.S. 29.18.205(f) is the director required by law to convey selected lands within 9 months of its selection? ADL 201182 was selected on May 25, 1979 and ADL 201143 was selected on May 14, 1979. Also, if the municipality did not appeal a proposed decision in 30 days, is the DNR then obligated to convey the subject land in accordance with the provisions of the proposed decision?

(2) In reference to A.S. 29.18.207(d), can a proposed decision convey management rights or can this right only be conveyed with a final decision? Also, did the State imply the municipality had property management rights by the act of requesting the municipalities concurrence prior to granting a right-of-way across selected lands?

(3) In reference to the Municipality's point #3, what is the authority of the director to stipulate conditions upon a proposed municipal conveyance?

(4) Can the Department of Natural Resources add reservations after issuance of a proposed decision? In this case the proposed decision of August 10, 1982 was subject to several more third party interest than the original proposed decision of September 12, 1979.

GM:cm

Enclosure

Sec 4 & 5

December 1982

Municipality of Anchorage
Selections Pending

ADL-40281 - Needs rejected - lands not available - BLM did not convey these lands to State.

ADL-67157 - Selected by village under ANCSA - Hold pending decision Pt. Possession litigation.

ADL-68031 - Pt. Campbell .315 - Amended to Municipal Selections under ADL 214652. Pt. Campbell now conveyed.

ADL-201182 - Ready for final decision - Robert Luch (DTS) is writing it.

ADL-201183 - Pending finalization of agreement between State, Eklutna, and Municipality.

ADL-201251 - In Arctic Valley Ski area - pending State legislation.

ADL-201947 - Proposed rejection 4-8-80 - retain for DOT - Appealed - still pending.

ADL-203518 - Near International Airport and Woronzof - possible to convey some - DOT retain a portion?

ADL-206722 - Portions not yet TA'd - some are OSL and must go .315, some can be conveyed.

ADL-214652 - Pt. Campbell - now conveyed.

ADL-214777 - Pt. Woronzof area - still to be conveyed, 327 acres.

ADL-201165 - Originally for 75 acres; 37 1/2 conveyed, balance proposed for rejection 4-8-80 - retain for Park. Appealed - still pending.

ADL-201248 - Proposed rejection - 4-8-80 - retain for Park. Appealed - still pending

ADL-201257 - Proposed rejection - 4-8-80 - retain for Park. Appealed - still pending.

ADL-201833 - Proposed rejection - 4-8-80 - retain for Department of Health & Welfare. Appealed - still pending.

ADL-201573 - Proposed rejection 4-8-80 - retain for Division of Aviation. Appealed - still pending

ADL-201258 - Proposed rejection 4-8-80 - retain Potter Game Refuge. Appealed - still pending.

ADL-201259 - Proposed rejection 4-8-80 - retain for Park. Appeal still pending.

Sec 4 & 5

ADL-201260 - Proposed rejection - 4-8-80 - retain Potter Game REfuge. Apoealed - still pending.

ADL-201546 - Proposed rejection -4-8-80 - not available for general selection - is OSL land. Appealed - still pending.

ADL-201832 - Proposed rejection - 4-8-80 - retain Potter Game Refuge. Appealed - still pending.

ADL-201834 - Proposed rejection - 4-8-80 - retain for Department of Military. Appealed - still pending.

ADL-201867 - Proposed rejection - 4-8-80 - retain Department of Health & Social Services. Appealed - still pending.

Sec. 4 & 5

MEMORANDUM

State of Alaska

TO:
Norman Gorsuch
Attorney General
State of Alaska

DATE: December 13, 1982

FILE NO:

TELEPHONE NO:

FROM:
Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

SUBJECT:
Preparation of Special Legislation

Attention: Jim Baldwin

Please prepare a bill to provide retroactive payment to the Municipality of Anchorage for the $5,000,000 balance of its land deficiency payment pursuant to AS 29.18.208.

Under section 29.18.208 (2)(e)(1), the legislature is authorized to appropriate not more than $4,000,000 per fiscal year, and not more than $12,000,000 in total, for the purpose of paying land deficiency entitlements to municipalities. In addition section 29.18.208 (2)(b) allows a total of only $9,000,000 to any one municipality for land deficiency payments. The Municipality of Anchorage was appropriated its first entitlement payment of $4,000,00 in FY 81. Since that time no further entitlement payments have been authorized by legislature for the Municipality of Anchorage even though it has been requested in the Governor's budgets in FY 82 and FY 83.

The legislation proposed herein will accomplish two results:

1) it will provide the Municipality of Anchorage its full remaining entitlement of $5,000,000 under section 29.18.208 (2)(b);

2) it will preclude the necessity of having to amend section 29.28.208 (2)(e)(1) which limits the legislature to an entitlement payment of not more than $4,000,000 in any one fiscal year.

OFFICE OF
MANAGEMENT & BUDGET
JAN 25 1983
BUDGET REVIEW

Sec 4 & 5

(d) The director may approve municipal selections of land which have been tentatively approved or patented to the state by the federal government, but he may not issue patent to a municipality until the land has first been patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the director. Conditional sales and conditional leases made before July 1, 1978 do not require the consent of the director.

(e) Nothing in this chapter 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. Nothing in AS 29.18.011 — 29.18.610 affects the rights of an owner, claimant, locator or entryman to the full use and enjoyment of the land so occupied. (§ 2 ch 180 SLA 1978; am § 45 SLA 1979)

Effect of amendments. — The 1979 amendment repealed subsections (a) and (b), providing for selections to be in reasonably compact tracts whenever possible and for relinquishment of selections, and providing for certification of certain information to each municipality having an entitlement under AS 29.18.201 — 29.18.203, respectively.

Sec. 29.18.208. Payment for land deficiency. (a) There is established within the general fund the Alaska municipal land account for the following purposes:

(1) providing payment to the boroughs and unified municipalities designated in AS 29.18.201 for a deficiency of land physically suitable for residential, commercial or industrial purposes; or

(2) providing payment to the boroughs and unified municipalities designated in AS 29.18.201 for certain general grant lands selected by the state and conveyed to a Native corporation under the provisions of the Alaska Native Claims Settlement Act.

(b) A municipality shall receive payment for its land deficiency from the account established in (a) of this section. A municipality is eligible to receive payment for land deficiency if, after July 1, 1980, the amount of land selected by a municipality which is physically suitable for residential, commercial or industrial purposes amounts to less than one-third acre per capita. Any entitlement under AS 29.18.201 which is less than one-third acre per capita will, for the purposes of this subsection, be considered a land deficiency. An unselected remaining entitlement will, for the purpose of deficiency payment under this subsection, be considered as land physically suitable for residential, commercial or industrial purposes. A municipality eligible under this subsection is entitled to receive a payment for land deficiency equal to $1,000 per acre for a number of acres equal to the difference between one-third of the population of the municipality less the number of acres physically suitable for residential, commercial or industrial purposes which has been selected by the municipality. For the purpose of this

Sec 4 & 5

subsection, the population of the municipality shall be the population determined in accordance with AS 29.18.206(f). No payment may be made to a municipality under this subsection in excess of $9,000,000.

(c) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and such land was also selected by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 92-203), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment for land deficiency from the account established in (a) of this section. The acceptance of payment under this subsection by a municipality constitutes a relinquishment of any other right, title or claim to the land by that municipality. The total payment to a municipality under this subsection may not exceed $1,000 per acre to a maximum of 8,000 acres.

(d) The governor shall annually submit to the legislature a request for an appropriation to the account for the municipalities which have elected to receive payments under (b) or (c) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for land deficiency under (b) of this section and those required to make payments for land deficiency under (c) of this section.

(e) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than $4,000,000 per fiscal year, and not more than $12,000,000 in total, for the purpose of paying entitlements under (b) of this section;

(2) not more than $1,000,000 per fiscal year, and not more than $8,000,000 in total, for the purpose of paying entitlements under (c) of this section.

(f) If an annual appropriation is not sufficient to meet the amount due to all municipalities which have elected to accept payment for land deficiency under (b) or (c) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under (c) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to eligible municipalities.

(g) Payments authorized by this section may not be made to a municipality eligible for an entitlement under AS 29.18.202 or 29.18.203.

(h) Payments made under this section shall be used by those local governments which levy property taxes to reduce those levies in proportion to the amount of state payments received by a local government for a given fiscal year. The governing body of each local government shall furnish a notice with the tax statement describing the effect on

Sec 4 ES-

property tax levies of payments received under this section. (§ 2 ch 180 SLA 1978; am §§ 4, 5 ch 85 SLA 1979)

Effect of amendments. — The 1979 amendment substituted "residential, commercial or industrial purposes" for "the purposes described in AS 29.18.205(g)(1)" in paragraph (1) of subsection (a), and in subsection (b), substituted "selected by a municipality which is physically suitable for residential, commercial or industrial purposes" for "physically suitable for the purposes described in AS 29.18.205(g)(1) for which approval has been given by the director under AS 29.18.205(g) within one year of selection" in the second sentence, "for residential, commercial or industrial purposes" for "the purposes described in AS 29.18.205(g)(1)" in the fourth sentence, and "residential, commercial or industrial purposes for which has been selected by the municipality" for "the purposes described in AS 29.18.205(g)(1) for which approval has been given by the director under AS 29.18.205(g)" in the fifth sentence.

Sec. 29.18.209. Authorization for land exchanges. The director, with the concurrence of the commissioner, and any municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the non-monetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of AS 38.05.305 and 38.05.345 are applicable to exchanges of land under this section. The provisions of AS 38.50.010 — 38.50.170 do not apply to exchanges of land under this section. (§ 2 ch 180 SLA 1978)

Editor's notes. — AS 38.05.305, referred to in this section, was repealed by § 45, ch. 113, SLA 1981.

Sec. 29.18.210. Public purpose and expansion needs. (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or private settlement or development, it shall be the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.315 or (b) of this section.

(b) Where state land is the most logical location for demonstrated municipal expansion for nonpublic settlement and development purposes, and when an exchange of land under AS 29.18.209 is not possible or is not in the public interest, it is the policy of the state to sell or lease the land at public auction. The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the expenses which the director determines to be necessary and reasonable.

Sec 4 &5

S-02-01-02

MEMORANDUM State of Alaska

TO: Eugene Dusek
Associate Director
Office of Management & Budget
Office of the Governor

DATE: January 14, 1983

FILE NO:

TELEPHONE NO: 465-2200

RECEIVED
JAN 17 1983
BUDGET AND MANAGEMENT

FROM: Commissioner Lisa Rudd
Department of Administration

SUBJECT: Supplemental Request for FY 82

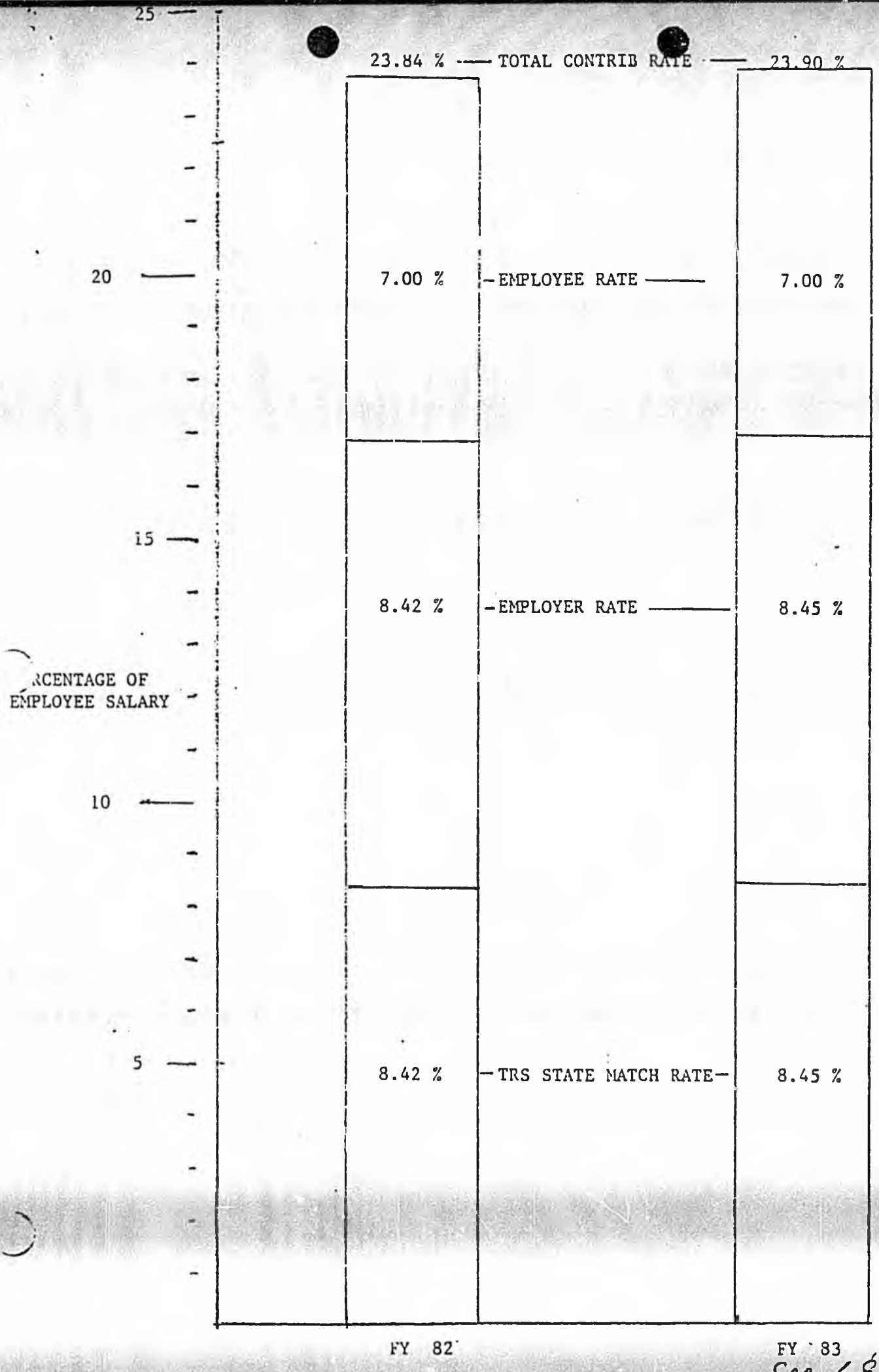
A supplemental budget request is necessary for the TRS State Match to meet FY 82 and FY 83 obligations. Funding for the TRS State Match is required by AS 14.25.080. To fully meet the FY 82 obligations requires an additional $1,467.3. To fund the anticipated requirements of FY 83 will require an additional $2,136,600. This money is needed to fully meet the actuarially determined benefit costs of the system.

The TRS State Match is calculated as a specific percentage times the gross payroll for all TRS members for each Fiscal Year. The percentage is determined on an annual basis by actuarial determinations. It is exactly one-half of the total Employer Contribution percentage for that year, so in essence, the employers pay one half of their costs and the State matches those contributions. The Division of Retirement and Benefits has no control over increasing salaries to teachers which precipitate increasing demand for matching contributions from the State. The FY 82 estimated need, proposed by percentage by the Division of Retirement and Benefits, fell short.

The amount of short fall for FY 82 is $1,467,300, as mentioned above, and with the contributions for TRS thus far in FY 83, there will be a projected short fall for FY 83 of $2,136,500. This supplemental request is for a grand total of $3,603,900. The TRS State Match is totally General Funded. An actuarial analysis of the FY 84 request indicates it is "on track" with these adjusted FY 82 and FY 83 levels.

LR/gyr
19D7/1123-2

Sec 6 & 7


25
20
15
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5
RCENTAGE OF
EMPLOYEE SALARY
23.84 % — TOTAL CONTRIB RATE — 23.90 %
7.00 %
EMPLOYEE RATE
7.00 %
8.42 %
EMPLOYER RATE
8.45 %
8.42 %
TRS STATE MATCH RATE
8.45 %
FY 82
FY 83

Sec 6 & 7

FY 83 SUPPLEMENTAL REQUEST ANALYSIS (Through November 30)

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL COSTS	FY 82 FINAL AUTH.	FY 82 ACTUAL COSTS	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1 - 11/30	FY 83 OTHER OBLIGATIONS 7/1 - 11/30	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES 12/1 - 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATION
PERSONAL SERVICES	$	$	$	$	$	$	$	$	$	$	$
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BUILDING											
GRANTS, CLAIMS	21,133.8	23,805.4 *	24,127.4	25,004.3	25,099.3	25,099.3	10,418.5	1,467.3 **	16,819.4	(3,605.9)	31,445.1
MISC.											
TOTAL	$21,133.8	$23,805.4 *	$24,127.4	$25,004.3	$25,099.3	$25,099.3	$10,418.5	$ 1,467.3 **	$16,819.4	$(3,605.9)	$31,445.1
FEDERAL RECEIPTS											
GENERAL FUNDS	21,133.8	23,805.4 *	24,127.4	25,004.3	25,099.3	25,099.3	10,418.5	1,467.3 **	16,819.4	(3,605.9)	31,445.1
I/A RECEIPTS											
RECEIPTS	* includes supplement for FY 81 obligations						** FY 82 obligations vs. authorization				

AGENCY: Administration BRU: Elementary & Secondary Education COMPONENT: REVISED:

6903/1223-1/1

Rev. sec. 8 MEMORANDUM State of Alaska

TO: Ron Leir, Director
Division of Budget and Management
Office of the Governor

DATE: November 16, 1982

FILE NO:

TELEPHONE NO: 465-2300

FROM: Thomas K. Williams, Commissioner
Department of Revenue

SUBJECT: FY 83 Supplemental Requests

RECEIVED
NOV 17 19
BUDGET AND MANA

The Department of Revenue will be requesting supplemental appropriations for Fiscal Year 1983 in the following areas:

Alcoholic Beverage Control Board	$ 20.0
Child Support Enforcement Division	65.7
Refundable Credits	6,000.0
Permanent Fund Dividend Payments	12,000.0

An ABC Board investigator position was held vacant in FY81 due to "sunset legislation" review. When the Board was continued for FY82, personal services was underfunded by $41.3. This underfunding has resulted in an abnormally high vacancy factor in the FY83 budget and even with the investigator position vacant ABC projects a shortfall of $10.0 in personal services. Shortfalls in contractual services in the amount of $10.0 are also anticipated. ABC Board has experienced higher costs than expected in obtaining transcripts of Administrative hearings and other hearing officer related activities. These costs have amounted to approximately $9.0 in the first four months compared to a budgeted amount of $11.8 for the whole year.

Child Support Enforcement Division has been partially funded in the past year by Federal Funds (75%), and General Fund and Program Receipts (25%). With the approval of the Federal Budget for the year beginning October 1, 1982 CSED is to receive Federal Funds amounting to only 70% of their total budget. A request for $130.7 of Federal Budget Impact Funds appropriated by chapter 125 SLA 82 has resulted in replacement of $65.0 of the lost federal funds. This supplemental request for $65.7 would restore the balance of those federal funds lost and would be used to reduce vacancies and allow child support collections to continue. This would also help to lessen the pressures on welfare related programs.

The FY83 budget request for Refundable Credits was $1,758.0 for Political Contributions Credits and $1,033.0 for Child Care Credits. The appropriation for Refundable Credits was $1,033.0 for the two programs. Reports from APOC indicate that Political Contribution refund requests will be in the amount of $6,000.0.

Permanent Fund Dividend payment began in late June 1982. At that time our expectation for total applications received was 420,000. To date we have received over 480,000 applications and although we anticipate rejecting many as nonqualified, we anticipate a shortfall of $12,000.0. As we process the approximately 60,000 applications currently in reject status, we will be fine-tuning this request. Your early consideration of this request is greatly appreciated.

Sec 8

MEMORANDUM State of Alaska

TO: Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE: November 29, 1982

FILE NO: S04-10-04

RECEIVED
DEC 3 1982
BUDGET AND MANAGEMENT

TELEPHONE NO: 465-2300

FROM: Thomas K. Williams
Commissioner
Department of Revenue

SUBJECT: FY83 Supplemental Appropriation for Refundable Credits

The Department of Revenue requests a supplemental appropriation in the amount of $6,000,000 for FY 83 Political Contribution Credits, a component of Refundable Credits. The FY 83 budget request for Refundable Credits was $1,758,000 for Political Contribution Credits and $1,033,000 for Child Care Credits; however, only $1,033,000 was funded for the programs.

Reports from APOC indicate that Political Contribution refund requests will be in the amount of $6,000,000. APOC has on file potential refunds of $3,000,000 for contributions of $100 or less and $3,000,000 worth of refunds for contributions over $100. Applications for Child Care Credits and Political Contribution Credits should start coming into the Department in January 1983.

Sec 8

Sec 8

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL as of 10/31/82	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1 - 11/30	FY 83 OTHER OBLIGATIONS 7/1 - 11/30	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES 12/1 - 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATION
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BUILLDING											
GRANTS, CLAIMS	1031.1	1632.0	1054.9	2791.0	1033.0	1033.0			7033.0	(6,000.0)	2796.0
MISC.											
TOTAL	1031.1	1632.0	1054.9	2791.0	1033.0	1033.0			7033.0	(6,000.0)	2796.0
FEDERAL RECEIPTS											
GENERAL FUNDS	1031.1	1632.0	1054.9	2791.0	1033.0	1033.0					
I/A RECEIPTS											
RECEIPTS											

AGENCY: Revenue BRU: Administration & Support COMPONENT: Refundable Credits REVISED: _____

MEMORANDUM State of Alaska

TO: Gene Dusek
Associate Director
Division of Budget Review
Office of Management & Budget

DATE: 1/28/82

FILE NO:

TELEPHONE NO:

FROM: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health & Social Services

SUBJECT: Supplemental Appropriation
Department of Health & Social Services, Division of Adult Corrections

The Department of Health & Social Services, Division of Adult Corrections, requests approval of a supplemental totaling $1,972,696 for the period September 1, 1982, to June 30, 1983. The purpose of this supplemental request is to cover operational costs of on-going programs, to secure appropriate spaces for inmate populations, and to satisfy legal requirements arising from recent litigation. Existing programs cannot be further curtailed in order to resolve the need for additional funding. Failure to secure supplemental funding will leave the State in a position of legal jeopardy, but perhaps of greater concern is the realization that overcrowding pressures may lead to inmate disturbances or emergency release of prisoners due to lack of institutional space. Annualized cost in FY'84 for programs implemented by this supplemental, exclusive of one time items, would be $2,516,426. Budget amendments to incorporate this supplemental request will be forthcoming.

The primary cause for this funding request is unprecedented overcrowding. The July 1982 average inmate population was 1,186. The October average increased to 1,330. If this trend is to continue throughout the fiscal year we will end with an average inmate population of 1,390. The overcrowding crisis directly impacts legal issues in that lack of inmate space and insufficient resources form the basis of the Cleary vs. Beirne lawsuit.

The $1,972,696 supplemental request is contained in the following components:

Institutional Shortfall ($861,524)
Cleary Lawsuit ($298,339)
Field Misdemeanant Unit ($285,335)
Diversion Unit ($79,772)
Ridgeview Men's Facility ($50,454)
Hiland Mountain Correctional Center ($16,173)
Career Enhancement Training ($15,166)
Fairbanks Correctional Center ($103,895)
Palmer Correctional Center ($176,013)
Director's Office ($86,025)

Institutional Shortfall: (Tabs A-1 to A-23) $861,524

A supplemental appropriation request is necessary for the normal operating budget to meet on-going expenses. Because of inmate population increases well beyond the budget base, overexpenditure patterns have developed primarily in the areas of food/clothing, medical services and personal services. For example, the Ridgeview Men's facility was budgeted to house 45 inmates. In October, 1982, the average daily count was 123 inmates. All inmates must be provided security and the basic necessities of life. Increased populations within the various correctional centers have resulted in increased overtime hours worked to provide security and supervision of the inmates.

For the Division of Adult Corrections to internally adjust for the above identified funding deficits, it would have been necessary to eliminate approximately two-thirds of the existing educational program and one-half of the psychological/alcoholism counseling and sex offender counseling programs to function within the appropriated budget.

Cleary Lawsuit: (Tab B) $298,339

This sweeping class action lawsuit by prisoners alleges that the State is not sufficiently providing for inmate constitutional rights in almost every aspect of prison life from adequate space to inmate programs. Its initiation is clearly tied to overcrowding which impacts the Division's ability to provide for inmate rights at a level acceptable to the courts.

This $298,339 would fund the partial out-of-court settlement regarding those aspects of the case that the State is willing to implement at this time. The funding request provides minimal staff to accomplish those things requiring implementation beginning December 9, 1982. Added staff would be compliance monitors at each institution, a central office compliance monitor, two correctional officers for recreation at Fairbanks, three central office positions to manage institutional populations, institutional programs and a clerk typist to support these activities. Without this additional staff resource the Division of Adult Corrections will likely be subject to court action due to non-compliance with the partial settlement agreement.

Field Misdemeanant Unit: (Tab C) $285,335

Much as the central intake system will reduce overcrowding by providing the court alternatives to confining offenders, so will the program of providing information to the court on individual cases at sentencing of misdemeanants, and the provision of supervision services to misdemeanants placed on probation or in community programs by the court operate to reduce overcrowding. At present the court only has the option of releasing misdemeanants without supervision, or committing them to jail. This unit of probation officers and clerk typists would offer the benefit of street supervision of misdemeanant offenders who may productively remain in the community and therefore reduce institutional overcrowding.

Diversion Unit: (Tab D) $79,772

A further method of reducing institutional overcrowding is that of diverting persons, coming into contact with the Division, from incarceration. This unit would provide the necessary staff and support funding so that background information could be compiled on persons brought into custody. This information would then be presented to the court so that it would have a better basis upon which to determine whether a person should be incarcerated or placed back in the community under probation supervision.

Ridgeview Men's Facility: (Tab E) $50,454

As inmate populations in the Anchorage area continue to run at all time highs and the Cook Inlet Pre-Trial facility continues to be delayed in opening, it becomes necessary to retain more inmates at the Ridgeview Men's facility. These positions will provide the additional security coverage necessary for inmate supervision at this facility.

Hiland Mountain Correctional Center: (Tab F) $16,173

The Hiland Mountain Correctional Center and the Meadow Creek Correctional Center have been built adjacent to one another utilizing many common facilities such as the sewage treatment plant. The operation of this sewage treatment plant requires a degree of mechanical ability not currently available to the Hiland Mountain Correctional Center.

The Department of Environmental Conservation has indicated that if this Division cannot properly operate and maintain the sewage treatment facility it will impose restrictions upon operations of these two institutions which may require a partial closure of operations. This position would provide a full time person with sufficient mechanical ability to operate the treatment facility.

Career Enhancement Training: (Tab G) $15,166

With the acquisition of Careage House, the Division of Adult Corrections is utilizing that facility for Central Office functions as well as the training academy. There is sufficient space in this location to allow for on site housing of all persons attending the training academy. The addition of a cook to the training center would allow us to provide room and board to all trainees at an approximate cost of $310 for the three week training academy versus the present $1,800 currently paid to trainees who must secure food and lodging elsewhere on a per diem basis.

Fairbanks Correctional Center: (Tab H) $103,895

The physical configuration of the 56-bed modular unit recently installed at the Fairbanks Correctional Center does not allow for full security coverage by sight and sound by the existing complement of officers assigned to this unit. This request would provide funding to establish one additional security post which would allow for full security coverage on a 24-hour per day/7-day per week basis.

Palmer Correctional Center: (Tab I) $176,013

The original staffing authorized to operate the medium custody facility at Palmer was not adequate. This reduced staff does not allow the assignment of officers to the individual housing units. This lack of security coverage has resulted in escapes, damage to the facility and inmates doing harm to one another. Security must be increased to protect the public, inmates and the facility.

This request will provide additional security staff to monitor the housing unit as well as providing additional counseling staff to work with inmates towards resolution of problems which led to incarceration and arise as a result of incarceration.

Director's Office: (Tab J) $86,025

With the acquisition of Careage House and the establishment therein of the Anchorage area Central Office functions for the Division of Adult Corrections, the Division intends to establish a 24-hour per day/7-day per week central information and security service. This request would provide for officers to be on duty at all times to provide building security and respond to requests from law enforcement agencies, members of court and requests from other institutions arriving via the AJIS and OBSCIS systems.

Funding of this FY'83 request in the amount of $1,972.7 would allow the Division of Adult Corrections the resources necessary to manage the problems arising from unprecedented overcrowding.

S-00-10-03

MEMORANDUM State of Alaska

RECEIVED
JAN 19 1983
BUDGET AND MANAGEMENT

TO: Gene Dusek, Associate Director
Division of Budget Review
Office of Management and Budget
Office of the Governor

DATE: January 18, 1983

FILE NO:

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Judgments
Supplemental FY83

The Department of Law requests a supplemental appropriation in the amount of $89,100 to cover the costs of judgments against the State for FY83. The actual amount of judgments we expect to pay is $116,600. Of this amount, $17,400 has already been paid from our existing authorization, which was included in our FY83 operating budget for this purpose, and $10,100 has been paid and will be reimbursed to us by interagency services clients. This leaves a balance of $89,100 yet to be paid, including post judgment interest, which accrues at the statutory rate of 10.5%. Accrued interest has been arrived at by estimating a payment date of June 1, 1983. Payment after that date, as might be caused by a delay in a supplemental appropriation, will result in additional interest costs of approximately $14.66 per day.

The department submits a supplemental judgments request each year because of the relatively small appropriation ($17.4 in FY83) provided for this purpose in the department's annual operating budget. During the past several years judgments costs have varied from a low of about $60.0 to a high just over $1.1 million. A more realistic figure for our annual appropriation would be about $125,000, which is probably a little more than we will be paying this year. The Legislature, which is its right, has not been inclined to increase our annual judgments appropriation, but prefers to review judgments individually and fund their payment during the supplemental appropriation process.

During the past fiscal year the department closed 2,448 litigation matters and it expects to close 2,750 such matters this year. Thus the numbers of matters resulting in judgments against the State, 10 paid and 11 yet to be paid, appears to be relatively small considering the overall number of matters in which the State is engaged. Conversely, the State has collected $125,366 in judgment settlements, from cases where the State has prevailed, during just the first six months of FY83.

Attached for your review is a list of the judgments yet to be paid and for which a supplemental appropriation is requested.

Sec 10

Sec 10

- PENDING -
JUDGMENTS
SUPPLEMENTAL APPROP.

	Payee	Date of Judgment	Amt	Anticipated Interest + thru 6/1 =	Total	Cumultv
1)	Dept. of Revenue (McClelland vs State)	1-29-82	1,636.00	-0-	1,636.00	1,636.00
2)	Terris & Sunderland N. Slope Boro. vs Hammond	9-22-82	29,300.00	-0-	29,300.00	30,936.00
3)	AK Legal Svcs. David vs CFEC	9-16-82	900.00	67.72	967.72	31,903.72
4)	Charlene Lichtmann Cleary, Beirne (partial pymt.)	9-14-82	2,013.44	152.69	2,166.13	34,069.85
5)	Roy Alley		1,677.00	N/A	1,677.00	35,746.85
6)	Timothy Stearns Moseley vs Beirne	11-28-82	24,929.03	1,346.17	26,275.20	62,022.05
7)	Margie McNeille Moseley vs Beirne	11-28-82	504.13	81.22	1,585.35	63,607.40
8)	Jim Lingo Lingo vs State	12-08-82	250.00	N/A	250.00	63,857.40
9)	Local 71	10-23-81	19,642.00	3,328.49	22,970.49	86,827.89
10)	Anderson vs CFEC	12-17-82	791.76	38.57	830.33	87,658.22
11)	Fry vs CFEC	9-15-82	1,317.55	99.91	1,417.46	89,075.68
			83,960.91	5,114.77		

Sec 10

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

12/31/82

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1 - 11/30	FY 83 OTHER OBLIGATIONS 7/1 - 11/30	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES 12/1 - 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATION
PERSONAL SERVICES	2,947.7	6,079.6	5,949.6	6,172.1	5,986.4	6,575.6	2,886.7		3,688.9	-0-	6,070.2
TRAVEL	142.7	279.8	271.5	267.1	267.1	301.6	134.2		167.4	-0-	283.1
CONTRACTUAL SERVICES	792.1	3,000.9	2,772.0	1,293.4	1,246.1	1,933.7	713.5		1,208.5	11.7	1,273.5
COMMODITIES	69.2	86.7	127.4	96.3	94.3	100.1	63.0		37.1	-0-	100.0
EQUIPMENT	103.9	119.5	201.2	31.0	10.0	18.1	19.7		-0-	[1.6]	10.5
LANDS, BUILDING	8.6										
GRANTS, CLAIMS	1,048.6	103.7	106.6	17.4	17.4	17.4	28.5	88.1	-0-	[99.2]	18.4
MISC.											
TOTAL	5,112.8	9,670.2	9,428.3	7,877.3	7,621.3	8,946.5	3,845.6	88.1	5,101.9	[89.1]	7,755.7
FEDERAL RECEIPTS		113.3	108.0								
GENERAL FUNDS	2,991.0	4,511.2	4,481.6	4,851.8	4,595.8	4,670.8	2,092.0	88.1	2,579.8	[89.1]	4,657.2
I/A RECEIPTS	2,121.8	5,045.7	4,838.7	3,025.5	3,025.5	4,275.7	1,753.6		2,522.1		3,098.5
RECEIPTS											

AGENCY: Law BIU: Legal Services COMPONENT: Legal Services Operations REVISED: 1/17/83

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

House Bill No. 227

"An Act making miscellaneous supplemental appropriations; and providing for an effective date."

Sec. 9 of House Bill No. 227 appropriates $1,972,700 from the general fund to the Department of Health and Social Services to fund the costs of increased prisoner population. This amount would cover operational costs of ongoing programs to secure appropriate spaces for inmate populations, and to satisfy legal requirements arising from recent litigation. Failure to secure this supplemental funding will leave the State in a position of legal jeopardy, but perhaps of greater concern is the realization that overcrowding pressures may lead to inmate disturbances or emergency release of prisoners due to lack of institutional space. Annualized cost in FY 1984 for programs implemented by these supplemental funds, exclusive of one time items, would be $2,516,426. This amount has been incorporated into the FY 1984 budget revision for the Department of Corrections submitted to OMB on March 2, 1983.

The primary cause for this funding request is unprecedented overcrowding. The July 1982 average inmate population was 1,186. The October average increased to 1,330. If this trend is to continue throughout the fiscal year, we will end with an average inmate population of 1,390. The overcrowding crisis directly impacts legal issues in that lack of inmate space and insufficient resources form the basis of the Cleary vs. Beirne lawsuit.

The $1,972,696 supplemental request is contained in the following components:

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With the acquisition of Careage House and the establishment therein of the Anchorage area central office functions for the Division of Adult Corrections, the Division intends to establish a 24-hour per day/7-day per week central information and security service. This request would provide for officers to be on duty at all times to provide building security and respond to requests from law enforcement agencies, members of court and requests from other institutions arriving via the AJIS and OBSCIS systems.

Funding of this FY 1983 request in the amount of $1,972.7 would allow the Division of Adult Corrections the resources necessary to manage the problems arising from unprecedented overcrowding.

Recommended by: for Roger C. Endell

Roger V. Endell, Director
Division of Adult Corrections

Date: 3/3/83

Approved by: Robert London Smith

Robert London Smith, Ph.D.
Commissioner

Date: 3/4/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: House Bill No. 227 Date on Bill: February 25, 1983
Title: "An Act making miscellaneous supplemental appropriations, . . ."
Sponsor: House Rules Committee
Requestor: Governor Sheffield

1. Estimated fiscal impacts on Section 9:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Capital			-0-	-0-	-0-	-0-		
Operating			1,972.7	-0-	-0-	-0-		
Total			1,972.7	-0-	-0-	-0-		

b. Revenues:

Revenue			-0-	-0-	-0-	-0-		

2. Source of funds to offset fiscal impact of bill:

The funding source for Section 9 of the bill is not identified.

3. Assumptions:

This statement of fiscal impact addresses Section 9 of the bill only.

A copy of the original supplemental request, which details the nature of the expenditures, is attached.

Costs related to position requests and functions which will carry forward into FY 1984 are contained in the revised budget request for Corrections.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Roger C. Lange Roger C. Lange Phone: 465-3376
Division: Adult Corrections Date: March 3, 1983

Approved by Commissioner: Robert Fowler Sundt, Ph.D. Date: 3/4/83
Department: Health & Social Services

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

FORMS - 2 DHSS #_____

RP REQUEST COVER SHEET

Division/~~Office~~ of ADULT CORRECTIONS Appropriation VARIOUS

Director/~~Office~~ Head _____ Allocation _____
sign

Allocation _____

Date JANUARY 27, 1983

Allocation _____

Abrv. Title: FY'83 SUPPLEMENTAL REQUEST $1,972.7

CIRCLE ONE OR MORE

Type 1: Transfer between line items
Type 2: Transfers between allocations
Type 3: Transfers between appropriations
Type 4: Reduction of an appropriation
Type 5: Establishment of new positions
Type 6: New federal or other program receipts
Type 7: Reimbursable Service Agreements (RSA's)
Type 8: Transfer between (8 digit) codes
Type 9: Trans. between capital appro.
Type 10: Add. funds for capital projects
Type 11: Public Facilities planning fund
Type A: Restrictions
Type B: Error Corrections
Type C: New Appropriations
Type D: Other

Budget Section
Date Rec'd _____ Date Rec'd _____
Date Approved _____ Initials _____ Date Approved _____ Initials _____

Comments: _____

Expenditure Control Section (Type 5 Excluded)
Date Rec'd _____
Date Approved _____ Initials _____ JV Attached Yes ___ Not Required ___
CDE Attached Yes ___ Not Required ___

Comments: _____

Directors Office
Date Rec'd _____
Date Approved _____ Initials _____

Comments: _____

Commissioner's Office
Date Rec'd _____
Date Approved _____ Initials _____

Comments: _____

BUDGET & MANAGEMENT

Date Returned to Program

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-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
SONAL SVCS.	970.5	1670.3	1668.2	2525.5	2525.5	2525.5	1269.5	115.4	2850.8	(325.3)	31.
VEL	13.5	21.7	23.5	24.8	24.8	24.8	11.2	-0-	18.0	6.8	26.
TRACTUAL SVCS.	94.7	157.4	136.8	321.7	472.3	472.3	239.6	11.7	293.8	178.5	360.3
MODITIES	269.1	507.3	459.9	501.1	501.1	501.1	343.3	18.9	650.0	(148.9)	526.6
IPMENT	19.7	92.4	122.1	30.9	30.9	30.9	19.2	-0-	19.2	11.7	57.4
DS/BUILDING											
NTS, CLAIMS	63.3	112.6	96.9	134.4	134.4	134.4	68.7	-0-	137.7	(3.3)	118.7
CELLANEOUS											
TOTAL	1430.8	2561.7	2507.4	3538.4	3689.0	3689.0	1951.5	146.0	3969.5	(280.5)	3920
ERAL RECEIPTS											
UIRED GF MATCH											
ERAL FUND	1430.8	2561.7	2507.4	3538.4	3689.0	3689.0	1951.5	146.0	3969.5	(280.5)	3920
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: PALMER CORR. CENTER REVISED: 1/27/83

G-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
RSONAL SVCS.	1054.6	1277.9	1277.0	1272.5	1272.5	1349.1	657.9	58.9	1452.2	(103.1)	1[illegible]0.
AVEL	3.4	3.5	2.3	9.2	9.2	9.2	2.0	.4	2.8	6.4	3.0
NTRACTUAL SVCS.	73.4	79.0	79.3	66.1	112.2	112.2	31.0	2.0	135.8	(23.6)	192.7
MMODITIES	127.6	215.4	207.5	179.0	179.0	179.0	94.1	13.4	202.9	(23.9)	180.3
UIPMENT	3.8	11.3	11.8	9.7	9.7	9.7	5.3	(.1)	5.2	4.5	8.9
NDS/BUILDING											
NTS, CLAIMS	13.9	14.3	13.6	11.8	11.8	11.8	12.6	1.1	12.7	(.9)	14.4
SCELLANEOUS											
TOTAL	1276.7	1601.4	1591.5	1548.3	1594.4	1671.0	802.9	75.7	1811.6	(140.6)	1839
DERAL RECEIPTS											[illegible]
QUIRED GF MATCH											
NERAL FUND	1276.7	1601.4	1591.5	1548.3	1594.4	1671.0	802.9	75.7	1811.6	(140.6)	1839
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: ANCHORAGE STATE CORRECTIONAL CENTER REVISED: 1/27/83

5-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
SONAL SVCS.	1611.7	1883.0	1881.1	1845.1	1845.1	1845.1	885.6	82.4	1932.3	(87.2)	19[illegible]9.4
VEL	18.8	31.7	29.5	12.5	12.5	12.5	26.7	1.6	39.2	(26.7)	23.5
TRACTUAL SVCS.	377.0	434.9	409.3	255.2	456.4	459.0	122.0	7.8	489.9	(30.9)	569.3
MODITIES	269.1	320.4	317.5	312.2	312.2	319.5	219.1	-0-	438.2	(118.7)	338.1
IPMENT	20.0	14.9	16.2	17.0	17.0	17.0	.6	-0-	.6	16.4	18.1
DS/BUILDING	203.4										
NTS, CLAIMS	27.8	31.7	31.5	33.0	33.0	33.0	16.3	2.4	32.6	.4	35.0
SCELLANEOUS											
TOTAL	2527.8	2716.6	2685.1	2475.0	2676.2	2686.1	1270.3	94.2	2932.8	(246.7)	2974
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	2527.8	2716.6	2685.1	2475.0	2676.2	2686.1	1270.3	94.2	2932.8	(246.7)	2974
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: JUNEAU CORRECTIONAL CENTER REVISED: 1/27/83

-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
SONAL SVCS.	2007.2	2377.3	2375.6	2780.7	2780.7	2704.1	1352.9	111.7	2757.0	⟨52.9⟩	28[illegible]4.
VEL	20.9	46.0	45.9	21.4	21.4	21.4	21.8	-0-	29.0	⟨7.6⟩	37.
NTRACTUAL SVCS.	219.7	562.7	555.5	337.3	516.5	519.2	172.6	7.2	466.8	52.4	579.
MMODITIES	480.6	590.3	594.5	542.5	542.5	549.9	489.6	51.1	726.8	⟨176.9⟩	606.
IPMENT	16.5	37.4	35.7	20.8	20.8	20.8	4.7	-0-	4.7	16.1	15.
DS/BUILDING											
NTS, CLAIMS	51.3	61.6	59.3	116.3	116.3	116.3	31.0	5.1	62.0	54.3	91.
SCELLANEOUS											
TOTAL	2796.2	3675.3	3666.5	3819.0	3998.2	3931.7	2072.6	186.9	4046.3	⟨114.6⟩	4164.
DERAL RECEIPTS											
UTRED GF MATCH											
NERAL FUND	2796.2	3175.3	3666.5	3819.0	3998.2	3931.7	2072.6	186.9	4046.3	⟨114.6⟩	4164.
NTERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: FAIRBANKS CORRECTIONAL CENTER REVISED: 1/27/83

-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1 FY 81 ACTUAL	2 FY 82 FINAL AUTH.	3 FY 82 ACTUAL	4 FY 83 GOV. BUDGET	5 FY 83 INITIAL AUTH.	6 FY 83 CURRENT AUTH.	7 FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	8 FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	9 FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	10 FY 83 (DEFICIT) OR EXCESS	11 FY 84 CONTINUATI
SONAL SVCS.	732.2	850.8	850.4	1073.4	1073.4	1073.4	507.8	31.0	1083.9	(10.5)	1[redacted].0
VEL	6.2	11.8	11.4	16.6	16.6	33.6	25.5	4.3	27.2	6.4	28.2
TRACTUAL SVCS.	74.8	58.5	57.3	135.2	153.4	206.9	42.1	9.2	83.7	123.2	92.9
MODITIES	89.5	101.8	103.4	97.8	97.8	159.1	49.2	1.6	112.8	46.3	118.7
IPMENT	5.1	11.1	11.2	8.8	8.8	24.2	4.5	-0-	8.8	15.4	
DS/BUILDING											
NTS, CLAIMS	6.6	9.0	8.4	9.3	9.3	42.1	4.1	-0-	9.3	32.8	9.9
SCELLANEOUS											
TOTAL	914.4	1043.0	1042.1	1341.1	1359.3	1539.3	633.2	46.1	1325.7	213.6	1565
ERAL RECEIPTS											[redacted]
QUIRED GF MATCH											
ERAL FUND	914.4	1043.0	1042.1	1341.1	1359.3	1539.3	633.2	46.1	1325.7	213.6	1565
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: KETCHIKAN CORRECTIONAL CENTER REVISED: 1/27/83

6-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.	1447.8	1790.9	1790.1	1944.8	1944.8	1944.8	944.2	87.4	1888.3	56.5	1882.
VEL	9.3	8.5	7.9	13.0	13.0	13.0	1.2	.4	2.7	10.3	13.
NTRACTUAL SVCS.	58.5	118.3	111.6	149.8	149.8	149.8	79.1	6.6	144.2	5.6	141.
MMODITIES	182.8	290.9	292.6	288.6	288.6	288.6	183.7	10.2	367.5	(78.9)	326.
UIPMENT	20.1	15.3	15.0	13.6	13.6	13.6	4.9	1.4	4.9	8.7	7.
NDS/BUILDING											
RANTS, CLAIMS	7.8	10.4	9.1	11.8	11.8	11.8	8.8	--	17.6	(5.8)	21.
SCELLANEOUS											
TOTAL	1726.3	2234.3	2226.3	2421.6	2421.6	2421.6	1221.9	106.0	2425.2	(3.6)	2492
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	1726.3	2234.3	2226.3	2421.6	2421.6	2421.6	1221.9	106.0	2425.2	(3.6)	2492
NTERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: ANCH. ANNEX REVISED: 1/27/83

G-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.	1843.3	2277.7	2276.9	3089.1	3089.1	3089.1	1256.2	106.8	3039.2	49.9	[illegible]67
AVEL	4.1	24.3	21.8	25.9	25.9	25.9	4.0	1.0	12.5	13.4	13.
NTRACTUAL SVCS.	282.8	353.5	358.2	610.8	806.9	809.6	341.0	23.3	667.8	141.8	743.
MMODITIES	211.9	377.2	370.4	466.1	466.1	473.5	270.9	25.1	539.5	(66.0)	632.
UIPMENT	23.9	8.1	11.2	26.7	26.7	26.7	3.3	-0-	26.7	-0-	7.
NDS/BUILDING											
RANTS, CLAIMS	44.9	57.7	57.0	148.1	148.1	148.1	35.0	-0-	80.0	68.1	127.
ISCELLANEOUS											
TOTAL	2410.9	3098.5	3095.5	4366.7	4562.8	4572.9	1910.4	156.2	4365.7	207.2	4790
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	2410.9	3098.5	3095.5	4366.7	4562.8	4572.9	1910.4	156.2	4365.7	207.2	4790
INTERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: HILAND MTN. CORR. CENTER REVISED: 1/27/83

-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATIO
SONAL SVCS.	751.1	892.6	890.7	885.3	885.3	885.3	431.2	39.5	921.2	(35.9)	940.8
EL	2.5	3.3	2.4	6.7	6.7	6.7	2.4	-0-	4.9	1.8	5.5
TRACTUAL SVCS.	362.5	81.1	80.8	67.3	67.3	67.3	27.6	10.2	75.6	(8.3)	97.8
MODITIES	74.8	98.5	91.9	102.0	102.0	102.0	38.0	6.1	82.8	19.2	108.1
IPMENT	13.4	3.0	2.3	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5.0
DS/BUILDING											
NTS, CLAIMS	16.2	9.4	8.7	8.9	8.9	8.9	4.5	-0-	9.0	(.1)	11.0
CELLANEOUS											
TOTAL	1120.5	1087.9	1076.8	1070.2	1070.2	1070.2	503.7	55.8	1093.5	(23.3)	1168.
ERAL RECEIPTS											
UIRED GF MATCH											
ERAL FUND	1120.5	1087.9	1076.8	1070.2	1070.2	1070.2	503.7	55.8	1093.5	(23.3)	1168.
ERAGENCY RECEIPT											

DRU: ADULT CONFINEMENT COMPONENT: MEADOW CRK. CORR CENTER REVISED: 1/27/83

3-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
RSONAL SVCS.	571.6	629.4	627.6	690.1	690.1	690.1	325.2	29.7	739.6	⟨ 49.5 ⟩	773.5
VEL	11.8	31.2	29.8	9.2	9.2	9.2	12.3	5.7	24.3	⟨ 15.1 ⟩	14.5
NTRACTUAL SVCS.	98.0	23.5	20.1	57.7	77.8	77.8	29.0	8.4	58.1	19.7	86.
MODITIES	80.3	98.6	94.5	78.6	78.6	78.6	63.4	3.5	108.3	⟨ 29.7 ⟩	84.
UIPMENT	6.9	29.1	24.0	6.5	6.5	6.5	7.6	-0-	24.8	⟨ 18.3 ⟩	24.
DS/BUILDING											
NTS, CLAIMS	6.6	7.1	6.4	7.1	7.1	7.1	3.9	-0-	9.0	⟨ 1.9 ⟩	7.5
SCELLANEOUS											
TOTAL	775.2	818.9	802.4	849.2	869.3	869.3	441.4	47.3	964.1	⟨ 94.8 ⟩	991
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	775.2	818.9	802.4	849.2	869.3	869.3	441.4	47.3	964.1	⟨ 94.8 ⟩	991
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: WOMEN CORR. CENTER REVISED: 1/27/83

)G-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.		185.7	183.6	367.1	367.1	367.1	206.9	18.7	461.6	(94.5)	469.
AVEL		6.7	5.1	10.7	10.7	10.7	3.9	.9	15.7	(5.0)	16.
NTRACTUAL SVCS.		34.2	32.2	198.1	198.1	198.1	18.7	-0-	135.4	62.7	155.
MMODITIES		19.6	18.3	85.0	85.0	85.0	10.9	3.3	53.0	32.0	62
UIPMENT		8.1	4.4	-0-	-0-	-0-	.1	---	7.0	(7.0)	-0
NDS/BUILDING											
ANTS, CLAIMS		1.2	-0-	13.8	13.8	13.8	.1	-0-	2.0	11.8	2
SCELLANEOUS											
TOTAL	-0-	255.5	243.6	674.7	674.7	674.7	240.6	22.9	674.7	-0-	80
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	-0-	255.5	243.6	674.7	674.7	674.7	240.6	22.9	674.7	-0-	70
NTERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: JOHNSON CENTER REVISED: 1/27/83

G-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.				1513.7	1513.7	1513.7	59.7	25.0	1583.2	(69.5)	2725.
AVEL				10.0	10.0	10.0	-0-	-0-	11.8	(1.8)	18.
NTRACTUAL SVCS.				328.6	328.6	328.6	12.5	7.1	321.0	7.6	576.
MMODITIES				333.2	333.2	333.2	108.0	40.0	362.0	(28.8)	657.
UIPMENT				100.0	100.0	100.0	15.8	14.4	82.4	17.6	-0-
NDS/BUILDING											
ANTS, CLAIMS				65.0	65.0	65.0	-0-		59.6	5.4	68.
SCELLANEOUS											
TOTAL	-0-	-0-	-0-	2350.5	2350.5	2350.5	196.0	86.5	2420.0	(69.5)	4017
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	-0-	-0-	-0-	2350.5	2350.5	2350.5	196.0	86.5	2420.0	(69.5)	4017
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: COOK INLET PRETRIAL FACILITY REVISED: 1/27/83

G-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.		670.1	668.9	1111.0	1111.0	1111.0	774.6	68.9	1131.2	(20.2)	
AVEL		3.2	1.8	4.3	4.3	4.3	2.3	.4	4.1	.2	
NTRACTUAL SVCS.		51.2	48.6	90.3	90.3	90.3	33.7	2.4	53.0	37.3	
MMODITIES		115.5	112.1	96.8	96.8	96.8	175.2	-0-	290.1	(193.3)	
UIPMENT		35.7	37.2	2.0	2.0	2.0	2.5	-0-	2.5	(.5)	
NDS/BUILDING		1.0									
ANTS, CLAIMS		7.4	6.7	7.4	7.4	7.4	8.2	-0-	12.0	(4.6)	
SCELLANEOUS											
TOTAL	-0-	884.1	875.3	1311.8	1311.8	1311.8	996.5	71.7	1492.9	(181.1)	-0-
DERAL RECEIPTS											
QUIRED GF MATCH											
ERAL FUND	-0-	884.1	875.3	1311.8	1311.8	1311.8	996.5	71.7	1492.9	(181.1)	-0-
NTERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: RIDGEVIEW MEN'S FACILITY REVISED: 1/27/83

5-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
RSONAL SVCS.	173.6	450.1	449.1	587.2	587.2	587.2	283.3	26.5	629.4	(42.2)	
VEL	4.1	69.5	58.9	5.0	5.0	5.0	6.9	.6	16.6	(11.6)	
TRACTUAL SVCS.	181.4	546.6	541.9	1064.7	383.2	383.2	347.5	10.0	451.5	(68.3)	
MODITIES	6.9	14.4	15.7	3.0	3.0	3.0	1.1	-0-	1.3	1.7	
IPMENT			.2								
DS/BUILDING											
NTS, CLAIMS		24.6	20.0				4.0	-0-	4.0	(4.0)	
SCELLANEOUS											
TOTAL	366.0	1105.2	1085.8	1659.9	978.4	978.4	642.8	37.1	1102.8	(124.4)	0
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	366.0	1105.2	1085.8	1659.9	978.4	978.4	642.8	37.1	1102.8	(124.4)	-0
TERAGENCY RECEIPT											

DRU: ADULT CONFINEMENT COMPONENT: STATEWIDE SERVICES REVISED: 1/27/83

5-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
SONAL SVCS.		49.5	48.8	150.9	150.9	190.7	53.0	15.0	158.5	32.2	226.8
VEL		3.8	2.5	3.7	3.7	25.5	6.7	1.4	15.2	10.3	3.9
TRACTUAL SVCS.		7.1	5.8	4.4	4.4	15.3	2.6	.8	15.2	.1	4.7
MODITIES		.6	1.0	1.2	1.2	101.2	.4	-0-	101.2	-0-	1.3
IPMENT		1.3	1.2			150.0	-0-	-0-	150.0	-0-	
DS/BUILDING											
NTS, CLAIMS						33.0	-0-	-0-	33.0	-0-	
CELLANEOUS											
TOTAL	-0-	62.3	59.3	160.2	160.2	515.7	62.7	17.2	473.1	42.6	6.
ERAL RECEIPTS											
UIRED GF MATCH											
ERAL FUND	-0-	62.3	59.3	160.2	160.2	515.7	62.7	17.2	473.1	42.6	236.
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: CORRECTIONS INDUSTRIES REVISED: 1/27/83

G-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
RSONAL SVCS.											
AVEL	16.2	16.9	15.9	23.0	23.0	23.0	.3	.3	23.0	-0-	24.4
NTRACTUAL SVCS.	2309.8	2460.9	2438.8	3822.2	3822.2	3822.2	1248.0	315.4	3042.6	779.6	3786.1
MMODITIES		1.9	7.2				2.1	4.0	12.0	(12.0)	12.7
UIPMENT											
NDS/BUILDING											
ANTS, CLAIMS	1.8										
SCELLANEOUS											
TOTAL	2327.8	2479.7	2461.9	3845.2	3845.2	3845.2	1250.4	319.7	3077.6	767.6	3823.
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	2327.8	2479.7	2461.9	3845.2	3845.2	3845.2	1250.4	319.7	3077.6	767.6	3823
NTERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: OUT-OF-STATE CONTRACTUAL REVISED: 1/27/83

5-VH

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
RSONAL SVCS.	286.6	294.3	294.3	270.8	270.8	270.8	151.4	12.5	330.2	(59.4)	276.1
AVEL	1.4	3.8	2.4	7.3	7.3	7.3	.5	-0-	3.0	4.3	3.2
NTRACTUAL SVCS.	423.9	897.5	780.7	122.5	122.5	128.5	436.6	31.5	1508.5	(1380.0)	1196.
MMODITIES	8.7	86.9	87.4	35.8	21.1	21.1	48.5	13.7	129.3	(108.2)	90.9
UIPMENT	8.8	2.5	1.5								
NDS/BUILDING											
NTS, CLAIMS	325.1	405.0	281.5	1033.0	1033.0	1033.0	100.0	-0-	111.7	921.3	
SCELLANEOUS											
TOTAL	1054.5	1690.0	1447.8	1469.4	1454.7	1460.7	737.0	57.7	2082.7	(622.0)	1566.
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	1054.5	1690.0	1447.8	1469.4	1454.7	1460.7	737.0	57.7	2082.7	(622.0)	1566.
TERAGENCY RECEIPT											

BRU: ADULT CONFINEMENT COMPONENT: MAJOR MEDICAL & GUARD HIRE REVISED: 1/27/83

G-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.	167.3	398.1	386.6	402.1	402.1	460.1	226.8	20.9	462.6	(2.5)	476.
AVEL	5.7	14.1	11.8	20.0	20.0	28.3	6.8	1.0	29.0	(.7)	30.
NTRACTUAL SVCS.	23.4	34.9	37.1	30.3	30.3	35.8	20.1	2.3	41.9	(6.1)	37.
MMODITIES	2.8	4.5	3.7	2.9	2.9	4.3	1.7	.2	5.4	(1.1)	4.
UIPMENT	.8	5.9	6.1	5.0	5.0	7.8	3.9	1.7	7.3	.5	
NDS/BUILDING	18.9										
ANTS, CLAIMS											
SCELLANEOUS											
TOTAL	218.9	457.5	445.3	460.3	460.3	536.3	259.3	26.1	546.2	(9.9)	548.
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	218.9	457.5	445.3	460.3	460.3	536.3	259.3	26.1	546.2	(9.9)	548.
TERAGENCY RECEIPT											

BRU: PROBATION & COMMUNITY PROGRAMS COMPONENT: ADULT PROBATION FIRST JUDICIAL DIST REVISED: 1/27/83

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATIO
AL SVCS.		132.0	131.3	139.2	139.2	200.3	64.2	10.0	183.2	17.1	240.3
		25.5	22.5	20.4	20.4	37.0	16.4	.3	33.4	3.6	35.4
CTUAL SVCS.		9.5	8.5	13.8	13.8	34.7	17.8	1.0	30.3	4.4	32.3
ITIES		1.8	1.1	1.0	1.0	2.6	.3	.4	3.6	(1.0)	2.8
ENT		2.0	1.0	1.2	1.2	6.7	3.0	- -	3.2	3.5	
BUILDING											
CLAIMS											
ANEOUS											
L	-6-	170.8	164.4	175.6	175.6	281.3	101.7	11.7	253.7	27.6	310.8
RECEIPTS											
GF MATCH											
FUND	-0-	170.8	164.4	175.6	175.6	281.3	101.7	11.7	253.7	27.6	310.8
NCY RECEIPT											

BRU: PROBATION & COMMUNITY PROGRAMS COMPONENT: ADULT PROBATION SECOND JUDICIAL DIST REVISED: 1/27/83

5-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
RSONAL SVCS.	942.5	1180.6	1179.1	1165.7	1165.7	1206.2	596.7	56.7	1205.1	1.1	1231.0
VEL	16.6	41.5	37.7	25.0	25.0	26.3	7.8	-0-	26.3	-0-	27.9
NTRACTUAL SVCS.	120.9	103.3	110.0	115.7	115.7	119.3	54.8	4.0	115.8	3.5	115.4
MODITIES	9.9	21.1	19.0	11.8	11.8	12.4	5.1	.7	17.0	(4.6)	16.9
IPMENT	1.8	4.2	2.9			1.2	.9		1.2	-0-	
DS/BUILDING	14.1										
NTS, CLAIMS											
SCELLANEOUS											
TOTAL	1105.8	1350.7	1348.7	1318.2	1318.2	1365.4	665.3	61.4	1365.4	-0-	1391.
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	1105.8	1350.7	1348.7	1318.2	1318.2	1365.4	665.3	61.4	1365.4	-0-	1391.
TERAGENCY RECEIPT											

BRU: PROBATION & COMMUNITY PROGRAMS COMPONENT: ADULT PROBATION THIRD JUDICIAL DIST REVISED: 1/27/83

5-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUATI
SONAL SVCS.	427.3	562.4	561.4	620.9	620.9	666.9	307.4	27.6	692.3	(25.4)	679.7
VEL	32.1	35.6	41.6	32.1	32.1	33.4	16.2	.3	33.4	-0-	35.4
TRACTUAL SVCS.	81.2	82.6	79.2	65.8	65.8	69.4	53.7	4.2	76.8	(7.4)	65.7
MODITIES	7.9	9.3	8.4	7.6	7.6	8.2	3.2	.6	9.0	(.8)	9.3
IPMENT	1.3	27.5	26.8			1.2	1.1		1.2	-0-	
DS/BUILDING											
NTS, CLAIMS											
SCELLANEOUS											
TOTAL	549.8	721.4	717.4	726.4	726.4	779.1	381.6	32.7	812.7	(33.6)	790.
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	549.8	721.4	717.4	726.4	726.4	779.1	381.6	32.7	812.7	(33.6)	790.
TERAGENCY RECEIPT											

BRU: PROBATION & COMMUNITY PROGRAMS COMPONENT: ADULT PROBATION FOURTH JUDICIAL DIST REVISED: 1/27/83

6-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.	257.3	325.0	324.3	305.0	305.0	434.6	164.3	14.4	410.8	23.8	1050.
AVEL	2.9	9.1	7.7	6.5	6.5	6.5	6.2	1.7	14.9	(8.4)	12.
NTRACTUAL SVCS.	693.1	1263.3	1160.4	1650.5	1650.5	1520.9	550.9	110.6	1635.0	(114.1)	1852.
MMODITIES	3.2	3.7	2.2	4.0	4.0	4.0	.9	- -	2.3	1.7	15.
UIPMENT	9.2	3.8	.2				12.2		12.2	(12.2)	
NDS/BUILDING											
NTS, CLAIMS		385.9	385.2				2.1		9.0	(9.0)	9.
SCELLANEOUS											
TOTAL	965.7	1990.8	1880.0	1966.0	1966.0	1966.0	736.7	126.7	2084.2	(118.2)	40
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	965.7	1990.8	1880.0	1966.0	1966.0	1966.0	736.7	126.7	2084.2	(118.2)	2940
NTERAGENCY RECEIPT											

BRU: PROBATION + COMMUNITY PROGRAMS COMPONENT: COMMUNITY BASED PROGRAMS REVISED: 1/27/83

006-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	1
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINU
PERSONAL SVCS.	1077.3	1026.2	1013.0	1026.4	1026.4	1069.8	452.3	40.7	1056.8	13.0	119
TRAVEL	59.3	65.0	66.5	78.8	78.8	78.8	68.9	3.0	156.4	(77.6)	8
CONTRACTUAL SVCS.	242.9	527.7	528.2	236.9	236.9	236.9	67.4	2.6	218.3	18.6	33
COMMODITIES	28.8	25.8	23.5	16.9	16.9	16.9	9.1	.8	21.9	(5.0)	1
EQUIPMENT	11.9	54.3	41.1	5.0	5.0	5.0	1.1	.2	5.0	-0-	
LANDS/BUILDING											
GRANTS, CLAIMS											
MISCELLANEOUS											
TOTAL	1420.2	1699.0	1671.3	1364.0	1364.0	1407.4	598.8	47.3	1458.4	(51.0)	16
FEDERAL RECEIPTS											
REQUIRED GF MATCH											
GENERAL FUND	1420.2	1699.0	1671.3	1364.0	1364.0	1407.4	598.8	47.3	1458.4	(51.0)	16.2
INTERAGENCY RECEIPT											

BRU: CORRECTIONS ADMINISTRATION & SUPPORT COMPONENT: DIRECTOR'S OFFICE REVISED: 1/27/83

6-VW

August 23, 1982

FY 83 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 81 ACTUAL	FY 82 FINAL AUTH.	FY 82 ACTUAL	FY 83 GOV. BUDGET	FY 83 INITIAL AUTH.	FY 83 CURRENT AUTH.	FY 83 EXPENDITURES + ENCUMBRANCES 7/1/to 12/31/82	FY 83 OTHER OBLIGATIONS 7/1/to 12/31/82	FY 83 PROJECTED EXPENDITURES + ENCUMBRANCES TO 6/30	FY 83 (DEFICIT) OR EXCESS	FY 84 CONTINUAT
RSONAL SVCS.		78.7	72.6	203.5	203.5	160.1	74.9	6.3	149.8	10.3	150.5
AVEL		15.0	13.5	27.2	27.2	27.2	9.3	.7	17.2	10.0	18.2
NTRACTUAL SVCS.		18.0	11.0	43.0	43.0	43.0	13.4	1.8	49.0	(6.0)	51.
MMODITIES		5.3	6.4	7.4	7.4	7.4	11.7		28.0	(20.6)	12.1
UIPMENT											
NDS/BUILDING											
ANTS, CLAIMS											
SCELLANEOUS											
TOTAL	—	117.0	103.5	281.1	281.1	237.7	109.3	8.8	244.0	(6.3)	2
DERAL RECEIPTS											
QUIRED GF MATCH											
NERAL FUND	—	117.0	103.5	281.1	281.1	237.7	109.3	8.8	244.0	(6.3)	232
TERAGENCY RECEIPT											

BRU: CORRECTIONS ADMINISTRATION / SUPPORT COMPONENT: CAREER ENHANCEMENT / TRAINING REVISED: 1/27/83

CLEARY LAWSUIT (IMMEDIATE SETTLEMENT)

The preliminary settlement in the Cleary vs. Beirne suit requires that the Division take certain actions by December 9, 1982.

These actions include increased recreational opportunities, increased visitation, food service reforms etc.

The following outline lists the resources required, on a statewide basis, to allow the Division to come into compliance.

Cleary Lawsuit (Immediate Settlement)
12/1 to 6/30/83

Assistant Superintendent	2,894 x 5	$ 14,470
Program Coordinator (Ed/Couns Prgms)	3,249 x 5	16,245
Criminal Justice Planner I (Suprv Pop Mgmt)	3,475 x 5	17,375
Clerk Typist III	1,530 x 5	7,650
Correctional Officer III	2,295 x 5 x 4	45,900
Correctional Officer III (Fairbanks)	2,639 x 5	13,195
Correctional Officer III (Nome)	3,041 x 5	15,205
Correctional Officer III (Palmer)	2,379 x 5	11,895
* Correctional Officer II (Fairbanks)	2,379 x 5 x 2	23,790
		$165,725
Benefits		63,114
Total Salaries 13 Permanent Full Time Positions		$228,839
Travel		$ 10,000
Contractual Services		11,000
Commodities		7,500
Equipment		41,000
		$ 69,500
Total Estimated Costs		$298,339

* These positions have been requested in the FY'84 budget.

1.	POSITION TITLE Assistant Correctional Superintendent			RANGE/STEP 10/A	ORG. UNIT S	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL		ADDITION	XX
4.	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
	PERSONAL SERVICES			
5.	Salary 12.894		14,470	
6.	Benefits		3,807*	
7.	Supplemental Benefits		887	
8.	Fixed Benefits		915	
9.	TOTAL PERSONAL SERVICES	01		20,079
10.	Travel	02		5,000
11.	Contractual	03		500
12.	Commodities	04		400
13.	Equipment	05		
14.	Other			
15.	TOTAL COST			25,979

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	25,979
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR OMB USE ONLY
OA KEY NUMBER __ __ - __ __ - __ __ - __ __ = __ __

JUSTIFICATION

This position will provide monitoring, on a statewide basis, for compliance with the Cleary settlement agreement.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Corrections Administration & Support

COMPONENT Directors Office

Revised Date

FY 8

1.	POSITION TITLE Program Coordinator			RANGE/STEP 20/A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISA
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION	XX					

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary $3,249	16,245	
6.	Benefits	2,705	
7.	Supplemental Benefits	995	
8.	Fixed Benefits	915	
9.	TOTAL PERSONAL SERVICES 01		20,861
10.	Travel 02		2,000
11.	Contractual 03		500
12.	Commodities 04		400
13.	Equipment 05		
14.	Other		
15.	TOTAL COST		23,761

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	23,761
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR OMB USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position will be responsible, on a statewide basis, fo institutional programs such as education and contract negotiation relating to those programs.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

DRU Corrections Administration & Support

COMPONENT Directors Office

Revised Date

FY 8

	POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISA
1.	Criminal Justice Planner I				21/A	G				
2.	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
	PFT	5				Anchorage				
3.	CONTINUATION LEVEL		ADDITION	XX						
4.	TYPE OF EXPENDITURE			AMOUNT						
	1		2	3						
	PERSONAL SERVICES									
5.	Salary $3,475		17,375							
6.	Benefits		2,093							
7.	Supplemental Benefits		1,065							
8.	Fixed Benefits		915							
9.	TOTAL PERSONAL SERVICES	01		22,248						
10.	Travel	02		3,000						
11.	Contractual	03		500						
12.	Commodities	04		400						
13.	Equipment	05								
14.	Other									
15.	TOTAL COST			26,148						

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	26,148
19.		I-A Receipts	1005	
20.		Program Receipts	1020	
21.		Other		

FOR OSH USE ONLY
HA KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

Responsible on a statewide basis for inmate population control and movement of the population amongst the various institutions and the Federal Bureau of Prisons.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Corrections Administration & Support

COMPONENT Directors Office

Revised Date

FY

1.	POSITION TITLE Clerk Typist III				RANGE/STEP 8/B	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV. DISA
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL		ADDITION	XX					

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary $1,530	7,650	
6.	Benefits	1,274	
7.	Supplemental Benefits	469	
8.	Fixed Benefits	915	
9.	TOTAL PERSONAL SERVICES	01	10,308
10.	Travel	02	
11.	Contractual	03	3,000
12.	Commodities	04	400
13.	Equipment	05	10,000
14.	Other		
15.	TOTAL COST		23,708

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	23,708
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR OMB USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

Will provide clerical support to the compliance, program and population managers.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Corrections Administration & Support

COMPONENT Directors Office

Revised Date

FY 8

1.	POSITION TITLE: Correctional Officer III				RANGE/STEP: 15/A	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISA
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 5	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION	XX						
4.	TYPE OF EXPENDITURE			AMOUNT						
	1		2	3						
	PERSONAL SERVICES									
5.	Salary $2,295		11,475							
6.	Benefits		3,018*							
7.	Supplemental Benefits		703							
8.	Fixed Benefits		915							
9.	TOTAL PERSONAL SERVICES	01		16,111						
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST			16,111						

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	16,111
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR O&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide on-site supervision and monitoring for compliance with the Cleary settlement agreement.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Adult Confinement

COMPONENT Anchorage State Correctional Center

Revised Date

FY 8

1.	POSITION TITLE: Correctional Officer III			RANGE/STEP: 15/A	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISA
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 5	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION: XX						

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary $2,295	11,475	
6.	Benefits	3,018*	
7.	Supplemental Benefits	703	
8.	Fixed Benefits	915	
9.	TOTAL PERSONAL SERVICES	01	16,111
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		16,111

	RECEIPT CODE	FUNDING SOURCE		AMOUNT
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	16,111
19.		I-A Receipts	1005	
20.		Program Receipts	1020	
21.		Other		

FOR O&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide on-site supervision and monitori
for compliance with the Cleary settlement agreement.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Adult Confinement

COMPONENT Ridgeview Men's Facility

Revised Date

FY 8

	POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	COV.	APPROV.	DISA
1.	Correctional Officer III				15/A	G				
2.	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
	PFT	5				Juneau				

3.	CONTINUATION LEVEL		ADDITION	XX

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary $2,295	11,475	
6.	Benefits	3,018*	
7.	Supplemental Benefits	703	
8.	Fixed Benefits	915	
9.	TOTAL PERSONAL SERVICES	01	16,111
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		16,111

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	16,111
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR OMB USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide on-site superivison and monitoring for compliance with the Cleary settlement agreement.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Adult Confinement

COMPONENT Juneau Correctional Center

Revised Date

FY

1.	POSITION TITLE: Maintenance Mechanic WG II				RANGE/STEP: 52/A	BARG. UNIT: L	FORM 12 PAGE/LINE	GOV.	APPROV. / DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 5	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Eagle River	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL		ADDITION	X					

4. TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES		
5.	Salary 2,496	12,480	
6.	Benefits	2,078	
7.	Supplemental Benefits	765	
8.	Fixed Benefits	850	
9.	TOTAL PERSONAL SERVICES	01	16,173
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		16,173

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	16,173
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR O&M USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position is required to operate/maintain the sewage treatment plant that services the Hiland Mountain/Meadow Creek Correctional Center. Department of Environmental Conservation will not issue a certificate of operation without a fully trained person to operate/maintain the treatment plant.

13 REQUEST FOR NEW POSITION

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Adult Confinement

COMPONENT Hiland Mountain Correctional Center

Page 1 of 1

Revised Date

FY 84

01-1156 (7/82) - 13

CAREER ENHANCEMENT TRAINING

The correctional officer training academy is operating on a near continual basis and based on the proposed training schedule, will continue to do so.

All out-of-town personnel will be provided room and board at the Careage House facility at a substantial cost saving over what it would cost to have personnel on a per diem basis. Presently the division expends $1,800 per employee for each three week training academy on a per diem basis. Providing room and board will require the division to pay only $330 per employee.

This position will utilize existing kitchen facilities for providing meals to personnel quartered at Careage House.

Career Enhancement Training
2/1 to 6/30/83

Cook IV	$2,332 X 5	$11,660
Benefits		3,506
Total Estimated Cost 1 Permanent Full Time Position		$15,166

1.	POSITION TITLE Cook IV			RANGE/STEP 53/A	BARG. UNIT L	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION X	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	11,660	
6.	Benefits	1,941	
7.	Supplemental Benefits	715	
8.	Fixed Benefits	850	
9.	TOTAL PERSONAL SERVICES	01	15,166
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		15,166

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		C.F. Match 1003	
18.		General Funds 1004	15,166
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

Conversion of Careage House to a training center/office complex will allow the Division to house all trainees on site at less cost than having them on per diem status. This position will utilize the existing kitchen facilities and provide meal service for trainees.

13 REQUEST FOR NEW POSITION

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Corrections Administration & Support

COMPONENT Career Enhancement Training

Page 1 of 1

Revised Date

FY 84

FAIRBANKS CORRECTIONAL CENTER

The configuration of the 56 bed modular unit is such that a single security post is not adequate to provide sight and sound coverage of the entire unit. It is therefore necessary to establish a second 24 hour/day, 7 day/week security post. A security post is a position/function that must be staffed three shifts per day every day of the year for a total of 1,095 eight hour shifts per year. These positions will provide that coverage.

The funding below provides for staff and necessary support resources to operate for the remainder of FY'83.

Fairbanks Correctional Center
2/1 to 6/30/83

Correctional Officer II	2,379 X 5 X 5	$ 59,475
Correctional Officer Overtime		9,770
Correctional Officer Shift Differential		1,450
Benefits		27,500
Total Salaries 5 Permanent Full Time Positions		$ 98,195
Travel		$ 5,000
Commodities		700
		$ 5,700
Total Estimated Costs		$103,895

1.	POSITION TITLE Correctional Officer II (5)			RANGE/STEP 13/B	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 25	RP NUMBER	PCN NUMBER	GRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION	X
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		O.T.$9,770 Shift Diff.1,450
5.	Salary	59,475	
6.	Benefits	18,590*	
7.	Supplemental Benefits	4,335	
8.	Fixed Benefits	7,575	
9.	TOTAL PERSONAL SERVICES	01	98,195
10.	Travel	02	5,000
11.	Contractual	03	
12.	Commodities	04	700
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		103,895

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	103,895
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

The configuration of the 56-bed modular unit is such that a single security post is not adequate to provide sight and sound coverage of the unit. It is therefore necessary to establish a second 24 hour/day, 7 day/week security post. These positions will provide that coverage.

Single position costs:

Salary	$11,895
Overtime	1,954
Shift Differential	290
Peace Office Ret.	1,364
Variable Benefits	2,354
SBS	867
Health Insurance	915
	$19,639
Travel for Academy	1,000
Uniforms	140
Total Cost	$20,779

13 REQUEST FOR NEW POSITION

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Adult Confinement

COMPONENT Fairbanks Correctional Center

Page 1 of 1

Revised Date

FY 84

01-1136 (7/82) - 13

PALMER CORRECTIONAL CENTER

The original staffing authorized to operate the medium custody facility at Palmer is not adequate. This reduced staff does not allow the assignment of officers to the individual housing units. This lack of security coverage has resulted in escapes, damage to the facility and inmates doing harm to one another. Security must be increased to protect the public, inmate and the facility.

The counseling staff is also inadequate to provide service to all inmates at the facility.

Palmer Correctional Center
2/1 to 6/30/83

Correctional Officer II	2145 X 5 X 9	$ 96,525
Probation Officer II	2256 X 5 X 2	22,560
		$119,085
Correctional Officer Overtime		2,619
Correctional Officer Shift Differential		1,035
Benefits		47,774
Total Salaries 11 Permanent Full Time Positions		$170,513
Travel		$ 1,350
Commodities		2,150
Equipment		2,000
		$ 5,500
Total Estimated Costs		$176,013

1.	POSITION TITLE: Correctional Officer II (9)			RANGE/STEP: 13/B	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 45	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Palmer	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION: X	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		OT $2,619 Shift Diff.1,035
5.	Salary	96,525	
6.	Benefits	26,415*	
7.	Supplemental Benefits	6,156	
8.	Fixed Benefits	8,235	
9.	TOTAL PERSONAL SERVICES 01		140,985
10.	Travel 02		1,350
11.	Contractual 03		
12.	Commodities 04		1,350
13.	Equipment 05		
14.	Other		
15.	TOTAL COST		143,685

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	143,685
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

These positions will provide security coverage for inmates housed in the Palmer Medium Facility.

Single Position Costs:

Salary	$10,725
Overtime	291
Shift Differential	115
Peace Officer Ret.	1,077
Variable Benefits	1,858
SBS	684
Health Insurance	915
	$15,665
Travel	150
Commodities	150
	$15,965

13 REQUEST FOR NEW POSITION

AGENCY: Health & Social Services

PROGRAM: Offender Confinement, Reformation & Supervision

BRU: Adult Confinement

COMPONENT: Palmer Correctional Center

Revised Date

FY 84

01-1136 (7/82) - 13

1.	POSITION TITLE: Probation Officer II (2)			RANGE/STEP: 16/A	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV. / DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 10	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Palmer	ELECTION DISTRICT	LEG.

3.	CONTINUATION LEVEL		ADDITION	X
4.	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
	PERSONAL SERVICES			
5.	Salary		22,560	
6.	Benefits		3,756	
7.	Supplemental Benefits		1,382	
8.	Fixed Benefits		1,830	
9.	TOTAL PERSONAL SERVICES	01		29,528
10.	Travel	02		
11.	Contractual	03		
12.	Commodities	04		800
13.	Equipment	05		2,000
14.	Other			
15.	TOTAL COST			32,328

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	32,328
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR O&M USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

These positions will provide counseling services for inmates incarcerated in the Palmer Medium Facility.

Single Position Costs:

Salary	$11,280
Variable Benefits	1,878
SBS	691
Health Insurance	915
	$14,764
Commodities	400
Equipment	1,000
	$16,164

13 REQUEST FOR NEW POSITION

AGENCY: Health and Social Services

PROGRAM: Offender Confinement, Reformation & Supervision

BRU: Adult Confinement

COMPONENT: Palmer Correctional Center

Revised Date

FY 84

01-1136 (7/82) - 13

DIRECTOR'S OFFICE

With the movement of the Division's training academy and Anchorage Central Office functions to Careage House, it is necessary to provide 24 hour/day, 7 day/week building security. These positions will provide that coverage as well as supervision of cleaning crews and central information services for the Criminal Justice system via AJIS and OBSCIS.

Director's Office
2/1 to 6/30/83

Correctional Officer II	$2,073 X 5 X 5	$51,825
Correctional Officer Overtime		8,615
Correctional Officer Shift Differential		500
Benefits		24,335
Total Salaries 5 Permanent Full Time Positions		$85,275
Commodities		$ 750
Total Estimated Costs		$86,025

1.	POSITION TITLE: Correctional Officer II (5)			RANGE/STEP: 13/B	BARG UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 25	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION: X						

4.	TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES			O.T. $8,615 Shift Diff.$ 500
5.	Salary		51,825	
6.	Benefits		16,025*	
7.	Supplemental Benefits		3,735	
8.	Fixed Benefits		4,575	
9.	TOTAL PERSONAL SERVICES	01		85,275
10.	Travel	02		
11.	Contractual	03		
12.	Commodities	04		750
13.	Equipment	05		
14.	Other			
15.	TOTAL COST			86,025

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	86,025
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

With the movement of the Division's training academy and Anchorage Central Office functions to Carcage House, it is necessary to provide 24 hour/day, 7 day/week building security. These positions will provide that coverage as well as supervision of cleaning crews and central information center services for AJIS and OBSCIS.

Single Position Cost:

Salary	$10,365
Overtime	1,723
Shift Differential	100
Peace Officer Ret.	1,176
Variable Benefits	2,029
SBS	747
Health Insurance	915
	$17,055
Commodities	150
	$17,205

13 REQUEST FOR NEW POSITION

AGENCY: Health and Social Services

PROGRAM: Offender Confinement, Reformation & Supervision

BRU: Corrections Administration & Support

COMPONENT: Director's Office

Revised Date

FY 84

01-1136 (7/82) - 13

1.	POSITION TITLE: Probation Officer IV			RANGE/STEP: 20/A	BARG. UNIT: S	FORM 12 PAGE/LINE	GOV.	APPROV. / DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 3	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.
3.	CONTINUATION LEVEL		ADDITION: X					

4. TYPE OF EXPENDITURE			AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 43369	9,927	
6.	Benefits	1,653	
7.	Supplemental Benefits	609	
8.	Fixed Benefits	549	
9.	TOTAL PERSONAL SERVICES	01	12,738
10.	Travel	02	1,000
11.	Contractual	03	2,330
12.	Commodities	04	300
13.	Equipment	05	2,500
14.	Other		
15.	TOTAL COST		18,868

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	18,868
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR DOR USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide supervision of the Field Misdemeanant Unit

13 REQUEST FOR NEW POSITION

AGENCY: Health and Social Services

PROGRAM: Offender Confinement, Reformation & Supervision

DRU: Probation & Community Based Programs

COMPONENT: Community Based Programs

Revised Date

FY 8

POSITION TITLE	RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP
Probation Officer III (2)	18/A	G				

TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
PFT	6				Anchorage				

CONTINUATION LEVEL [ ] ADDITION [X]

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
Salary	17,020	
Benefits	2,035	
Supplemental Benefits	1,044	
Fixed Benefits	1,098	
TOTAL PERSONAL SERVICES	01	22,005
Travel	02	2,000
Contractual	03	4,630
Commodities	04	400
Equipment	05	5,000
Other		
TOTAL COST		34,035

RECEIPT CODE	FUNDING SOURCE	
	Federal Receipts 1002	
	G.F. Match 1003	
	General Funds 1004	34,035
	I-A Receipts 1005	
	Program Receipts 1020	
	Other	

FOR OMB USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

These positions will provide supervision of sections within the Field Misdemeanant Unit.

Single position costs:

Salary	$ 8,514
Benefits	2,488
Travel	1,000
Contractual	2,315
Commodities	200
Equipment	2,500
	$17,017

13 REQUEST FOR NEW POSITION

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Probation & Community Based Programs

COMPONENT Community Based Programs

Revised Date

FY 8

	POSITION TITLE				RANGE/STEP	SALARY UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAP
1.	Clerk Typist III (4)				8/B	G				
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION: X							

4. TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
5. Salary	18,360	
6. Benefits	3,057	
7. Supplemental Benefits	1,125	
8. Fixed Benefits	2,196	
9. TOTAL PERSONAL SERVICES	01	24,738
10. Travel	02	
11. Contractual	03	9,260
12. Commodities	04	800
13. Equipment	05	10,000
14. Other		
15. TOTAL COST		44,798

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	44,798
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR OMB USE ONLY
AA KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

These positions will provide clerical support for the Field Misdemeanant Unit.

Single position costs:

Salary	$ 4,590
Benefits	1,594
Contractual	2,315
Commodities	200
Equipment	2,500
	$11,199

13 REQUEST FOR NEW POSITION

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Probation & Community Based Programs

COMPONENT Community Based Programs

Revised Date

FY 8

	POSITION TITLE		RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV	APPROV.	DISAPP
	Probation Officer II (12)		16/A	G				
2.	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
	PFT	36				Anchorage				
3.	CONTINUATION LEVEL		ADDITION	X						
4.	TYPE OF EXPENDITURE			AMOUNT						
	1		2	3						
	PERSONAL SERVICES									
5.	Salary		88,668							
6.	Benefits		14,763							
7.	Supplemental Benefits		5,435							
8.	Fixed Benefits		6,588							
9.	TOTAL PERSONAL SERVICES	01		115,454						
10.	Travel	02		12,000						
11.	Contractual	03		27,780						
12.	Commodities	04		2,400						
13.	Equipment	05		30,000						
14.	Other									
15.	TOTAL COST			187,634						

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	187,634
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	
--			

FOR OMB USE ONLY
AA KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

These positions will provide supervision of inmates released to community programs and pre-sentence reporting for the court system.

Single position costs:

Salary	$ 7,389.
Benefits	2,232
Travel	1,000
Contractual	2,315
Commodities	200
Equipment	2,500
	$15,636

13 REQUEST FOR NEW POSITION

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Probation & Community Based Programs

COMPONENT Community Based Programs

Revised Date

FY 8

CENTRAL INTAKE SYSTEM
(3RD AVENUE DIVERSION UNIT)

This unit will provide services to divert those persons that can be diverted to community programs rather than being incarcerated.

The funding shown below will provide the resources to operate this diversion unit.

DIVERSION UNIT
4/1 to 6/30/83

Probation Officer III	2,838 x 3	8,514
Clerk Typist III	1,530 x 3	4,590
Probation Officer II	2,463 x 3 x 4	29,556
		$42,660
Benefits		13,012
Total Salaries 6 Permanent Full Time Positions		$55,672
Travel		$ 5,000
Contractual Services		2,000
Commodities		2,100
Equipment		15,000
		$24,100
Total Estimated Costs		$79,772

POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP
Probation Officer III				10/A	G				
TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
PFT	3				Anchorage				

CONFIRMATION LEVEL | | ADDITION | X

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
Salary $2,030	8,514	
Benefits	1,410	
Supplemental Benefits	522	
Fixed Benefits	549	
TOTAL PERSONAL SERVICES 01		11,003
Travel 02		1,000
Contractual 03		400
Commodities 04		100
Equipment 05		2,500
Other		
TOTAL COST		15,003

RECEIPT CODE	FUNDING SOURCE	
	Federal Receipts 1002	
	G.F. Match 1003	
	General Funds 1004	15,003
	I-A Receipts 1005	
	Program Receipts 1020	
	Other	

FOR OMB USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide supervision of the diversion unit staff.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Adult Confinement

COMPONENT Anchorage State Correctional Cntr.

Revised Date

FY 8

POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
Clerk Typist III				8/B	G				
TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LGG.		
PFT	3				Anchorage				

CONTINUATION LEVEL		ADDITION	X

TYPE OF EXPENDITURE			AMOUNT
1		2	3
PERSONAL SERVICES			
Salary $1,530		4,590	
Benefits		764	
Supplemental Benefits		281	
Fixed Benefits		549	
TOTAL PERSONAL SERVICES	01		6,184
Travel	02		
Contractual	03		400
Commodities	04		1,600
Equipment	05		2,500
Other			
TOTAL COST			10,684

	RECEIPT CODE	FUNDING SOURCE		
6.		Federal Receipts	1002	
7.		G.F. Match	1003	
8.		General Funds	1004	10,684
9.		I-A Receipts	1005	
10.		Program Receipts	1020	
11.		Other		

FOR OMB USE ONLY
AA KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position will provide clerical support for the diversion unit staff.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Adult Confinement

COMPONENT Anchorage State Correctional Cntr.

Revised Date

FY 87

POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
Probation Officer II (1)				16/A	G				
TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
PFT	12				Anchorage				

CONTINUATION LEVEL ____ ADDITION X

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
Salary	29,556	
Benefits	4,921	
Supplemental Benefits	1,812	
Fixed Benefits	2,196	
TOTAL PERSONAL SERVICES	01	38,485
Travel	02	4,000
Contractual	03	1,200
Commodities	04	400
Equipment	05	10,000
Other		
TOTAL COST		54,085

RECEIPT CODE	FUNDING SOURCE		
	Federal Receipts	1002	
	G.F. Match	1003	
	General Funds	1004	54,085
	I-A Receipts	1005	
	Program Receipts	1020	
	Other		

FOR OMB USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

These positions will provide background investigation on arrestees and arraignment information to the court for a determination as to whether the person should be incarcerated or diverted to a community program.

" Single position costs:

Salary	$ 7,389
Benefits	1,230
Supplemental Benefits	453
Fixed Benefits	549
	$ 9,621
Travel	1,000
Contractual	300
Commodities	100
Equipment	2,500
	$13,521

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Adult Confinement

COMPONENT Anchorage State Correctional Cntr.

Revised Date

FY 8

RIDGEVIEW MEN'S FACILITY

After the opening of the Cook Inlet Facility, it will be necessary for the Division to retain this facility to absorb the population overload estimated at 40-50 inmates. These positions will be added to the present staff to provide security coverage for the inmate population.

RIDGEVIEW MEN'S FACILITY
2/1 to 6/30/83

Correctional Officer II	2,073 X 5 X 3	$31,095
Correctional Officer Overtime		3,705
Correctional Officer Shift Differential		885
Benefits		14,319
Total Salaries 3 Permanent Full Time Positions		$50,004
Commodities		450
Total Estimated Costs		$50,454

	POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
1.	Correctional Officer II (J)				13/B	G				
2.	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
	PFT	15				Anchorage				
3.	CONTINUATION LEVEL		ADDITION	XX						

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	31,095	OT $3,705 Shift Diff 885
6.	Benefits	9,387*	
7.	Supplemental Benefits	2,187	
8.	Fixed Benefits	2,745	
9.	TOTAL PERSONAL SERVICES	01	50,004
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	450
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		50,454

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		C.F. Match	1003	
18.		General Funds	1004	50,454
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

The Ridgeview facility will be retained by the Division for absorbtion of population overload, estimated at 40-50 inmates, after the Cook Inlet facility is opened. These positions will be added to the present staff to provide security coverage for the inmate population.

Single Position Costs:

Salary	$10,365
Overtime	1,235
Shift Differential	295
Peace Officer Ret.	1,148
Var Benefits	1,981
SBS	729
Health Ins	915
	$16,668
Commodities	150
	$16,818

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Adult Confinement

COMPONENT Ridgeview Men's Facility

Page 1 of 1

Revised Date

FY 84

HILAND MOUNTAIN CORRECTIONAL CENTER

When the Meadow Creek Correctional Center was designed and built, it was done so that as many support services as possible could be provided by the adjacent Hiland Mountain facility. One area to be shared was the sewage treatment facilities. The existing plant was redesigned and constructed to service both facilities. The Department of Environmental Conservation will not issue a certificate of operation without a fully trained person to operate/maintain the treatment plant.

Hiland Mountain Correctional Center
2/1 to 6/30/83

Maintenance Mechanic WG II	$2,496 X 5	$12,480
Benefits		3,693
Total Estimated Cost 1 Permanent Full Time Position		$16,173

1.	POSITION TITLE Correctional Officer III				RANGE/STEP 15/A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAP
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION Ketchikan	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION	XX						
4.	TYPE OF EXPENDITURE			AMOUNT						
	1		2	3						
	PERSONAL SERVICES									
5.	Salary $2,295		11,475							
6.	Benefits		3,018*							
7.	Supplemental Benefits		703							
8.	Fixed Benefits		915							
9.	TOTAL PERSONAL SERVICES	01		16,111						
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST			16,111						

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	16,111
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR OMB USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide on-site supervision and monitori
for compliance with the Cleary settlement agreement

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

ORU Adult Confinement

COMPONENT Ketchikan Correctional Center

Revised Date

FY

1.	POSITION TITLE Correctional Officer III				RANGE/STEP 15/A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAP
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION	XX						

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 12,639	13,195	
6.	Benefits	3,470*	
7.	Supplemental Benefits	809	
8.	Fixed Benefits	915	
9.	TOTAL PERSONAL SERVICES	01	18,389
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		18,389

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	18,389
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR O&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide on-site supervision and monitorin for compliance with the Cleary settlement agreement.

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Adult Confinement

COMPONENT Fairbanks Correctional Center

Revised Date

FY 8

1.	POSITION TITLE: Correctional Officer III				RANGE/STEP: 15/A	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV. / DISAP
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 5	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION: None	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL		ADDITION: XX						

4. TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
5. Salary $3,041	15,205	
6. Benefits	3,999*	
7. Supplemental Benefits	932 915	
8. Fixed Benefits		
9. TOTAL PERSONAL SERVICES	01	21,051
10. Travel	02	
11. Contractual	03	
12. Commodities	04	
13. Equipment	05	
14. Other		
15. TOTAL COST		21,051

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	21,051
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR DAN USE ONLY
4A KEY NUMBER ___ ___ - ___ ___ - ___ ___ - ___ ___ : ___ ___

JUSTIFICATION

This position will provide on-site supervision and monitorir for compliance with the Cleary settlement agreement.

13 REQUEST FOR NEW POSITION

AGENCY: Health & Social Services

PROGRAM: Offender Confinement, Reformation & Supervision

DRU: Adult Confinement

COMPONENT: None Correctional Center

Revised Date

FY 8

1.	POSITION TITLE Correctional Officer III				RANGE/STEP 15/A	ORG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISA
2.	TYPE OF POSITION PFT	STAFF MONTHS 5	RP NUMBER	PCN NUMBER	ORU PRIORITY	LOCATION Palmer	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION	XX						

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary $2,379	11,895	
6.	Benefits	3,120*	
7.	Supplemental Benefits	729	
8.	Fixed Benefits	915	
9.	TOTAL PERSONAL SERVICES	01	16,667
10.	Travel	02	
11.	Contractual	03	
12.	Commodities	04	
13.	Equipment	05	
14.	Other		
15.	TOTAL COST		16,667

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	16,667
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR D&N USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide on-site supervision and monitori for compliance with the Cleary settlement agreement

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement Reformation & Supervision

ORU Adult Confinement

COMPONENT Palmer Correctional Center

Revised Date

FY

1.	POSITION TITLE: Correctional Officer (2)			RANGE/STEP: 13/B	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV. / DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 10	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Fairbanks	ELECTION DISTRICT	LEG.

3. CONTINUATION LEVEL [ ] ADDITION [XX]

4. TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
5. Salary	23,790	
6. Benefits	7,438*	
7. Supplemental Benefits	1,734	
8. Fixed Benefits	1,830	
9. TOTAL PERSONAL SERVICES	01	34,792
10. Travel	02	
11. Contractual	03	
12. Commodities	04	
13. Equipment	05	
14. Other		
15. TOTAL COST		34,792

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	34,792
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

These positions will replace those transferred to the Anchorage State Correctional Center to implement immediate provision of the Cleary requirement for recreation at that facility.

Single position costs:

Salary	$11,895
Peace Officer Retirement	1,365
Variable Benefits	2,354
SBS	867
Health Insurance	915
	$17,396

13 REQUEST FOR NEW POSITION

AGENCY Health & Social Services

PROGRAM Offender Confinement, Reformation & Supervision

BRU Adult Confinement

COMPONENT Fairbanks Correctional Center

Revised Date

FY 84

01-1136 (7/82) - 13

FIELD MISDEMEANANT UNIT

This unit will provide for diversion of offenders from incarceration to community resources, supervision of those offenders, information to the court so it can make an informed decision regarding release and supervise offenders on furlough to enhance community protection.

The funding below represents the resources necessary to support this unit.

FIELD MISDEMEANANT UNIT
4/1 to 6/30/83

Probation Officer IV	3,309 x 3	$ 9,927
Probation Officer III	2,838 x 3 x 2	17,028
Clerk Typist III	1,530 x 3 x 4	18,360
Probation Officer II	2,463 x 3 x 12	88,668
		$133,983
Benefits		40,952
Total Salaries 19 Permanent Full Time Positions		$174,935
Travel		$ 15,000
Contractual Services		44,000
Commodities		3,900
Equipment		47,500
		$110,400
Total Estimated Costs		$285,335

HB

255

COMMITTEE REPORT

HOUSE

(7) FURTHER:

3/11/83

Date: 3-11-83

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 255

An Act relating to the exemption of residential property from the property tax.

under consideration and reports it back as follows:

[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" [X] New Fiscal Note [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mr. Miller

CHAIRMAN

H 60

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

January 31, 1984

POSITION PAPER

RE: HB 255
SPONSOR: Representative Malone

PROGRAM EFFECTS:

This bill allows municipalities to totally or partially exempt residential property from taxation.

COMMENTS:

Although the exemption created by this bill would be a local option, it would allow a dramatic shifting of the tax burden.

Currently the taxation section of the municipal code is relatively restrictive and requires all municipalities to comply. This insures an equitable distribution of the cost of local government and insulates local governing bodies from special interest pressures in the area of local taxation.

It is the position of this Department that if optional exemptions are to be expanded, that they should be expanded to include all property and not just specific classes.

Approved: Emil Notti
Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 255
Title: Exemption of Residential property

ANALYSIS:

Assumptions: The four municipalities which currently employ the $10,000 residential exemption, and which receive substantially high revenues through the taxation of oil and gas property, would opt for 100 exemption of their residential property.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations: Attached

Economic Impact: Revenues lost through the operation of the residential exemption would be supplanted to some extent by higher municipal taxes on oil and gas properties. The State forgives the oil companies for payments made to municipalities. Therefore as the oil companies' local tax bills increase, the tax they pay to the State decreases proportionately.

Impact on Local Government:
See Position Paper.

Attachments Computations

Attachment

	% of revenues generated from oil & gas property		Estimated residential revenues		Loss of revenues to state
North Slope Borough	91%	X	$ 482,000	=	$ 438,600
Fairbanks North Star	21%	X	10,721,000	=	2,251,400
Kenai Peninsula	10%	X	2,419,000	=	241,900
City of Valdez	94%	X	312,900	=	294,000
					$3,225,900

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: HB 255
Title: Exemption of Residential Property
Sponsor: Rep. Malone
Requestor: House C & RA
Date of Request:

FISCAL DETAIL
Agency Affected: C & RA
Program Category Affected: development
BRU, Program or Subprogram(s) Affected: State Assessor

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	(3,226.0)	(3,420.0)	(3,625.0)	(3,843.0)		

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Michael Worley, State Assessor Phone: 465-4730
Division: MRAD Date: 1/24/84

Approved by Commissioner: [signature] Date: 2/1/84
Agency: C & RA

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

tioned in this section, is not subject to valuation by first class cities for the purposes of AS 14.17.010 et seq., to the extent that it is exempt from taxation. 1962 Op. Att'y Gen., No. 18.

Exclusive employment of occupants of properties sought to be taxed was such as to bring these properties within the exemptions provided in subsections (b)(1) and (b)(2) for residences of ministers owned by religious organizations, or property used for "solely charitable purposes" or "religious education." North Pac. Union Conference Ass'n of Seventh Day Adventists v. Harmon, 5 Alaska L.J. No. 11, p. 228 (Nov., 1967).

The providing of recreational facilities, such as accommodations for campers, is a charitable use of the property. Matanuska-Susitna Borough v. King's Lake Camp, Sup. Ct. Op. No. 472 (File No. 857), 439 P.2d 441 (1968).

Ordinance exempting from local taxation any class of real or personal property.—A home rule city has the power to enact an ordinance exempting from local taxation any class of real or personal property, if such an exemption is not prohibited by the city's home rule charter. 1969 Op. Att'y Gen., No. 1.

Electric cooperative operating under arrangement with federal agency is not exempt.—A nonprofit cooperative is not an agency of the United States government simply by virtue of an "arrangement" with the Rural Electrification Administration pursuant to 7 USC §§ 901—915, and therefore immune from local taxation. City of Anchorage v. Chugach Elec. Ass'n, 17 Alaska 481, 252 F.2d 412 (9th Cir. 1958).

There is no statutory authority exempting the property of Chugach Electric Association from taxation by the city of Anchorage and the Anchorage independent school district. City of Anchorage v. Chugach Elec. Ass'n, 17 Alaska 481, 252 F.2d 412 (9th Cir. 1958).

Exemption of property on federal land inapplicable to Railroad Reserve. — The doctrine that property located upon federally owned land is immune from local taxation is inapposite where it is not shown that the Railroad Reserve is "federal property" or under the exclusive jurisdiction of the federal government. City of Anchorage v. Chugach Elec. Ass'n, 17 Alaska 481, 252 F.2d 412 (9th Cir. 1958).

Sec. 29.53.025. Optional exemptions and exclusions. (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed $5 a year for a boat or vessel of less than five net tons and shall not exceed $15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over $500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments.

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance adopted without weighted voting, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this Act. (§ 2 ch 118 SLA 1972)

City may not exempt property without express authority.—The authority of a municipal corporation to allow exemptions of particular property from taxation, unless expressly conferred by law, has very generally been denied. Valentine v. City of Juneau, 36 F.2d 904 (9th Cir. 1929).

Ordinance exempting from local taxation any class of real or personal property.—A home rule city has the power to enact an ordinance exempting from local taxation any class of real or personal property, if such an exemption is not prohibited by the city's home rule charter. 1969 Op. Att'y Gen., No. 1.

Valuation of full and true value not precluded. — The fact that first class cities may choose the tonnage valuation of ships for the purposes of taxation does not preclude them from making a valuation of full and true value for the purposes of taxation. It necessarily follows that boats and vessels should be valued at full and true value for the purpose of AS 14.17.010 et seq. 1962 Op. Att'y Gen., No. 18.

Rules applicable to second class cities.—The rules applicable to boats and vessels in first class cities apply equally to those under the jurisdiction of second class cities. 1962 Op. Att'y Gen., No. 18.

Sec. 29.53.030. Mining claims. The assessed value of an unimproved unpatented mining claim which is not producing, and a nonproducing patented mining claim upon which the improvements originally required for patent have become useless and valueless through depreciation, removal or otherwise, is fixed at $200 for each 20 acres or fraction of 20 acres. If the surface ground of a claim has a separate and independent value for nonmining uses, the real and personal property is assessed at its full and true value. (§ 2 ch 118 SLA 1972)

Sec. 29.53.025. Optional exemptions and exclusions. (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed $10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed $5 a year for a boat or vessel of less than five net tons and shall not exceed $15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over $500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments;

(D) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c).

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting;

(3) a home rule or general law city within an organized borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this Act.

(e) Municipalities may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. No exemption may be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980)

Effect of amendments. — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (c).

The second 1976 amendment added paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

City may not exempt property without express authority. — The authority of a municipal corporation to allow exemptions of particular property from taxation, unless expressly conferred by law, has very generally been denied. Valentine v. City of Juneau, 36 F.2d 904 (9th Cir. 1929).

Ordinance exempting from local taxation any class of real or personal property. — A home rule city has the power to enact an ordinance exempting from local taxation any class of real or personal property, if such an exemption is not prohibited by the city's home rule charter. 1969 Op. Att'y Gen., No. 1.

Valuation of full and true value not precluded. — The fact that first class cities may choose the tonnage valuation of ships for the purposes of taxation does not preclude them from making a valuation of full and true value for the purposes of taxation. It necessarily follows that boats and vessels should be valued at full and true value for the purpose of AS 14.17.010 et seq. 1962 Op. Att'y Gen., No. 18.

Rules applicable to second class cities. — The rules applicable to boats and vessels in first class cities apply equally to those under the jurisdiction of second class cities. 1962 Op. Att'y Gen., No. 18.

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811

P. O. BOX 9
KENAI, ALASKA 99611

REPRESENTATIVE HUGH MALONE

HOUSE BILL NO. 255
by Malone

BILL TITLE: "An Act relating to the exemption of residential property from the property tax.

BILL ANALYSIS: The purpose of this Legislation is to give local governments the authority to exclude or exempt or partially exempt residential property from taxation; pending ratification of ordinances by the voters. In essence, this bill is a step toward increasing the control and flexibility local governments should have over their taxing structure and policies.

It should be noted this bill imposes no obligation on the state to compensate for reduced revenues, if local voters wish to reduce or abolish their property taxes.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

March 24, 1983

Royce Hyde

BILL ANALYSIS

RE: HB 255

SPONSOR: Representative Malone

Program Effects of Bill

This bill would expand the Residential Property Tax Exemption currently found in AS 29.53.025.

Currently municipalities may exempt up to $10,000 of value on residential property. This bill would allow unlimited exemption of residential property as an option.

COMMENTS

Although the exemption created by this bill would be a local option, it would allow a tremendous shifting of tax burden.

Currently the taxation section of the municipal code is quite restrictive and requires all municipalities to comply. This insures an equitable distribution of the cost of local government and insulates local governing bodies from special interest pressure, at least in the area of local taxes.

It is the position of this Department that if optional exemptions are to be extended, that they should be expanded to include all property and not just specific classes.

Additionally, we feel that exempting residential property from local taxation may have a substantial impact upon citizen interest in local government.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 255
Title: Exemption Of Residential Property
Sponsor: Representative Malone
Requestor: House Community & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community & Regional Affair
Program Category Affected: development
BRU, Program of Subprogram(s) Affected: State Assessor

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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

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

Sponsor did not indicate.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry L. Earley
Division: Local Government Assistance Division
Phone: 465-4730
Date: 3/24/83

Approved by Commissioner:
Department: Community & Regional Affairs
Date: 3-30-83

Distribution:
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Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 255
Title: Exemption Of Residential Property
Sponsor: Representative Malone
Requestor: House Community & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community & Regional Affair
Program Category Affected: development
BRU, Program of Subprogram(s) Affected: State Assessor

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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

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

Sponsor did not indicate.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry L. Earley Phone: 465-4730
Division: Local Government Assistance Division Date: 3/24/83

Approved by Commissioner: Date: 3-30-83
Department: Community & Regional Affairs

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Copy to Requestor (if different from Sponsor)

3/8/83

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 24, 1983

ANALYSIS

This bill would not create additional direct costs to state government; but could reduce local government revenues substantially.

The attached page from ALASKA TAXABLE 1982 shows municipal revenues from local sources. Based on that information it is easy to see that at optional removal of residential property from tax rolls would cause a shift of tax burden.

Mark Lewis, Commissioner

ESTIMATED 1982 PROPERTY AND SALES TAX REVENUE RECAP

TABLE XI - B

REVENUES

MUNICIPALITY	RESIDENTIAL PROPERTY REVENUE	VACANT PROPERTY REVENUE	COMMERCIAL PROPERTY REVENUE	PERSONAL PROPERTY REVENUE	OIL & GAS PROPERTY REVENUE	SALES TAX	TOTAL REVENUE
BOROUGHS							
Anchorage, Municipality of	42,199,566	6,058,976	5,077,588	6,237,662	384,099	-0-	59,957,891
Bristol Bay	43,280	18,168	156,918	183,811	-0-	300,000	702,177
Fairbanks	10,114,427	3,663,021	3,339,506	-0-	4,577,690	200,000	21,894,644
Haines	136,451	47,448	101,084	-0-	-0-	175,000	459,983
Juneau, City & Borough	8,503,660	1,010,141	4,248,387	1,421,041	-0-	4,477,400	19,660,629
Kenai Peninsula	2,282,101	2,597,172	880,692	832,261	1,441,224	6,929,637	14,963,087
Ketchikan Gateway	1,071,409	600,054	185,718	295,491	-0-	4,318,210	6,470,882
Kodiak	938,187	171,988	632,370	479,344	-0-	3,726,417	5,948,306
Matanuska-Susitna	2,150,870	3,096,452	695,953	377,860	11,794	-0-	6,332,929
North Slope	454,423	60,056	4,490,181	2,384,202	126,801,624	4,536,826	138,727,312
Sitka, City & Borough	397,256	64,596	490,127	181,299	-0-	2,610,593	3,743,871
TOTAL BOROUGHS	68,291,630	17,388,072	20,298,524	12,392,971	133,216,431	27,274,083	285,264,724
CITIES							
Cordova	21,909	2,156	22,709	-0-	-0-	1,084,240	1,131,014
Craig	61,150	12,889	44,216	5,441	-0-	2,327,000	2,450,696
Dillingham	36,456	8,143	48,166	64,237	-0-	524,768	681,770
Nenana	21,713	12,723	6,239	35,538	-0-	82,939	159,152
Nome	305,245	72,352	231,431	81,706	-0-	681,678	1,372,412
Pelican	4,713	476	8,052	14,679	-0-	65,013	92,933
Petersburg	50,134	10,428	54,795	18,844	-0-	961,605	1,095,806
Skagway	48,083	10,866	75,820	-0-	-0-	355,194	489,903
Unalaska	56,876	57,162	457,584	371,956	-0-	1,096.023	2,039,601
Valdez	295,248	101,056	237,275	-0-	10,871,602	-0-	11,505,181
Wrangell	188,507	85,685	68,548	41,880	-0-	57,946	442,566
Yakutat	18,868	38,438	41,429	-0-	28,218	809,020	935,973
TOTAL CITIES	1,108,902	412,314	1,296,264	634,281	10,899,820	8,045,426	22,397,007

CHAPTER 113

AN ACT RELATING TO WAGES, HOURS AND WORKING ARRANGEMENTS.

(H.B. 683 am S.)

Be it enacted by the Legislature of the State of Alaska:

Secs. 1—3. Permanent laws. See Table of Disposition of Acts.

Sec. 4. This Act is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply.

Approved June 7, 1972
Effective September 5, 1972

CHAPTER 118

AN ACT TO REVISE AND CODIFY THE LAW RELATING TO CITIES AND BOROUGHS.

(F.C.C.S. S.C.S. C.S.H.B. 208)

Be it enacted by the Legislature of the Sta . of Alaska:

Secs. 1, 2. Permanent laws. See Table of Disposition of Acts.

Sec. 3. A right or liability of a home rule or general law city or borough existing on September 10, 1972 is not affected by the enactment of this Act. Except for those provisions of ordinances in conflict with the provisions of AS 29.28.040, existing ordinances remain in force and effect for a period of 180 days from September 10, 1972, unless earlier superseded, in order to permit amendment of the ordinances to comply with the provisions of this Act. On September 10, 1972, the provisions of AS 29.28.040 supersede any conflicting provisions of ordinances of general law cities and boroughs.

Secs. 4—16. Permanent laws. See Table of Disposition of Acts.

Sec. 17. Secs. 10—16 of this Act take effect upon the condition and at the time that the Supreme Court of the State of Alaska finds that sec. 4, art. X of the Constitution of the State of Alaska as it relates to representation of cities on borough assemblies is in violation of the Constitution of the United States or an amendment to the Constitution of the State of Alaska relating to assembly rep-

resentation and consistent with the provisions of secs. 6—12 of this Act becomes effective, whichever occurs earlier.

Editor's note.—The Alaska constitutional amendment referred to in § 17, ch. 118, SLA 1972 (i.e., the one proposed in 1972 SJR 52) was approved by the voters August 22, 1972.

Secs. 18, 19. Permanent laws. See Table of Disposition of Acts.

Sec. 20. The terms of elected officials who are incumbents on September 10, 1972 are not affected by this Act. Their terms expire as provided before enactment of this Act.

Approved June 12, 1972
Effective September 10, 1972

CHAPTER 119

AN ACT RELATING TO CRIMINAL RESPONSIBILITY; AND CHANGING RULES 12(b) AND 23(a), RULES OF CRIMINAL PROCEDURE.

(H.B. 341 am S.)

Be it enacted by the Legislature of the State of Alaska:

Secs. 1—6. Permanent laws. See Table of Disposition of Acts.

Sec. 7. In sec. 1 of this Act, AS 12.45.085 has the effect of changing Rule 12(b), Rules of Criminal Procedure, in that it adds to the defenses which must be raised before trial, and AS 12.45.083(d) changes Rule 23(a) of the Rules of Criminal Procedure in that the defendant may, without the consent of the state, waive a jury trial if his defense is based on mental disease or defect excluding responsibility.

Approved June 12, 1972
Effective September 10, 1972

CHAPTER 125

AN ACT APPROPRIATING TO THE DEPARTMENT OF ADMINISTRATION; AND PROVIDING FOR AN EFFECTIVE DATE.

(H.B. 764 am)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The sum of $112,200 is appropriated from the general fund to the Department of Administration for estimated additional costs resulting from the Juneau Community College Building fire of February 22, 1972 for the period ending June 30, 1972.

HB
285

COMMITTEE REPORT

HOUSE

FURTHER:

Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 285

An Act making miscellaneous supplemental appropriations; and providing for an effective date.

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

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

M E M O R A N D U M

TO: COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

FROM: STAFF

DATE: MARCH 18, 1983

SUBJECT: HB 227

In accordance with instructions from the Committee a CSHB 227 has been prepared. The CS contains only those portions of HB 227 that pertain to salary increases; and, the amount of $312,200 for the Legislative Affairs Agency was reduced to $273,265. The difference, $38,935, is the amount in the Legislative Affairs Agency appropriation that was designated for salary increase of Legislators.

The staff is having a committee sponsored bill prepared that will include all remaining appropriations from the original HB 227 except that the amounts for municipal aid and revenue sharing will reflect the same amounts previously approved by the committee for those purposes.

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

TO: All Community and Regional Affairs Committee Members.

FROM: House Community and Regional Affairs Staff.

RE: HB 285

House Bill 285 was prepared at the direction of the committee. It contains all of the supplemental appropriations that were originally in HB 227 except for appropriations for salary increases which are in CSHB 227.

The amount of supplemental appropriations in Section 1 and Section 2 of HB 285 have been changed from the amounts requested in HB 227. Section 1 was changed from 16.1 million to 25.1 million and Section 2 was changed from 2.9 million to 2.938 million because the Committee previously acted on legislation that appropriated the higher amounts for the respective purposes.

Staff attempted to have the title of HB 285 further specified to be more restrictive but was advised by Legal Affairs that in this case, it was not possible.

Offered: 3/11/83
Referred: Rules

Original sponsors: Sackett, Ferguson and Mulcahy

Funding Information
General Fund $30,400,000
Other Funds -0-
$30,400,000

get copy of CS HB 285 from clerks office.

IN THE SENATE BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 98 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making supplemental appropriations for financial assistance to municipalities, unincorporated communities, and other recipients; and providing for an effective date."

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

* Section 1. The sum of $25,000,000 is appropriated from the general fund to the Department of Revenue for the municipal assistance fund (AS 43.20.016(a)) for distribution to municipalities for the fiscal year ending June 30, 1983.

HB 153 & HB 285

* Sec. 2. The sum of $2,500,000 is appropriated from the general fund to the Department of Community and Regional Affairs for the unincorporated community assistance grants authorized by sec. 2, ch. 60, SLA 1981 for payment during the fiscal year ending June 30, 1983.

HB 285

* Sec. 3. The sum of $2,900,000 is appropriated from the general fund to the miscellaneous services account (AS 29.89.080) for distribution under AS 29.89 and AS 29.95.010(b) to municipalities and other recipients for the fiscal year ending June 30, 1983.

HB 152

* Sec. 4. The unexpended and unobligated portions of the appropriations made by this Act lapse into the general fund June 30, 1983.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

HB 227 – CS Less Legislators pay raise
HB 226 – enabling pay raise – not covered (Less Legislators)

~~HB~~ 285

Committee Substitute – Indiv Recs –

Debt Sec 3

Family affairs Issues 1 2 3

Locke - Phillips Draft -

Order new Bill — Remove all statutes, or what ever necessary To disassociate pay increases of legislators from any other pay increases or actions. ~~The~~ Intent is to require separate, individual legislative action for there is to be approved a pay raise for legislators.

~~HB~~ HB 162
as
Mandated

Effect of amendments. — Section 14, ch. 3, SLA 1980 applicable to calendar year 1979, retroactive to January 1, 1979, rewrote this section to read as follows:

"Sec. 24.15.020. Annual legislative compensation. (a) The annual salary for each member of the legislature is $15,500, payable monthly in 12 equal installments. The president of the senate and speaker of the house of representatives are each entitled to an additional $500 a year during tenure of office.

"(b) Except as provided by a general law applicable to all officers of the state, the compensation of a member of the legislature may not be reduced during his term of office."

Section 28 of ch. 3 retroactive to January 1, 1980, again rewrote the section.

Sec. 24.15.050. Legislative transportation. A member of the legislature is entitled to reimbursement for the expense of moving between his place of residence and the capital city for the purpose of attending a regular session of the legislature. Reimbursement shall be as provided by regulations covering state employees adopted by the commissioner of administration under AS 39.20.160. (§ 1 ch 36 SLA 1959; am § 4 ch 100 SLA 1963; am § 1 ch 106 SLA 1975; am § 29 ch 3 SLA 1980)

Effect of amendments. — The 1980 amendment retroactive to January 1, 1980, rewrote the section.

Chapter 20. Agencies of the Legislature.

Article
4. Legislative Board of Retirement Benefits (Repealed)

Article 1. Legislative Council.

Section
60. Powers
62. Legislative internship program
75. Alaska Code Revision Commission

Sec. 24.20.060. Powers. The legislative council has the following powers:

(1) to organize and adopt rules for the conduct of its business;

(2) to hold public hearings, administer oaths, issue subpoenas, compel the attendance of witnesses and production of papers, books, accounts, documents, and testimony, and to have the deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions in civil actions when consistent with the powers and duties assigned to the council by AS 24.20.010 — 24.20.140;

(3) to call upon all state officials, agencies and institutions to give full cooperation to the council and its executive director by collecting and furnishing information, conducting studies and making recommendations;

(4) in addition to providing the administrative services required for the operation of the legislative branch:

Cross references. — For provisions relating to special sessions to meet operating budget obligations, see 37.05.159.

Effect of amendments. — The 1982 amendment added subsection (b).

Chapter 15. Compensation of Legislators, Officers and Employees.

Article 1. Legislators.

Section
10. Legislative per diem
20. Salary of legislators
50. Legislative transportation

Sec. 24.15.010. Legislative per diem. (a) Each member of the legislature is entitled to receive per diem at the same rate allowed for a state employee under AS 39.20.110 and 39.20.160, including regional variations in the rate where applicable.

(b) A legislator is entitled to receive per diem at the short-term rate

(1) during a legislative session if he does not live in his place of permanent residence during the session; and

(2) while he is on committee business for an interim committee of the legislature in a place which is not his place of permanent residence.

(c) A legislator is entitled to receive per diem at the long-term rate

(1) during a legislative session if he lives in his place of permanent residence during the session; and

(2) while he is engaged in committee business for an interim committee of the legislature at his place of permanent residence.

(d) In this section

(1) "long-term rate" means the long-term per diem rate established in regulations adopted by the commissioner of administration under AS 39.20.160;

(2) "short-term rate" means the short-term per diem rate established in regulations adopted by the commissioner of administration under AS 39.20.160. (§ 1 ch 26 SLA 1961; am § 3 ch 100 SLA 1963; am § 8 ch 193 SLA 1970; am § 5 ch 87 SLA 1971; am § 6 ch 263 SLA 1976; am § 13 ch 3 SLA 1980)

Effect of amendments. — The 1980 amendment retroactive to January 1, 1979, rewrote the section.

Sec. 24.15.020. Salary of legislators. The monthly salary for each member of the legislature is equal to Step A, Range 10 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska. The president of the senate and the speaker of the house of representatives are each entitled to an additional $500 a year during tenure of office. (§ 2 ch 26 SLA 1961; am § 1 ch 149 SLA 1966; am § 9 ch 193 SLA 1970; am § 6 ch 148 SLA 1976; am § 7 ch 263 SLA 1976; am §§ 14, 28 ch 3 SLA 1980)

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Article
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Section
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Sec. 24.20.06
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HB
302

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

M E M O R A N D U M

TO: REPRESENTATIVE LACHER

FROM: SARAH ROBINSON

SUBJECT: C&RA RURAL HOUSING ASSISTANCE PROGRAM

DATE: April 19, 1983

John Aycock called from Kotzebue today to voice a complaint to the C&RA Committee concerning an "unfair" January 1983 decision made by the Department of Community and Regional Affairs for a "90% mortgage ceiling on rural housing loans." He requested that Representative Lacher, as chairperson of the House C&RA Committee, look into this matter and correct the "unfair" decision. He further argued that this program prevented native residents from affording home investments due to the high down payment required with a 90% loan ceiling. "This policy prevents native residents from purchasing homes and forces them to live in apartments. There are many native friends of mine who would like to purchase this home, but can ill afford the down payment."

Upon questioning I determined from Mr. Aycock, that he has lived in Alaska for the past four years. All of these four years have been spent in his job in Kotzebue with the Department of Education. He is the outgoing principle of the Kotzebue Elementary School. Mr. Aycock is trying to sell his house for $112,500.00, and he claims that with the 90% ceiling this requires the purchaser to come up with a $13,000.00 down payment. He has been unable to locate a buyer for his house.

I contacted Ray Price of the Housing Assistance Division of the Department of Community and Regional Affairs, and asked him about the program for rural housing loans. As illustrated in the audit report we just received in this office (filed under Audit), urban housing loans are under a separate program from rural housing loans. The urban housing loans receive an interest rate according to a percentage chart provided in the audit report. For example the interest rate is 10% up to $90,000.00 and then it rises, with price increases in the homes, according to an established table. For rural housing loans, in contrast, the interest rate is a flat 10.5% irregardless of the cost of the home. I inquired about the 90% ceiling on loans and Mr. Price explained that the ceilings are, as a rule, 95% for rural housing loans.

The only exception being a decision made by Barbara Morse-Quinn, Director of the Housing Assistance Division of C&RA, this last January for one class of homes built in rural areas that do not meet state housing standards. The Kotzebue case under examination falls into this category.

John Aycock is trying to sell his house built by Jo Max Contractors, and constructed by Ben Lowman Construction, in Kotzebue. This housing was determined to be poorly built and therefore C&RA changed its loan ceiling to 90% for this and several other similar cases. In either the 90% or 95% case, the amount is determined between the lowest of two valuations: 1) the appraisal price, or 2) the sales price. Obviously Mr. Aycock's sales price is higher than the appraised valuation of his home.

Mike Scott, Aide to Senator Ferguson, and resident of Kotzebue completed the picture. Three years ago, Jo Max obtained a HUDD contract in Kotzebue. The resulting housing had collapsing walls, no roof insulation, poorly fitting doors and windows, and so on. Jo Max then went into the construction of private single family homes in the same region. C&RA became involved following a number of complaints. The Department of C&RA almost took Jo Max to court over this case, but instead settled for a lower loan ceiling on these houses. Mr. Scott says that C&RA was very responsible about this and that they had on site inspections, etc. Mr. Scott further informed me that the "natives" are not "restless" to get out of apartments into Jo Max housing. In fact they have no problems obtaining available housing in the area. The Jo Max homes are notorious in the region for their poor construction and are not in that much demand in the local real estate market. When informed of the sale price on Mr. Aycock's home, Ferguson's Aide said that these houses (1,000 square feet max.) were selling for $95,000.00 only last year, and that Mr. Aycock is clearly trying to make a profit before he leaves the "bush" for bigger things. The issue of the "poor suffering natives," in other words, is a cloak behind which Mr. Aycock hides his self-interests. The reason he called Representative Lacher, House Chairperson of C&RA, rather than Senator Ferguson, Senate Chairperson of C&RA, is obvious--he went seeking sympathy to an ear he hoped would be ignorant of the situation. The catch? He says he is moving to the Palmer area later this year.

Please advise.

John Aycock
P.O. Box 264
Kotzebue, AK 99752

442-3342(W)
442-3629(H)

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

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

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

OFFICE OF THE COMMISSIONER

April 15, 1983

APR 21 1983

POSITION PAPER

RE: CS For HB 302 (C&RA)

SPONSOR: Community and Regional Affairs Committee

Program Effects of Bill

Section 1 eliminates the one year residency requirements affecting veterans. The new provision allows a greater number of veterans to qualify for a 1% reduction in interest rates on mortgages for urban nonconforming mortgage loans. The division concurs with this section.

Section 3 creates a revolving loan fund in the division. The creation of a revolving loan fund will permit the division to retain principal payments received from borrowers. The revolving loan fund, in time, will reduce future capital budget requests. The division is in concurrence with this Section.

Section 4 creates within the division a Home ownership Assistance Fund. The creation of this fund, and the subsidy it provides will assist low and moderate income persons in purchasing single family homes. The impact, both fiscal and in activity will be tremendous. The subsidy fund will allow persons who ordinarily would not qualify for a housing loan to do so. The division expects to expend a large portion of its loan fund allocation in this area. The division is in favor of the creation of this fund.

Section 5 repeals the law mandating an 80%/20% split in loan fund allocations for nonconforming housing loans. Currently rural Alaska receives 80% of the funding. Section 5 will also allow the division to allocate nonconforming funds in a more productive manner. In addition to eliminating the 80%/20% split in nonconforming loans, Section 5 will eliminate a second rural definition. The division concurs with this Section.

Section 6 provides for an immediate effective date for all Sections. The division feels the effective date of Section 4 of this bill should be January 1, 1984. This date will allow the division time to properly implement the program. The division concurs with this Section.

Mark Lewis, Commissioner

21-P1LP

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CS for HB 302
Title: State Housing Loans
Sponsor: House CR&A committee
Requestor: HCRAC

II. FISCAL DETAIL

Agency Affected: Comm & Reg Affairs
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Housing Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		141	193	205	217	230
200 TRAVEL		41	44	46.1	48.9	51.8
300 CONTRACTUAL		12	13	13.5	14.3	15.2
400 COMMODITIES		29	31	32	33	34
500 EQUIPMENT		3	3.1	3.3	3.5	3.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		226	284.1	299.9	316.7	334.7
ANNUAL SUBSIDY		650	1,000	1,200	1,350	1,700
CAPITAL		15,650	31,650	37,850	44,200	50,700
SUBSIDY (Cumulative)		650	1,650	2,850	4,200	5,700
REVENUE		350	2,150	4,250	6,650	9,350
REVENUE (Annual)		350	1,800	2,100	2,400	2,700

FUNDING: (Thousands of Dollars)

GENERAL FUND		15,650	31,650	37,850	44,200	50,700
FEDERAL FUNDS						
OTHER (Specify Source)						
Program Receipts		226	284.1	299.9	316.7	334.7

POSITIONS:

FULL-TIME		5	5	5	5	5
PART-TIME						
TEMPORARY						

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

Unused AIDA Certificates of Deposit. SLA 1982, Ch 114 CCSSB 322 (See 9. Assumptions for Fiscal Note).

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: B. Morse-Quinn/R. Price Phone: 272-4585
Division: Housing Assistance Division Date: 4/15/83

Approved by Commissioner: [signature] Date: 4/15/83
Department: Community and Regional Affairs

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
Copy to Requestor (if different from Sponsor)

3/8/83

Home Ownership Assistance Fund (HOAF) Assumptions for Fiscal Note

1. AHFC made 381 HOF loans in FY'81 for $24.7 million with an average loan amount of $64,829.00. AHFC made 903 HOF loans in FY'82 for $58.1 million with an average loan amount of $64,341.00. HAD's average loan amount is $87,500.00 HAD projects a FY'84 HOAF program of 176 loans at $85,000.00 each for a total of $15 million in loans made.

2. HAD projects a HOAF Program based on rural Alaskan needs as follows:

   a. Dwelling Price Maximums

1 or 2 member family	$100,000
3 member family	105,000
4 member family	110,000
5 or more member family	120,000

   b. Income Maximums

Adult family members	30,000
1st child	5,000
Each additional child to program maximum of	1,500 39,000

   c. Asset Maximums
   3 times income for all borrowers

3. Subsidies are calculated for payments of 1 adult and 2 children in rural Alaska to be subsidized from ratchet rate of 10% to HOAF rate of 6%. Average salary is computed at $2,835 per month with subsidy of $236.30 per month.

4. Capital projections assume accumulated subsidy projections. Annual subsidy rates are noted.

5. Revenue projections assume accumulated interest of 6% returning to the General Fund. Annual interest earnings are noted. Principal repayment is assumed to revolve back to the fund and is not calculated as revenue.

6. Position requests assume a specialization of duties and can absorb the year round program levels projected with no increased staff.

7. Travel is assumed to reflect both direct and indirect lending services of the division. FY'84 travel reflects the following specific assumptions:

2,500	Loan Examiner I to hearings in six field locations
3,600	Accountant, 6 trips to Juneau
5,000	Central office to bring field staff for training on new program
30,000	6 field offices @ 5,000 each for increased direct services and program outreach

8. Contractual assumptions were as follows:
   8,500 New regulations - HOAF
   3,500 Computer programming

9. Commodities assumptions were based on present cost of equipment for desks, chairs, files, WANG stations and data processing equipment.

10. Equipment is assumed at $500 per new position plus $500 for extra supplies to field.

11. Annual projections carry a 6% inflation calculation.

Notes for Form 13 Calculations

1. All salaries are based on GGU Salary Schedule for A ranges effective 1/1/83 for number of months requested.

2. Benefits were calculated at .0613 of gross salaries.

3. Supplemental benefits were calculated at DCRA FY'84 variable rate of .1537.

4. Fixed benefits were calculated at gross salary x 240.

Notes for Personal Services Category Projections

1. FY'84 impacts for new positions varied between 12 and 6 months. FY'85 projections assume all positions at 12 month plus 6% salary inflation costs. Subsequent years assume only annual inflation rate of 6%.

Notes for Revenue Projections

1. Monthly distribution of capital funds and, therefore, monthly interest calculations due on payments of first year operations cannot be accurately projected until program becomes operational. These figures are division's best estimates.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 12, 1983

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

Dear Representative Lacher:

Enclosed is written testimony outlining the Department of Community and Regional Affairs position on HB 302 and HB 305. Also enclosed is the Department's response to Legislative Audit's preliminary audit report, dated March 10, 1983.

Hopefully your committee will consider this written testimony in your development of a combined HB 302 and HB 305 loans bill.

Sincerely,

Mark Lewis
Commissioner

Enclosures

Barb -
attached is copy of
DCRA response on the
legislative audit report
on Housing assistance. It
was rushed over today. I
can reproduce for committee
files if you want.

21-P1LH

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

April 1, 1983

Mr. Gerald L. Wilkerson
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Re: "A Report on the Department of Community and Regional Affairs, Housing Assistance Loan Fund, For the Fiscal Year Ended June 30, 1982." Preliminary Audit Report (CONFIDENTIAL)

This letter comes in response to your communications of March 9 and 10, 1983 on the above referenced audit document.

A. Recommendation No. 1
HAD should assess the interest rate on mortgage loans in compliance with Alaska Statutes.

The department concurs with this recommendation. On December 28, 1982 a letter announcing an interest rate change for the Housing Assistance Loan Fund, Nonconforming Loan Program, was forwarded in response to Interim Letter No. 1 on your audit findings. Enclosed as Enclosure A-1 please find our interest rate notification letter of November 18, 1982 and our subsequent interest rate notification letter of March 11, 1983 (Enclosure A-2).

In addition to implementing a fixed date procedure for interest rate changes, enclosed you will also find our January 31, 1983 Request for Opinion of the Attorney General on this subject. (Enclosure A-3). Because of bond sale reserves at Alaska Housing Finance Corporation, taxable sales are frequently held well in advance of commitment issue. Unless the interest rates between sales rates are significantly different, funds from one sale are usually fully expended before funds from a subsequent sale are drawn. As this opinion request infers, AHFC announces interest rate changes as their funds dictate, with no particular formula in relation to the bond sale date. A verbal opinion from Assistant Attorney General John Rubini indicates

that our interest rate conversion dates should not predate those of AHFC, regardless of delay from date of sale. We anticipate issuing interest rate conversion notices within 48 hours of notification of rate change from AHFC.

B. Recommendation No. 2
HAD should strengthen controls over mortgage loans.

The department concurs with this recommendation. Enclosed as Enclosure B-1 please find a form now being used by the Housing Assistance Division entitled "Certification of Costs for Owner/Builder New Construction." This form is to be executed by the borrowers and seller/servicer representative before loan purchase is finalized. It has been published in the new handbooks of the Housing Assistance Loan Program, along with several revised forms of the Division. This book is available for your review upon request.

In addition to implementing this form, the division has requested further certification on the part of the seller/servicers, as exemplified in the enclosed Seller/Servicer Letter of March 17, 1983. (Enclosure B-2).

To correct the audit exceptions on three specific files still in question, the division has contacted the two seller/servicers involved in these transactions and requested their review of these files.

The following information has been obtained to date:

Loan #02-343-00213 $5,053 - No further information.

Loan #01-861-00454 $36,765 -All documentation to account for costs in excess of $67,000 has been received by seller/servicer and will be forwarded to division.

Loan #02-343-00213 $94,053. Loan fully repaid. No longer held in division's portfolio.

A full written response on each review is anticipated prior to April 30, 1983.

C. Recommendation No. 3

HAD should establish written guidelines to aid its staff in determining acceptable nonconforming characteristics.

The department concurs in this recommendation. Enclosed as Enclosure C-1 is the written definition of nonconforming characteristics established by the division on February 4, 1983. This definition has been publicized by staff and is available to all borrowers or seller/servicers for their review.

In addition to finalizing this definition, the division has recently completed the publication of a Housing Assistance Loan Program handbook and brochures. The publications fully define our loan programs and are available for review in any of our Housing Assistance Division offices.

D. Recommendation No. 4

HAD should improve its accounting system.

(1) HAD does not reconcile its loan receipts and disbursements and other operating expenditures to the State accounting system (PBA).

The department concurs in this recommendation. The division has been working very hard in conjunction with the Division of Administrative Services staff to identify responsibilities, monitor actions and insure fiscal accountability for all loan fund expenditures with regard to reconciliation with PBA. Enclosure D-1 outlines the new reporting procedures which have now been implemented at HAD. Procedures for reconciliation of loan disbursements are now in place and are being performed on a monthly basis. We anticipate completion of reconciliation procedures for loan receipts and other operating expenditures for the April 30, 1983 PBA report.

(2) Interest income is recorded net of service fees.

The department concurs in this recommendation. In consultation with the Department of Law, it has been determined a revised program request will be presented

before the Legislative Budget and Audit Committee to receive and expend a portion of the interest income for payment of service fees. In addition, the department will establish a system to properly account for the expenditures in accordance with AS 37.05.150.

Thank you for the opportunity to comment on this report. Please contact me or Barbara Horse-Quinn at 272-4585 should you have any questions regarding this correspondence. I hope this letter will sufficiently address all your concerns. We look forward to receiving the final audit report as soon as it becomes available.

Sincerely,

Mark Lewis
Commissioner

cc: Barbara Horse-Quinn

JAY S. HAMMOND, GOVERNOR

REPLY TO:
☐ 2600 DENALI SUITE 800
ANCHORAGE, ALASKA 99503
PHONE (907) 272-4555

☐ BOX 1020-11
DILLINGHAM, ALASKA 99576
PHONE (907) 842-2245

☐ GENERAL DELIVERY
KOTZEBUE, ALASKA 99752
PHONE (907) 442-3675

☐ P.O. BOX 348
BETHEL, ALASKA 99559
PHONE (907) 543-3964

☐ 1816 CUSHMAN ROOM 210
FAIRBANKS, ALASKA 99701
PHONE (907) 452-4468

☐ BOX 41
NOME, ALASKA 99762
PHONE (907) 443-2655

STATEWIDE TOLL FREE
PHONE: ZENITH 4585

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

November 18, 1982

To: ALL SELLER SERVICES

The Housing Assistance Division announces the reduction of interest rates for the Nonconforming Loan Program of the Housing Assistance Loan Fund. The new rates are attached. The authority for this reduction is found in AS 44.47.410 and AS 18.56.098(g).

As a reminder, all rural loan rates are fixed by the Legislature and are not adjusted with State Mortgage Bond sales.

Any loan committment issued after November 17, 1982 for the Nonconforming Loan Program will be at the new rate.

Sincerely,

Barbara Morse-Quinn

Barbara Morse-Quinn
Director

Attachment

Enclosure A-1

MEMORANDUM

State of Alaska
Community and Regional Affairs

TO: The Honorable Norman Gorsuch
Attorney General
Department of Law
Attn: John Rubini
Asst. A.G.

DATE: January 31, 1983

FILE NO:

TELEPHONE NO: 272-4585

FROM: MARK LEWIS
COMMISSIONER

SUBJECT: Request for Opinion
Effective Date for Interest
Rates under AS 44.47.410(a)

By: _____
Barbara Morse-Quinn, Director
Housing Assistance Division
Community and Regional Affairs

Alaska Statute 44.47.410(a) mandates that our urban interest rates are "equal to the interest rate, as determined under AS 18.56.098(a) from the proceeds of the most recent applicable issue of taxable bonds." On January 19, 1983, Alaska Housing Finance Corporation sold series I of taxable bonds. This sale resulted in a reduction of the interest rates from 10.125% to 10% on the first $90,000 for non-veterans and from 9.125% to 9% on the first $90,000 for qualified veterans. However, AHFC has not put these rates into effect for their programs until they have exhausted the funds from the series H sale of taxable bonds.

Our question to you is, do we adjust our rates on the date of the last sale of the taxable bonds which was January 19, 1983 or on the date AHFC makes the rates effective for their programs which they anticipate will be mid-February?

Enclosure A-3

CERTIFICATION OF COSTS FOR OWNER/BUILDER NEW CONSTRUCTION

We certify that we have spent the total proceeds of our loan from DCRA/HAD in the amount of $_____ for materials to construct our house or for labor which was contracted to be performed to complete the house. We further certify that we have not received any payment for our own labor or other services which we performed to complete the house.

Date:_____ _____
Borrower

Date:_____ _____
Borrower

State of Alaska
_____ Judicial District

On this _____ day of _____ 19___ before me, the undersigned a Notary Public in and for the state of Alaska, personally appeared _____ to me known and acknowledged to me that __he__ executed the above certification freely and voluntarily for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

_____
Notary Public for Alaska

My Commission Expires:_____

****

We certify that the above statement is true and that we have examined and placed copies in our file of the paid invoices which show the expenditures of the loan proceeds for materials and contracted labor. This documentation will be retained by us and available to the Division or its representatives upon request.

_____
Seller/Servicer

BY:_____

Title:_____

Date_____

State of Alaska
_____ Judicial District

On this _____ day of _____ 19___ before me, the undersigned a Notary Public in and for the state of Alaska, personally appeared _____ to me known and acknowledged to me that __he__ executed the above certification for _____ freely and voluntarily for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

_____
Notary Public for Alaska

My Commission Expires:_____

NONCONFORMING DEFINED

Effective February 4, 1983

Nonconforming housing is housing which is structurally sound and presents no health or safety hazards to the occupants but because of outmoded construction practices, changes in current design, a lack of normal amenities common to the area of the structure or a lack of utilities common to the area of the structure cannot be financed through any other state or federal mortgage loan program.

It has been our experience that the following list are the prevalent types of nonconformities:

1. Untreated wood foundations.
2. Untreated piling foundations.
3. Crib foundations.
4. Lack of a foundation.
5. Variations in foundation systems.
6. Dwellings with less than 1 full bathroom.
7. Dwellings with room layouts which affect the privacy of the bath or bedrooms.
8. Dwellings with ceiling heights less than 8' in the living areas.
9. Dwellings with rooms in tandem.
10. Dwellings with gross living areas less than 600 square feet.
11. Disjointed structures.
12. Dwellings which do not enjoy the utilities (electric, water or wastewater) which are common for the immediate area in the which the dwelling is located, such as:
    A. Private electric
    B. Lack of electricity
    C. Shallow wells
    D. Cisterns
    E. Surface water collection systems
    F. Holding tanks for water
    G. Sewage haul systems
    H. Water haul systems
    I. Graywater systems
    J. Outhouses
13. Dwellings which rely upon space heaters or woodstoves and their sole source of heat.
14. Dwellings constructed around a mobile home frame.
15. Restricted Titles due to ANCSA

This list is not finite and can be expanded upon as more characteristics unacceptable to other mortgage lending programs become known to the Division.

MEMORANDUM

State of Alaska

Community & Regional Affairs

TO: Barbara Morse-Quinn, Director
Ray Price, Deputy Director
Housing Assistance Division

DATE: February 8, 1983

FILE NO:

TELEPHONE NO:

FROM: Remond Henderson, Internal Auditor RH
Division of Administrative Services

SUBJECT:

Attached are a number of schedules which can be used in the reconciliation of HAD loan reports to the state PBA system. Although these schedules are designed to be used only in reconciling funds available per HAD reports to funds available per PBA, it is an example of formal reconciliation and communication procedures which must exist within HAD and between HAD and the Juneau Fiscal section. The attached schedules and/or related procedures may change once the conversion to an automated mortgage loan system has occured, however, I recommend their implementation at this point in time. Under the present system each month a number of differences occur between loans encumbered by HAD and those encumbered by Fiscal. If the recommended procedures are not implemented, these differences will continue to occur each month and will result in a large difference at the time of conversion to the automated system. Identifying the cause of a large difference could be extremely time consuming. Therefore, a monthly reconciliation should be performed.

I have performed a reconciliation between HAD and PBA reports for the month of December noting a net difference of $450,000. Although the net amount difference is inmaterial it should be identified and corrected as soon as PBA reports are available, I will perform the reconciliation for the month of January and will identify the difference at that time. However, to insure the difference does not increase as a result of the routine procedures performed by HAD and the Fiscal section, I recommend the following:

1. Preparation of SCHEDULE I (a summary schedule of loan activity by year of loan fund; ie; encumbrances, cancellations, increases, decreases).

2. Preparation of SCHEDULES II, III, and IV. These are schedules for each loan fund (by year) and provides the detail support for the summary schedule described in 1 above. In preparing schedules II, III, and IV a number of procedures must be followed by HAD and Fiscal. These procedures are discussed below:

a. HAD's Accounting Technician should continue to maintain the Loan Activity Log. All encumbrances, transfers, increases, adjustments, etc. should be entered in the log. In effect, the Loan Activity Log should reflect all activity which affects loan encumbrances.

b. The Loan Closer should forward a copy of requests for warrants to the Accounting Technician in order for her to determine amounts requested are in agreement with amounts encumbered. If there is a difference, the Accounting Technician will enter the increase or decrease in the Loan Activity Log and applicable schedule. If an increase or decrease in a loan amount is known by the Loan Closer in advance, the Loan Closer should forward a document indicating the change to the Accounting Technician.

c. The Loan Closer should forward a copy of all warrant cancellation requests to the Accounting Technician. (This has no effect on schedules II, III, or IV, however, effects the HAD reports prepared by the Accounting Technician.

d. All items entered in the Activity Log (see [a] above) by the Accounting Technician should be entered in the Wang and on the applicable SCHEDULES, II, III, or IV. The Accounting Technician should establish a cut-off date at the end of each month. This will be important for reconciliation purposes. All activity input in the Wang (per activity log) in a particular month and included in HAD Loan Reports for that month should be entered on SCHEDULES II, III, or IV for the same month. For example, information entered in the Wang on January 5th and included in the December 31st (or January 1st) HAD Loan Reports should be included in the schedules for the month of December.

e. The Accounting Technician should forward SCHEDULE's I, II, III, and IV to Fiscal on a routine basis, preferably weekly. The Fiscal section will complete the schedules and return them to HAD as documents are received by the Department of Administration. If an item submitted by HAD is indicated by Fiscal as not being recorded, it should appear on the reconciliation schedule (SCHEDULE's V, VI, and VII attached) at month end. This is an item which will be included in the HAD Loan Report for the current month, however, will not be reflected in the Current Year Authorization Balances report (PBA Report) for the month.

f. The Accounting Technician should review SCHEDULE's II, III, and IV as they are received from Fiscal for potential reconciling items. As described in [e] above, items not recorded by the Department of Administration will be reconciling items. Additionally, items recorded by the Department of Administration in the month following the month submitted by HAD will be reconciling items (i.e; included in December HAD Loan Report, however, recorded by the Department of Administration on January 10th).

3. Preparation of SCHEDULES V, VI and VII (the reconciliation schedules) on a monthly basis. These schedules are the basis of reconciling the Current Year Authorization Balances Report (PBA Report) to the HAD Loan Reports prepared at month end. A loan report should always be printed at month end. If the PBA Report has not been received by the 15th of the current month, please notify Fiscal.

Performance of the above procedures will be the first step in reconciling PBA reports to HAD reports. Should you have any questions regarding these procedures, please contact me. I will discuss these procedures with the Fiscal section immediately.

cc: [illegible] Rehfeld, Director
Division of Administrative Services

Dan Kanouse, Administrative Officer
Division of Administrative Services

	Initials	Date
Prepared By		
Approved By		

SCHEDULE I

SUMMARY OF ACTIVITY FOR MONTH OF

Date of Report

		(1)	(2)	(3)	(4)
1					
2		FISCAL YEAR 1981 LOAN FUND			
3		(SEE SCHEDULE II ATTACHED)			
4	ENCUMBRANCES				
5	TRANSFERS				
6	INCREASES				
7	DECREASES				
8	CANCELLATIONS				
9					
10					
11		FISCAL YEAR 1982 LOAN FUND			
12	ENCUMBRANCES	(SEE SCHEDULE III ATTACHED)			
13	TRANSFERS				
14	INCREASES				
15	DECREASES				
16	CANCELLATIONS				
17					
18					
19		FISCAL YEAR 1983 LOAN FUND			
20	ENCUMBRANCES	(SEE SCHEDULE IV ATTACHED)			
21	TRANSFERS				
22	INCREASES				
23	DECREASES				
24	CANCELLATIONS				
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					

	COMPLETED BY HAD			COMPLETED BY JUNEAU FISCAL SECTION					
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
	LOAN NUMBER	NAME	AMOUNT	ENCUMBERED/ RECORDED BY FISCAL YES/NO?	ENCUMBRANCE, JV, OR AV NUMBER	DATE RECORDED By DEPARTMENT OF ADMINISTRATION	REASON FOR NON-ENCUMBRANCE/RECORDING BY JUNEAU FISCAL SECTION OR DEPT. OF ADMINISTRATION REJECTION		
1	ENCUMBRANCES								
2									
3									
4									
5									
6									
7									
8									
9	TRANSFERS								
10									
11									
12									
13									
14	INCREASES								
15									
16									
17									
18									
19	DECREASES								
20									
21									
22									
23									
24	CANCELLATIONS								
25									
26									

Burroughs Hadley
Form H504 Buff - Form G504 Green

	Initials	Date
Prepared By		
Approved By		

SCHEDULE V

FY 81 LOAN FUND

RECONCILIATION FOR THE MONTH OF _____

	(1)	(2)	(3)	(4)
1				
2	Balance (available funds) per Current Year Authorization			
3	Balances Report			
4	ADD:			
5	LOAN CANCELLATIONS RECORDED BY HAD			
6	NOT RECORDED BY DEPT. OF ADMINISTRATION			
7				
8				
9	LOAN DECREASES RECORDED BY			
10	HAD NOT RECORDED BY DEPT. OF ADMINISTRATION			
11				
12				
13	TRANSFERS RECORDED BY HAD NOT			
14	RECORDED BY DEPT. OF ADMINISTRATION			
15				
16				
17	OTHER (EXPLAIN)			
18				
19				
20				
21				
22				
23				
24	DEDUCT:			
25	LOAN ENCUMBRANCES RECORDED BY HAD			
26	NOT RECORDED BY DEPT. OF ADMINISTRATION			
27				
28				
29	LOAN INCREASES RECORDED BY HAD			
30	NOT RECORDED BY DEPT. OF ADMINISTRATION			
31				
32				
33	TRANSFERS RECORDED BY HAD NOT			
34	RECORDED BY DEPT. OF ADMINISTRATION			
35				
36				
37	OTHER (EXPLAIN)			
38				
39				
40				
41				
42				
43				

Burroughs Hadley
Form H504 Buff - Form G504 Green

	Initials	Date
Prepared By		
Approved By		

SCHEDULE VI

FY 82 LOAN FUND

RECONCILIATION FOR THE MONTH OF _____

	(1)	(2)	(3)	(4)
1				
2	Balance (available funds) per		Current Year Authorization Balances Report	
3				
4	ADD:			
5	LOAN CANCELLATIONS RECORDED BY HAD			
6	NOT RECORDED BY DEPT. OF ADMINISTRATION			
7				
8				
9	LOAN DECREASES RECORDED BY			
10	HAD NOT RECORDED BY DEPT. OF ADMINISTRATION			
11				
12				
13	TRANSFERS RECORDED BY HAD NOT			
14	RECORDED BY DEPT. OF ADMINISTRATION			
15				
16				
17	OTHER (EXPLAIN)			
18				
19				
20				
21				
22				
23				
24	DEDUCT:			
25	LOAN ENCUMBRANCES RECORDED BY HAD			
26	NOT RECORDED BY DEPT. OF ADMINISTRATION			
27				
28				
29	LOAN INCREASES RECORDED BY HAD			
30	NOT RECORDED BY DEPT. OF ADMINISTRATION			
31				
32				
33	TRANSFERS RECORDED BY HAD NOT			
34	RECORDED BY DEPT. OF ADMINISTRATION			
35				
36				
37	OTHER (EXPLAIN)			
38				
39				
40				
41				
42				
43				

Burroughs Hadley
Form H504 Buff - Form G504 Green

	Initials	Date
Prepared By		
Approved By		

SCHEDULE VII

FY 83 LOAN FUND

RECONCILIATION FOR THE MONTH OF _____

	(1)	(2)	(3)	(4)
1				
2	Balance (available funds) per Current Year Authorization Balances Report			
3				
4	ADD:			
5	LOAN CANCELLATIONS RECORDED BY HAD			
6	NOT RECORDED BY DEPT. OF ADMINISTRATION			
7				
8				
9	LOAN DECREASES RECORDED BY			
10	HAD NOT RECORDED BY DEPT. OF ADMINISTRATION			
11				
12				
13	TRANSFERS RECORDED BY HAD NOT			
14	RECORDED BY DEPT. OF ADMINISTRATION			
15				
16				
17	OTHER (EXPLAIN)			
18				
19				
20				
21				
22				
23				
24	DEDUCT:			
25	LOAN ENCUMBRANCES RECORDED BY HAD			
26	NOT RECORDED BY DEPT. OF ADMINISTRATION			
27				
28				
29	LOAN INCREASES RECORDED BY HAD			
30	NOT RECORDED BY DEPT. OF ADMINISTRATION			
31				
32				
33	TRANSFERS RECORDED BY HAD NOT			
34	RECORDED BY DEPT. OF ADMINISTRATION			
35				
36				
37	OTHER (EXPLAIN)			
38				
39				
40				
41				
42				
43				

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: The Honorable Norman Gorsuch
Attorney General
Department of Law

DATE: January 24, 1983

FILE NO:

TELEPHONE NO: 465-4709

FROM: Mark Lewis
Commissioner

SUBJECT: REQUEST FOR OPINION
HAD Service Fee

The Department of Community & Regional Affairs requests your assistance in providing an opinion on the proper source of funding of service fees paid to financial institutions by the Housing Assistance Loan Fund. Alaska Statute 44.47.460 states that "Before purchasing or participating in the purchase of a loan, the director shall enter into a loan servicing agreement with the private financial institution from which the loan is to be purchased." It further states that, "Under the servicing agreement, the private financial institution or the regional native housing authority shall administer the loan and may charge the division a negotiated origination or servicing fee on the division's share of the loan".

Since the inception of the Housing Assistance Loan Program (previously Non-conforming Housing Loan Program) the Division has negotiated contracts with financial institutions for the servicing of loans. After a loan has been purchased and payments from the borrower are received, the financial institutions deduct the amount of their service fee and forward the remaining remittance to the Division. The loan payments are then transmitted to the Treasury through the Division of Administrative Services, for deposit, net the service fees retained by the financial institutions. This transmittal of loan payments is performed on a monthly basis.

This procedure is not adequate to properly reflect the amount of interest revenue actually received by the State. It has been determined that to accommodate this situation, an accounting entry is required at the time of deposit to reflect the total amount of revenue received (principal and interest) and an adjustment to the expenditure journal for the service fees deducted. To accomplish this accounting adjustment, expenditure authority must be provided to the Department for the service fees. The Department is willing to go to LB&A for a request to receive and expend program receipts. A problem may exist in identifying a portion of the earnings from a loan fund, currently unrestricted revenue, as restricted revenue to pay for services rendered to the loan fund. The only other alternatives we have at this point is a supplemental request, (there is little chance it will be approved) or identifying a portion of the loan fund itself for this purpose.

was to be future legislature

Enclosure D-2

02-001A (Rev. 10/79)

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

The effect of this situation is that FY82 interest income (and corresponding expenditure amounts) are understated by over $60,000. It is anticipated that in FY83 this figure could be as high as $325,000.

Your assistance in this matter would be greatly appreciated. If you require any further information please call Bob Rehfeld at 465-4708.

HL/MS/el

1418A

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

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

Bill Sheffield, Governor

REPLY TO:
☑ 2600 DENALI, SUITE 400
ANCHORAGE, ALASKA 99503
PHONE: (907) 272-4585

☐ BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245

☐ GENERAL DELIVERY
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675

☐ P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3864

☐ 1514 CUSHMAN, ROOM 210
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-4468

☐ BOX 41
NOME, ALASKA 99762
PHONE: (907) 443-2655

STATEWIDE TOLL FREE
PHONE: ZENETH 4585

March 17, 1983

To: ALL SELLER/SERVICERS

In a recent review of our seller/servicer files we have observed a lack of documentation which authorizes designated personnel to act on behalf of an originating lender. This documentation is necessary when considering the signatures on commitment contracts or agreements which the lender may enter into on behalf of a borrower with this division.

Please provide by April 15, 1983 documentation which would designate the personnel authorized to enter into contracts or agreements, along with any exceptions or limits to this authority, on behalf of your institution. The documentation should contain the statement that the authorized officer's signature carries the full faith and credit of the lender, and is a binding agreement regardless of future personnel assignments within your institution.

Thank you for your cooperation and compliance with this request.

Sincerely,

Barbara Morse-Quinn

Barbara Morse-Quinn
Director

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

Bill Sheffield, Governor

REPLY TO:

☐ *2600 DENALI, SUITE 400*
ANCHORAGE, ALASKA 99503
PHONE: (907) 272-4585

☐ *BOX 10041*
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245

☐ *GENERAL DELIVERY*
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675

☐ *P.O. BOX 348*
BETHEL, ALASKA 99559
PHONE: (907) 543-3864

☐ *1514 CUSHMAN, ROOM 210*
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-4468

☐ *BOX 41*
NOME, ALASKA 99762
PHONE: (907) 443-2655

STATEWIDE TOLL FREE
PHONE, ZENETH 4585

March 11, 1983

To: ALL SELLER/SERVICERS

The Housing Assistance Division announces the reduction of interest rates for the Nonconforming Loan Program of the Housing Assistance Loan Fund. The new rates are attached. The authority for this reduction is found in AS 44.47.410 and AS 18.56.098(g).

As a reminder, all rural loan rates are fixed by the legislature and are not adjusted with State Mortgage Bond sales.

Any loan commitment issued on or after March 14, 1983 for the Nonconforming Loan Program will be at the new rate.

Sincerely,

Barbara Morse-Quinn

Barbara Morse-Quinn
Director

BMQ/jp

Attachment

21-P4LH

Alaska HOUSING FINANCE CORPORATION

P.O. Box 1020, Anchorage, Alaska 99510

TO: All Seller/Servicers

DATE: March 9, 1983
(Memo #83-17)

FROM: LeRoy Rothe LR
Mortgage Operations Director

Re: Interest Rate Change

Effective March 11, 1983, the following interest rate schedule shall apply to all mortgage loan requests received by Alaska Housing Finance Corporation (AHFC), with the exception of the Tax-Exempt Loan program, the Second Deed of Trust programs and the Veterans Mortgage Bond program. All applications received by AHFC on or after that date will be underwritten at these rates.

LR/la

RECEIVED
MAR 11 1983
Dept. of Comm. & Reg. Affairs
Housing Assistance Division

ALASKA HOUSING FINANCE CORPORATION

3/07/83 SERIES....S82-I

SCHEDULE FOR LOANS AT 10.000 ON THE FIRST 90,000.00 , 12.670 ON BALANC

LOAN AMOUNT FROM	LOAN AMOUNT TO	INTEREST RATE	P & I FACTOR
90,000.00	92,200.00	10.000	.008776
92,250.00	96,800.00	10.125	.008869
96,850.00	101,950.00	10.250	.008962
102,000.00	107,650.00	10.375	.009055
107,700.00	114,050.00	10.500	.009148
114,100.00	121,250.00	10.625	.009241
121,300.00	129,400.00	10.750	.009335
129,450.00	138,700.00	10.875	.009429
138,750.00	149,500.00	11.000	.009523
149,550.00	162,100.00	11.125	.009618
162,150.00	177,050.00	11.250	.009713
177,100.00	195,000.00	11.375	.009808
195,050.00	217,000.00	11.500	.009903
217,050.00	244,600.00	11.625	.009998
244,650.00	280,250.00	11.750	.010094
280,300.00	328,050.00	11.875	.010190
328,100.00	395,550.00	12.000	.010286
395,600.00	400,000.00	12.125	.010382

ALASKA HOUSING FINANCE CORPORATION

3/07/83 SERIES....S82-I VA SCHEDULE

SCHEDULE FOR LOANS AT 9.000 ON THE FIRST 90,000.00 , 12.670 ON BALANC

LOAN AMOUNT FROM	TO	INTEREST RATE	P & I FACTOR
90,000.00	91,000.00	9.000	.008047
91,650.00	94,850.00	9.125	.008136
94,900.00	98,400.00	9.250	.008227
98,450.00	102,200.00	9.375	.008318
102,250.00	106,300.00	9.500	.008409
106,350.00	110,750.00	9.625	.008500
110,800.00	115,900.00	9.750	.008592
115,650.00	120,900.00	9.875	.008684
120,950.00	126,700.00	10.000	.008776
126,750.00	133,050.00	10.125	.008869
133,100.00	140,150.00	10.250	.008962
140,200.00	147,950.00	10.375	.009055
148,000.00	156,750.00	10.500	.009148
156,800.00	166,650.00	10.625	.009241
166,700.00	177,350.00	10.750	.009335
177,900.00	190,650.00	10.875	.009429
190,700.00	205,500.00	11.000	.009523
205,550.00	222,800.00	11.125	.009618
222,850.00	243,350.00	11.250	.009713
243,400.00	268,000.00	11.375	.009808
268,050.00	298,250.00	11.500	.009903
298,300.00	336,200.00	11.625	.009998
336,250.00	385,200.00	11.750	.010094
385,250.00	400,000.00	11.875	.010190

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 8, 1983

SUBJECT: Comparison of HB 302 and HB 305

TO: Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

FROM: Linn H. Asper
Legislative Counsel

You have requested a comparison of HB 302 and HB 305, concerning state housing loan programs.

Provisions that are the same in both bills:

Section 6 of HB 302, concerning eligibility for veterans interest rates on AHFC loans (AS 18.56.101), is the same as Sec. 4 of HB 305.

Section 7 of HB 302, concerning retention of a financial advisor for AHFC bond sales, is the same as Sec. 5 of HB 305.

Section 8 of HB 302, concerning application of certain provisions of the Act, is essentially the same as Sec. 11 of HB 305.

Section 9 of HB 302, repealing AS 44.47.385, is essentially the same as Sec. 12 in HB 305.

Section 10 of HB 302 (immediate effective date) is essentially the same as Sec. 14 of HB 302.

Provisions that are similar in both bills:

Sections 4 and 5 of HB 302, concerning interest rates for AHFC loans, are similar to Secs. 1 through 3 of HB 305. Each changes the method of calculating AHFC interest rates in a similar manner. HB 305 would increase the subsidized portion of AHFC loans from the

present $90,000 amount to $100,000. HB 302 makes no change in the subsidized portion of AHFC loans. HB 305 would put a 12.5 percent ceiling on AHFC interest rates. HB 302 places no ceiling on interest rates.

Provisions that are found only in HB 302:

Sections 1 through 3 of HB 302 would have the effect of increasing the amount of money that could be loaned for a single-family residence from $160,000 to $250,000.

Provisions that are found only in HB 305:

Section 6 of HB 305 would make it clear that the housing assistance loan fund (AS 44.47.380) is a revolving fund.

Section 7 of HB 305 would establish a home ownership assistance fund in the Department of Community and Regional Affairs for housing loan assistance to low and moderate income families, similar to the AHFC home ownership fund (AS 18.56.091).

Section 8 of HB 305 would allow a borrower to have both a nonconforming or rural housing loan and a loan for nonowner occupied housing, amending AS 44.47.390.

Section 9 of HB 305 would amend the method of computing interest rates for nonconforming and rural housing loans under AS 44.47.410.

Section 10 of HB 305 would redefine the term "rural" as that term is used in connection with nonconforming and rural housing loans made or purchased by the Department of Community and Regional Affairs.

Section 13 would make Secs. 7, 8, 10, and 12 of HB 305 effective January 1, 1984.

LHA:ljb
13/038

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

April 6, 1983

BILL ANALYSIS

RE: HB 302

SPONSOR: House Special Committee on State Loans

Program Effects of Bill

Section 6 of the bill eliminates the resident requirements affecting veterans in the past. The new provision allows a greater number of Veterans to qualify for a 1% reduction in interest rates on the mortgage.

Section 9 of the bill makes it possible for the Division to operate under one definition of rural. Moreover, Section 9 repeals the law mandating an 80%/20% in loan fund allocation for nonconforming loans. Currently rural Alaska receives 80% of the funding. Section 9 will allow the Division to allocate nonconforming funds in a more productive manner. Fiscal impact should be minimal.

Comments

The Department suggests that the effective date of Section 9 be immediate.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 302
Title: Relating to the AK Housing Finance..
Sponsor: Hou. Spec. Comm. on St. Loans
Requestor: HC&RA

II. FISCAL DETAIL

Agency Affected: DCRA
Program Category Affected: DEVELOPMENT
BRU, Program of Subprogram(s) Affected: HAD

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

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

N/A

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Barbara Morse-Quinn
Phone: 272-4585
Division: Housing Assistance Division
Date: 3/19/83

Approved by Commissioner:
Date: 4/7/83
Department: Community & Regional Affairs

Distribution:
Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
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Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No: HB 302
Title: AHFC--semi rural loans
Sponsor: House Special Committee on Loans
Requestor: " "

II. FISCAL DETAIL

Agency Affected: Revenue
Program Category Affected: Econ. Develop.
BRU, Program of Subprogram(s) Affected: Alaska Housing Finance Corporation

EXPENDITURES/REVENUES: (Millions 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 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	29	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Millions of Dollars)

GENERAL FUND	29	-	-	-	-	-
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: Michael S. Lynch — Phone: 276-5599
Division: Alaska Housing Finance Corporation — Date: 4/7/83

Approved by Commissioner: Joseph K Donohue — Date: 4/7/83
Department: Revenue

Distribution:
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Copy to Department (for Governor introduced bills)
Copy to Sponsor
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IV. Analysis for HB 302

It is estimated that AHFC would receive 250 additional loans that they do not now receive which require an additional $50 million of bond financing. Based on a mix of one-third veterans and two-thirds non-veterans, this would require subsidy funds of $9 million. Raising the change in the ratchet from three percent to four percent will have a cost of $20 million. If no other bills with a fiscal impact for AHFC are passed, the Corporation would be able to accommodate the $29 million cost within its current FY 84 $150 million capital budget request.

April 6, 1983
Proposed House Bill 302

REMARKS BY REPRESENTATIVE RICK UEHLING

The bill before you today is House Bill 302, "An Act relating to the Alaska Housing Finance Corporation; relating to rural and nonconforming housing loans; and providing for an effective date." It makes a number of substantive changes in the present AHFC program.

First, it establishes a new limit of $250,000 for first mortgages purchased by AHFC -- thereby deleting the provision that loan limits be tied to the Federal National Mortgage Association limits. For example, the total amount loaned for a single family residence is $160,000 under FNMA limits. The legislation before you raises that limit to $250,000.

Secondly, it eliminates the "Roger's Ratchet" and sets a flat four percent subsidy on all loans up to $90,000. Over that, the cost of funds are the determining factor. Essentially, this bill eliminates unnecessary language in present statute and allows the subsidy to be at a constant level. This gives AHFC and the Legislature a consistent level of appropriation for future fiscal years. In essence, this streamlines and simplifies present law.

Thirdly, this legislation cleans up existing statute in the section defined as "eligible veteran" by deleting questionable residency requirements and changing the National Guard and Reserve service requirement. This change has been suggested by the Governor in HB 305.

Fourthly, this bill makes the retention of a financial advisor by the AHFC for the negotiation of private sales of bonds optional instead of mandatory.

The fifth, and final, point I would like to make is that this legislation repeals the allocation formula for nonconforming housing, which is based on population.

Department of Community and Regional Affairs

Analysis
of
Proposed Amendments to HB 302

1. Section 3 (page 1 line 22) - Includes language to limit the effects of this section to single family dwellings. This has impact on AHFC only and is a change requested by them. Limits for Housing Assistance Division programs are set by the Federal National Mortgage Association and are $162,450 for single family dwellings and $207,750 for duplexes. No effect on HAD.

2. Section 4 (page 1 line 27) - The amount up to which the subsidized interest rates set by this section are applicable is changed from $90,000 to $100,000. Again this is an AHFC requested amendment and would have no impact upon HAD programs.

3. Section 8 (page 3, line 26) - This changes the sections of HB 302 addressed by section 8 from sections 4 and 5 to sections 1 through 5. These sections apply to AHFC mortgages only. This would have no effect upon HAD programs.

4. Section 8 (page 3, line 28) - Changes bonds <u>issued</u> to bonds <u>sold</u> and includes language to cover use of any other available funds. Again this alteration has no effect upon HAD programs.

4/8/83

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 March 29, 1983

SUBJECT: AHFC and housing assistance loans (HB 302, Work Order No. 13-1140)

TO: Representative Rick Uehling

FROM: Linn H. Asper
Legislative Counsel

You have asked for a sectional analysis of HB 302, relating to the Alaska Housing Finance Corporation and housing assistance loans administered by the Department of Community and Regional Affairs.

Section 1 deletes the provision that now ties the maximum amount of AHFC loans to Federal National Mortgage Association limits.

Section 2 makes the same deletion with regard to second mortgages that Sec. 1 makes for first mortgages.

Section 3 establishes a new limit of $250,000 for first mortgages purchased by AHFC, and a limit of $250,000 for second mortgages when combined with the outstanding balance of the first mortgage.

Section 4, in combination with the repeal of AS 18.-- 56.098(g)(2) made in Sec. 9 of the bill, eliminates the "Rogers ratchet" method of determining interest rates on AHFC loans. Instead, a flat four percent subsidy is enacted so that the interest rate on an AHFC loan will be four percent less than the cost of funds for that loan, with two exceptions:

(1) if the cost of funds is less than 10 percent, the interest rate equals the cost of funds; and

(2) if the cost of funds is more than 10 percent the interest rate may not be less than 10 percent.

Section 5 makes technical changes to AS 18.56.098(g)(5) to conform that paragraph with the changes made elsewhere in the section.

Section 6 changes the definition of "eligible veteran" for the purposes of the increased veteran's subsidy for AHFC loans, by deleting questionable residency requirements and by changing the national guard and reserve service requirements.

Section 7 makes the retention of a financial advisor by the AHFC for the negotiation of private sales of bonds optional instead of mandatory.

Section 8 is a transitional provision that ties the changes in the method used to compute AHFC interest rates to bond sales that take place after the effective date of the Act.

Section 9 repeals AS 18.56.098(g)(2), referred to above in connection with Sec. 4, and repeals AS 44.47.385, which established an allocation formula, based on population, for nonconforming housing loan money administered by the division of housing assistance in the Department of Community and Regional Affairs.

Section 10 provides an immediate effective date for the Act.

LHA:ljb
12/029

SUMMARY COMPARISON OF HB 302 AND HB 305

EXISTING	HB 302	HB 305	COMMITTEE DETERMINATION
Maximum subsidized portion of AHFC Loans is $90,000	$90,000	$100,000	
Contains several residency requirements for Veterans	Eliminates special Veteran residency requirements	Eliminates special Veteran residency requirements	
Requires AHFC to retain independant financial advisor for bond sales	Makes bond advisor optional	Makes bond advisor optional	
Requires Department of Community and Regional Affairs (DCRA) to commit 80 percent of funds to rural loans, and 20 percent to urban areas.	Eliminates 80-20 requirement	Eliminates 80-20 requirement	
Persons with subsidized loans for non-owner occupied housing can not have additional loan for owner occupied	No change	Permits borrowers to have loans for owner occupied and non-owner occupied housing	
No specific loan fund for low and moderate income housing in DCRA that is similar to AHFC program	No change	Establishes a revolving loan fund in DCRA for low and moderate income housing. Provides for interest rates to be ¼% higher than the taxable bond rate for urban non-conforming housing than for rural non-conforming housing. Provides for loans 1% less than the taxable bond rate for rural housing loans, but not for urban housing loans.	

EXISTING	HB 302	HB 305	COMMITTEE DETERMINATION
Maximum limit on loans for single family residences are tied to Federal Nat'l Mortgage Association (FNMA) ($162,450) same provisions apply to second mortages.	Removes linkage to FNMA and establishes maximum loan for single family residences at $250,000. Same limits $250,000 for second mortages.	No change to existing law.	
AHFC provides 3 percent maximum subsidy rate on loans.	Establishes 4 percent subsidy except: (a) if cost of funds is less than 10%, the interest rate equals the cost of funds. (b) if cost of funds is more than 10%, the interest rate may not be less than 10 percent.	Same as HB 302 but adds: the interest rate may not exceed 12.5 percent.	
Definition of rural: AS 44.47.560 "rural" means: (a) a community in the second, third, or fourth judicial district of the state with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks; or (b) a community in the first judicial district of the state with a population of 4,500 or less;	No change	"rural" means of or relating to a community in the state with a population of 4,500 or less, as determined by the department under AS 29.88.015, that (a) is not connected by road or rail to Anchorage or Fairbanks; or (b) is connected by road or rail to Anchorage or Fairbanks, but is more than 100 air miles from Anchorage and from Fairbanks.	

(1) nonconforming and rural housing mortgage loans;

(2) loans made for building materials for nonconforming and rural housing;

(3) loans made for renovations or improvements to nonconforming and rural housing;

(4) loans made for the construction of owner-occupied nonconforming and rural housing other than loans to builders or contractors or loans that compensate an owner for the owner's labor or services in constructing the owner's own housing. (§ 73 ch 106 SLA 1980; am § 6 ch 115 SLA 1981; am § 38 ch 113 SLA 1982)

Effect of amendments. — The 1981 amendment added "originate" preceding "purchase" in the second sentence of the introductory language and added paragraph (4).

The 1982 amendment, effective June 25, 1982, substituted "housing assistance loan fund" for "nonconforming housing loan fund" in one place in the first sentence and in two places in the second sentence, and inserted "and rural" in paragraphs (1)-(4).

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Sec. 44.47.385. Eligible locations. (a) The director may make loans from the housing assistance loan fund only for nonconforming and rural housing loans to qualified buyers for nonconforming and rural housing.

(b) Not more than 20 percent of the total principal amount of loans made for nonconforming housing may be made in cities of organized boroughs and service areas of unified municipalities where the population of the city or service area exceeds 3,500.

(c) For purposes of (b) of this section, population shall be determined with reference to the 1980 preliminary census report as published in "Alaska 1980 Population" and released January 1, 1981, by the Department of Labor.

(d) In allocating money under (b) of this section, if a home proposed for financing is in more than one service area, that home shall be considered to be in the service area with the smallest population. (§ 17 ch 115 SLA 1981; am § 39 ch 113 SLA 1982)

Effect of amendments. — The 1982 amendment, effective June 25, 1982, in subsection (a), substituted "housing assistance loan fund" for "nonconforming housing loan fund" and inserted "and rural" in two places.

Sec. 44.47.390. Limitations on use of housing assistance loan fund. The director may not use the money in the housing assistance loan fund to

(1) originate a direct loan or purchase or participate in the purchase of a nonconforming or rural housing mortgage loan that exceeds the limitations on mortgage loans purchased by the Federal National Mortgage Association as to principal amount or loan-to-value ratio;

(f) A regulation adopted under (b) — (e) of this section becomes effective immediately upon its adoption by the board, unless otherwise specifically provided by the order of adoption.

(g) The provisions of (b) — (e) of this section do not apply to regulations governing interest rates on the corporation's mortgage loan programs.

(h) The board shall adopt regulations in accordance with (a)—(f) of this section which establish a procedure by which a seller of mortgage loans may appeal a decision of the corporation not to purchase mortgage loans offered by the seller. (§ 5 ch 167 SLA 1978; am § 19 ch 106 SLA 1980; am § 17 ch 113 SLA 1982)

Effect of amendments. — The 1982 amendment, effective June 25, 1982, added paragraph (5) to subsection (c).

Sec. 18.56.096. Limitation on power to make or purchase mortgage loans. The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(1) a first mortgage loan under this chapter that exceeds the limitations on first mortgage loans purchased by the Federal National Mortgage Association as to principal amount and loan-to-value ratio; or

(2) a second mortgage loan the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitation on the amount set out in (1) of this section or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent.

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area. (§ 27 ch 106 SLA 1980; am § 3 ch 115 SLA 1981; am § 18 ch 113 SLA 1982)

Effect of amendments. — The 1982 amendment, effective June 25, 1982, added paragraph (3).

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Sec. 18.56.098. Special mortgage loan purchase program. (a) The corporation shall establish a special mortgage loan purchase program. Under the special mortgage loan purchase program, the corporation may purchase first or second mortgage loans, including graduated payment mortgage loans, made for the purchase, improvement, or rehabilitation of residences.

(b) The corporation shall adopt regulations under AS 18.56.088 to establish minimum construction standards which a residence must meet before the corporation may purchase a mortgage loan on the residence under (a) of this section. The minimum construction standards shall include standard deviations from the minimum construction standards to allow the corporation to purchase loans on residences which do not meet the minimum construction standards but which are certified by an engineer to be within the standard deviations. The standard deviations shall include, but are not limited to, provisions relating to water holding tanks, on-site water and sewer systems, and foundations.

(c) The corporation may pledge mortgage loans purchased by the corporation under (a) of this section, mortgage loans assigned to the corporation for the special mortgage loan purchase program, and mortgage loans purchased with amounts appropriated to the corporation for the special mortgage loan purchase program to pay the principal, interest, and redemption premium, if any, on bonds or bond anticipation notes issued by the corporation for the special mortgage loan purchase program and may expend amounts appropriated to the special mortgage loan purchase program for mortgage loan subsidies or other purposes of the program as necessary to cause the interest rate on mortgage loans purchased under the special mortgage loan purchase program and retained by the corporation or sold under AS 18.56.099 to equal the rates specified in this section.

(d) Repealed by § 51 ch 115 SLA 1981.

(e) The corporation shall establish regulations in accordance with AS 18.56.088 to implement the special mortgage loan purchase program. The regulations shall include provisions allowing, prohibiting, or restricting the right to assume or the right to provide for the payment of mortgage loans purchased under (a) of this section by a person other than the mortgager. A provision in a mortgage loan purchased by the corporation after June 30, 1981, that prohibits or restricts the right to assume or the right to provide for the payment of mortgage loans is enforceable. The corporation shall enforce the regulations adopted under this subsection.

(f) In this section and in AS 18.56.099,

(1) "graduated payment mortgage loan" means a mortgage loan the terms of which provide for monthly principal and interest payments which

(A) during the first year of the mortgage loan are lower than the monthly principal and interest payments that would be required under the terms of a level payment mortgage loan made at the same interest rate; and

(B) during subsequent years of the mortgage loan are graduated to provide for the same return over the term of the loan that would have been provided by a level payment mortgage loan made at the same interest rate;

(2) "mortgage loan" includes a beneficial interest or participation in a mortgage loan;

(3) Repealed by § 51 ch 115 SLA 1981.

(4) "residence" means an owner-occupied, single-family residence, including a mobile home, or an owner-occupied duplex, triplex or four-plex.

(g) The corporation shall establish the interest rate on a first mortgage loan purchased under (a) of this section in accordance with the following:

(1) The interest rate on the first $90,000 of a mortgage loan purchased with the proceeds of the first issue of taxable bonds of the corporation is 10 percent or the cost of funds, whichever is less.

(2) The interest rate on the first $90,000 of a mortgage loan purchased with the proceeds of a second or subsequent issue of taxable bonds of the corporation shall be determined as follows:

(A) If the cost of funds of an issue of taxable bonds is more than the cost of funds of the preceding issue of taxable bonds, the interest rate shall be increased by an amount equal to the difference between the cost of funds of the two bond issues.

(B) Except as provided in (C) and (D) of this paragraph and (3) of this subsection, the interest rate may not be less than 10 percent and may not be reduced.

(C) If the difference between the cost of funds of an issue of taxable bonds and the interest rate established for a mortgage loan purchased with the proceeds of the previous issue would be equal to or less than three percent, the interest rate on mortgage loans purchased with the proceeds of that taxable bond issue and subsequent taxable bond issues is three percent less than the cost of funds of the taxable bond issue that is used to purchase the mortgage loan.

(D) The interest rate on a mortgage loan purchased with the proceeds of a taxable bond issue may not be less than 10 percent unless the cost of funds of the taxable bond issue is less than 10 percent, in which case the interest on a mortgage loan purchased with the proceeds of a taxable bond issue is equal to the cost of funds.

(E) If the proceeds of a taxable bond issue are to be used only for the purchase of mortgage loans for triplex and four-plex residences, the cost of funds of that bond issue is not considered in determining the interest rate on the first $90,000 of a mortgage loan. The interest rate

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on the first $90,000 of a mortgage loan that is purchased with the proceeds from a taxable bond issue used solely for the purchase of mortgage loans for triplex and four-plex residences is equal to the interest rate, as determined under this paragraph, on a mortgage loan purchased with the proceeds of the preceding issue of taxable bonds.

(3) An interest rate determined under this subsection on the first $90,000 of a mortgage loan that is not purchased from the proceeds of bonds that are qualified veterans' mortgage bonds under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)), as amended, shall be reduced by one percentage point if the loan is made to an eligible veteran under AS 18.56.101.

(4) The interest rate for the amount of a mortgage loan purchased under (a) of this section that exceeds $90,000 is equal to the cost of funds to the corporation attributable to that part of the loan.

(5) The interest rate on a mortgage loan purchased from money appropriated to the corporation is the rate the corporation determines is appropriate by application of the provisions of (1) — (4) of this subsection. The rate may be based on an estimate of the cost of funds of a proposed issue or issues of bonds.

(6) The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)), as amended, other than bonds that constitute qualified veterans' bonds under (i) of this section, is 10 percent or the cost of the funds, whichever is less. A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act.

(7) In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and mortgage servicing;

(B) "taxable bonds" means bonds bearing interest that is taxable under the provisions of the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A) issued to finance the purchase of first mortgage loans.

(h) The corporation shall establish the interest rate on a second mortgage loan purchased under (a) of this section in the manner established for computing the interest rates on a first mortgage loan under (g) of this section except that, in the case of a second mortgage loan, if the first mortgage loan made to the same borrower is held by the corporation and was purchased under the special mortgage loan purchase program, the outstanding principal balance of the existing first mortgage loan is subtracted from $90,000 to determine the amount of the loan that is eligible for an interest rate on a second mortgage loan determined by reference to (g) of this section.

(i) The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that constitute qualified veterans'

mortgage bonds under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)) as amended, is the greater of (1) four percent less than the cost of funds or (2) the rate for other loans to veterans under AS 18.56.098(g)(3). A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act of 1980.

(j) If the money used to purchase a mortgage loan made to a veteran under this section comes from an issue of bonds of the corporation guaranteed by the state, each bond must be issued as part of an issue substantially all of the proceeds of which are used to provide residences for qualifying veterans. In this subsection a qualifying veteran is a person who is a "qualified veteran" as the term is defined or may subsequently be defined under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)), as amended.

(k) The interest rate limitations of AS 45.45.010 do not apply to loans purchased under this section or to loans that the corporation has, in any manner, committed itself to purchase. (§ 27 ch 106 SLA 1980; am §§ 4 — 7, 51 ch 115 SLA 1981; am § 1 ch 35 SLA 1982; am §§ 19 — 24 ch 113 SLA 1982)

Effect of amendments. — The first 1982 amendment, effective May 18, 1982, in subsection (h), inserted "in the case of a second mortgage loan, if the first mortgage loan made to the same borrower is held by the corporation and was purchased under the special mortgage loan purchase program."

Sections 19, 20 and 24, ch. 113, SLA 1982, the second 1982 amendment, effective June 25, 1982, added "triplex or four-plex" to the end of paragraph (4) of subsection (f), added subparagraph (2)(E) to subsection (g), and added subsection (k). Sections 21-23 of ch. 113 inserted the language beginning "that is not purchased from the proceeds of bonds" and ending "as amended" in paragraph (3) of subsection (g), inserted "as amended, other than bonds that constitute qualified veterans' bonds under (i) of this section" in paragraph (6) of subsection (g), and added subsections (i) and (j).

Section 76, ch. 113, SLA 1982, makes §§ 21-23 of the act effective on the date of approval by the voters of the state of a constitutional amendment to Alaska Const., art. IX, § 8 to allow the state to contract debt for housing loans for veterans. Such an amendment to the Alaska constitution may be found in Legislative Resolve No. 18, SLA 1982, to be voted on at the next general election to be held in November, 1982.

Editor's notes. — Section 68, ch. 113, SLA 1982, provides: "If a newly constructed owner-occupied triplex or four-plex is completed between the effective date of this Act [June 25, 1982] and October 1, 1984, and the triplex or four-plex is eligible for financing under the provisions of the special mortgage loan purchase program of the Alaska Housing Finance Corporation (AS 18.56.098), the interest rate determined under AS 18.56.098(g)(2), (3) and (6) shall apply to the first $105,000 of a mortgage loan for a triplex and to the first $140,000 of a mortgage loan for a four-plex. In this section "newly constructed owner-occupied triplex or four-plex" means an owner-occupied triplex or four-plex that is not occupied before the effective date of this Act and for which a mortgage loan has not been previously purchased by the Alaska Housing Finance Corporation."

Sec. 18.56.100. Housing development fund. (a) There is created a housing development fund to be administered by the corporation as a trust fund separate and distinct from any other money or funds administered by the corporation.

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(4) security for repayment shall be specified and shall be upon terms and conditions as the corporation considers necessary or practicable to insure all repayments. (§ 1 ch 107 SLA 1971; am § 4 ch 81 SLA 1972; am § 28 ch 106 SLA 1980)

Effect of amendments. — The 1980 amendment, in subsection (e), substituted "money" for "funds" following "purposes of providing" and deleted the former second through fifth sentences of that subsection which read: "The commissioner of revenue is authorized to purchase fund notes with surplus funds in the state treasury. Before submission of the executive budget to the legislature, the commissioner of revenue shall annually recommend to the governor the anticipated amounts of surplus funds available for purchase of fund notes in the fiscal year encompassed by the budget. In making his recommendation to the governor, the commissioner of revenue shall consider the expenditure and revenue projections contained in the most recent revenue source document prepared for and submitted to the legislature by the administration. If the governor agrees with the recommendation of the commissioner of revenue, he shall forward the recommendation to the corporation.

Sec. 18.56.101. Eligibility for veterans' interest rates. The following persons are eligible veterans for the purposes of AS 18.56.098(g) and (h):

(1) a person who served in the armed forces of the United States for 90 days or more, or whose service was for less than 90 days because of injury or disability incurred in the line of duty, after April 6, 1917,

(A) who at the time of induction into the service was a resident of the territory or state, who had been a resident for not less than one year immediately before his induction, and who returned to the territory or state within one year after discharge as a resident with the intention of remaining in the territory or state; or

(B) who, not being a bona fide resident of the territory or state at the time of entry into the service, has been a resident of the territory or state for at least one year at the time of the loan application and has been a resident of the territory or state for at least five years; and

(C) whose discharge was under honorable conditions;

(2) the widow or widower of a member of the armed forces of an eligible veteran if

(A) the member or veteran was a resident of the territory or state for one year before induction into the service;

(B) the member or veteran served in the armed forces for at least 90 days after April 6, 1917; and

(C) his discharge was under honorable conditions;

(3) a person who has served in the Alaska Army National Guard, the Alaska Air National Guard, or the Alaska Naval Militia or who has served in a reserve unit of the United States armed forces in Alaska if the reserve unit required, as a minimum, one weekend each month of duty and 15 consecutive days of active duty training each year for not less than five years and whose discharge was under honorable conditions. (§ 29 ch 106 SLA 1980; am § 8 ch 115 SLA 1981)

AS 18.56.098

(5) The interest rate on a mortgage loan purchased from money appropriated to the corporation is the rate the corporation determines is appropriate by application of the provisions of (1) — (4) of this subsection. The rate may be based on an estimate of the cost of funds of a proposed issue or issues of bonds.

(6) The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A) is 10 percent or the cost of the funds, whichever is less. A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act.

(7) In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and mortgage servicing;

(B) "taxable bonds" means bonds bearing interest that is taxable under the provisions of the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A) issued to finance the purchase of first mortgage loans.

(h) The corporation shall establish the interest rate on a second mortgage loan purchased under (a) of this section in the manner established for computing the interest rates on a first mortgage loan under (g) of this section except that the outstanding principal balance of the existing first mortgage loan is subtracted from $90,000 to determine the amount of the loan that is eligible for an interest rate on a second mortgage loan determined by reference to (g) of this section. (§ 27 ch 106 SLA 1980; am §§ 4 — 7, 51 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment added "first or second" preceding "mortgage loans," added "improvement, or rehabilitation" preceding "of residences," deleted paragraph designation (1) preceding "for the purchase" and deleted "or (2) for the refinancing of a mortgage loan on a residence if the purpose of the refinancing is to provide money for the improvement or rehabilitation of the residence" in subsection (a). In subsection (c), the amendment added the language beginning "and may expend amounts" and ending "equal the rates specified in this section" near the end of the subsection. In subsection (e), the amendment substituted "the" for "in order to discourage the speculative use of mortgage credit under the special mortgage loan purchase program for purposes other than home ownership, the" at the beginning of the second sentence, substituted "restricting" for "otherwise setting conditions on" preceding "the right to assume," added "or the right to provide for the payment of" preceding "mortgage loans purchased" and added "by a person other than the mortgagor" following "of this section" at the end of the second sentence and added the present third and fourth sentences of the subsection. The amendment also added subsections (g) and (h) and repealed subsection (d) concerning interest rates charged on mortgage loans purchased under subsection (a) and repealed subsection (f) (3) which defined "mortgage program cost."

Editor's notes. — For 1980 priorities in the purchase of mortgage loans by the Alaska Housing Finance Corporation, see § 11, ch. 106, SLA 1980, in the 1980 Temporary and Special Acts and Resolves.

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Effect of amendments. — The 1981 amendment added subsection (g).

Sec. 18.56.115. Independent financial advisor. In negotiating the private sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial advisor who is independent from the underwriter. (§ 4 ch 102 SLA 1974; am § 2 ch 130 SLA 1978)

Effect of amendments. — The 1978 amendment rewrote this section.

Sec. 18.56.120. Validity of any pledge. The pledge of assets or revenues of the corporation to the payment of the principal or interest on any obligations of the agency is valid and binding from the time the pledge is made and any such assets or revenues are immediately subject to the lien of the pledge without physical delivery or further act. The lien of any pledge is valid and binding against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether those parties have notice of the lien of the pledge. Nothing her[illegible] prohibits the corporation from selling assets subject to any pledge, except that any sale may be restricted by the trust agreement or resolution providing for the issuance of the obligations. (§ 1 ch 107 SLA 1971)

Sec. 18.56.125. Capital reserve fund. (a) For the purpose of securing any one or more issues of its obligations, the corporation may establish one or more special funds, called "capital reserve funds", and shall pay into those capital reserve funds (1) any money appropriated and made available by the state for the purpose of any of those funds, (2) any proceeds of the sale of its obligations, to the extent provided in the resolution or resolutions of the corporation authorizing their issuance, and (3) any other money which may be made available to the corporation for the purposes of those funds from any other source. All money held in a capital reserve fund, except as provided in this section, shall be used as required, solely for (1) the payment of the principal of obligations or of the sinking fund payments with respect to those obligations, (2) the purchase or redemption of obligations, (3) the payment of interest on obligations, or (4) the payment of any redemption premium required to be paid when those obligations are redeemed before maturity; however, money in any fund may not be withdrawn from it at any time in an amount which would reduce the amount of that fund to less than the capital reserve requirement set out in (b) of this section, except for the purpose of making, with respect to those obligations, payment, when due, of principal, interest, redemption premiums and the sinking fund payments for the payment of which other money of the corporation is not available. Any income or interest earned by, or increment to, a capital reserve fund, due to the investment of the fund

A Report on Housing Financing and Related Issues, Phase I

for

Governor William Sheffield

STATE OF ALASKA

TASK FORCE ON HOUSING

A Report on Housing Financing and Related Issues, Phase I

for

Governor William Sheffield

December 1982 - January 1983

January 14, 1983

The Honorable William J. Sheffield
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

It is my pleasure to present to you the following report of the Task Force on Housing. We have evaluated the issues and problem areas of providing affordable housing to Alaskans. The enclosed report represents Phase I of the Task Force's recommendations. A Phase II report which will include an investigation of low and/or special incomes, elderly and disabled handicapped programs will be forwarded when further research is concluded.

We are hopeful you will find the Task Force policy recommendations useful to develop a sound housing program. The Task Force is committed to the need to enact legislation to create a housing revolving loan fund. We are also in favor of the Permanent Fund becoming a major source of funds for the revolving fund. Many other specific recommendations have been made, but the above two issues were unanimously supported by Task Force members as being a key to establishing a long term solution to the problems in financing homes for Alaskans.

The work of the Task Force has been challenging, educational and complex, but ultimately a rewarding opportunity to explore solutions to the housing needs throughout the state of Alaska for people of every economic and sociological status.

It is our hope that you will find this report of the Task Force and its policy recommendations useful in promulgating a "Housing Plan" to serve all Alaskans.

We, on the Task Force, wish to thank you for the opportunity to serve you and the citizens of the State. It has been a satisfying experience.

Sincerely yours,

Rob Gamel

Rob Gamel
Chairman
Task Force on Housing

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TASK FORCE MEMBERSHIP

GOVERNOR'S TASK FORCE ON HOUSING

December 1982 - January 1983

Mr. Rob Gamel, Chairman
Alaska State Association of Home Builders
Anchorage, Alaska

Mr. Jess L. Hall

Mr. Dave Ribacchi

Ms. Laurie Terrall

Mr. Charles Homan

Mr. Richard Hall

Mr. Andy Edge

Mr. Jess Arrington

Mr. Dave Rose

Acting Commissioner Joe Donahoe

Commissioner Mark Lewis

Mr. Clark Gruening

Commissioner Dick Lyon

Mr. Frank Roppel

Ms. Lennie Boston, Liaison

Task Force Staff:

Ms. Barbara Morse-Quinn

Mr. Joel Diganghi

Assisting Staff:

Mr. Harry Goldbar

Mr. Eric Wohlforth

Ms. Denna Cline

Mr. Ray Price

Assisting Staff (Continued):

Mr. Mark Cameron

Mr. Dick Pryor

Mr. Leroy Rothe

Ms. Lucille Steitz

Mr. Pete Bushre

Mr. Jim Kelly

INTRODUCTION

GOVERNOR'S CHARGE

INTRODUCTION

GOVERNOR'S CHARGE

Governor Sheffield created a Task Force to consider housing in the State of Alaska.

On December 21, 1982 the Governor met with the Task Force and charged them with development of a "sound housing program." In elaboration Governor Sheffield directed that the Task Force consider all forms of housing to include rental, single family, special needs and programs that would reach more Alaskans, rural and urban. Special concern was to be given to providing stable and predictable programs that would promote long-term well being, opportunity and benefit the populace. The Governor directed the Housing Task Force to consider interest rates, costs, use of the Permanent Fund, public access to agencies and corporations providing for housing and the methods by which loans are made.

The Task Force accepted the charge and committed itself to finding workable solutions to provide Alaskans with affordable housing, to benefit the economy in general and to provide for real social concerns.

SUMMARY OF RECOMMENDATIONS

SUMMARY OF RECOMMENDATIONS

The following statements represent summarized recommendations of the Task Force on Housing as discussed in this report. They are offered only as a capsule of comprehensive issues presented in later sections and should be reviewed only in context of those discussions.

1. The Governor and the Legislature should create a revolving loan fund entitled the Alaska Housing Finance Fund (AHFF). This fund should be administered by the Department of Revenue.

2. The Governor should appoint an Alaska Housing Finance Fund Policy Board to be comprised of five to seven members representing all existing State housing agencies and the Alaska Permanent Fund.

3. The Governor shall direct the purpose of the Alaska Housing Finance Fund to make loans for all State housing loan programs. This fund will finance programs currently being administered by AHFC, CRA/HAD, AIDA, ASHA, Commerce or any other vehicle delivering housing loan services for the State.

4. The funding sources for creation of the Alaska Housing Finance Fund are recommended to be principal repayment and interest earned from:

   (a.) Annual General Fund appropriations;
   (b.) Mortgage bond sales;
   (c.) Blended portfolio income from existing State housing agencies;
   (d.) Federal housing loan funds dedicated to Alaska; and
   (e.) Alaska Permanent Fund investments.

5. The Task Force recommends meeting an FY'84 funding demand of $1.3 billion for statewide housing programs and presumes no absorption of currently funded federal programs. A further recommendation is to institute an 18 month funding cycle for all housing loan programs.

6. The Governor should direct the AHFF to annually determine and publish the rates of interest to be charged on housing loan programs administered by any state agency. The Legislature shall have the power to adjust rates and vary features of the various loan programs administered by each agency through fund appropriations. The Task Force recommends an irrevocable rate schedule for all programs be published annually for the following calendar year. Further, the Task Force recommends the FY'84 Legislature seek maximum rates on the first $90,000 at 10% for Conventional Financing, 9% for Veteran's Preference Financing. A 6% rate for HOF Programs, and 5% rate for energy renovation programs is also recommended. In the event the Legislature does not see fit to establish a fixed rate annually, then the interest rate spread between the cost of funds and the mortgage rate made available to borrowers should be increased to 4% to reduce the impact of accelerating interest rates.

7. Permanent Fund contributions to the AHFF should begin immediately with an FY'84 investment of not less than 3% of the body of the Fund, up to the current allowable maximum for real estate mortgages of 15%. The Task Force further recommends new legislation and/or a constitutional amendment be originated by the Governor to allow for real estate investment by the Permanent Fund of up to 25% of the corpus.

8. The Task Force recommends legislation be introduced to create a Home Ownership Fund (HOF) Program within Community and Regional Affairs, Housing Assistance Division, for specific application in rural communities. Other legislation should be introduced to remove rural or urban distinctions from Nonconforming Loan Funds for FY'82 and thereafter as administered through this agency.

9. The Task Force encourages the Alaska Housing Finance Corporation to consider a program of delegated underwriting as described in a staff paper submitted to the Task Force. A recommendation is offered for the AHFC Board to prepare such a program after receiving suggestions from mortgage bankers, home builders, and other affected members of the public.

10. The Task Force recommends regional housing information offices be opened in Fairbanks and Juneau as well as maintenance of rural field offices in Bethel, Nome, Kotzebue, and Dillingham within Community and Regional Affairs, Housing Assistance Division.

11. The Task Force has identified the following housing related issues for further consideration and in need of in-depth investigation by another group charged with more specific responsibilities: forward commitments; reservation system for funding; shared appreciation mortgages; third party programs for participation, bridging sales and interest rate buy-downs; discount points; conventional and uniform underwriting standards; clear and concise lending and approval procedures; apportionment and restructuring of the various housing related boards; development of a housing interagency liason; masterplan for rental, low-income and special needs housing; develop incentive programs for low-income housing projects.

12. The Task Force recommends publication and distribution of existing housing programs information in all public agency locations in Alaska.

13. The Task Force concludes that a comprehensive report on housing issues must include an investigation of low and/or special incomes, elderly and disabled handicapped programs. It was also concluded that further investigation of these complex subjects was necessary. A special committee charged with publication of a Phase II Report has been created by the Task Force to accomplish this further investigation.

14. The Task Force recommends extension of the sunset provision on tax exempt revenue housing bonds known as the Uhlman Act. The Governor and the Legislature are asked to convey this recommendation to our Congressional Delegation in Washington, D.C.

RECOMMENDATIONS AND NARRATIVE STATEMENTS

ALASKA HOUSING FINANCE FUND

Recommendation #1: The Governor and the Legislature should create a revolving loan fund entitled the Alaska Housing Finance Fund (AHFF). This fund should be administered by the Department of Revenue.

Narrative: The Task Force has concurred in recommending the establishment of Alaska Housing Finance Fund, a revolving loan fund to be established within the confines of the Department of Revenue. It is our recommendation that Alaska Housing Finance Fund (AHFF) be the source of funding for all housing programs including those of Alaska Housing Finance Corporation, Alaska Industrial Development Authority, Housing Assistance Division of Community and Regional Affairs, Alaska State Housing Authority, Division of Business Loans of the Department of Commerce and such other appropriate agencies. We believe the most effective use of the funds for housing could be obtained by having AHFF established as the central source and depository for funding of all of the housing programs in the state of Alaska.

Administration of AHFF would be by the Department of Revenue under the direction of the Commissioners of Revenue, Community and Regional Affairs, and Commerce, together with the Directors of the various agencies directly involved in the funding of housing plus appropriate public members. This policy board would meet on a regular basis to establish the priorities for investment of housing funds by AHFF. Hands-on management would be accomplished by the Department of Revenue.

AHFF would be a revolving fund to receive mortgage principal repayments, mortgage interest and other receipts not pledged to pay bond debt service of all the above agencies. Money so received and held by the Fund could be spent for any of its authorized purposes including, of course, the making of additional mortgage loans. All appropriations for the financing of housing would be deposited with the Fund and the Fund would reserve any excess subsidy appropriations not spent in a particular fiscal year which might otherwise lapse.

The Fund would be authorized to borrow, pledge its assets, issue bonds, notes of indebtedness, collect funds, invest monies and do whatever else is necessary to enhance the growth and development of the Fund. Its purpose would be simply to provide a vehicle for

furnishing monies necessary for each finance agency on an on-going basis. It is contemplated the fund would be authorized by statute to borrow from or receive monies directly from the Permanent Fund.

Questions of constitutionality of a revolving loan fund receiving and retaining all earnings from its assets have been raised. The Task Force recommends steps be immediately taken to clarify the status of earnings of such a Fund and if it is determined such action may be unconstitutional, then the necessary legal steps be taken to place the matter before the voters to change the State's constitution. It is paramount that the principal and interest payments remain in the AHFF if it is ever to become self-perpetuating.

AHFF could be the vehicle with adequate state appropriations, investment from the Permanent Fund and by reinvesting mortgage prepayments and interest to effectively develop a self-perpetuating, revolving loan fund that would free the state housing industry from the vagaries of world money markets.

AHFF POLICY BOARD

Recommendation #2: The Governor should appoint an Alaska Housing Finance Fund Policy Board to be comprised of five to seven members representing all existing State housing agencies and the Alaska Permanent Fund.

Narrative: The agencies that presently participate in housing programs may or may not currently benefit from unified policy making. Many of them have their own governing bodies or oversight committee. An Alaska Housing Finance Fund Policy Board could serve to reduce the number of like panels while promoting a consistent policy throughout each agency.

AIDA, ASHA, CRA, AHFC, Commerce, and the Alaska Permanent Fund could each be represented along with public members. Financial policy and administrative policy would originate, be controlled and evaluated from the same board. The Policy Board could also be the single point of contact for legislative and administrative action.

Our present system may not be subject to recomposition. The Permanent Fund Trustees have a different charter than the governing bodies of ASHA or AHFC. However, the special nature of each housing agency is not a defense for independence and the absence of common goals. Managerial tasks will provide independence under a common policy established by the Board.

A Policy Board could contribute to better definition of housing programs in the public's perception. One clearly defined source of information would certainly provide for better understanding of public policy.

Legislative funding and clarity in the budget process are other benefits. The Policy Board might receive and disburse the funds designated for the separate entities. The Policy Board then becomes the clearing house for the state housing agencies. Existing boards would then be reduced and a simplified, more efficient system evolve.

This Policy Board proposal does not create a panacea. It does, however, provide for an immediate improvement in the achievement of the housing program goal. In its simplest form it would insure that all state housing programs would be coordinated, clear in their missions and with suitable interagency distinctions to provide attainment of objectives.

PURPOSE OF AHFF

Recommendation #3: The Governor shall direct the purpose of the Alaska Housing Finance Fund to make loans for all State housing loan programs. This fund will finance programs currently being administered by AHFC, CRA/HAD, AIDA, ASHA, Commerce or any other vehicle delivering housing loan services for the STate.

Narrative: The Alaska Housing Finance Fund is recommended as an oversight fund for delivery of all housing services in Alaska. While like item agency requests would be maintained, appropriations (exclusive of grant funds) to meet those requests would go into the AHFF for annual allocation to each agency and program. Annual agency performance would be evaluated by AHFF managers and incorporate review of all state housing loan programs. Further, all new requests would be reviewed by AHFF. No direct appropriations to any individual, group or community for housing or housing related development should be funded without concurrence of AHFF managers. Finally, Fund managers are encouraged to contact any state agency currently providing employee housing and bring all future employee housing development under its review.

FUNDING SOURCES

Recommendation #4: The funding sources for creation of the Alaska Housing Finance Fund are recommended to be principal repayment and interest earned from:

a. Annual General Fund appropriations;
b. Mortgage bond sales;
c. Blended portfolio income from existing State housing agencies;
d. Federal housing loan funds dedicated to Alaska; and
e. Alaska Permanent Fund investments.

Narrative: The table below outlines current housing loan programs available in Alaska. Funding sources for FY'84 are presumed to be a continuation of the FY'83 levels described in this table. It should be noted that existing grant programs for housing are not included in financing of the AHFF in this report. It would be desirable, however, to have all housing grant funding reviewed by the AHFF Policy Board to avoid duplication of service for any one location or to any particular interest group.

HOUSING PROGRAMS

Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)		Current Interest Rates	No. of Units W/ FY '83 Funds	Comments
Alaska Housing Finance Corporation (AHFC)	Provides secondary mortgage financing for large portion of residential financing done in state. Programs limited to owner-occupied single-family, duplex, triplex or four-plex residences or mobile homes. Funds generated through sale of taxable and tax-exempt bonds in addition to Legislative appropriations As of Nov. 30, 1982, the Corporation has 32,102 loans with a balance of $2.3 billion.	TAXABLE BOND No Income Limits, first $90,000 subsidized to within 3% of cost of funds. $160,500-Single-family $205,000-Duplex	$116	$407	9.125 - 10.125 13.18 over $90,000	4,500 Average Loan - $91,200	
		TAX-EXEMPT (1) Limited to first time homebuyers, purchase price limitations established. $104,986-Existing Single-family $128,143-Newly constructed $122,829-Existing duplex	$ 47	$322	9.0 - 10.0 11.22 over $90,000	4,276 Average Loan - $75,300	(1) Program ends 31, 1983 as a result of Fed legislation.
		MOBILE HOME Maximum Loan - $72,500 95% LTV 20 year mortgage	$ 45	$ 45	9.125 - 10.125	1,737 Average Note - $25,900	
		HOME OWNERSHIP ASSISTANCE FUND Provides monthly subsidies to qualified low-to-moderate income borrowers.	$45 for HOF program used to purchase mobile home mortgages.			$45 million appropriation could support 1,039 loans at a subsidy of $3,250/year.	(2) Income limits, purchase price limitations to be revised in mid-January.
		STATE GUARANTEED VETERAN'S BOND PROGRAM (3)	$ 14	$110	N/A	N/A	(3) Program will Implemented in February, 1983.

Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)	Current Interest Rates	No. of Units W/ FY '83 Funds	Comments
1. Housing Assistance Division; Community & Regional Affairs (HAD/DCRA)	Loans: Provides secondary market for mortgage loans in rural Alaska and all nonconforming properties statewide.	Loans are made from the Housing Assistance Fund (HALF) into three programs:	TOTAL HALF $44.5			
		(a) Rural Owner - Occupied Housing Loans (ROO), 95% LTV, FNMA maximums.	ROO $29	10.5 (annual fixed rate)	322	
		(b) Rural Nonowner - Occupied Housing Loans (RNO), 80% LTV, 2-16 units, $1.25M maximums.	RNO $ 7	10.5 (annual fixed rate)	75	
		(c) Nonconforming Loans (NC) - Urban & Rural, 95% LTV, FNMA maximums.	NC $ 8.5	9.125-10.125 on first $90,000 with balance at cost (per latest bond sale of AHFC)	18	60 new units also available in FY carry over
	Grants: (a) Provides state grants to 12 regional housing authorities to supplement HUD funded projects. (b) Provides state grants for the development of senior citizen housing.	(a) Supplemental Housing Development Fund (SHDF) - Leverages up to 20% total HUD project cost for • water/sewer • on-site electrical • on-site roads on-site	$ 7.3M - $36M (state) (HUD)	N/A	419	913 units '82 for the program to of 1,332 u
		(b) Senior Citizen Housing Development Fund (SCHDF) - $10,000 per unit total project cost inclusive of all funding sources	$10M/Leveraged amounts decided on a project-by-project basis.	N/A	114	Since 197 total of $ will cons total of 7 units of Se housing.

Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)	Current Interest Rates	No. of Units W/ FY '83 Funds	Comment
Department of Commerce, Director of Business Loans	Loans for purposes of new construction or retrofitting on projects relating to energy conservation in residences.	Energy Loans (1) Alternative Technology Loans to supplement a super-insulated structure above FHA minimum standards, R19-R30. $30,000 maximums for 20 years.		(1) 9.5	Not available	Programs 7/1/80 - All interest annual rate by Legislat
		(2) Alternative Energy Loans from solar, wind or water sources. Will purchase materials up to $15,000 or $30,000 for a maximum period of 20 years.	$11	(2) 5 on $15,000 15 on $15,001 to $30,000	Not available	
		(3) Residential Energy Conservation Loans for retrofit only up to a $5,000 maximum for 10 years.		(30 5	Not available	

Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)	Current Interest Rates	No. of Units W/ FY '83 Funds	Comment
HUD	Low income housing loans for Indian and low income public housing.	Mutual Help Home Ownership	$20 (1)	5% - 8% (2)	343 (3)	(1) FY '82 fu- no FY '83 appropria- this time. (2) 5% (at co- tion); 8%' term finan- (3) FY '76-'8' total is 3.
BIA	Under the BIA Housing Improvement Grant Program, many houses are replaced with new units. This is done if unit is in bad shape or has burned down. Data includes only housing replacement to new units.	Housing Improvement Program	$1.6 Million FY '82 funding	N/A	49 (1)	(1) From Fisc- 1976 - 1- $10.06 mil- funded 59%

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Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)	Current Interest Rates	No. of Units W/ FY '83 Funds	Comments
Alaska Industrial Development Authority (AIDA)	AIDA provides funds for multi-family housing through sale of tax-exempt bonds. (1)	Multi-Family 75% LTV 5 units or more 20% of units available to persons of low-to-moderate income. Restrictions on condo conversions.	$21M will support $75M in multi-family construction.	11%	2,000 units (2)	(1) Program ... Dec. 31, ... a result ... eral legi... (2) Those wil... rental uni...
Alaska State Housing Authority (ASHA)	Finance, construct, and manage low-to-moderate income housing projects and programs in conjunction with federal Dept. of Housing and Urban Development (HUD), and to a limited degree, the state.	Conventional Low Rent Tenants live in ASHA owned dwellings, pay maximum of 30% of monthly income for rent, subject to income limits.	$5.5M	N/A Average Rent = $159/ ...nth	1,095 (3)	(3) Rental uni...

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Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)	Current Interest Rates	No. of Units W/ FY '83 Funds	Comments
Alaska State Housing Authority (ASHA)		Section 8 New** Construction ASHA finances development and management costs, HUD will pay rent subsidy.	$1.7 State Grant (1) $2.3 Federal Dollars (2)	N/A	285 (3) 78 in construction phase for elderly.	(1) These figures 1976 - 1979. (2) 1982 amount HUD. (3) Rental units ** This program could be used the state to construct units with state and then use money for rent subsidy.
		Section 8 Existing (4) Eligible participants find housing units in private market. ASHA pays rent subsidy.	$5.4 Federal 1982 funds	N/A $171 average rent paid	1,355 rental units	(4) This program being phased by HUD.
	ASHA has four more programs providing 375 units. They are not programs with growth potential, so are not discussed here.					

Service Agency	General Statement of Purpose	Program Titles Descriptions	1983 Appropriations/ Leverage (Millions of $)	Current Interest Rates	No. of Units W/ FY '83 Funds	Comment
Regional Housing Authorities (RHA'S) 14 agencies involved	Develop and operate home ownership projects and rental primarily for the benefit of natives, financing them through sale of tax-exempt obligations. Work with HUD and receive Federal and State Funds	Native Public Housing For Ownership Program see HUD		N/A	416 (1)	(1) Rental units
Farmers Home Administration (FmA)	Provides adequate housing for persons of low-to-moderate income in rural area.	Section 502 Program Provides direct loans for low-to-moderate income rural home buyers. Rural Rental Housing Provides loans for multiple family dwellings.	$12.3 Federal funds FY 1982 $2.4	1% - 3% 1%	176 Single-family 60 Rental units in three projects	

FUNDING DEMAND

Recommendation #5: The Task Force recommends meeting an FY'84 funding demand of $1.244 billion for statewide housing programs and presumes no absorption of currently funded federal programs. A further recommendation is to institute a 18 month funding cycle for all housing loan programs.

Narrative: The Task Force reviewed projected FY'84 departmental budgets for the five state agencies involved with housing programs. The chart below outlines the total projected demand and the current budget request of each agency. The chart also identifies where additional funds will be needed, as labeled in the column titled "Unappropriated Balance"

FY84 (In Millions)

Projected Demand		Projected General Fund Appropriations	Unappropriated Balance
AHFC	$1,100	$250	$850
CRA/HAD	50	50	-0-
Commerce/Energy Loans	11	11	-0-
AIDA	75	-0-	-0- (1)
ASHA	8	8	-0-
	$1,244	$319	$850 (2)

(1) AIDA operates in the tax exempt bond markets and passes 100% of the costs of its funds to its borrowers. In 1982 the Legislature appropriated $21 million to AIDA in order to be pledged as reserves for tax exempt bond sales. Therefore, AIDA will not request an additional general fund appropriation for FY84 to sell a projected $75 million in bonds.

(2) The unappropriated balance of $850 million for AHFC can be funded by the following means:

Unappropriated Balance (in millions)		$850
General Obligation Bonds (Veterans) projected	$300	
Tax exempt bonds projected	100	
Other earnings projected	50	(450)
Subtotal		$400
Amount funded through taxable bond sales and/or Permanent Fund investments		(400) (3)
Total Unfunded		-0-

(3) Most likely due to leveraging the general fund appropriation, the amount of additional borrowings will be close to $500 million.

The Task Force recommends as further explained in recommendation #7 that the Permanent Fund be utilized as an investment vehicle to supply as much as $500 million to the AHFF in FY84. This could save the AHFF millions of dollars of costs associated with marketing, advertising and underwriting massive bond sales as well as to bring home a portion of the Permanent Fund to Alaskans.

Further, the Task Force recommends a one time eighteen month appropriation to the AHFF. Subsequent sessions of the Legislature will only need to make a normal twelve month appropriation.

This will help create stability in the AHFF by eliminating the uncertainty that the public faces every spring. In recent years the capital budget has not been passed by the Legislature and signed by the the Governor until May or June. This has caused considerable concern to the public by the fact that the entire existence of the various programs are up for renewed funding and possible restructuring, or even elimination by the Legislature or Governor.

INTEREST RATES

Recommendation #6: The Governor should direct the AHFF to annually determine and publish the rates of interest to be charged on housing loan programs administered by any state agency. The Legislature shall have the power to adjust rates and vary features of the various loan programs administered by each agency through fund appropriations. The Task Force recommends an irrevocable rate schedule for all programs be published annually for the following calendar year. Further, the Task Force recommends the FY'84 Legislature seek maximum rates on the first $90,000 at 10% for Conventional Financing, 9% for Veteran's Preference Financing. A 6% rate for HOF Programs and 5% rate for energy renovation programs is also recommended. In the event the Legislature does not see fit to establish a fixed rate annually, then the interest rate spread between the cost of funds and the mortgage rate made available to borrowers should be increased to 4% to reduce the impact of accelerating interest rates.

Narrative: The Task Force wrestled with the problem of establishing interest rates on the various loan programs administered or funded by state agencies. The obvious problem faced in this matter is the adverse affect on both the economy and the ability to acquire needed shelter by citizens of this state when rates accelerate or remain at high levels for a long period of time. High interest rates contributed significantly to the depressed housing conditions existing in the late 1970's and early 1980's. The Legislature adopted a means of controlling the amount of subsidy dollars that would be required in any given fiscal year by establishing a maximum spread of 3% between the cost of funds and the actual rate paid by the borrowers. This effectively assured that the required appropriations for covering the cost differential of interest could be controlled when using bonds to fund Alaska Housing Finance Corporation, but the effect on many individuals within the State of Alaska both home buyers and builders was disastrous when rates were moving upward. The Task Force was of the opinion that steps have to be taken to avoid the horrendous results of substantial increases in the mortgage interest rates during the middle of the construction season, particularly when it is impossible to obtain forward commitments for a sufficient time to protect the builder and the home buyer. In the last critical situation, the party most affected was the owner/builder who often was not able to qualify after the interest rate increase for the home he had built for his own occupancy. It is the position of the Task Force that the Governor should direct AHFF to annually determine and publish the rates of interest to be charged on housing loan programs administered by any

state agency. Appropriately, the Legislature shall have the power to adjust rates and vary features of the various loan programs on a fiscal basis. It is the position of the Task Force that steps should be taken to ascertain in advance the needs for mortgage financing and acquire those funds from whatever source at a cost that will meet the objectives and goals of the Legislature and provide housing to the home buyers at the lowest possible cost.

Further, the Task Force recommends that the fiscal year '84 legislature set maximum rates on the first $90,000 at 10% for conventional financing and 9% for veterans financing wherein taxable bond funds must be used. It is recommended that the rate established for the homeowners fund (HOF) loans be set at a minimum of 6% and escalated in accordance with the prescribed methods of establishing rates under the existing Alaska Housing Finance Corporation program. The Task Force also recommends the continuance of the 5% energy renovation loan programs as being beneficial to citizens throughout the state.

Administration of the interest rates is a critical question and represents one of the most important reasons why the State of Alaska is involved in funding of loans. Certainly, the only other factor more important than the interest rate is the availability of funds for housing. Obviously, in times of tight money and high interest rates, to obtain a compatible situation may be impossible without a tremendous expense to the State of Alaska. If the legislature is unable to reach an agreement based upon the fixed rates, then we would recommend that the spread be increased from the above mentioned 3% to 4% for funds obtained through the sale of bonds. This would reduce the impact of accelerating interest rates and still give a measure of protection to our citizens.

In addition, it is our position that the policy board of AHFF be given authority to reduce interest rates on loans made by the revolving loan fund from time to time should the situation require.

There are many other programs wherein funds are provided by the Federal Government to assist in providing shelter for low to moderate income peoples. The State of Alaska should continue through its various agencies to make use of all such programs that will effectively reduce the required participation by the State of Alaska in funding subsidies for home finance.

PERMANENT FUND

Recommendation #7: Permanent Fund contributions to the AHFF should begin immediately with an FY'84 investment of not less than 3% of the body of the Fund, up to the current allowable maximum for real estate mortgages of 15%. The Task Force further recommends new legislation and/or a constitutional amendment be originated by the Governor to allow for real estate mortgage investment by the Permanent Fund of up to 25% of the corpus.

Narrative: The Task Force recommends that the Governor instruct the trustees of the Permanent Fund and the Alaska Housing Finance Fund to develop a plan whereby a portion of the principal of the Permanent Fund can be invested in mortgages or securities of AHFF. Initially, mortgages and/or securities of AHFC would probably represent the most marketable investments for the Permanent Fund. It is also possible that the AHFF could provide securities of AIDA for investment by the Permanent Fund.

The Permanent Fund is currently authorized to invest up to 15% of its principal in mortgages which, by regulation, are limited to variable rate mortgages. The Fund is, however, authorized to invest up to 50% in corporate stocks and debt securities under Alaska Statute 37.13.120 (g), (8). Alaska Statute 37.13.120 (g), (8) permits the investment of the Permanent Fund in "corporate debt securities which are rated AA or better by a national recognized rating service". AHFC is presently issuing bonds which receive an AA rating. In theory, the Permanent Fund could invest up to 50% of its assets in these marketable securities.

It is the recommendation of the Task Force that steps be taken immediately for the Permanent Fund to invest in mortgage originations of AHFC not less than 3% of its assets. It would be contemplated that in not more than 5 years, 15% of the assets of the Permanent Fund would be invested in mortgages in the state of Alaska.

In addition, it is the position of the Task Force that steps should be taken to introduce legislation to allow the Permanent Fund a much larger investment in Alaskan loans. We believe it is totally compatible with the purpose of the Permanent Fund to invest up to 25% of its assets in housing finance in Alaska.

In compliance with the desire of the majority of the Alaskan people to see the Permanent Fund invested in Alaska in home mortgages, it would be reasonable that these funds be invested at less than market rates if the circumstances so dictate. Initially, it would be

appropriate in order to encourage the immediate investment in Alaskan mortgages by the Permanent Fund that appropriations be made to AHFF to subsidize any differential between established market rates and those of the loans purchased through AHFF and originated by AHFC.

Finally, in view of declining oil revenues, it is apparent that the only means of establishing an on going revolving loan fund within the state of Alaska to bring stability to the housing finance industry and thereby provide adequate, affordable housing for all Alaskans, is the involvement of the Permanent Fund in the purchase of Alaskan mortgages. The Permanent Fund must become an investor in AHFF if the revolving loan fund is to be an assured success.

DCRA HOF PROGRAM

Recommendation #8: The Task Force recommends legislation be introduced to create a Home Ownership Fund (HOF) Program within Community and Regional Affairs, Housing Assistance Division, for specific application in rural communities. Other legislation should be introduced to remove rural or urban distinctions from Nonconforming Loan Funds for FY'82 and thereafter as administered through this agency.

Narrative: The existing Home Ownership Fund Program administered by AHFC is not reaching into rural locations as extensively as it could. A parallel program should be created to be administered within DCRA/HAD. This deep subsidy program fills a large gap in reaching first time homebuyers. Many borrowers can meet monthly payments if they are not significantly increased from rental payments or mobile home mortgages. Meeting payments and accruing mortgage equity under the HOF program allows a homeowner to either achieve permanent ownership or finance more substantial investments at a later date. The Legislature should give authority to DCRA/HAD to adjust income criteria and maximum home values as required by circumstances.

The creation of this program should be done only in the context of an interest rate review for all housing programs. Currently, DCRA rates on rural programs for conventional financing are fixed by the Legislature. There does not exist a rural, veterans' preference rate. AHFC rates are currently tied to the most recent bond sale. Parity, therefore, does not exist and, depending upon the most recent market, rates may be weighted in favor of either rural or urban Alaska and may shift back and forth frequently during any given period of 90 days or more.

The Task Force recommends the Governor direct management of the AHFF, the Legislature and others involved in this discussion to affix reasonable rates of interest on all housing programs so as to achieve parity wherever housing services may be delivered in the State.

DELEGATED UNDERWRITING

Recommendation #9: The Task Force encourages the Alaska Housing Finance Corporation to consider a program of delegated underwriting as described in a staff paper submitted to the Task Force. A recommendation is offered for the AHFC Board to prepare such a program after receiving suggestions from mortgage bankers, home builders, and other affected members of the public.

Narrative: The Task Force agreed that AHFC acting as a secondary mortgage market for mortgage lenders should immediately take steps to adopt regulations implementing delegated underwriting. The lending institutions making mortgage loans would then make the sole determination as to whether the borrower and property meet sound underwriting standards and the requirements of AHFC loan programs under which they will be ultimately funded. It was the position of the Task Force that this would be a very positive benefit by enabling the loan applicant to receive a commitment directly from the lending institution and allow for closing of the loan immediately, subsequent to approval. AHFC would not underwrite on a case-by-case basis, but would spot check loan originations by the mortgage lender. If non-compliance were found and the violation sufficiently flagrant, the mortgage lender would then be prohibited to continue to sell loans to AHFC. Any loans wherein fraud or serious malfeasance was evident would be repurchased by the mortgage lender.

It is understood that not all lending institutions would want to participate in this system and that AHFC must continue to underwrite loans for those institutions not able or willing to assume responsibility for their underwriting function. Further, from time to time, it will be necessary on a case-by-case basis to submit loans to AHFC for review and this should be permitted under the system of delegated underwriting adopted.

It is evident that a good system of delegated underwriting would not reduce the quality of loans ultimately sold to AHFC, but should reduce the dual expense of operating two underwriting offices, that of the lender and Alaska Housing Finance Corporation. Overall, it should be a much more efficient system, benefiting not only AHFC but also the mortgage lender and the public.

REGIONAL INFORMATION OFFICES

Recommendation #10: The Task Force recommends regional housing information offices be opened in Fairbanks and Juneau as well as maintenance of rural field offices in Bethel, Nome, Kotzebue, and Dillingham within Community and Regional Affairs, Housing Assistance Division.

Narrative: Regional field offices can offer potential fund users located in or near that region more personalized service in distribution of housing information. Staff of AHFC to be located in field situations could disseminate information, track delayed applications or provide other housing services as instructed by the AHFC Board of Directors. DCRA staff in field services would continue to offer application processing and loan closing activites in addition to general information and education services whenever requested. Staffing in all locations by personnel completely familiar with loan processing procedures would be desirable.

The public can best be served by a regionalized office placed in visible street front locations in core areas of any given community. Community and Regional Affairs currently maintains regional offices in Anchorage, Fairbanks, Bethel, Dillingham, Kotzebue, and Nome.

The Fairbanks office serves the North Slope Borough, upper Yukon, and the Alaska highway system to Tok and Cantwell. It also offers service to McGrath and Fairbanks and vicinity. This office could be placed in close proximity to an AHFC Fairbanks office and relinquish its urban functions to AHFC staff while continuing to emphasize its primarily rural focus. Establishment of services to Southeast Alaska have long been contemplated by the Community and Regional Affairs Housing Assistance Division.

A minimal southeast office with one and a half positions for $77,300 in Juneau is requested in the FY'84 operating budget of DCRA/HAD. Again, a consolidated housing information office with AHFC staff could be achieved and may be desirable.

Maintenance of the existing rural field offices in DCRA/HAD is recommended.

TASK FORCE COMMENTS

Recommendation #11: The Task Force has identified the following housing related issues for further consideration and in need of in-depth investigation by another group charged with more specific responsibilities: forward commitments; reservation system for funding; shared appreciation mortgages; third party programs for participation, bridging sales and interest rate buy-downs; discount points; conventional and uniform underwriting standards; clear and concise lending and approval procedures; apportionment and restructuring of the various housing related boards; development of a housing interagency liason; masterplan for rental, low-income and special needs housing; develop incentive programs for low-income housing projects.

Narrative: When considering the primary issues of a housing program, participants were frequently reminded of numerous specific issues directly involved or closely related to public perceptions of housing.

Some of these "issue items" are mechanical. Some are administrative, and many others are conceptual. These items should be explored in detail and when found realistic and of public benefit be incorporated in the body of the housing program.

Employment of forward commitments and use of a Fund Reservation System are mechanical and during times of interest instability can be of benefit to consumers.

Third party participation vehicles also can benefit consumers in that more private investments can be attracted to worthwhile projects or in the case of guaranteed sales, equities be freed from existing homes to permit the purchase of new homes and, again, the burden is to private investment while the benefit is to the consumer.

Reintroduction of discount points may provide an optional method of avoiding interest rate increases and still provide for the consumers' ability to purchase or the developers' ability to initiate a multi-family project.

Use of conventional underwriting standards will permit a coherent lending policy that employs the same standards for rural or urban housing purchase. Buyers are evaluated on the basis of credit worthiness, commitment and ability to repay. The property is then evaluated as is common to the area.

Additional public benefit will also occur when present approval methods for multi-unit projects are standardized, and if the prerequisites are available to developers in clear, concise and consistent form.

Consistent with in-depth development of master plans for rental programs, low income and special needs categories is the creation of an Interagency Liaison. The very complex web of interrelated jurisdictions makes achievement of a housing plan difficult unless the various Federal, State, and local government units are working toward the same ends with mutual commitment.

Incentives for greater public-private cooperation can be devised to open the way for better housing development and redevelopment.

All of these "special" items and many others will enhance our ability to deliver a housing program. Each possesses a degree of complexity that requires in-depth, further investigation, and the Task Force recommends continuing the effort.

PUBLICATIONS

Recommendation #12: The Task Force recommends publication and distribution of existing housing programs information in all public agency locations in Alaska.

Narrative: The publication and information distribution efforts of state housing agencies are found to be inadequate. Present materials may be located in various financial houses or agencies themselves, but do not appear to reach a large number of potential buyers, sellers, investors, or other fund users. Certain publications require more explanation than the reader may possess and should be more clearly marked with telephone numbers and addresses to assist the reader in obtaining further information. Outdated materials should be replaced at all distribution points as often as necessary. Mass mailings or distribution through targeted periodicals should occur at least once a year to inform the public of current interest rates, available terms and locations in their vicinity from which loan applications may be originated. This public information outreach effort should attempt to coordinate information on all existing housing programs and should be administered by the Department of Revenue on behalf of each housing agency.

Rural publications should be printed in languages indigenous to the region as well as in English. Desirable texts to be developed are those which are concise and simply stated. Industry jargon should be used only as necessary and the need for glossary development per publication should be reviewed.

FURTHER INVESTIGATIONS

Recommendation #13: The Task Force concludes that a comprehensive report on housing issues must include an investigation of low and/or special incomes, elderly and disabled handicapped programs. It was also concluded that further investigation of these complex subjects was necessary. A special committee charged with publication of a Phase II Report has been created by the Task Force to accomplish this further investigation.

Narrative: In the charge to the Task Force, the Governor emphasized that the housing program should reach more of the population. Governor Sheffield went on to include that low income, elderly, handicapped and other special needs be considered and that the consideration reach rental as well as owned homes.

The Task Force recognizes that there are very complex underlying issues including some that would represent a departure from conventional development and funding practice. In spite of the complexities, the Task Force recommends that immediate steps be initiated to adopt these recommendations and to devise more creative forms of private investment participation in all special programs. Specific proposals include: a demonstration program to construct as many as 300 living units for low income and special needs citizens; a fund provided specifically to meet the needs of handicapped citizens of any income level. Too frequently handicapped citizens are restricted to their homes when simple adaptations could be retrofitted into their homes allowing greater mobility. Likewise, in the construction of new buildings in many respects this program would be similar to the energy conservation program now in effect. Several other provisions are also considered. They deal principally with the use and administration of funds as well as allowing a wider range of participants to compete for funding to develop the programs.

Public and private tax-exempt, nonprofit corporations might be more productive and recognizing non-traditional approaches to problem solving, they should be encouraged to participate.

An excellent model for this involvement is the Neighborhood Housing Service (NHS). NHS is a local arm of the Neighborhood Re-investment Corporation, a federally supported corporation. NHS pursues renovation of old or decaying housing, redevelopment of neighborhoods through new construction and a comprehensive use of various funds from a variety of public and private sources.

Another series of points is that low interest loans or incentive participation for investors be encouraged to provide rental housing. Traditionally, the vehicle is for low interest loans.

While the loan vehicle is most understood, incentive plans, third party investors and equity exchange programs might reduce reliance on government money and provide for expanded benefit while producing the housing stock. Whenever possible, the programs should be self-sustaining requiring a form of payback even if interest free. It is possible and practical that with specific executive direction and Legislative support that many innovative programs can be developed and operating in an immediate time frame.

The resources of the municipalities, private and public non-profit groups, the Regional Corporations, and private investors can be channeled to overcome many of the obstacles and permit the attainment of this very ideal goal.

SUNSET PROVISIONS

Recommendation #14: The Task Force recommends extension of the sunset provision on tax-exempt revenue housing bonds known as the Uhlmann Act. The Governor and the Legislature are asked to convey this recommendation to our Congressional Delegation in Washington, D.C..

Narrative: The Task Force unanimously request that the Governor, by executive order, and the Legislature, by resolution, request that our congressional delegation immediately take steps to introduce legislation which will preempt the Sunset Provisions of the commonly referred to Uhlman Act which provides that tax-exempt revenue housing bonds may not be issued after December 31, 1983. It is critical for the future of AHFF to be able to issue tax-exempt revenue bonds for enhancement of housing finance and reduction of subsidies required by the State of Alaska.

SPECIFIC COMMENTS BY TASK FORCE MEMBERS

SPECIFIC COMMENTS BY TASK FORCE MEMBERS

The Task Force members were polled as to their opinions of this report. The members approved the report generally as written with minor language modifications in certain areas. When points were voiced by members regarding specific concerns of theirs which were not necessarily those of the Task Force as a whole we agreed to summarize them below.

Comments by Andy Edge: Mr. Edge's main concern was that rural areas be provided with a lower interest rate for their programs within CRA/HAD than for comparable AHFC programs. The reasoning he gave was because construction costs are higher in rural areas, and the average income is lower.

Comments by Laurie Terrall: Ms. Terrall's main concern was that something should be done for those individuals who have an income slightly above the 6% HOF program limitations, and yet cannot afford to purchase a home at the substantially higher interest rates of other AHFC programs. Also, she wanted to see more stability within the HOF program. Apparently, new buyers are told that the program is subject to a 30 day notice of termination.

Comments by Frank Roppell: Mr. Roppell was in basic agreement with the Task Force recommendations. He did believe that the AHFF should be administered by and under the control of AHFC.

Comments by Commissioner Heath: Commissioner Heath was appointed after the Task Force had begun replacing Task Force member, Acting Commissioner of Revenue Joe Donahoe. Commissioner Heath did not have enough time to make a thorough review of this report. However, he had no major objections.

Comments by Richard Hall: Mr. Hall stated that "now is the time to establish a revolving loan fund." Mr. Hall believes the amount of dollars available will have to be prioritized into areas where the most need occurs, such as elderly and low income. Mr. Hall further stated, "AHFC already is in the process of providing $450 million[1] in loans at less than market rates. If that is not enough, then an appropriation to a revolving fund or a subsidy concept for leverage purposes could be made."

[1]Apparently Mr. Hall was referring to the Congressionally legislated subsidy from the Federal Treasury of tax exempt bond sales of $100 million for first time pruchasers and $300 million estimated for veterans. Also, AHFC expects a cash flow of approximately $50 million from prior mortgage investments.

Comments by Dave Rose: Written comments were received by Mr. Rose, Executive Director of the Alaska Permanent Fund Corporation, offering his opinions to the Task Force's recommendations. Mr. Rose restated that as presently legislated, the Permanent Fund cannot make investments at less than market rates. However, he said, the "simultaneous sale of AHFC paper on the market and sale to the Fund of the same paper at the same price and time can save the management fee associated with the sale of bonds." This could result in a savings of one-half percent. He further stated that the Permanent Fund "should not duplicate or replace AHFC" and that "the Permanent Fund can be a purchaser of securities backed by mortgages, not mortgages themselves." Mr. Rose was also concerned that we not recommend the abolishment of the well recognized and highly regarded AHFC in favor of a new and unknown debt issuer, namely, the AHFF. Also, Mr. Rose did not concur and stated he "would not recommend to the Trustees that the fund invest up to 25 percent of its assets in housing mortgages."

Comments by Commissioner Lewis, Department of Community and Regional Affairs: Commissioner Lewis' main concern was that unless the AHFF was administered under the Department of Revenue as recommended in this report, that the portion of the revolving fund relating to rural loans be administered under CRA.

INTERESTED PARTICIPANTS

INTERESTED PARTICIPANTS

Those individuals listed below attended one or more of the meetings held by this Task Force or its subcommittees. The Task Force would like to thank them for their verbal and written contributions to the discussion of issues and for their interest in our work.

Ms. Mary Afcan

Mr. Willie Ratcliff

Mr. Clay McDowell

Rev. Howard Bess

Mr. Larry Dickerson

APPENDIX A

WORKING PAPERS AND MINUTES

ALASKA PERMANENT FUND CORPORATION
POUCH S — JUNEAU ALASKA 99811
TELEPHONE 907-465-2351

BOARD OF TRUSTEES:
GEORGE W. ROGERS, PH.D. — CHAIRMAN
THOMAS A. WILLIAMS — VICE CHAIRMAN
WILLIAM J. GORDON
ARNOLD G. EAST
BYRON I. MALLOTT
PETER B. MCDOWELL

RESIDENT ADDRESS

MEMORANDUM

TO: Housing Task Force
Office of the Governor

DATE: December 27, 1982

FROM: David A. Rose
Executive Director
Alaska Permanent Fund Corporation

SUBJECT: Housing

The following investment categories are permissible under current statutory law. Each of them could be used to finance housing within the state to some extent. There are two major concerns: the availability of money and the cost of money. This memorandum addresses the availability of money.

The Permanent Fund is required by statutory law to obtain nationally competetive market rates of return on its investments, and these categories cannot therefore address the cost of money.

1. Residential Mortgages. The Alaska Permanent Fund Corporation may purchase first lien residential mortgages which include owner occupied one-to-four unit dwellings, if they carry private mortgage insurance and the loan to value ratios do not exceed 90 percent. Minimum insurance coverage is computed as follows:

Loan to Value Ratio	
0 - 69	None
70 - 89	10%
90	20%

By regulation the Fund is limited to adjustable rate residential mortgages only. Terms and conditions are identical to FNMA program #8.

2. Commercial Mortgages. The Alaska Permanent Fund Corporation may purchase first lien commercial mortgages, including multi-family dwellings in excess of four units, if they carry private mortgage insurance and the loan to value ratio does not exceed 75 percent. Minimum coverage is computed as follows:

Loan to Value Ratio	
0 - 49	None
50 - 60	10%
61 - 75	15%

The Permanent Fund Corporation is not limited to adjustable rate mortgages and may purchase fixed rate commercial mortgages.

3. Corporate Debt. The Alaska Permanent Fund Corporation may purchase mortgage-backed debt securities which are rated "AA" by Moody's and S & P. This provision theoretically includes:
   a) AHFC bonds,
   b) privately insured pool certificates issued by MGIC or similar institutions.

4. Federally Guaranteed Debt. The Alaska Permanent Fund Corporation may purchase the guaranteed portion of debt issued by the following agencies of the federal government:

   a) SBA,
   b) VA,
   c) FmHA.

5. Equity Real Estate. The Alaska Permanent Fund Corporation may participate in the direct ownership of income-producing real estate, including apartment buildings, as long as:

   a) the participation does not exceed 40 percent of the total equity, and
   b) the manager has at least five years institutional real estate experience.

ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY
MULTI-FAMILY HOUSING PROGRAM

The 1982 session of the Legislature enacted Chapter 113 which authorizes the Authority to provide financing for Multi-Family Housing. Funding for the program is provided by selling bonds and using the proceeds to purchase participations in qualifying projects from private lending institutions. The Legislature also appropriated $29 million to the Authority as security, should any projects default. The $29 million was reduced to $21 million based upon an opinion from the Attorney General's office.

The enabling legislation was drafted in such a manner that the Authority receives none of the principal, interest or any access to the security fund unless there is secondary debt on the project and the project defaults. The Authority has assumed this is a drafting error and has proceeded to implement a Multi-Family Program while simultaneously preparing remedial legislation for consideration.

The Authority has implemented a Multi-Family Program which will be effective until December 31, 1983. As of December 15, 1982, $37,994,150 of pre-applications for 1015 units have been approved. The number of pre-applications which will become actual multi-family units is impossible to determine but 50% could be a reasonable estimate. Geographically the units are spread as follows:

Anchorage	886 units	$33,586,300
Juneau	76 units	2,435,000
Homer	22 units	595,000
Ketchikan	5 units	360,000
Nome	14 units	607,500
Wasilla	6 units	190,350
Palmer	6 units	220,000

The Authority has issued commitments on 262 units totaling $8,775,000. These projects are currently in various stages of construction. The units for which commitments have been issued are geographically spread as follows:

Anchorage	252 units	$8,505,000
Homer	10 units	270,000

Synopsis of Multi-Family Program

A. Maximum allowable loan is 75% of appraised value.

B. Interest rate is 11% (set by Board, effective through 12/31/82). Should the bond rate exceed 11% the differential will be made up by increasing the loan payment beginning in year 2. Staff will recommend to the Board that the 11% be continued for 1983.

C. The full faith and credit of the Authority are pledged to the bond issue.

D. The Authority pays the capital reserve fund contribution.

E. Five units or more.

F. 20% of units must be made available to persons of lower or moderate income.

G. Restrictions on condo conversion.

H. The Authority purchases 90% of loan, originating financial institution retains 10% of loan.

I. U.S. Treasury regulations on tax-exempt bonds apply.

ALASKA HOUSING FINANCE CORPORATION
Branch Office Analysis

Estimated Annual Operating Expenses

	Fairbanks	Ketchikan	Juneau	Total
Personal Costs				
Salaries (Note A)				
Assistant loan officer (17)	$ 35,292			
Assistant public information officer(14)	28,548	$ 25,740	$ 25,740	
Secretary/receptionist(10)	21,984		20,076	
	85,824	25,740	45,816	
Benefits (29% of salary)	24,889	7,465	13,287	
Total Personal Costs	110,713	33,205	59,103	$203,021
Travel				
One trip/month/office to Anchorage for each office	2,280	6,600	5,568	
Local travel	1,000	1,000	1,000	
Total Travel	3,280	7,600	6,568	17,448
Contractual				
Telephone	7,200	7,200	7,200	
Office rent	19,200	17,000	20,400	
Equipment maintenance	600	600	600	
Courier service (daily to Anchorage)	2,600	2,600	2,600	
Other	1,000	1,000	1,000	
Total Contractual	30,600	28,400	31,800	90,800
Commodities	2,500	2,500	2,500	7,500
Total Annual Operating Expenses	$147,093	$71,705	$99,971	$318,759

NOTE A: Assumes individual hired at indicated pay range and step A.

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ALASKA HOUSING FINANCE CORPORATION
Estimated Start-Up Costs

	Fairbanks	Ketchikan	Juneau	Total
Furniture and Equipment				
Desks	$ 2,400	$ 800	$ 1,600	$ 4,800
Fireproof legal file cabinets	1,200	1,200	1,200	3,600
Non-fireproof legal file cabinets	500	500	500	1,500
Typewriter--Memory	3,900	3,900	3,900	11,700
Credenzas	1,950	650	1,300	3,900
Supply Cabinet	250	250	250	750
Bookcase	200	200	200	600
Conference Tabel & Chairs	700	700	700	2,100
Reception area couch	700	700	700	2,100
Six guest chairs	1,200	1,200	1,200	3,600
Computer Terminal	5,000	5,000	5,000	15,000
Copier	3,000	3,000	3,000	9,000
Miscellaneous office supplies	500	500	500	1,500
	21,500	18,600	20,050	60,150
Travel				
Two 2-day trips (interviewing)	920	1,100	928	2,948
One 2-day trip (office selection)	280	550	464	1,294
Training in Anchorage	1,100	790	704	2,594
	2,300	2,440	2,096	6,836
Data Processing Modifications (1)				
Software modifications to allow remote access	1,666	1,667	1,667	5,000
Additional computer core	6,667	6,667	6,666	20,000
	8,333	8,334	8,333	25,000
TOTAL	$32,133	$29,374	$30,479	$91,986

(1) Costs incurred to upgrade computer system to handle remote terminals. Total costs will be incurred if any branch offices are established.

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MINUTES OF THE GOVERNOR'S TASK FORCE

December 21, 1982
3601 C Street, Room 758
Anchorage, Alaska 99503

The first meeting of the Governor's Housing Task Force convened shortly after 1:30 p.m. on December 21, 1982 at the Governor's Office, Frontier Building, in Anchorage.

An introduction was made by CHAIRMAN ROB GAMEL. Members of the task force, guests and observers then introduced themselves. Those present were:

MR. ROB GAMEL
MR. JESS HALL
MR. CLARK GRUENING
MR. RICHARD T. HALL
MR. ANDY EDGE
MR. JESSIE ARRINGTON
MS. LAURIE TERRALL
MR. DAVE RIBACCHI
COMMISSIONER DICK LYON
COMMISSIONER JOE DONAHOE
MR. PETE SPIVEY
MS. LENNIE BOSTON
MR. RAY PRICE
MR. JIM KELLY
MS. MARY AFCAN
MS. BARBARA MORSE-QUINN
MR. HARRY GOLDBAR
MR. JOEL DIGANGHI
MR. MARK CAMERON
MS. LUCILLE STEITZ

A short discussion of general purpose preceded GOVERNOR SHEFFIELD'S entrance. The Governor thanked those present for their participation and charged them with assisting him in the creation of a sound housing program, inclusive of new construction, multi-family and rental unit development. Other desirable criteria for a housing program mentioned by the Governor were self-perpetuity of funds and availability of housing for first time homebuyers on limited incomes. The group was asked to suggest ways to prevent costly, duplicative efforts of the public and private sectors, and to review outreach efforts, particularly in the Fairbanks region. GOVERNOR SHEFFIELD concluded his remarks and departed the meeting.

Extensive conversations as to the focus and purpose of the task force followed the Governor's remarks. This informal dialogue resulted in the creation of two subcommittees of the task force, which were:

The Subcommittee on Socio/Economic Considerations of Housing Policies; and
The Subcommittee on Administration and Finance.

A core group was appointed to each subcommittee with others invited to participate in the group of their choice.

Further discussion then ensued regarding uses of the Permanent Fund, subsidies, bonding costs and a general review of the Governor's "Blueprint For Building Affordability Into Alaska's Housing Picture".

A general timetable was discussed with the conclusions that the January 3, 1983 deadline for a report could only bring a preliminary document to the Governor. February 1, 1983 was suggested as a more realistic goal for a final report.

A date for the next meeting was set for December 28, 1982 at 1:30 p.m. (AST) in the same location. Teleconfering with Juneau, Bethel and Fairbanks participants was suggested.

CHAIRMAN GAMEL adjourned the meeting at approximately 3:45 p.m. with each subcommittee convening immediately thereafter. Subcommittee chairmen were selected by each group with MR. DAVE RIBACCHI chairing the Subcommittee on Socio/Economics and MR. DICK HALL chairing the Subcommittee on Administration and Finance.

Respectfully submitted,

Rob Gamel
Chairman

MINUTES OF THE GOVERNOR'S TASK FORCE ON HOUSING

January 3, 1983
AHFC Board Room
Anchorage, AK 99503

Present in Anchorage for the teleconference meeting were the following task force members:

MR. ROB GANIEL, CHAIRMAN
MR. JESS HALL
MR. CHARLES HOMAN
MR. DAVE RIBACCHI
MS. LAURIE TERRALL
MR. DICK HALL

In Bethel: MR. ANDY EDGE

In Fairbanks: MR. JESS ARRINGTON

In Juneau:

MR. DAVE ROSE
COMMISSIONER MARK LEWIS
MR. JOE DONAHOE

Anchorage task force and administration staff present:

MS. BARBARA MORSE-QUINN
MR. ERIC WOHLFORTH
MR. JOEL DIGIACOMI
MR. HARRY GOLDBAR
MR. RAY PRICE

Juneau administration staff members present:

MR. PETE BUSHRE
MR. JIM KELLY

The following members of the public also participated in this meeting: MS. LUCILLE STIETZ, MS. MARY AFCAN, MR. CLAY MCDOWELL and MR. WILLIE RATCLIFFE.

With MR. ROB GANIEL chairing, the minutes from the previous meeting were read, and the two subcommittees reported. (MR. EDGE in Bethel and MR. ARRINGTON in Fairbanks both eventually dropped out of the teleconference due to poor audio. Notes were to be forwarded to them for their comments.)

The Subcommittee on Administration and Finance presented their findings:

Item 1. It was unanimously agreed that AHFC be authorized to develop a system of forward commitments for owners and builders.

Item 2. The task force recommended AHFC consider a program of delegated underwriting as described in a staff paper submitted to the Task Force. A recommendation is offered for the AHFC Board to prepare such a program after receiving suggestions from mortgage bankers, home builders, and other affected members of the public.

Item 3. The subcommittee recommended a revolving AHFC Fund and, if required, an amendment to the constitution authorizing the statute. MR. DONAHOE reported that MR. RON LORENSEN, the Deputy Attorney General, has a draft opinion stating the use of interest in this case is likely unconstitutional but it is defendable. MR. GAMEL suggested adopting this suggestion with MR. HALL pointing out that the Legislators may want the option of allocating the interest. The Task Force adopted the subcommittee recommendations.

Item 4. The subcommittee recommends a revised FY84 18 month appropriation for subsidy purposes paid into the AHFC Fund. A long discussion ensured on this point, but no concurrence was reached. It was decided to table and redraft this point and submit it to the committee again. Four sub-points are to be considered:

1. 18 month appropriation
2. Appropriate to revolving and subsidy.
3. Interest rate question.
4. Prioritization.

MR. WILLIE RADCLIFFE spoke up to say he would like to see fee simple loans, the use of church groups to reach people currently unable to afford a home, and cutting out the heavy financing fees now being charged.

Item 5. The Task Force tabled any action on the subcommittees recommendation on prioritization.

Item 6. The Task Force agreed with this recommendation. It was recommended that the Trustees of the Permanent Fund and the Board of Alaska Housing Finance Corporation develop a plan whereby up to 15% of the principal of the Permanent Fund be invested in a combination of mortgages or securities of the Corporation. Currently, the Fund is authorized to invest up to 15% of its principal in variable rate mortgages. However, the Fund is authorized to invest up to 50% in corporate debt securities which are rated "AA" or better by a nationally recognized rating service. It was further recommended that the 15% investment of the Permanent Fund be accomplished over five years and that not less than three percent of the Permanent Fund be so invested during the first year.

Item 7. This item pertains to revolving funds for the Housing Assistance Division and eliminates the distinction between urban and rural from the Housing Assistance Fund Program. It also establishes A Home Ownership Fund (HOF) Program within the Housing Assistance Division. MS MORSE-QUINN recommended that the third line be changed to eliminate rural and urban from the "nonconforming HAD loan fund and that the the HOF be under this division. In debate over this particular point, it was agreed that parity should be addressed, though it was pointed out that legislation had been aimed at making up for the higher construction costs in rural Alaska. MR. GAMEL suggested they explore this further at a later time. However, he felt the committee should take a stand in support of extending the sunset provision for tax exempt bonds (Uhlman Act). MR. HALL supported this and recommended having the Governor send letters to get a resolution passed in our state legislatures. The Task Force agreed.

MR. RIBACCHI provided his first preliminary report for the Subcommittee on Socio/Economics.

Item 1. He pointed out that housing is a social/economic issue. A commonality of language doesn't exist and snags will result because of this. There are three types of housing: conventional, rental, and low income or special income. The subcommittee developed three time frames for action: immediate, intermediate (within ten months), and long-range (two or three to five years).

Item 2. The Subcommittee Report suggested that conventional loans be dealt with first because a commonality of language already exists and that the others be studied further. MR. RIBACCHI also suggested announcing AHFC meetings, teleconferences and follow-up. He also suggested information centers for the public with a variety of possibilities. For instance, there are many agencies in scattered towns throughout the state which could provide information to people without the expense of a staff for just this purpose. Item 3. The key problem is that it isn't clear what is to be dealt with or what's available in other programs. It was suggested that appointments and reappointments to AHFC executive staff be accomplished as soon as possible.

The Subcommittee Report suggested the following for intermediate action:

A. Delegated underwriting was agreed upon by everyone.
B. As a political issue, the AHFC restructuring should be defined and taken care of ASAP.
C. There should be an intergovernment liaison thru existing departments.
D. Planning and effecting a consolidation of state housing is suggested breaking it into more applicable programs.

Items 4 and 5. MR. CLAY MCDOWELL was introduced by subcommittee member, Laurie Terrall, and pointed out that a crisis need for shelter exists for the handicapped. It was suggested that these items be given immediate action. The Phase I report of the Alaska Statewide Housing Needs Study is available and should be reviewed by Task Force members seeking further information on these subjects.

A subcommittee consisting of MS. BARBARA MORSE-QUINN, MR. ROB GAMEL, MR. DICK HALL, Mr. Chuck Homan, and MR. DAVE RIBACCHI was appointed to draft a preliminary report to the Governor outlining the work thus far accomplished and identifying areas needing further research. (Phase I Report.)

An additional subcommittee was established to research and define goals for the low or special incomes, disabled and/or senior citizen needs. MS. TERRALL, MR. RIBACCHI, MR. DICK PRYOR and an AHFC representative will form this subcommittee. (Phase II Report.)

The meeting was adjourned at approximately 3:45 p.m. AST.

Respectfully Submitted,

_____

Rob Gamel
Chairman

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

STATE OF ALASKA

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

April 11, 1983

APR 7 1983

Representative B. Lacher
Chairman
House Community and Regional
Affairs Standing Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Chairman Lacher:

At a recent meeting, the Legislative Budget and Audit Committee approved for release to the public the attached audit reports which may be of interest to your Committee.

If you have any questions on this report, please contact our office.

Sincerely,

Gerald L. Wilkerson

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

A REPORT ON THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS HOUSING ASSISTANCE LOAN FUND

For the Fiscal Year Ended June 30, 1982

Audit Control Number

21-1099-83-R

Commissioner, Department of Community and Regional Affairs	Mark Lewis
Deputy Commissioner, Department of Community and Regional Affairs	Richard Aks

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PURPOSE OF THE REPORT

In accordance with the provisions of Title 24 of the Alaska Statutes, an examination of the Department of Community and Regional Affairs, Housing Assistance Loan Fund was conducted to determine:

1. If the financial statements for the 1982 Fiscal Year are fairly presented.

2. The compliance by the Department of Community and Regional Affairs with applicable State statutes and regulations governing fiscal activities of the Fund.

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ORGANIZATION AND FUNCTION

The Housing Assistance Loan Fund (HALF) was created in the Department of Community and Regional Affairs by AS 44.47.380. HALF is within the General Fund which consists of money appropriated to it by the Legislature. The Housing Assistance Division (HAD) administers the Fund which provides financing for originating, purchasing or participating in the purchase of the following types of loans:

1. Nonconforming and rural mortgage loans.

2. Loans made for building materials for nonconforming and rural housing.

3. Loans made for renovation or improvements to nonconforming and rural housing.

4. Loans made for the construction of owner-occupied nonconforming and rural housing other than loans to builders or contractors or loans that compensate an owner for his labor or services in constructing his own housing.

5. Loans made for the purchase or development of non-owner occupied housing in rural areas.

"Nonconforming housing" is defined at AS 44.47.560(4) as housing which does not conform to minimum building standards under any State or federal program that provides loans for housing purchases. "Rural housing" is defined at AS 44.47.560(6) as housing, whether or not it is nonconforming, that is located in a rural area of the State.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

HAD should assess the interest rate on mortgage loans in compliance with Alaska Statutes.

HAD is required by AS 44.47.410 to set interest rates on nonconforming mortgage loans equal to those rates established by the Alaska Housing Finance Corporation (AHFC) per their most recent issue of taxable bonds.

During Fiscal Year 1982, several office memos were issued to the staff and seller/servicers establishing the effective date of rate changes. Our review of 50 loan files disclosed that the Division was inconsistent in its assessment of interest rates. In some cases, the rates were assessed when the application was received and others, when the loans were committed. However, in both cases we noted that the applied rates were not equivalent to those of AHFC. Using the commitment date as a base, we found 32 loan files had incorrect interest rates. Additionally, 23 loan files had incorrect interest rates per the application date.

One of the purposes of the Housing Assistance Loan Program is to provide State financing for nonconforming housing equitable to that provided for conforming housing. This purpose is defeated when the interest rates are not properly assessed. HAD should establish a written policy defining when the interest rate for a loan is set, preferably at the date of loan commitment and ensure that applicable interest rates at that date are assessed.

Recommendation No. 2

HAD should strengthen controls over mortgage loans.

It is the Division's policy to provide financing for mortgage loans up to 95% of the appraised value, or sales price whichever is less. Per our review of 59 loan files we noted that in 15 cases the borrower was given cash after settlement of all costs. Cash given to the borrowers ranged from $601 to $94,653. In most cases, the loan financed owner/builder constructed homes. These homes were financed at a percentage of the appraised value rather than total construction cost. Thus, the excess was given to the borrower.

Alaska Statute 44.47.380 prohibits HAD from originating, purchasing, or participating in the purchase of loans which compensate an owner for his labor or services in constructing his own home. This statute became effective July 28, 1981.

Seven of the fifteen loans were committed and closed after that date. HAD required the seller/servicer to provide a letter certifying construction costs equalled or exceeded the loan amount in order to ensure compliance with the new law. Five of the seven loan files contained the required signed letter from the seller/servicer. In a review of the seller/servicer's loan files we could find no documentation, i.e., invoices and receipts, to substantiate the statements in three of the five letters. Those three borrowers received $5,073, $36,765, and $94,653 in cash, respectively, after all closing costs and outstanding debts related to the construction of the homes were paid.

All mortgage loans are purchased by HAD without recourse unless a misstatement of a material fact is disclosed within one year after the loan purchase date. If a misstatement of fact is discovered, the seller/servicer may be required to repurchase the loan for an amount equal to the unpaid principal balance plus accrued interest. We recommend HAD review loans made in Fiscal Year 1983 to determine if any additional borrowers were compensated for labor or services in the construction of their homes and then take appropriate action to ensure loans currently held by the Division include only those loans in compliance with law.

Additionally, in order to strengthen controls HAD should develop a standard certification letter to include the following:

A. Statement of actual construction costs, along with detailed documentation if a borrower is receiving any cash from the loan purchase.

B. Statement certifying that the amount is accurate and does not include costs representing the owner's labor and services.

C. Signatures of the borrower and an authorized bank official.

Recommendation No. 3

HAD should establish written guidelines to aid its staff in determining acceptable nonconforming characteristics.

In our prior audit of the Division we recommended the adoption of regulations and formal procedures to substantiate the nonconformity of home loans purchased. We found in our prior review that 47% of the files and property appraisals acceptable to AHFC. Also we found 55% of the files did not contain a statement from the seller/servicer describing the nonconforming feature and explaining why it is unacceptable under other conventional financing programs.

Our current review of loan files indicated that the problem still exists. Of 50 files reviewed we found 22 or 44% did not contain the written statement from the seller/servicer as required by 19 AAC 95.070(6). According to Division staff it is difficult for the seller/servicer to determine the nonconforming features due to the frequency of its variations.

Nonconforming housing is defined at AS 44.47.560(4) as housing which does not conform to minimum building standards under any State or federal housing program. Loan applications are judgementally analyzed by HAD loan examiners. No written guidelines have been established to ensure uniformity and consistency in each examiner's evaluation of acceptable nonconforming features.

Recommendation No. 4

HAD should improve its accounting system.

In our prior audit we noted that the Division had not established an accounting system or written policies and procedures to account for its loan activities. Although the Division has made significant progress in implementing this recommendation, the following exceptions were noted in our current review.

1. HAD does not reconcile its loan receipts and disbursements and other operating expenditures to the State accounting system (PBA).

   The Division thought this function was performed by the Division of Administrative Services. However a review of the services provided by Administrative Services showed that the reconciliation of revenues and expenditures was not included. In order to ensure revenues and expenditures are properly budgeted and recorded in PBA, and fairly presented in the State's Annual Financial Report, HAD should, at a minimum, reconcile its records to PBA monthly.

2. Interest income is recorded net of service fees.

   Principal and interest payments from mortgage loans purchased by HAD are collected and transmitted monthly to the Division by the seller/servicer at a fee not to exceed 1/2 of 1% of the interest collected. The fees are deducted by the seller/servicer prior to remitting the cash to HAD. An account has not been established by HAD to record service fee expenditures, thus interest income is improperly recorded net of the service fees. As a result, interest income for Fiscal Year 1982 is understated by $61,773 and expenditures are understated by the same amount.

Alaska Statute 37.05.150 states that the State accounting system shall be in accordance with the generally accepted principals of governmental accounting and it shall provide records showing actual revenue and total expenditures. AS 37.05.170 states no payment may be made and no obligation incurred against any fund unless an appropriation or expenditure authorization has been made for the purposes of the expenditure. Therefore, HAD should include service fee charges in its operating budget and establish a system to properly account for the expenditures.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

JUNEAU, ALASKA 99811

December 23, 1982

Members of the
Legislative Budget and Audit Committee:

We have examined the Balance Sheet of the Housing Assistance Loan Fund as of June 30, 1982, and the related Statement of Revenues, Expenditures, and Changes in Fund Balance; Statement of Revenues - Budget and Actual; and the Statement of Expenditures and Encumbrances Compared with Appropriations for Operating Programs for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Housing Assistance Loan Fund as of June 30, 1982, and the results of operations and the changes in fund balance for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
BALANCE SHEET
June 30, 1982

Assets	
Current Assets	
Cash in Transit	$ 126,897
Cash in Treasury	73,040,272
Accrued Interest Receivable	166,846
Total Current Assets	73,334,015
Loans Receivable	
Mortgage Loans Receivable	21,644,150
Less: Allowance for Uncollectible Loans	(223,702)
Net Mortgage Loans Receivable	21,420,448
Loans in Progress	726,050
Total Loans Receivable (Long-Term)	22,146,498
Total Assets	$95,480,513
Liabilities and Fund Balance	
Current Liabilities	
Accounts Payable	$ 96,812
Due to General Fund	293,743
Total Current Liabilities	390,555
Fund Balance	
Reserve for Encumbrances	72,935
Title Loss Reserve	500,000
Reserve for Loans Receivable (Net)	22,146,498
Reserve for Loan Commitments	3,039,800
Available for Current Operations	69,330,725
Total Fund Balance	95,089,958
Total Liabilities and Fund Balance	$95,480,513

The Notes to the Financial Statements are an integral part of this Statement.

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 1982

Sources of Funds	
Revenues	
Interest Earned	$ 1,201,548
Other Financing Resources	
Loan Appropriations from General Fund	85,000,000
Appropriation for Operating Loss Reserve	100,000
Operating Appropriation from General Fund	1,050,600
Total Other Financing Resources	86,150,600
Total Sources of Funds	87,442,148
Uses of Funds	
Expenditures	
Operating Expenditures	969,240
Other Uses	
Transfer to General Fund	1,659,248
Loan Loss Expense	223,702
Total Other Uses	1,882,950
Total Uses of Funds	2,852,190
Excess Sources of Funds over Uses of Funds	84,589,958
Beginning Fund Balance July 1, 1981	10,500,000
Ending Fund Balance June 30, 1982	$95,089,958

The Notes to the Financial Statements are an integral part of this Statement.

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1982

	Final Revised Budget	Actual	Over or (Under) Budget
Unrestricted Revenues			
Interest Earned	$ -0-	$1,291,548	$1,291,548
Total Housing Assistance Loan Fund	$ -0-	$1,291,548	$1,291,548

The Notes to the Financial Statements are an integral part of this Statement.

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR OPERATING PROGRAMS
For the Fiscal Year Ended June 30, 1982

	1981-1982 Budget Act Appropriations	Continuations, Supplementals and Revisions	Total Authorizations	Expenditures	Encumbrances at Close of Year	Unencumbered Balances Continuing Programs	Lapsed
Development							
Nonconforming Housing	$1,006,600	$44,000	$1,050,600	$969,240	$72,935	$ -0-	$8,425
Total Housing Assistance Loan Fund	$1,006,600	$44,000	$1,050,600	$969,240	$72,935	$ -0-	$8,425

The Notes to the Financial Statements are an integral part of this Statement.

STATE OF ALASKA
DIVISION OF LEGISLATIVE AUDIT

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 1982

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant policies of the State of Alaska applicable to the Department of Community and Regional Affairs, Housing Assistance Loan Fund:

A. Fund Accounting. The State of Alaska maintains its accounting in accordance with the principles of fund accounting. A fund is a fiscal and accounting entity established by law to segregate and account for designated resources and activities. Housing Assistance Loan Fund activities are in the General Fund.

B. Basis of Accounting. The Financial Statements for the General Fund are reported on the modified accrual basis of accounting. Modifications to the accrual basis are as follows:

1. Revenues susceptible to accrual (primarily reimbursable items and investment income) are reported on accrual basis. Revenues not susceptible to accrual are reported on cash basis.

2. Expenditures are generally recognized on accrual basis. The following exceptions are considered expenditures when paid:

   a. inventories of materials and supplies,
   b. prepaid insurance and similar items,
   c. accumulated unpaid annual and sick leave.

C. Encumbrances. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances since they are neither expenditures nor liabilities.

D. Budgetary Control. All money received is deposited in the State Treasury, and may not be expended without appropriation. An appropriation is an authorization to spend money and incur obligations. It is a legal limit as to purpose, time, and amount.

Appropriations are enacted by the Legislature and approved by the Governor. Expenditures are reported at the appropriation level to show compliance with the law.

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

December 23, 1982

Members of the
Legislative Budget and Audit Committee:

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information in Appendixes A through C is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements; and, in our opinion, the information is fairly stated.

Gerald L. Wilkerson

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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APPENDIXES

APPENDIX A

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
TYPE OF LOANS AND TERMS
June 30, 1982

Loan Types and Terms

As specified by AS 44.47.380 and AS 44.47.410, the following types of loans are made:

Type	Limit	Current Interest Rate	Terms	Purpose
Residential Mortgages				
Urban Nonconforming Owner Occupied	$160,500 - Single Family 205,200 - Duplex	Veterans - 11.375% on first $90,000 16.590% on balance over $90,000 Non - Veterans - 12.375% on first $90,000 16.590 on balance over $90,000	30 years or remaining economic life, whichever is less	To originate, purchase, or participate in the purchase of loans for existing housing, or housing under construction or to be constructed.
Rural Owner Occupied	Same as above	10.5%	30 years or 80% of remaining physical life	Same as above
Rural Non-Owner Occupied	$300,000	10.5%	30 years	Same as above
Building Materials	$45,000 or 80% of the appraised value of the work completed or 90% of the value of other property pledged as security	Same as for Residential Mortgages	15 years	To originate, purchase, or participate in the purchase of loans made for building materials for housing.
Renovations and Improvements	1st Deed of Trust $136,425 - Single Family $174,420 - Duplex	Same as for Residential Mortgages	30 years or 80% of remaining physical life	To originate, purchase, or participate in the purchase of loans made for renovation or improvements to existing housing with or without consolidation of existing loans on the subject property.
	2nd Deed of Trust $25,000	Same as for Residential Mortgages	15 years	

STATE OF ALASKA
DIVISION OF LEGISLATIVE AUDIT

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
GENERAL LOAN INFORMATION
June 30, 1982

	Number of Loans	$ Amount of Loans	Percent of Number Loans Closed	Percent of $ Amount Loans Closed
Total Loans Closed by Judicial District (Note 1)				
First Judicial District	51	$ 3,857,650	14.6%	17.6%
Second Judicial District	50	3,948,950	14.4%	18.0%
Third Judicial District	111	7,153,150	31.9%	32.7%
Fourth Judicial District	136	6,936,675	39.1%	31.7%
Total by Judicial District	348	$21,896,425	100.0%	100.0%
Loans Delinquent (Note 2)				
First Judicial District	1	85,450	.4%	.4%
Second Judicial District	1	72,200	.3%	.3%
Third Judicial District	1	65,550	.3%	.3%
Total Loans Delinquent	3	$ 223,200	1.0%	1.0%

Note 1: This includes all loans closed since inception of the program. Amount reported is original loan amount.

Note 2: Determined by loan payments overdue by more than 45 days at June 30, 1982. Amount reported is original loan amount rather than outstanding balance for comparison purposes.

APPENDIX C

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE LOAN FUND
RETURN ON INVESTMENTS/COST ANALYSIS
For the Fiscal Year Ended June 30, 1982

Rate of Return on Total Assets	1982
Total Revenues per Statement of Revenues - Budget and Actual	$ 1,291,548
Total Expenditures and Encumbrances per Statement of Expenditures and Encumbrances Compared with Appropriations	1,042,175
Excess of Revenues over Expenditures	$ 249,373
Average Assets Less Cash in Treasury	$13,605,248
Rate of Return (Note 1)	2%

Loans O/S per Employee Month	
Total Number of Loans O/S	345
Total Number of Employee Months	216
Number of Loans O/S per Employee Month	2

Note 1: Rate of Return is defined as follows:

$$\frac{\text{Excess of Revenues over Expenditures}}{\text{Average Assets Less Cash in Treasury}}$$

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

April 1, 1983

RECEIVED
APR 05 1983
LEGISLATIVE AUDIT

Mr. Gerald L. Wilkerson
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Re: "A Report on the Department of Community and Regional Affairs, Housing Assistance Loan Fund, For the Fiscal Year Ended June 30, 1982." Preliminary Audit Report (CONFIDENTIAL)

This letter comes in response to your communications of March 9 and 10, 1983 on the above referenced audit document.

A. Recommendation No. 1
HAD should assess the interest rate on mortgage loans in compliance with Alaska Statutes.

The department concurs with this recommendation. On December 28, 1982 a letter announcing an interest rate change for the Housing Assistance Loan Fund, Nonconforming Loan Program, was forwarded in response to Interim Letter No. 1 on your audit findings. Enclosed as Enclosure A-1 please find our interest rate notification letter of November 18, 1982 and our subsequent interest rate notification letter of March 11, 1983 (Enclosure A-2).

In addition to implementing a fixed date procedure for interest rate changes, enclosed you will also find our January 31, 1983 Request for Opinion of the Attorney General on this subject. (Enclosure A-3). Because of bond sale reserves at Alaska Housing Finance Corporation, taxable sales are frequently held well in advance of commitment issue. Unless the interest rates between sales rates are significantly different, funds from one sale are usually fully expended before funds from a subsequent sale are drawn. As this opinion request infers, AHFC announces interest rate changes as their funds dictate, with no particular formula in relation to the bond sale date. A verbal opinion from Assistant Attorney General John Rubini indicates

that our interest rate conversion dates should not predate those of AHFC, regardless of delay from date of sale. We anticipate issuing interest rate conversion notices within 48 hours of notification of rate change from AHFC.

B. Recommendation No. 2
HAD should strengthen controls over mortgage loans.

The department concurs with this recommendation. Enclosed as Enclosure B-1 please find a form now being used by the Housing Assistance Division entitled "Certification of Costs for Owner/Builder New Construction." This form is to be executed by the borrowers and seller/servicer representative before loan purchase is finalized. It has been published in the new handbooks of the Housing Assistance Loan Program, along with several revised forms of the Division. This book is available for your review upon request.

In addition to implementing this form, the division has requested further certification on the part of the seller/servicers, as exemplified in the enclosed Seller/Servicer Letter of March 17, 1983. (Enclosure B-2).

To correct the audit exceptions on three specific files still in question, the division has contacted the two seller/servicers involved in these transactions and requested their review of these files.

The following information has been obtained to date:

Loan #02-343-00218 $5,053 - No further information.

Loan #01-861-00454 $30,765 -All documentation to account for costs in excess of $67,000 has been received by seller/servicer and will be forwarded to division.

Loan #02-343-00213 $94,653. Loan fully repaid. No longer held in division's portfolio.

A full written response on each review is anticipated prior to April 30, 1983.

C. Recommendation No. 3

HAD should establish written guidelines to aid its staff in determining acceptable nonconforming characteristics.

The department concurs in this recommendation. Enclosed as Enclosure C-1 is the written definition of nonconforming characteristics established by the division on February 4, 1983. This definition has been publicized by staff and is available to all borrowers or seller/servicers for their review.

In addition to finalizing this definition, the division has recently completed the publication of a Housing Assistance Loan Program handbook and brochures. The publications fully define our loan programs and are available for review in any of our Housing Assistance Division offices.

D. Recommendation No. 4

HAD should improve its accounting system.

(1) HAD does not reconcile its loan receipts and disbursements and other operating expenditures to the State accounting system (PBA).

The department concurs in this recommendation. The division has been working very hard in conjunction with the Division of Administrative Services staff to identify responsibilities, monitor actions and insure fiscal accountability for all loan fund expenditures with regard to reconciliation with PBA. Enclosure D-1 outlines the new reporting procedures which have now been implemented at HAD. Procedures for reconciliation of loan disbursements are now in place and are being performed on a monthly basis. We anticipate completion of reconciliation procedures for loan receipts and other operating expenditures for the April 30, 1983 PBA report.

(2) Interest income is recorded net of service fees.

The department concurs in this recommendation. In consultation with the Department of Law, it has been determined a revised program request will be presented

before the Legislative Budget and Audit Committee to receive and expend a portion of the interest income for payment of service fees. In addition, the department will establish a system to properly account for the expenditures in accordance with AS 37.05.150.

Thank you for the opportunity to comment on this report. Please contact me or Barbara Morse-Quinn at 272-4585 should you have any questions regarding this correspondence. I hope this letter will sufficiently address all your concerns. We look forward to receiving the final audit report as soon as it becomes available.

Sincerely,

Mark Lewis
Commissioner

cc: Barbara Morse-Quinn

JAY S. HAMMOND, GOVERNOR

REPLY TO:
☐ 2600 DENALI SUITE 400
ANCHORAGE, ALASKA 99503
PHONE (907) 272-4565

☐ BOX 1004
DILLINGHAM, ALASKA 99576
PHONE (907) 842-2345

☐ GENERAL DELIVERY
KOTZEBUE, ALASKA 99752
PHONE (907) 442-3675

☐ P.O. BOX 348
BETHEL, ALASKA 99559
PHONE (907) 543-3964

☐ 1515 CUSHMAN ROOM 210
FAIRBANKS, ALASKA 99701
PHONE (907) 452-4468

☐ BOX 41
NOME ALASKA 99762
PHONE (907) 443-2655

STATEWIDE TOLL FREE
PHONE ZENITH 4565

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

November 18, 1982

To: ALL SELLER SERVICES

The Housing Assistance Division announces the reduction of interest rates for the Nonconforming Loan Program of the Housing Assistance Loan Fund. The new rates are attached. The authority for this reduction is found in AS 44.47.410 and AS 18.56.098(g).

As a reminder, all rural loan rates are fixed by the Legislature and are not adjusted with State Mortgage Bond sales.

Any loan committment issued after November 17, 1982 for the Nonconforming Loan Program will be at the new rate.

Sincerely,

Barbara Morse-Quinn

Barbara Morse-Quinn
Director

Attachment

Enclosure A-1

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

Bill Sheffield, Governor

REPLY TO:
☐ 2600 DENALI, SUITE 400
ANCHORAGE, ALASKA 99503
PHONE: (907) 272-4585

☐ BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245

☐ GENERAL DELIVERY
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675

☐ P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3864

☐ 1514 CUSHMAN, ROOM 210
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-4468

☐ BOX 41
NOME, ALASKA 99762
PHONE: (907) 443-2655

STATEWIDE TOLL FREE
PHONE: ZENETH 4585

March 11, 1983

To: ALL SELLER/SERVICERS

The Housing Assistance Division announces the reduction of interest rates for the Nonconforming Loan Program of the Housing Assistance Loan Fund. The new rates are attached. The authority for this reduction is found in AS 44.47.410 and AS 18.56.098(g).

As a reminder, all rural loan rates are fixed by the legislature and are not adjusted with State Mortgage Bond sales.

Any loan commitment issued on or after March 14, 1983 for the Nonconforming Loan Program will be at the new rate.

Sincerely,

Barbara Morse-Quinn

Barbara Morse-Quinn
Director

by RJP

Attachment

Enclosure A-2

21-P4LH

Alaska HOUSING FINANCE CORPORATION

P.O. Box 1020, Anchorage, Alaska 99510

TO: All Seller/Servicers

DATE: March 9, 1983
(Memo #83-17)

FROM: LeRoy Rothe
Mortgage Operations Director

Re: Interest Rate Change

Effective March 11, 1983, the following interest rate schedule shall apply to all mortgage loan requests received by Alaska Housing Finance Corporation (AHFC), with the exception of the Tax-Exempt Loan program, the Second Deed of Trust programs and the Veterans Mortgage Bond program. All applications received by AHFC on or after that date will be underwritten at these rates.

LR/la

RECEIVED
MAR 11 1983
Dept. of Comm. & Reg. Affairs
Housing Assistance Division

ALASKA HOUSING FINANCE CORPORATION

3/07/33 SERIES....S82-I

SCHEDULE FOR LOANS AT 10.000 ON THE FIRST 90,000.00 , 12.670 ON BALANCE

LOAN AMOUNT FROM	LOAN AMOUNT TO	INTEREST RATE	P & I FACTOR
90,000.00	92,200.00	10.000	.008776
92,250.00	96,800.00	10.125	.008869
96,850.00	101,950.00	10.250	.008962
102,000.00	107,650.00	10.375	.009055
107,700.00	114,050.00	10.500	.009148
114,100.00	121,250.00	10.625	.009241
121,300.00	129,400.00	10.750	.009335
129,450.00	138,700.00	10.875	.009429
138,750.00	149,500.00	11.000	.009523
149,550.00	162,100.00	11.125	.009618
162,150.00	177,050.00	11.250	.009713
177,100.00	195,000.00	11.375	.009808
195,050.00	217,000.00	11.500	.009903
217,050.00	244,600.00	11.625	.009998
244,650.00	280,250.00	11.750	.010094
280,300.00	328,050.00	11.875	.010190
328,100.00	395,550.00	12.000	.010286
395,600.00	400,000.00	12.125	.010382

ALASKA HOUSING FINANCE CORPORATION

3/07/83 SERIES....S82-I VA SCHEDULE

SCHEDULE FOR LOANS AT 9.000 ON THE FIRST 90,000.00 , 12.670 ON BALANCE

LOAN AMOUNT FROM	TO	INTEREST RATE	P & I FACTOR
90,000.00	91,600.00	9.000	.008047
91,650.00	94,850.00	9.125	.008136
94,900.00	98,400.00	9.250	.008227
98,450.00	102,200.00	9.375	.008318
102,250.00	106,300.00	9.500	.008409
106,350.00	110,750.00	9.625	.008500
110,800.00	115,600.00	9.750	.008592
115,650.00	120,900.00	9.875	.008684
120,950.00	126,700.00	10.000	.008776
126,750.00	133,050.00	10.125	.008869
133,100.00	140,150.00	10.250	.008962
140,200.00	147,950.00	10.375	.009055
148,000.00	156,750.00	10.500	.009148
156,800.00	166,650.00	10.625	.009241
166,700.00	177,850.00	10.750	.009335
177,900.00	190,650.00	10.875	.009429
190,700.00	205,500.00	11.000	.009523
205,550.00	222,800.00	11.125	.009618
222,850.00	243,350.00	11.250	.009713
243,400.00	268,000.00	11.375	.009808
268,050.00	298,250.00	11.500	.009903
298,300.00	336,200.00	11.625	.009998
336,250.00	385,200.00	11.750	.010094
385,250.00	400,000.00	11.875	.010190

MEMORANDUM

State of Alaska
Community and Regional Affairs

TO: The Honorable Norman Gorsuch
Attorney General
Department of Law
Attn: John Rubini
Asst. A.G.

DATE: January 31, 1983

FILE NO:

TELEPHONE NO: 272-4585

FROM: MARK LEWIS
COMMISSIONER

SUBJECT: Request for Opinion
Effective Date for Interest
Rates under AS 44.47.410(a)

By: _____
Barbara Morse-Quinn, Director
Housing Assistance Division
Community and Regional Affairs

Alaska Statute 44.47.410(a) mandates that our urban interest rates are "equal to the interest rate, as determined under AS 18.56.098(a) from the proceeds of the most recent applicable issue of taxable bonds." On January 19, 1983, Alaska Housing Finance Corporation sold series I of taxable bonds. This sale resulted in a reduction of the interest rates from 10.125% to 10% on the first $90,000 for non-veterans and from 9.125% to 9% on the first $90,000 for qualified veterans. However, AHFC has not put these rates into effect for their programs until they have exhausted the funds from the series H sale of taxable bonds.

Our question to you is, do we adjust our rates on the date of the last sale of the taxable bonds which was January 19, 1983 or on the date AHFC makes the rates effective for their programs which they anticipate will be mid-February?

Enclosure A-3

CERTIFICATION OF COSTS FOR OWNER/BUILDER NEW CONSTRUCTION

We certify that we have spent the total proceeds of our loan from DCRA/HAD in the amount of $_____ for materials to construct our house or for labor which was contracted to be performed to complete the house. We further certify that we have not received any payment for our own labor or other services which we performed to complete the house.

Date:_____ _____
Borrower

Date:_____ _____
Borrower

State of Alaska
_____ Judicial District

On this _____ day of _____ 19___ before me, the undersigned a Notary Public in and for the state of Alaska, personally appeared _____ to me known and acknowledged to me that __he__ executed the above certification freely and voluntarily for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

_____
Notary Public for Alaska

My Commission Expires:_____

****

We certify that the above statement is true and that we have examined and placed copies in our file of the paid invoices which show the expenditures of the loan proceeds for materials and contracted labor. This documentation will be retained by us and available to the Division or its representatives upon request.

_____
Seller/Servicer

BY:_____

Title:_____

Date_____

State of Alaska
_____ Judicial District

On this _____ day of _____ 19___ before me, the undersigned a Notary Public in and for the state of Alaska, personally appeared _____ to me known and acknowledged to me that __he__ executed the above certification for _____ freely and voluntarily for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

_____
Notary Public for Alaska

My Commission Expires:_____

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

Bill Sheffield, Governor

REPLY TO:
☑ *2600 DENALI, SUITE 400*
ANCHORAGE, ALASKA 99503
PHONE: (907) 272-4585

☐ *BOX 10041*
DILLINGHAM, ALASKA 99576
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PHONE: (907) 452-4468

☐ *BOX 41*
NOME, ALASKA 99762
PHONE: (907) 443-2655

STATEWIDE TOLL FREE
PHONE: ZENETH 4585

March 17, 1983

To: ALL SELLER/SERVICERS

In a recent review of our seller/servicer files we have observed a lack of documentation which authorizes designated personnel to act on behalf of an originating lender. This documentation is necessary when considering the signatures on commitment contracts or agreements which the lender may enter into on behalf of a borrower with this division.

Please provide by April 15, 1983 documentation which would designate the personnel authorized to enter into contracts or agreements, along with any exceptions or limits to this authority, on behalf of your institution. The documentation should contain the statement that the authorized officer's signature carries the full faith and credit of the lender, and is a binding agreement regardless of future personnel assignments within your institution.

Thank you for your cooperation and compliance with this request.

Sincerely,

Barbara Morse-Quinn

Barbara Morse-Quinn
Director

NONCONFORMING DEFINED

Effective February 4, 1983

Nonconforming housing is housing which is structurally sound and presents no health or safety hazards to the occupants but because of outmoded construction practices, changes in current design, a lack of normal amenities common to the area of the structure or a lack of utilities common to the area of the structure cannot be financed through any other state or federal mortgage loan program.

It has been our experience that the following list are the prevalent types of nonconformities:

1. Untreated wood foundations.
2. Untreated piling foundations.
3. Crib foundations.
4. Lack of a foundation.
5. Variations in foundation systems.
6. Dwellings with less than 1 full bathroom.
7. Dwellings with room layouts which affect the privacy of the bath or bedrooms.
8. Dwellings with ceiling heights less than 8' in the living areas.
9. Dwellings with rooms in tandem.
10. Dwellings with gross living areas less than 600 square feet.
11. Disjointed structures.
12. Dwellings which do not enjoy the utilities (electric, water or wastewater) which are common for the immediate area in the which the dwelling is located, such as:
    A. Private electric
    B. Lack of electricity
    C. Shallow wells
    D. Cisterns
    E. Surface water collection systems
    F. Holding tanks for water
    G. Sewage haul systems
    H. Water haul systems
    I. Graywater systems
    J. Outhouses
13. Dwellings which rely upon space heaters or woodstoves and their sole source of heat.
14. Dwellings constructed around a mobile home frame.
15. Restricted Titles due to ANCSA

This list is not finite and can be expanded upon as more characteristics unacceptable to other mortgage lending programs become known to the Division.

MEMORANDUM

State of Alaska

Community & Regional Affairs

TO: Barbara Morse-Quinn, Director
Ray Price, Deputy Director
Housing Assistance Division

DATE: February 8, 1983

FILE NO:

TELEPHONE NO:

FROM: Remond Henderson, Internal Auditor RH
Division of Administrative Services

SUBJECT:

Attached are a number of schedules which can be used in the reconciliation of HAD loan reports to the state PBA system. Although these schedules are designed to be used only in reconciling funds available per HAD reports to funds available per PBA, it is an example of formal reconciliation and communication procedures which must exist within HAD and between HAD and the Juneau Fiscal section. The attached schedules and/or related procedures may change once the conversion to an automated mortgage loan system has occured, however, I recommend their implementation at this point in time. Under the present system each month a number of differences occur between loans encumbered by HAD and those encumbered by Fiscal. If the recommended procedures are not implemented, these differences will continue to occur each month and will result in a large difference at the time of conversion to the automated system. Identifying the cause of a large difference could be extremely time consuming. Therefore, a monthly reconciliation should be performed.

I have performed a reconciliation between HAD and PBA reports for the month of December noting a net difference of $450,000. Although the net amount difference is inmaterial it should be identified and corrected as soon as PBA reports are available, I will perform the reconciliation for the month of January and will identify the difference at that time. However, to insure the difference does not increase as a result of the routine procedures performed by HAD and the Fiscal section, I recommend the following:

1. Preparation of SCHEDULE I (a summary schedule of loan activity by year of loan fund; ie; encumbrances, cancellations, increases, decreases).

2. Preparation of SCHEDULES II, III, and IV. These are schedules for each loan fund (by year) and provides the detail support for the summary schedule described in 1 above. In preparing schedules II, III, and IV a number of procedures must be followed by HAD and Fiscal. These procedures are discussed below:

Enclosure D-1

a. HAD's Accounting Technician should continue to maintain the Loan Activity Log. All encumbrances, transfers, increases, adjustments, etc. should be entered in the log. In effect, the Loan Activity Log should reflect all activity which affects loan encumbrances.
b. The Loan Closer should forward a copy of requests for warrants to the Accounting Technician in order for her to determine amounts requested are in agreement with amounts encumbered. If there is a difference, the Accounting Technician will enter the increase or decrease in the Loan Activity Log and applicable schedule. If an increase or decrease in a loan amount is known by the Loan Closer in advance, the Loan Closer should forward a document indicating the change to the Accounting Technician.
c. The Loan Closer should forward a copy of all warrant cancellation requests to the Accounting Technician. (This has no effect on schedules II, III, or IV, however, effects the HAD reports prepared by the Accounting Technician.
d. All items entered in the Activity Log (see [a] above) by the Accounting Technician should be entered in the Wang and on the applicable SCHEDULES, II, III, or IV. The Accounting Technician should establish a cut-off date at the end of each month. This will be important for reconciliation purposes. All activity input in the Wang (per activity log) in a particular month and included in HAD Loan Reports for that month should be entered on SCHEDULES II, III, or IV for the same month. For example, information entered in the Wang on January 5th and included in the December 31st (or January 1st) HAD Loan Reports should be included in the schedules for the month of December.

e. The Accounting Technician should forward SCHEDULE's I, II, III, and IV to Fiscal on a routine basis, preferably weekly. The Fiscal section will complete the schedules and return them to HAD as documents are received by the Department of Administration. If an item submitted by HAD is indicated by Fiscal as not being recorded, it should appear on the reconciliation schedule (SCHEDULE's V, VI, and VII attached) at month end. This is an item which will be included in the HAD Loan Report for the current month, however, will not be reflected in the Current Year Authorization Balances report (PBA Report) for the month.

f. The Accounting Technician should review SCHEDULE's II, III, and IV as they are received from Fiscal for potential reconciling items. As described in [e] above, items not recorded by the Department of Administration will be reconciling items. Additionally, items recorded by the Department of Administration in the month following the month submitted by HAD will be reconciling items (i.e; included in December HAD Loan Report, however, recorded by the Department of Administration on January 10th).

3. Preparation of SCHEDULES V, VI and VII (the reconciliation schedules) on a monthly basis. These schedules are the basis of reconciling the Current Year Authorization Balances Report (PBA Report) to the HAD Loan Reports prepared at month end. A loan report should always be printed at month end. If the PBA Report has not been received by the 15th of the current month, please notify Fiscal.

Performance of the above procedures will be the first step in reconciling PBA reports to HAD reports. Should you have any questions regarding these procedures, please contact me. I will discuss these procedures with the Fiscal section immediately.

cc: Bob Rehfeld, Director
Division of Administrative Services

Dan Kanouse, Administrative Officer
Division of Administrative Services

STATE OF ALASKA

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

Schedule I - VII

Copies of the reconciliation schedules I through VII were provided to the Division of Legislative Audit for review and are available upon request.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

HB

328

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

M E M O R A N D J M

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.

FISCAL NOTE | Revision Date , 1983

I. 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: Mary Hallorans 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

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

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

OFFICE OF THE COMMISSIONER

April 21, 1983

POSITION PAPER

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

21-P1LH

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 ltos 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

Gary Thurlow
Borough Manager

er

IDENTIFICATION

BILL NAME

"AN ACT RELATING TO SUBDIVISIONS of STATE LANDS."

BILL NUMBER
HB328

DATE INTRODUCED

RELATED BILLS PENDING

SPONSOR(S) KOPONEN, CLOCKSIN, WENDTE, McBRIDE

REFERRALS

INITIAL RESEARCH

INITIAL SUMMARY COMPLETED

LEGAL ~~DIVISION~~ SUMMARY
AS 29.33.150(b) "(g)
" (c)(1)
" (e)

DEPT OF LAW SUMMARY

SPONSOR CONTACTED FOR BACKUP MATERIALS
KOPONEN CALLED 4-19-83 & IS SENDING MATERIALS TO US VIA OVERNIGHT(AED).

FISCAL NOTE
GARY THURLOW, MAT-SU BOROUGH (RECALLED)
GINNY CHITWOOD - AK MUNI. LEAGUE (NOT CALLED)
MARK WITTOW - DNR SENDING, 4-22-83
RICHARD WENDY - CARA (NOT CALLED. WILL RECALL 4-21)

AGENCY RESPONSE

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

HB
330

COMMITTEE REPORT

HOUSE

RESOURCES

FURTHER: FINANCE

(7)

4/6/83

Date: 3-31-84

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 (Work Draft) [ ] same title [X] new title

and recommends _____

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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M. D. Miller

CHAIRMAN

Mike:

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

Your 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 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.

Cook
2/10/84

Original sponsors: Koponen, Clocksin,
Wendte, et al

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 undeveloped state land, the platting board ~~shall~~ by regulation require the commissioner of natural resources to deposit money in an escrow account 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 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, the total number of deposits, and the date each deposit is due.

Cook
2/10/84

Original sponsors: Koponen, Clocksin, Wendte, et al

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 undeveloped state land, the ~~platting board~~ municipality MAY by ~~regulation~~ ordinance require the commissioner of natural resources to deposit money in an escrow account 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 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, the total number of deposits, and the date each deposit is due.

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 McBride
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, 198?

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 that are adjacent to property that has been disposed of. The estimate of road construction costs shall be the estimate to construct a road to minimum standards to qualify for state aid to municipalities for roads 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

M E M O R A N D U M

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 ciscumstances, 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

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

re: HB 328 - State Subdivions/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:

BILLS PASSED IN THE HOUSE

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

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

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

OTHER ACTION IN THE HOUSE

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

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

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

Attorney Fees (payment by municipality) — HOUSE BILL NO. 327, (see page 477). On April 20 Rep. Pestinger moved that the bill be withdrawn. Rep. Clocksin 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 (muni. plat. jurisdic.) — HOUSE BILL NO. 328, (see page 477). On April 22 Rep. Lacher was added as a co-sponsor.

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

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

Naturopathic Medicine — HOUSE BILL NO. 347, (see page 526). On April 21 Rep. Abood 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 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 form 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.

STATE OF [illegible]

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

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

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

OFFICE OF THE COMMISSIONER
April 21, 1983

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

21-P1LH

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 Rainery
Division: Commissioners Office
Phone: 465-4703
Date: 4/20/83

Approved by Commissioner:
Date: 4/21/83
Department: Community and Regional Affairs

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
Copy to Requestor (if different from Sponsor)

3/8/83

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

March 29, 1983

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

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

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 possitive and upbuilding example on team-work.

Sincerely,

Tom Leigh-Kendall

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.

Jack
Mc Bride
file

CERTIFIED MAIL
RETURN RECIEPT REQUESTED

April 14, 1983

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

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,

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)

MUD BITE SUBDIVISION

FEBRUARY 23, 1983

file
Jack

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

Jack McBride

TELECOPY COVER SHEET

TO: Representative Jack McBride PHONE: _____

FROM: Robert Cowan PHONE: _____

INSTRUCTIONS: Please deliver copy of Rep. 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) Bootle (Ketchikan 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.

ATTACHMENT 1

NYMAN & HAYES

Job No. 7601

September 7, 1978

Mr. Claud M. Hoffman
Chief, Cadastral Engineer
Division of Lands
Department of Natural Resources
323 East 4th Avenue
Anchorage, Alaska 99501

FILE

Re: A.D.L. Subdivision, Mud Bay, Alaska

Dear Claud:

This letter is to inform you that we are holding back from doing any work on a preliminary layout for Mud Bay subdivision, per your verbal request on Thursday, August 31.

Currently we are finishing the paper work from the field data collected in Phase I: topo map; plats for penetration tests, test pits, and percolation tests. Upon completion of our office work we will bring a stop to all work other than correspondence.

Last Friday I had a meeting with Mark Berger of the Department of Environmental Conservation. His opinion at that time was that we do not have adequate ground cover above bedrock for on-site sewage treatment. This will eliminate a subdivision designed for year-round living, although he did say that it could possibly be satisfactory for recreational use; summer homes using a Forest Service type outhouse. The Department of Environmental Conservation should be giving us a formal reply this week.

Enclosed is a map of our penetration test, test pits and percolation tests along with logs of the test pits and results of the perc tests. We are waiting for further instruction from your office.

Sincerely,

TRYCK, NYMAN & HAYES
Southeast Alaska Branch

By Tom Kirchner
Tom M. Kirchner

THK:lb

Enclosure

March 28, 1983

Attention: Representative Jack McBride

I received a phone call from Bourough Assembly Mayor Carol Fader after his return from Juneau and a conference with Commissioner Richard Neve 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 McKnight 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 Ruling 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 subdivision McKnight 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 in some 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
McKnight Subdivision Group

Attachement

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

[illegible] 03/17/83 15:20:21 ORIG: [illegible]00 IN= 0006 OUT= 0091
FROM: JUNE/KETCHIKAN TO: JUNEAU INFORMATION
TARGET: LJNL SUBJ: FOM

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

EOM/JR

RECEIVED
MAR 18 1983
12

Matanuska-Susitna Borough
BOX B, PALMER, ALASKA 99645 • PHONE 745-4801
DEPARTMENT OF ADMINISTRATION

April 19, 1983

APR 2[illegible]

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 ltos 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

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

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 thougnt 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

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.
0024	Representative Niilo Koponen, Prime Sponsor of HB 328 and HB 330, begins testimony on the legislation.
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).
0110	HB 328 changes the amendment back -- regarding platting board.
0125	AS 29.33.150 (HB 328) was amended without provisions for physical access for State.
0138	Actually in violation of Federal law.
0140	Rep. Tischer asks a question regarding preface.
0143	Rep. Koponen responds.
0154	The witness continues his testimony regarding the amendment to AS 29.33.150 in HB 328.
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.
0207	He states that it is the intent of this bill to provide for funding.
0217	(Rep. Szymanski returns.)
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. Szczanski 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.

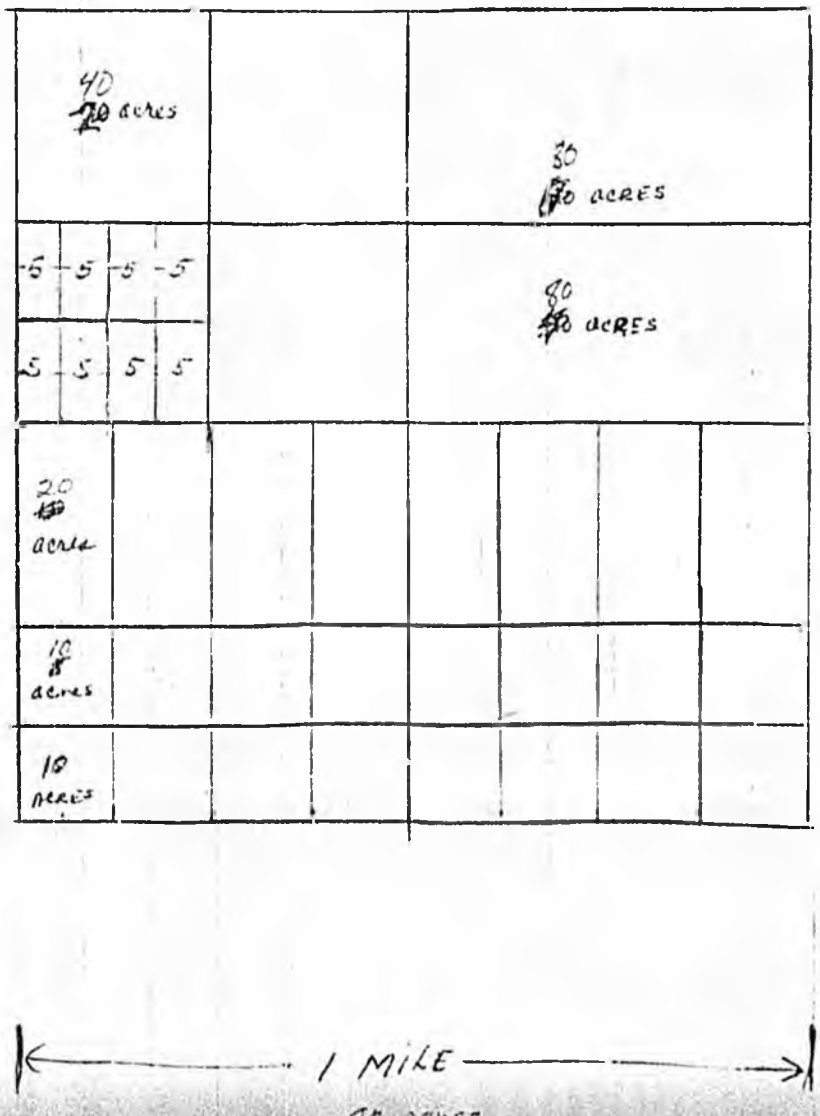
Number 0526 — Chairwoman Lacher gives the committee 20 minutes and states that the intent is to pass out HB 328.

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.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80 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
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

M E M O R A N D U M

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 ciscumstances, 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.

HB
339

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

(7)

4/8/86

Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 339

An Act making a special appropriation to the Department of Community and Regional Affairs for payment as a grant to the Joseph P. Kennedy Foundation for conducting the 1986 Alaska Special Olympics; and providing for an effective date.

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

M E M O R A N D U M

TO: House Finance Committee

FROM: Representative Barbara Lacher

SUBJECT: CS HB 339

DATE: May 9, 1983

As you know Special Olympics is a program staffed entirely by volunteers who serve the particular needs of children who suffer from mental retardation throughout the state. This not-for-profit organization is requesting only 10% of its total financial need in CSHB 339, all of which is will be used directly for the children who are participants in the Special Olympics Games.

The purpose of CSHB 339 is to provide funding for the conduct of the 1984 Alaska Special Olympic Games. The activities to be funded include a State Bowling Tourney, and the State Winter and Summer Games.

I urge your support of this worthy program.

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

M E M O R A N D U M

To: Committee on Community and Regional Affairs

From: Staff

Date: April 22, 1983

Re: HB 339

The purpose of HB 339 is to provide funding for the conduct of the 1984 Alaska Special Olympic games. The activities to be funded include a State Bowling Tourney, State Winter Games and State Summer Games. These activities serve citizens from communities statewide who share the special needs of the mentally retarded.

Background information on the Special Olympic programs and FY 84 budget data are included in your file.

SPECIAL OLYMPICS
INFORMATION GUIDE FOR

Parents and Guardians

What is Special Olympics?

- The mission of Special Olympics is to provide year round sports training and athletic competition in a variety of well-coached Olympic-type sports for mentally retarded individuals by providing them with continuing opportunities to develop physical fitness, prepare for entry into school and community sports programs, express courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympians and the community.
- Special Olympics offers sports training to mentally retarded people in the United States and 40 foreign countries.
- Special Olympics began in 1968 with a national meet of 1,000 athletes. Today nearly 1 million mentally retarded persons participate in some phase of Special Olympics sports training and competition.
- Special Olympics offers 16 official sports:

Winter Sports
- Alpine Skiing
- Cross Country Skiing
- Ice Skating

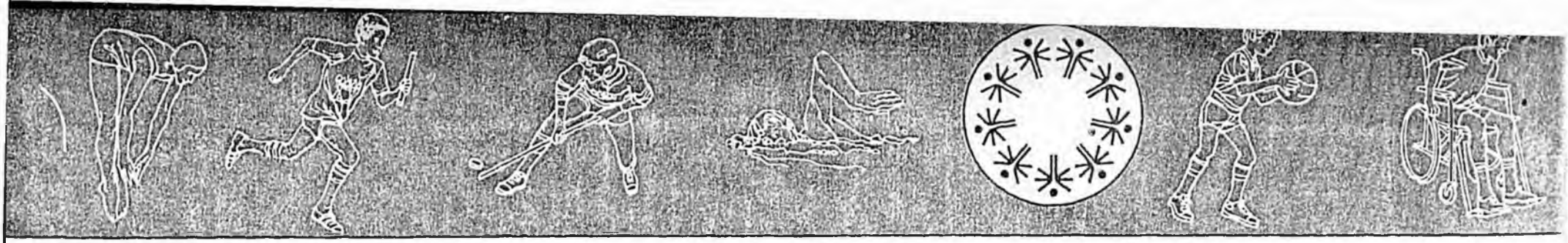
Summer Sports
- Basketball
- Bowling
- Diving
- Floor Hockey
- Frisbee Disc
- Gymnastics
- Poly Hockey
- Softball
- Soccer
- Swimming
- Track & Field
- Volleyball
- Wheelchair Events

Special Olympics provides a way for special people to:

- Participate in a year round sports training program
- Achieve and do the best they can
- Meet Challenges . . . try something new . . . do more than expected
- Demonstrate abilities and skills through competition
- Learn to work with people . . . be a part of a team
- Share winning and losing with friends . . . experience sportsmanship
- Develop with their family sports skills important now and later in life

Special Olympics, Inc.
Created and Sponsored by the
Joseph P. Kennedy, Jr. Foundation

"Let me win, but if I cannot win, Let me be brave in the attempt."



Who are Special Olympians?

They are people who:

- are 8 years of age or older
- have been assigned by school systems or human services agencies to programs to meet the needs of the mentally retarded
- live at home or in residential facilities
- attend public or private schools, activity centers, workshops, or are employed
- may or may not receive physical education services
- are presently not a member of any interscholastic or other team organized to participate in competitive sports

How to become a Special Olympian

If you are helping a prospective athlete, here is how you can enroll him/her in Special Olympics

- *complete an application to participate in Special Olympics*
- suggest the sport(s) in which the athlete would like to train
- record the athlete's address and phone number
- *Special Olympics requires a physical examination before an athlete is allowed to begin training.*
- be sure to take the physical/entry form to the doctor's appointment
- be sure the doctor, nurse, practitioner or paramedical person completes and signs the exam portion of the form after the examination
- be sure to return the completed application and medical form to the athlete's coach by date he/she has requested
- *join a Sports Training Program*
- training programs can take place at:
  - schools
  - recreation departments
  - workshops
  - residential facilities
  - home

Special Olympics sports training program

When Special Olympics athletes participate in a Sports Training Program they are expected to:

- follow instructions from their coach
- attend practices. SPECIAL OLYMPIANS MUST TAKE PART IN SPORTS TRAINING SESSIONS.
- practice at home with their parents, brothers, sisters or friends
- learn to cooperate with other team members
- take part in Special Olympics Games and competition

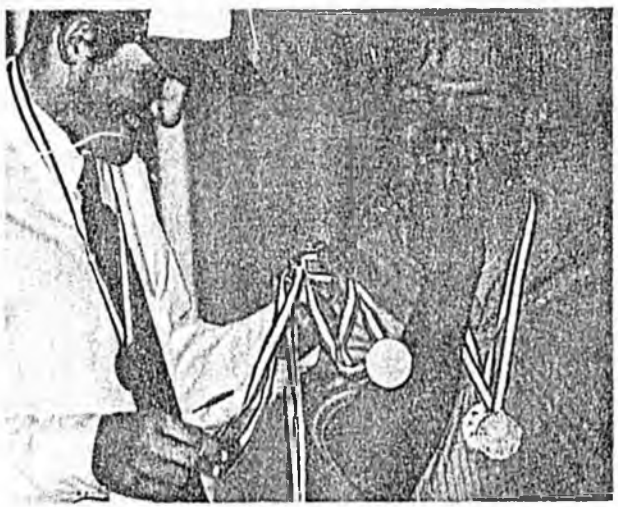
As Parents, Guardians or Friends you can:

- assist with training at home
- volunteer as a coach
- work on a Special Olympics Committee
- help raise funds
- come to the Games and cheer your Special Olympian on to victory

The Spirit of Special Olympics *For great world athletes, the contest may last only minutes—then it is over, and they have won or lost. But for Special Oly begins each day. What they win by their courageous efforts is far greater than any game. They are winning life itself, and in doing so they give to*

ALASKA SPECIAL OLYMPICS

"Let me win, but if I cannot win, let me be brave in the attempt"



SPONSOR AN ALASKA SPECIAL OLYMPIAN

In Alaska we have over 500 athletes involved in 15 areas of the State. Our State-wide program is conducted almost totally by volunteers and funded by contributions.

Your support is necessary to continue the Alaska Special Olympics program.

"Enos" came from Hazzard County to share a New Kind of Joy

Special thanks to Phototech for the printing of this brochure.

(Photo courtesy of Soho)

Special Olympics is an international program of physical fitness sports training and athletic competition for mentally retarded children and adults. Nearly one million athletes participate each year in all 50 states and 50 foreign countries.

Special Olympics contributes to the physical, social and psychological development of mentally and physically handicapped participants. Through successful experience in sports, they gain confidence and build a positive self-image associated with success rather than failure. Special Olympics offers fifteen official sports-track and field, swimming, diving, gymnastics, ice skating, skiing, basketball, volleyball, soccer, floor hockey, poly hockey, bowling, frisbee-disc and wheelchair events.

QUESTIONS AND ANSWERS

WHAT IS SPECIAL OLYMPICS?
It is the world's largest sports training and competition program for the mentally retarded.

DO SPORTS TRULY HELP THE RETARDED?
Yes, scientific research has proven that it improves both body and mind.

WHO RUNS SPECIAL OLYMPICS?
Volunteers! This means your sponsorship goes to benefit your athlete — not to pay excessive overhead expenses.

WILL I SEE MY ATHLETE COMPETE?
You will receive his/her name and when and where he/she will compete.

IS MY CONTRIBUTION TAX DEDUCTIBLE?
Yes! A receipt of your donation will be sent to you for your records.

MAY GROUPS OR ORGANIZATIONS SPONSOR ATHLETES?
Yes, they may want to sponsor more than one. Or, they may wish to sponsor an event at one of the games — such as the 50 meter dash or the 25 meter backstroke. If you know of an organization which is interested, please ask for more information.

Created by
Joseph P. Kennedy Jr. Foundation

HOW TO SPONSOR

PARTIAL SPONSORSHIP - $50.00
For each sponsorship you will receive the name, area, and age of *your* athlete, a certificate of appreciation and a picture of your athlete. In late June you will receive a follow-up letter stating the results of your athlete from the State Games.

FULL SPONSORSHIP - $250.00
For each sponsorship you will receive the name, area and age of *your* athlete and a photo plaque commemorating your generosity. In late June a follow-up letter will be sent stating your athletes results from State Games.

YES, I wish to sponsor an
Alaskan Special Olympian!

Name/Organization _____

_____

Address _____

_____

Phone _____

Partial Sponsorship ($50) _____

Full Sponsorship ($250) _____

Olympian _____
(for office use only)

PLEASE MAKE CHECK PAYABLE TO:

Alaska Special Olympics
Box 6955
Anchorage, Alaska 99502
(907) 277-2242

A Special Time

By Empire Staff

It was a special day for special people, as the Alaska Winter Olympics took to the slopes of the Eaglecrest Ski Area.

Proving that everyone can be a winner, 60 mentally retarded athletes from across the state and the Yukon Territory competed Saturday.

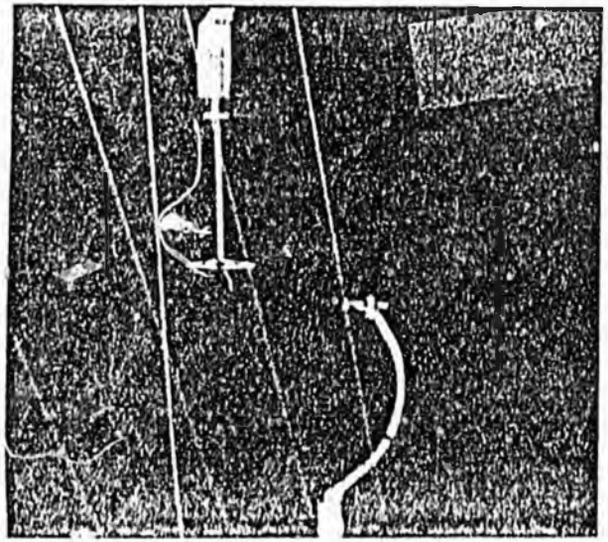
The full day of events provided plenty of smiles and tender moments for competitors, coaches, volunteers and parents. And it provided confidence for the athletes, in themselves and in their athletic prowess.

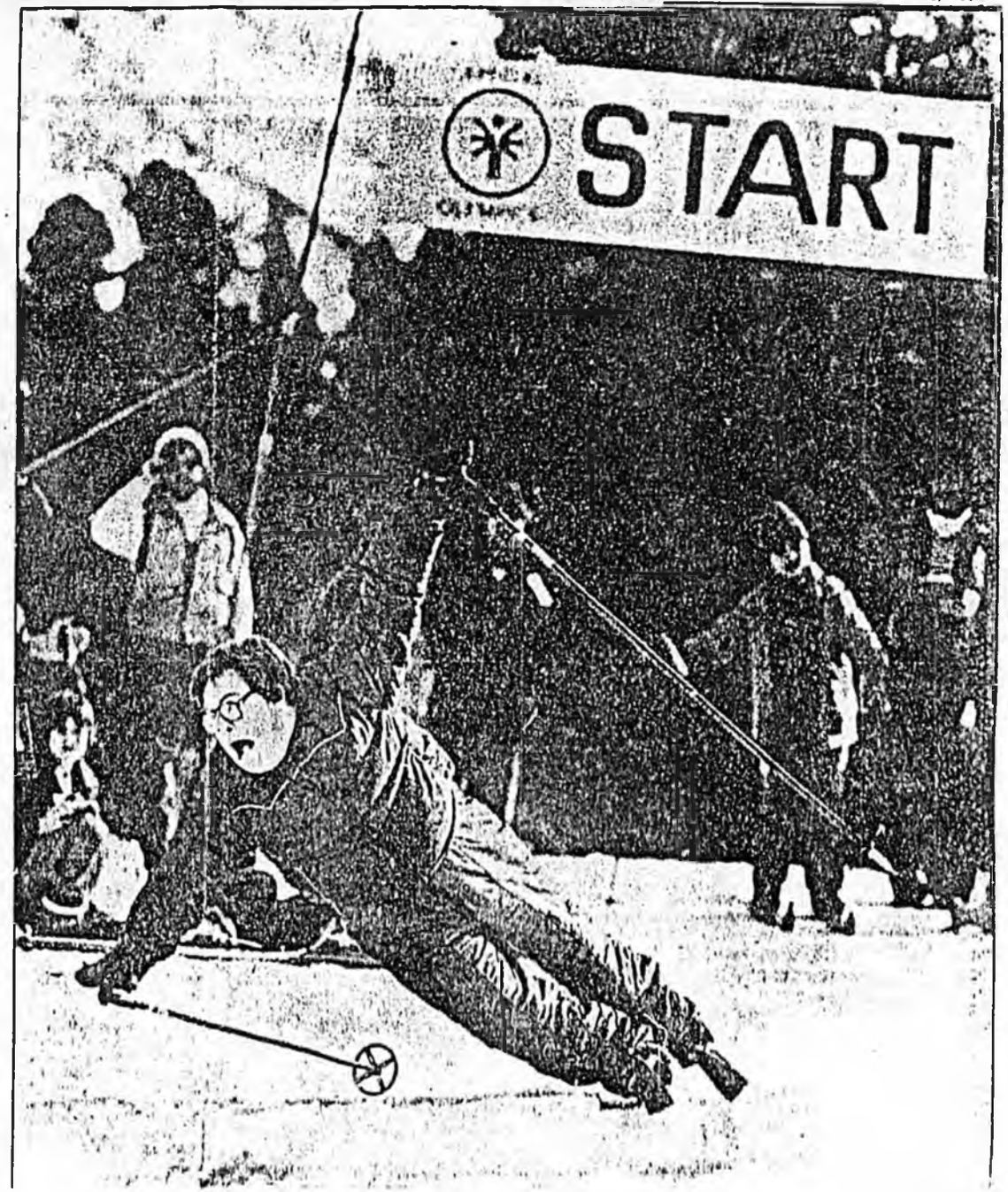
Champions all, the athletes made new friends, competed in a variety of cross-country and downhill ski events and had the opportunity to see Juneau, many for the first time.

The games were so successful that Special Olympics Executive Director Claudia Sayles said the games will probably be in Juneau again next year.

The games added meaning to the Special Olympic oath, which each athlete professed:

"Let me win, but if I don't, let me be brave and be a champ."





Priscilla Dodds rides the platter pull with contestant Joel Symons.

Tom Jacobson gets a flying start in the 100-meter cross-country ski race.

Photos by Ken's Avery

Heidi Borson coaches Fairbanks contestant Dede Horeaux on the cross-country track.

With hands raised in victory, Juneau's Jeff Larrabee crosses the finish line.

ALASKA SPECIAL OLYMPICS

Post Office Box 6955
Anchorage, Alaska 99502
(907) 277-2242

PROPOSAL FY'84
ALASKA SPECIAL OLYMPICS

Alaska Special Olympics is beginning its 11th year of service to our Mentally Retarded Citizens through year-round sports training, conditioning, and competition.

Currently we are training more than 400 athletes in 17 areas of our State by 200 volunteer coaches and coordinators. The entire program is achieved by volunteers. There is one paid Professional who acts as the Director for the State.

We are a community based program with all 17 areas actively campaigning for community funds. Our efforts are devoted but volunteer contributions are not keeping up with the increasing demands.

Of our enclosed FY'84 budget we are requesting from you; $45,000 funding for State Games Competition. Please refer to our enclosed Budget. The budget reflects the needs and efforts of the State Office. In addition to our State Office efforts, our 17 areas themselves raise in excess of $80,000 for area travel, equipment, and partial uniforms.

We want to raise community funds and keep community involvement. It is vital to the overall experience of our athletes.

Of the $132,000 needed by the State and the $80,000 needed by our local areas, our reque of $45,000 for Games is less than 25% needed to run our program.

Please feel free to contact me at 277-2242 anytime for further information.

Sincerely,

Claudia Sayles
Executive Director

ALASKA SPECIAL OLYMPICS

Post Office Box 6955
Anchorage, Alaska 99502
(907) 277-2242

ALASKA STATE SPECIAL OLYMPICS

1984 FY PROPOSED BUDGET

Administrative Expenses:		
Office Expenses:		
Office Rent	$ 3,000.00	
Telephone	$ 3,600.00	
Office Supplies	$ 1,000.00	
Office Equipment	$ 500.00	
Postage	$ 1,000.00	
Banking	$ 100.00	
Petty cash fund	$ 1,200.00	
	$10,400.00	$10,400.00
Personnel:		
Directors Salary	$32,000.00	
Insurance	$ 864.00	
Corporate Insurance	$ 800.00	
Workers Compensation	$ 900.00	
Professional Liability	$ 400.00	
Mileage	$ 2,400.00	
Travel expense	$ 2,000.00	
Staff Travel	$13,000.00	
Area Coordinators Conference	$ 2,800.00	
Directors Conference	$ 1,300.00	
National Conference	$ 1,000.00	
	$57,464.00	$57,464.00

ALASKA SPECIAL OLYMPICS

Post Office Box 6955
Anchorage, Alaska 99502
(907) 277-2242

Promotions:		
Printing	$ 3,000.00	
Advertisement	$ 8,000.00	
Run for S.O.M.E.	$ 7,000.00	
Sponsor An Athlete	$ 1,000.00	
Appreciation Awards	$ 300.00	
	$19,300.00	$19,300.00
Games:		
1984 State Bowling Tourney	$ 6,000.00	
1984 State Winter Games	$ 9,000.00	
1984 State Summer Games	$30,000.00	
	$45,000.00	$45,000.00
		$132,164.00

Proposed Procurement of funds:

Community contributions	$ 62,164.00
Governors Office request	$ 25,000.00
Legislative request	$ 45,000.00
Total Budget:	$132,164.00

ALASKA SPECIAL OLYMPICS

Post Office Box 6955
Anchorage, Alaska 99502
(907) 277-2242

POSITION PAPER

ALASKA SPECIAL OLYMPICS

In 1968, the Joseph P. Kennedy, Jr. Foundation created Special Olympics. Since then, it has become the largest program of sports training and athletic competition for mentally retarded children and adults in the world. For mentally retarded individuals, sports and physical activity are the quickest, surest road to health, growth and self-confidence. Mentally retarded individuals have always been told, "You can't do it." Special Olympics says: You can do it. All you need is a chance.

Creation, Purpose & Sponsors

The Alaska Chapter of Special Olympics was created eleven years ago under the guidance of Special Olympics, Inc. Created by The Joseph P. Kennedy Jr. Foundation. It was created to serve the mentally retarded citizens of our State through year-around sports training, conditioning and competition. The Alaska Chapter serves 17 areas within the state (see attached List) with over 400 athletes currently competing at State and local area games. This group is augmented by an equal number of voluntary coaches, trainers and coordinaters who plan, organize and implement the year-around training and the conduction of the State Games.

The Alaska Special Olympics is directed by a voluntary board of directors whose background includes business, medical and education. The Board provides direction and managemen.. of all the State and local programs as well as attendance of our athletes at the International Special Olympics. Each area is managed by an Area Coordinator who sees to the developement of the athletes and coaches, the conduct of all local games and the raising of funds for their local area.

Financial support for Alaska Special Olympics comes from the individual communities. Funds from the annual Special Olympics Mileage Event (S.O.M.E.) sponsored by the Alaska State Troopers, Sponsor an Athlete program and various community fund raising events provide the majority of the State and area monies. An additional amount is received from a direct appropriatior from the Governcr.

The involvement of the community in providing the bulk of Special Olympics funding is the underlying concept of the program. Community participation and funding makes the Special Olympics a community experience and is vital to the athletes development.

All funds collected by the areas are expended on behalf of the athletes in that area. Funds administered by the State Chapter are disbursed on behalf of all 17 areas athletes. The majority of the funds are used to provide transportation, food and lodging for athletes, coaches and coordinators at the Winter and Summer Games. Additionally, funds will be expended to send 36 athletes and 13 coaches to the International Games this July in New Orleans, Louisiana. The International Games occur once every four years and athletes are chosen based on their performance during the State Summer Games.

The State Chapter employee is a full time Executive Director to oversee all area coordination involvement and assist in the development and implementation of area and State Games. Remaining expenditures by the Alaska Chapter are for necessary administrative expenditures.

The requested funding from the Alaska Legislature would be used in direct association with the State Winter and Summer Games and the State Bowling Tourney. Funds would be used to provide transportation, food and lodging for area athletes who are selected to attend these games. The requested funds would only provide a portion of the funds necessary for these activities. The seventeen areas are responsible for providing the remaining funds.

By requesting only a small portion of Special Olympics funding from the Alaska Legislature. Community involvement will remain the conerstone of Alaska Chapter program.

Athletes per area

Fairbanks	75
Nome	1
Kodiak	12
Glennallen	4
Valdez	70
Anchorage	150
Mat-Su	14
Kake	1
Bethel	14
Dillingham	1
Tok	1
Kenai	17
Seward	4
Sitka	7
Juneau	11
Ketchikan	12
Kuskokwim	8

ALASKA SPECIAL OLYMPICS

Post Office Box 6955
Anchorage, Alaska 99502
(907) 277-2242

Working Copy

ALASKA SPECIAL OLYMPICS
PROPOSAL TO THE
GOVERNORS OFFICE
AUGUST 1982

In 1975 the Governor's Office was most generous in assisting Alaska Special Olympics with a line item appropriation. This item of $27,000 was appropriated towards the travel of our 1975 delegation of Special Olympians to travel to Michigan for International competition. In addition, $5,000 was appropriated towards the operation of Alaska Special Olympics on a year round basis. Through the years, our operational appropriation has grown to $15,000 annual and in 1979, the next " International Year ", we were appropriated $25,000 for our delegations travel to New York.

Alaska Special Olympics exists solely on donations and public assistance. The appropriation from the Governors Office forms our solid base to insure the continuation of Special Olympics for our mentally retarded citizens. Our areas continue to gain community support and supplemental financial aid toward increased training opportunities for their athletes. In 1982, it took Alaska Special Olympics 100,000 dollars to operate a year round training and competitive sports program for 414 athletes in 17 areas of our State.

Since the inception of the Governors Line Item Appropriation, we have grown

- -from less than 100 athletes, to 414 current, with 100 new athletes expected to register
- -from 7 areas to 17 areas, with 3 more known to join this year
- -to add 7 new sports totaling 11 currently taught
- -to conduct the year-round program with 600 volunteers
- -to clinic 200 coaches
- -to form a State Board of Directors
- -to have a full time Executive Director, effective Feb. 15, 1982

The Executive Director;

-assists all 17 areas administratively
-acquires new areas, orients them, performs evaluations
-does all Fund Raising & Public Relations
-does all clerical work, writes grants
-trains/clinics the coaches
-researches new sports, techniques, theories
-acts as liason with the parent organization & our State areas
-and whatever else it takes to make the program run, with quality & professionalism

Our competitions include an annual Local Meet in every area and all are eligible to go on to a State Games meet. In March of 1982, we held our 1st Winter State Games so now we offer both Summer & Winter Sports Annual State Competitions. Every 4 years, there is International Summer competition and every 2 years after the Summer International competition there is Winter International competition. Now that we are actively training in Winter Sports, we will be eligible to go to International Winter Games in 1985.

July 1983, will be the Summer International Games in Baton Rouge, Louisiana. There will be all 50 States represented and 50 foreign countries. Alaska will take a delegation of 49. We plan to use a theme of " 49 from the 49th ". Research from the airlines concludes that travel will cost $1,000 per person.

We respectfully request:

$ 49,000 for International Games travel — For FY'84

$ 25,000 for our operational program — for Governors Sp. approp.

Included is our Proposed Budget for FY '83.

The State support money from the Governors Office would continue to be a real foundation for the success of Alaska Special Olympics. Many, many States are partially , if not fully, funded by their State Government and we appreciate our State Governments interest in us.

Monthly, our office receives calls from outlaying areas of our State requesting information on Special Olympics, criteria, eligibility etc. Financially, we are only able to accomodate a few areas. It takes a full week in each new community to establish Special Olympics in the community and to insure it has

had the proper orientation to conduct a quality program.

Your continued operational support would allow us to reach more communities, better provide public education, reach more athletes, train more coaches.

Thank you for considering our fast growing program for the Mentally Retarded. The latest DVR report indicates that we still have approximately 800-1200 eligible athletes to reach. It just takes money, time and people. Your support will help us reach farther each year.

I would be happy to answer any questions at any time. Thank you again. We look forward to your response.

Claudia Sayles
Executive Director

Community
& Religion News
Anchorage Daily News Saturday, March 26, 1983

Alpine Alternatives: New heights for the handicapped

Photo by Doug O'Harra

Adam Long heads downhill, with instructor Janie Evanson-Decker close behind.

By C.L. GILBERT
and DOUG O'HARRA
Special to the Daily News

Encephalitis struck Kim McConkey when she was 10 months old, depriving her of her hearing, speech and the full use of her right hand.

She grew up in a silent world, where the simplest conversation became a frustrating task.

Nurtured by her family, she attended public school and learned to communicate. She took ice skating lessons. She participated as well as she could in family activities. But always, the weight of her disabilities bore down, keeping her dependent and awkward.

This winter her parents sent Kim, now 7, to Alpine Alternatives, a local organization that teaches outdoor sports to handicapped and disabled people.

"In just three lessons, they've taught her to ski," says Kim's father, William McConkey. "And I mean to ski better than I can... You just can't believe what they've done for her."

Kim's mother, Sandy McConkey agrees that Kim's entire life has undergone an abrupt change since she learned to ski. She's become confident, even bold. Her teachers report a more positive attitude at school.

"She's never had anything that she could do, that she could get any kind of positive feedback from," explains Kim's father. "And now, thanks to Alpine Alternatives, she's found something she can do well."

The program, now in its third year in Anchorage, offers up to 175 children and adults weekly lessons in skiing and ice skating. During the summer participants switch to canoeing, sailing, horseback riding, hiking and orienteering.

In both seasons, the program puts people with physical or mental handicaps face-to-face with the outdoors — and with their problems.

"We take them out of their regular environment and put them in an alternative environment and try to teach them something about themselves," says Jack Bellorado, an instructor with Alpine Alternatives.

Marty Decker, coordinator of the program and director of the ski school at Arctic Valley, says "kids need to have that experience of falling down and crashing and getting nicks and scrapes."

Getting that experience has given Kim a whole new sense of confidence and accomplishment," says her mother. "The first time she went up the rope tow and came down by herself, that child was just elated. And I stood there and just cried. Alpine Alternatives has been a godsend for us and for Kim," she adds.

Other parents echo the McKonkeys' feelings. Deanna Essert says her 10-year-old autistic son, Ben, began sledding by himself on a hill near their home — something he had never done before — after participating in the program. He even began smiling more.

Debra Long, mother of seven-year-old Adam Long, says that until Adam started skiing in Alpine Alternatives there was no physical activity he wanted to try. "He doesn't enjoy walking," she says. "It's work to him." Afflicted with cerebral palsy, Adam needs crutches to walk. Skiing, says his mother, has lifted his morale and boosted his self-esteem. "He hates to miss it."

The program has changed

See Page F-3, OUTDOOR

index

Turnagain Tadpole
Children's author and illustrator Steven Kellogg spent the day with youngsters at Turnagain School Thursday, and was greeted by a giant tadpole. Neighbors, F-3.

Music hath charm
Three nine-year-old girls from the Anchorage Girls Choir have just returned from a performance with a national choir in Nashville, Tenn. Neighbors, F-4.

Marty Decker
Bp. Alt.
2240035

Outdoor recreation program offers new hope to handicapped persons

Continued from Page F-1

many lives. Families have been brought together. Confidence and self-esteem have been increased. Motor skills lost through disease or disability have returned.

The program gave skiing back to Anne Morsell, who was diagnosed as having multiple sclerosis in 1974.

"I'd been skiing since I was 13 and had to give it up," says the 38-year-old Morsell. "I never thought I'd be back on skis."

But, after working with instructor Janie Evanson-Decker for a winter, she relearned.

"I can't ski at the same level as before, but that really doesn't matter to me," she says. "The fact that I really could ski was monumental to me... it was wonderful for my morale.

Each week, nine instructors work with about 20 classes of students from Anchorage and Matanuska Valley schools and give private lessons at city parks and at Arctic Valley. Ice skating lessons are given at Ben Boeke Arena.

A chart of each student's progress is filled out by the instructors after each lesson. The charts state the skill and behavorial objectives for the day and the progress made in each area.

Skill objectives might be to control speed or to ride the rope tow. Behavioral objectives might be to cooperate or to pay attention.

When the children are hearing impaired or deaf, the voiced instructions of the instructors are replaced by pantomimes and what the instructors call "pidgin sign language." Those children who learn to sign "Exact English" at Russian Jack School are among the swiftest learners according to instructors.

"This is a hot group," says 26-year-old instructor Alan Colter. "They take jumps at the bottom of the hill. They're running gates. We're the handicapped ones when we're with them because we don't know sign language."

Although some instructors have taken signing classes, others have only rudimentary signing skills. Working with those instructors gives the students valuable experience in communicating with the general public.

"That's the real world," says teacher Barbara Kovarik. "That's what they're going to be up against; they have to learn other modes of communication."

But for children — and adults — with other forms of orthopedic or neurological handicaps, the problems go far beyond mere communication. Sometimes, especially with orthopedic handicaps, the instructors must use specially designed equipment to compensate for the handicap.

For example, if a student cannot walk or ski without crutches, the staff will provide "outriggers" — crutches with skis mounted on the bottom. Others simply need wedges in their boots or under their bindings.

For those with little or no use of their arms or legs, the staff supplies a "sitski," which is simply a fiberglass sled with two edges built into the bottom. Once in the sitski the students are given two very short ski poles. They steer the sitski by leaning and dragging the poles in the snow.

For 15-year-old Joji Flagan, the sitski is the "only real source of activity," according to his father. Joji does not have the use of his arms or legs because of cerebral palsy, and skiing in the program has become the high point of his life.

The "level of professionalism" among the staff has impressed Marilyn Ballagh, a teacher at Susitna School. "Theyre not just skiers," she says. "They really know how to work with kids."

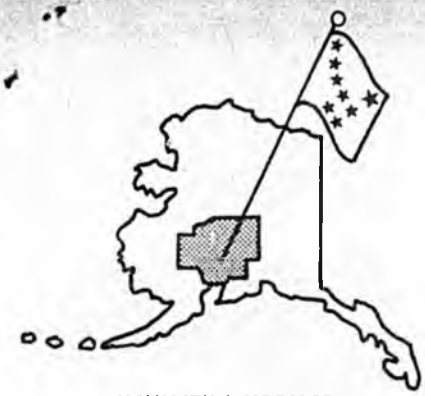
"As an instructor," says Bellorado, "I have to act like this is the first time I've done this to keep it exciting. I have to keep myself open and aware enough to witness when (a student) has a gain. If I'm bored, that won't happen."

Several of the instructors are working on a better design for the sitski. While the one they use now is "state of the art," Decker says Alpine Alternatives is working on a ski that will turn more readily — more like a regular ski. They hope to market their design and become more independent financially so they don't have to spend so much of their time fund-raising.

Begun in 1980 with five volunteers and about $10,000 in donations, the program now has so many students that it would cost about $130,000 to run it all year. But this year, even with a $58,000 municipal grant and donations of services and money from such groups as Sohio, Alascom and the Lion's Club, the program has only about half of what it needs, according to Decker. Unless other funds are found, he says, there will be no summer program this year.

Many of the instructors, who are paid between $600 and $1,500 a month, began as volunteers in the early days of the program and have worked for no pay when funds ran low in the past.

"It's fun and it's really good for the kids," says Evanson-Decker. "And the sense of accomplishment from teaching people just to buckle their boots can be elating."



KENNETH J. KRAMER
SUPERINTENDENT OF SCHOOLS

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

BOX AB ● PALMER, ALASKA 99645-1646 ● PHONE 745-4822

Ask Edna if she would like to file a grant

March 31, 1982

Representative Barbara Lacher
State Capitol
Pouch V
Juneau, Alaska 9811

Dear Representative Lacher:

For your information the attached information concerning Alpine Alternatives, Matanuska-Susitna Handicapped Winter Sports Program is being forwarded to you for your review.

As you can see by the copy of the letter which was sent to Edna Armstrong, Borough Mayor, a request has been made to the Borough for funding of this project.

If, after review, you feel Alpine Alternatives is a worthy program, consideration might be given for at least partial funding by State funds.

Your assistance is greatly appreciated.

Sincerely,

Karen Siry

Karen Siry
School Board President

GCT:wa

Att.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
BOX AB • PALMER, ALASKA 99645-1640 • PHONE 745-4801

KENNETH J. KRAMER
SUPERINTENDENT OF SCHOOLS

March 29, 1983

Edna Armstrong, Mayor
Matanuska-Susitna Borough
P.O. Box B
Palmer, Alaska 99687

Dear Mayor Armstrong:

Please find enclosed materials pertaining to Alpine Alternatives, Matanuska-Susitna Handicapped Winter Sports Program.

We would encourage the Borough Assembly to fund this fine program as it has been suggested that the proper vehicle would be through the Parks and Recreation Department budget.

Thank you for your consideration.

Sincerely

Dr. Gordon C. Tope
Director of Personnel and Communications

GCT:wb

Enc.

CC: School Board Members
Borough Assembly Members

MEMO 82-142

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
P.O. BOX AB
PALMER, AK 99645

ITEM FOR BOARD INFORMATION

BOARD MEETING DATE: March 28, 1983

MEMORANDUM NUMBER: 82-142

SUBJECT: Alpine Alternatives

FROM: Jean Goodwin, Director of Elementary Education

EXPLANATION:

Attached is information which was requested concerning the Matanuska-Susitna Handicapped Winter Sports Program which has been carried out with the assistance of Alpine Alternatives, an Anchorage-based organization. The bulk of the effort and hours of hard work to carry out this program has been borne by Lucy Hope and Jim Davis, special education teachers at Iditarod, with assistance from Mary Pomeroy, physical therapist.

The attached information is a proposal which outlines the cost of continuing the program with and without the help of Alpine Alternatives. At this point in time the staff of Alpine Alternatives are optimistic about funding for next year but there is no guarantee. It should be emphasized that the equipment included in the proposal would be used to add downhill ski training to the cross-country component already in place as a result of intensive fundraising activities and volunteer work. As the program expands, Lucy and Jim do not feel that they will be able to continue this work. The part-time coordinator would assume this responsibility.

Since no funds are budgeted, there is a need to request funding from the Borough, or perhaps from the Legislature, if the program is to continue. The amount of money needed is contingent or continued funding for Alpine Alternatives. It is at this time the only sports program in which these students participate, and at the same time it provides them with a life-long leisure activity. While other activities are open to them, in reality their participation is extremely limited.

lr

MAT-SU HANDICAPPED WINTER SPORTS
PROGRAM

For the past two years, students from the Mat-Su School District have been participating in a sports instructional program offered by Alpine Alternatives. Alpine Alternatives is a non-profit organization formed in 1980, to offer downhill ski instruction to moderately and severely handicapped individuals. They since have expanded to include cross-country skiing, ice skating, and several outdoor summer sports such as hiking and canoeing. The director of Alpine Alternatives, Marty Decker, approached self-contained teachers and physical therapist in fall of 1981 to offer their winter sports instruction to our students, and we have been participating in the program for the past two years, at no cost to ourselves, the students, or the school district.

At this time, we see great value in the winter sports program and would like to see it continued and expanded for next year. Since Alpine Alternatives is partially funded by the Municipality of Anchorage, we would like to ask that the Mat-Su Borough appropriate some funds to support our athletes' continued participation in this program. We have projected 50 moderately and severely handicapped students to be involved in a Handicapped Winter Sports program for 1983-84 school year. Therefore, we have included 2 budgets, one if we would continue to work with Alpine Alternatives, and one if we were to run the program without Alpine Alternatives.

In looking at the cost for this program, it is important to realize that these students will never be involved in organized extra-curricular or school sponsored sports, due to the nature of their handicapping conditions. This winter sports program is their only opportunity for sports training.

Thank you for your time and consideration.

Lucy Hope
Jim Davis
Mary Pomeroy

Phone - 376 5371 days
Iditarod School, Wasilla

MAT-SU HANDICAPPED WINTER SPORTS PROGRAM

BUDGET

ITEM DESCRIPTION			COSTS WITHOUT ALP. ALT	COSTS WITH ALP. ALT.
Professional Services				
Mat-Su Coordinator/Instructor/Van Driver-at $10.00/hour for 24 hours/wk for 12 weeks (December - March)			9600	9600
Instructors-8 instructors at $8.00 for 12 hrs/ wk for 12 weeks			9216	no cost
Equipment			25 pair	10 pair
Downhill skis	$50.00		1250	500
" boots	50.00		1250	500
bindings	50.00		1250	500
poles	15.00		375	150
Ski bridges-adaptive ski aid	35.00		(6) 210	(4) 140
Arroya Ski Sled to be used for severely handicapped students to be provided by Alpine Alternatives. Cost of one of these is approx. $1200.00				
Cross Country skis	50.00	5 pair	250	250
boots	$35.00	10 pair	350	350
poles	$7.00	8 pair	56	56
bindings	$10.00	5 pair	50	50
Other equipment needed can be provided by school ski supplies, and Special Olympics ski supply				
Ice Skates	$70.00	10 pair	700	700
Skate Aids-	$60.00	6	360	360
Skate Aids are an adaptive piece of equipment to provide support for handicapped skaters.				

Operating Expenses		
Phone	200	100
Copying and Office Supplies to be provided by schools	none	none
Transportation		
Trips to Anchorage to include: 2 hrs travel, 2 hrs ski instr. 5 trips per week, 12 weeks	9600	9600
Trips to Hatcher Pass can be substituted for trips to Anchorage; cost would be same		
*Transportation so far has been provided by existing activity busses; when available. This has worked out well for the limited program we have been running. Hopefully it will contine to work out.		
Rental and Facilities Use		
Downhill Skiing- $5.00/ lift ticket 50 students for 12 weeks	3000	no cost
Cross Country Skiing- use of school fields and Hatcher Pass Touring Center	no cost	no cost
Ice Skating- Ben Boeke Rink $90.00/hr 1 hour/wk for 12 weeks	1080	no cost
School Rinks when available	no cost	no cost
TOTAL	$38,797.00	$22,856.00

IN LIGHT OF THE COST DIFFERENCE, QUALITY INSTRUCTION, AND EXCELLENT SERVICES WE HAVE RECEIVED IN THE PAST TWO YEARS WITH ALPINE ALTERNATIVES, WE RECOMMEND THAT WE CONTINUE TO WORK WITH THIS ORGANIZATION IN THE FUTURE. HOWEVER, WE FEEL THAT WE SHOULD HELP TO REIMBURSE ALPINE ALTERNATIVES FOR THE COST OF THEIR SERVICES. WE ALSO RECOMMEND HIRING A COORDINATOR AS STATED IN THE FIRST BUDGET ITEM. AS MORE AND MORE STUDENTS MOVE TO THIS AREA, AND PROGRAMS ARE SPREAD THROUGHOUT THE DISTRICT, IT IS INCREASINGLY DIFFICULT FOR TEACHERS TO COORDINATE AND ORGANIZE WINTER SPORTS INSTRUCTION EFFECTIVELY.

MAT-SU PARTICIPANTS IN ALPINE ALTERNATIVES SPORTS INSTRUCTIONAL PROGRAM

1981-82

Self-contained classes at Iditarod Elementary.....14
Included mentally retarded, severely learning disabled, emotionally disturbed students

Self-contained class at Wasilla High..... 9
Severely learning disabled students

Orthopedically Handicapped students from Sherrod, Swanson, Iditarod, WJH, Butte.....10

33

1982-83

Self-contained classes at Iditarod Elementary.....18
Included mentally retarded, emotionally disturbed, autistic, severely learning disabled, multiply handicapped, neurologically impaired students

Orthopedically handicapped students from Butte, Swanson, WJH, WHS, Iditarod.....12

30

Next year, we hope to include students in self-contained classrooms at Butte, WHS, and WJH. Any other students in the district with moderate and severe handicapping conditions would have this opportunity also.

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 22, 1983

POSITION PAPER

RE: HB 339

SPONSOR: Representative Lacher

Program Effects of the Bill

This bill appropriates $45,000 through the Department of Community and Regional Affairs to the Joseph P. Kennedy Foundation for the 1984 Special Olympics.

Comments

The Department feels that the Special Olympics is a worthwhile program and can administer the appropriation without additional administrative costs.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 339
Title: Appropriation to JPKennedy Foundation
Sponsor: Representative Lacher
Requestor: House Community & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community & Regional Affai
Program Category Affected: development
BRU, Program of Subprogram(s) Affected:

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		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Sponsor did not indicate.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry L. Earley Phone: 465-4730
Division: Local Government Assistance Date: 4/22/83

Approved by Commissioner: Date: 4/22/83
Department: Community & Regional Affairs

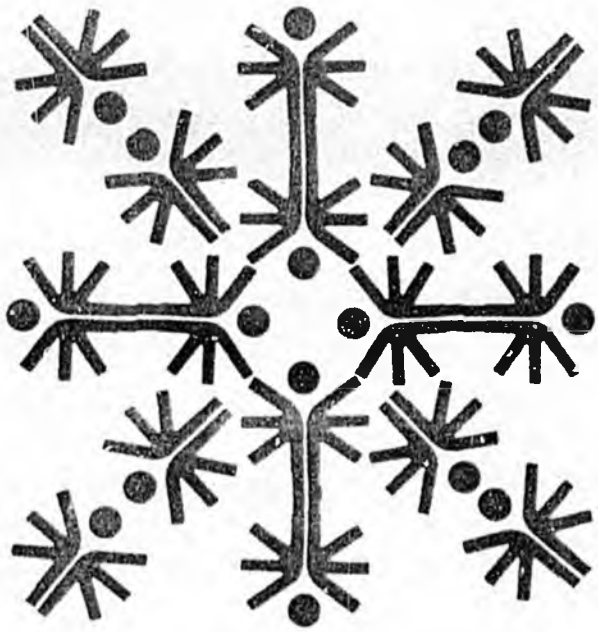
Distribution:
Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

JUNEAU
ALASKA
1983 WINTER GAMES

SPECIAL OLYMPICS



All who enter
Will go home winners-
In their own special way

Created & Sponsored by the Joseph P. Kennedy, Jr. Foundation

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

ALASKA SPECIAL OLYMPICS

JUNE 11-14, 1982

WENDLER
JR. HIGH

ANCHORAGE,
ALASKA

HB
366

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

(7)

4/13/83

Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 366

"An Act making special appropriations for payment as grants to the Cities of Wasilla and Palmer for senior citizen housing, and providing for an effective date."

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: May 2nd, 1983

RE: House Bill 366 - Senior Citizen Housing.

The Senior Housing Needs Assessment surveyed the Matanuska-Susitna Borough and identified the need for 32 units of senior housing located in Wasilla. Unfortunately, during FY'82-'83 only 18 of the 32 units were funded for planning and construction. Section 1 of HB 366 grants 1.4 million to the City of Wasilla for the construction of 14 units that experienced shortfall last fiscal year.

Section 2 of HB 366 appropriates $100,000 as a grant to the City of Palmer for site preparation and design for senior citizen housing. The housing will be located in close proximity to the existing Palmer Senior Center in order to share infrastructures such as medical, recreational, and nutritional services. This concept of sharing services will bring a great savings to the state as well as to the Mat-Su Borough.

The teleconference is scheduled today in order to address state-wide senior citizen housing needs, in addition to the shortfalls experienced in the Mat-Su area.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Bill Sheffield, Governor

REPLY TO:

☐ *POUCH 6H*
JUNEAU, ALASKA 99811
(907) 465-4707

☐ *225 CORDOVA STREET, BLDG. B*
ANCHORAGE, ALASKA 99501
(907) 264-2201

☐ *P.O. BOX 348*
BETHEL, ALASKA 99559
(907) 543-3475

☐ *P.O. BOX 41*
NOME, ALASKA 99762
(907) 443-5457

☐ *P.O. BOX 280*
KOTZEBUE, ALASKA 99752
(907) 442-3675

☐ *1514 CUSHMAN RM. 211*
FAIRBANKS, ALASKA 99701
(907) 452-7126

April 21, 1983

The Honorable Barbara Lacher
Attention: Eve Fox
Pouch V, Room 104
Juneau, Alaska 99801

Dear Representative Lacher:

RE SENIOR CITIZEN HOUSING DEVELOPMENT FUND

In response to a telephone request by Eve Fox of your staff to Dick Pryor of my staff, the attached data on the Senior Citizen Housing Development Fund is provided.

The Palmer and Wasilla Phase II projects are not included in these figures because we have not at this time received a grant application. When the initial grant application materials are received we will include the projects in our future funding projections.

I hope this information is adequate for your needs. If we can be of further assistance, please call us.

Sincerely,

Mark Lewis
Commissioner

cc: Ray Price
Dick Pryor

Attachments

1-P5LH

SENIOR CITIZENS HOUSING DEVELOPMENT FUND

FUND STATUS

FY'82-83 APPROPRIATIONS	$26,000,000
COMMITTED TO PROJECTS	$22,696,676
AVAILABLE TO COMMIT	$ 3,303,324

The $22,696,676 is committed to the following projects:

ANCHORAGE	$ 7,836,000
ANGOON	$ 30,000
CHUGIAK/EAGLE RIVER	$ 2,500,000
FAIRBANKS	$ 4,052,176
HOMER	$ 2,400,000
KENAI	$ 1,066,000
KLAWOCK	$ 30,000
KODIAK	$ 52,500
NINILCHIK	$ 500,000
PETERSBURG	$ 50,000
SITKA	$ 50,000
ST. PAUL	$ 30,000
VALDEZ	$ 1,500,000
WASILLA	$ 1,600,000
WRANGELL	$ 1,000,000
TOTAL	$22,696,676

Projects in the planning and grant application process:

ANGOON	$1,200,000
BARROW	$1,600,000
DILLINGHAM	$ 30,000
KLAWOCK	$1,000,000
METLAKATLA	$1,500,000
SITKA	$1,800,000
ST. PAUL	$1,400,000
ST. MARYS	$ 800,000
TOTAL	$9,330,000

If all these projects currently in the grant application process successfully complete their grant applications and require the full $100,000/unit funding we will have a $6,026,676 fund shortfall:

GRANT APPLICATIONS PENDING	$9,330,000
FUNDS AVAILABLE	$3,303,324
FUNDS SHORTFALL	$6,026,676

If we receive the 2.5 million dollars requested in the FY'84 budget we could still have a $3,526,676 shortfall.

CURRENT SHORTFALL	$6,026,676
FY84 BUDGET REQUEST	-$2,500,000
POSSIBLE SHORTFALL	$3,526,676

We anticipate that all of the projects being planned may not successfully complete the grant application process and some may receive HUD funding thereby reducing the amount of state funding required. We therefore expect to have adequate funding to meet the needs of these projects.

KODIAK ISLAND BOROUGH

Telephones 486-5736 - 486-5737 — Box 1246
KODIAK, ALASKA 99615

April 14, 1983

File

Joseph Terry, President
Senior Citizens of Kodiak
Box 315
Kodiak, Alaska 99615

Dear Mr. Terry:

The Kodiak Island Borough Assembly at the regular meeting held Thursday, April 7, 1983 unanimously adopted Resolution No. 83-42-R supporting a multi-purpose senior citizens center in Kodiak. This project has been identified in the adopted Capital Improvement Program and is a definite need in the Kodiak area.

If you have any further questions regarding this matter, kindly contact me at your convenience.

Sincerely,

KODIAK ISLAND BOROUGH

Phil Shealy

Phil C. Shealy
Borough Manager

Enclosure (Res. 83-42-R)

mdd

CITY OF WASILLA
P. O. BOX 430
WASILLA, ALASKA 99687
PHONE: 376-5227

RESOLUTION NO. W83-F-1

A RESOLUTION OF THE CITY COUNCIL OF WASILLA, ALASKA, REQUESTING FUNDING FOR FOURTEEN (14) ADDITIONAL SENIOR HOUSING UNITS.

WHEREAS, the Senior Housing Needs Assessment surveyed the Matanuska-Susitna Borough and identified the need for thirty-two (32) units of senior housing to be located in Wasilla; and

WHEREAS, sufficient land has been acquired and a plan developed to accomodate thirty-two (32) units of housing, eighteen (18) to be built during 1983; and

WHEREAS, the additional fourteen (14) units could be built more economically if built at the same time if funding is available;

NOW, THEREFORE, BE IT RESOLVED, that the City of Wasilla requests additional funding to complete the entire thirty-two (32) units during the 1983 construction season.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla, this 28th day of March, 1983.

Harold Newcomb
HAROLD S. NEWCOMB, Mayor

ATTEST:

Erling J. Nelson
ERLING P. NELSON, City Clerk

(SEAL)

Nelson
Erling
376-5227

James Herzog
P.o. Box 78
Willow, Ak. 99688

MAR 28 1983

March 22,1983

Re: Your letter of 3/14/83

Dear Barber Lacher;

Upon receiving and reading your letter of March 14th, I felt compelled to reply to some of your statements.

I feel that it is only natural for many of the newly elected officials to want to change some of the existing laws on the books. (Not that some of them are in need of a change.) However since the future status of the Permanent Fund Dividend Program will , in some way affect each and every resident of the state, as you stated, I feel that each and every one of us should have a say as to what changes should or should not be made.

Your Bill (HB164) causes me to think that you have formed your own opinion of this matter as you did in the recent matter in a local issue re: trapping and the setting of such traps in certain areas.

As an elected official, one needs to govern by the wishes of the people and not of ones own wishes.

You mention in your letter of the declining oil revenue. This alone should cause you to think of using any of this fund for Capital Projects even in what you call our local area. "The Projects are built","The Oil Revenue is down","Where,Just where is the money coming from to maintain these projects" THINK THINK THINK.

An example of this can be seen in my own home town,($700,000.00) to build a new community center (Free Grant Money) Free my Butt. Taxpayers,one way or the other. Maintaining and upkeep ???? For the once a year Willow Winter Carnavel.

No, Iam sorry Barber, open your ears in Mat Sue Area and let the people Vote on this most important issue. Then and maybe then, you will have my vote of a differant view.

I live here in the area and there is no way that the local government could have devided this money in a better way that so many of us could have benifited as we did this year. I say leave "Hands Off" of a good thing.

Thank you for your time;

Sincerely Yours ;

James Herzog

CC anch. Daily News
anch. Times
Valley Sun
Frontiersman

Matanuska-Susitna Borough

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

DEPARTMENT OF ADMINISTRATION

MAR 16 1983

March 14, 1983

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

Dear Barbara:

Subject: SENIOR CITIZEN HOUSING IN PALMER

Sarah asked us to give you a detailed account of possible financing for senior citizen housing in Palmer.

The attached letter to David Soulak describes a possible senior citizen housing project in Palmer.

In the past several days I have discussed a trade of land with persons at an intermediate administrative level within the University of Alaska, have discussed senior citizen financing with the U. S. Farmers Home Administration and have discussed with David Soulak, Palmer City Manager the idea of the City of Palmer acting as owner or sponsor of a senior citizen housing project.

From discussions with the foregoing persons, I believe that we have good reason to assume that:

1. The University of Alaska would be interested in a trade, particularly if the project were staged so that only the western 2.5 acres--the area next door to the Palmer Senior Center--were developed at the beginning so that the eastern 2.5 acres could continue to be used for plant experimentation with perennials already in the ground for a while longer.

2. The U. S. Farmers Home Administration has monies which can be made available for the project, but any application would probably have to be received by FmHA within the next 30 to 60 days before all available monies are committed to other projects.

3. The City of Palmer would probably be willing to be owner of congregate housing units. We will know this after the City Planning Commission looks at a rezoning of the parcel from R-1 to multi-family and after the City Council has reviewed David Soulak's proposal that the City act as sponsor and owner.

4. If there is a problem in obtaining funding for congregate type of facilities (such as a dining hall and recreation area) using just U. S. Farmers Home Administration monies, and if there are no state monies that can be obtained for this purpose from the State Senior Citizen Housing Program, the Palmer Senior Citizens Center, which is adjacent to the site, could probably satisfy many of the functions of a congregate housing facility. Specifically, the Palmer Senior Citizens facility could serve meals and could meet some of the recreational requirements of occupants of the units. The Palmer Senior Citizens, Inc. has plans for building an elevator that will provide easy access from the south to both floors of the building.

If U.S. Farmers Home Administration monies can be obtained for the project, an adequately funded State Senior Citizens Housing Program would still be important. Among other things, there may be a fairly tight limit on the amount FmHA will loan per unit, probably about $60,000 per unit, which means that there may not be enough money in the project for congregate facilities for dining and recreation. To the extent that the U. S. FmHA monies are insufficient for congregate facilities, we would want to seek that money from the State. I do not think that we would have to wait for State monies before proceeding with the project, because we could probably make do with Palmer Senior Citizen facilities for an interim period of time.

The tenants would move into a U. S. Farmers Home Administration funded project on a somewhat different basis than they would move into the Pioneer's Home or, probably, other senior congregate housing in other parts of the State. The rules probably would be the same as housing being built by the City of Wrangell for Wrangell senior citizens, which is being funded by the U. S. Farmers Home Administration.

These are the rules:

1. If the cost of the housing is distributed equally among each of the tenants, then each tenant would have to pay, as a maximum, a little more than one-half of the rent for their unit as they would have to pay if the unit were a new unit just being put on the market for rental. The reason that the monthly payment would be so much lower than market rent is because the monthly mortgage payment is so very low, being based upon a 50 year term with 1% interest. This would result in much lower monthly payments than a 20 or 30 year mortgage with 12 or 13% interest.

2. There would be a second ceiling on how much each tenant would have to pay and that ceiling would be 25% of the tenant's gross annual income. In many cases the tenants' gross annual income would be the combined payments the husband and wife receive from social security so the maximum rent that they would have to pay would be 25% of what they are receiving each month as social security payments. The U. S. Farmers Home Administration

would make a rent subsidy payment to the City of Palmer to make up the difference between the rents that the tenant should be paying with the heavily subsidized mortgage and the rent that the tenant is actually paying based upon the 25% limitation on tenants' liability for rent payments. So, the City would come out whole even though some of the tenants may be paying very little each month for rent.

The combination of very low monthly mortgage payments and the ceiling on the monthly rent that each tenant must pay means that the units would be within the means of most older people on limited incomes.

A U. S. FmHA financed project owned by the City of Palmer should not be a burden on the City, because the project, if properly administered, would not result in the City having to contribute any monies. The U. S. Farmers Homes Administration allows the owner to incur certain management costs, usually somewhere between 5 to 7% of the gross rental revenues, plus certain other accounting and administrative costs as part of the rent for which the owner receives rent subsidies. So, the City should be able to hire such managerial, accounting and bookkeeping assistance it needs to make the project work and to make sure that the City does not have to incur any liability with respect to the project.

So, to summarize, the State Senior Citizen Housing Program is a worthwhile program which should be of value to the Valley if funded, even though we may seek FmHA financing. In fact, the City of Palmer would probably submit two applications for (1) senior housing and (2) congregate facilities--one to FmHA for mortgage financing and rent subsidies and the other to the State for senior citizen housing. That way there would be a fall back position if one financing approach fell through.

Sincerely,

Gary Thurlow

Gary Thurlow
Borough Manager

er

cc: Barbara Morse Quinn
Senior Citizen Housing CRA, Anchorage

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

February 23, 1983

Commissioner Mark Lewis
Department of Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Commissioner Lewis:

On February 17, 1983, I received a copy of the letter sent by you to Mr. John Curtis of the Alaska State Housing Authority stating that $1.6 million had been reserved from the Senior Citizen Housing Development Fund for the development of 18 units of housing for the senior citizens of Wasilla. I was very pleased to be notified of this development.

There are an additional 14 units that have been identified in the Wasilla area, at a cost of $1.4 million. In addition, other housing needs are being identified throughout the state that will have to be addressed by both the legislature and the Department. To this end, legislation is being drafted to assist in supplying funding for senior housing needs not only in the Mat-Su area, but throughout the state.

I am hopeful that you will be able to provide the same quality assistance for this new legislation as you, and your department, have provided regarding the Wasilla Senior Housing.

Sincerely,

Barbara Lacher
Representative
District 16

cc: Mr. John Curtis
Alaska State Housing Authority
Rep. Herrmann

MEMORANDUM

TO: Representative Adelheid Herrmann

FROM: Beth Robinson

DATE: February 23, 1983

SUBJECT: Senior Citizens Housing Development Fund

I spoke with Dick Pryor, Division of Housing Assistance, 272-4585, who told me about the FY84 budget for Senior Citizens Housing Development.

The division originally requested $10 million which was reduced by the Sheffield Administration to $2.5 million. There is $3.659 million left over from their FY83 money, which, added to the $2.5 million, gives them a total of $6.159 available for housing construction. APIA's request will probably be for $1.5 million (they are still in the planning stages and haven't submitted a grant proposal, yet). So far, the division has five applications pending, including APIA's. Added up, they total $7.8 million, leaving a shortfall of $1.64 million.

It's hard to predict how much money the program will need. Dillingham, Anchorage, or other communities may submit requests, putting further demands on the division's FY 84 budget. Or it could be that applicants will withdraw their proposals because of HUD Sec. 8 budget cuts. HUD rental subsidy money is needed in order for some projects to be feasible. Although the state builds the housing units, the operations and maintenance costs must be paid by the renters. Many, of course, can't afford it unless they receive federal rental subsidy.

I think it's fair to say there will probably be more demand than money available. Mr. Pryor said a tight budget makes planning difficult. People are hesitant to go through all the work of putting a project together if there's no money for construction.

In the case of Dillingham, the director of the Senior Center has requested information on the program. Mr. Pryor said if a proposal for Dillingham were to be submitted, it's his understanding that the proposal would come through the city.

Matanuska-Susitna Borough
BOX B, PALMER, ALASKA 99645 • PHONE 745-4801
DEPARTMENT OF ADMINISTRATION

March 10, 1983

David Soulak, City Manager
City of Palmer
P. O. Box 1368
Palmer, Alaska 99645

Dear Dave:

Re: Senior Citizen Housing in Palmer, Alaska

In late January, 1983, the Assembly, acting upon a request of the Borough Senior Citizens Advisory Board, endorsed congregate senior housing for the Palmer area near the Pioneer Home. I know that the City of Palmer has taken an interest in senior citizen housing also.

Even though the State of Alaska Senior Citizen Housing Program has limited monies for senior housing for the FY 82-83 fiscal year, we might better our chances of getting funding for congregate senior housing within the City of Palmer if we went ahead and filed a formal application using the State forms. I have reviewed the forms and I believe that they would be fairly easy to fill out.

In the past we have talked primarily about site acquisition and planning for senior congregate housing in Palmer.

I believe that the process can be substantially accelerated, if we are able to arrange for a trade of the parcel on Chugach Street between the Pioneers Home and University of Alaska grounds immediately south of the Palmer Senior Citizens Center.

This 4.8 acre parcel is owned by the University of Alaska and portions of it have been devoted to the raising of perennial trees and shrubs for experimentation purposes. East Fern Avenue and East Geranium Avenue, although they are platted streets, have never been built and the land area within those two streets could presumably be added on to the 4.8 acres.

I think that it is probable that the University of Alaska would be interested in a trade for a portion or all of the 4.8 acres, if the Borough could find land of equal value to them for plant experimentation purposes or other University purposes. It might be possible to acquire rights to just the westerly half of the property for a stage one effort on senior citizen housing with an option to acquire the eastern half at some later date for

senior citizen housing. There are a number of perennials along Chugach Street and it should be possible to save many of the trees and shrubs along the street.

I have a strong impression that an exchange of Borough land for University land at this location would not materially affect the University's mission with respect to plant experimentation and that, if the University could acquire greater acreage for the same purpose at another location, their mission would be furthered.

Accordingly, I would propose that the City of Palmer and the Matanuska-Susitna Borough approach the University of Alaska with respect to this acreage and, if it appears that it is available, that we proceed with the filing of an application for senior citizen housing monies to the State of Alaska Department of Community and Regional Affairs for a congregate senior citizen housing project on this acreage. Any effort of this kind would, of course, require review and approval by the Assembly of the Matanuska-Susitna Borough and the City Council of the City of Palmer.

We have discussed site criteria for senior citizen housing in the Palmer area before. The Borough Senior Citizen Advisory Board has also discussed site criteria. In my opinion, the 4.8 acres described above would probably come closest to meeting agreed upon site criteria than any other parcel. There may be other publically and privately owned lands close to the Pioneers Home that would also be suitable for senior citizen housing, but regardless of whether there is such acreage or not, a siting of senior citizen housing on the 4.8 acres should meet all site criteria for at least a stage one effort for senior citizen housing.

I would like to list some probable features of senior citizen housing at this location and site criteria as follows:

1. Number of units. At 14units per acre, there would be room for about 70 units on the five acre parcel. U. S. Housing and Urban Affairs Department minimum property standards would suggest that density be limited to about 14 units to an acre. If each unit physically occupies five hundred square feet, this would mean that about one-sixth of the area would be in housing, with about five-sixths being left for side yards, patios, setbacks, separation between buildings, clearances and parking. The development would probably consist of various groups of one story townhouses. There should be some open space saved where existing perennials could be retained.

If the project were staged into two halves, then the first half could include as many as 35 units upon 2½ acres with stage two being accomplished at some later date if the need justified additional units. I believe that for planning purposes it is possible to make some gross estimates as to number of units

per acre it being understood that the actual density and siting of buildings would await schematics prepared by an architect.

2. Type of housing. The housing would be single story housing all on one grade to avoid any problems of foot access or access by handicapped persons. The size of the units would probably be somewhat smaller than the units in Wasilla, because the amount of housekeeping activities occuring within the unit would be less. The units would be designed for indepenent living, but they would also be designed for greater access to other senior citizen facilities than is the case with Wasilla senior housing. Congregate housing, which would be built at this location, provides more ready physical access to an area where meals can be taken and where adult day care and medical services can be readily obtained.

This particular location is about as close to the Pioneers Home as you can get. It is only three blocks away from the Valley Hospital. This site would rank very high within the City of Palmer, within the Matanuska-Susitna Borough and in the State at-large, with respect to closeness of facilities needed for congregate housing.

Among other things, the site provides closeness to:

a. Pioneers Home with its clustering of facilities, including facilities for social events.

b. Palmer senior citizen facility which serves lunches, is a center for social activities and is also an origination point for transportation.

c. Closeness to Valley Hospital and medical care.

d. A location two blocks from stores, restaurants and shops, all of which are within easy walking distance of the site.

e. A site that is one and one-half blocks from a museum, ballfields, proposed Palmer Library and landscaped areas.

f. A site that is close to the regular meeting places of The Pioneers of Alaska, the Grange, Lions, Kiwanis, Historic Preservation Committees etc.

g. A site on a paved street without excessive traffic, with sewer, water and electricity.

h. An especially friendly environment to older persons whether they use the automobile or depend on walking.

i. A handsome setting.

j. Good climate.

We should be able to work from information previously compiled for the Wasilla senior citizen housing. Our Planning Department can immediately undertake a needs assessment. There is a 90 person waiting list for the Pioneers Home, which is some indication of the need for congregate housing in the Palmer area.

As I understand it, the State of Alaska Department of Community and Regional Affairs makes its decision to allocate senior citizen housing according to objective criteria such as demand for units, convenience of units with respect to facilities that senior citizens desire or need, level of community support etc.

I would think that if there is competition for a limited amount of senior citizen housing, the City of Palmer, working with the Matanuska-Susitna Borough, could present a case to the Department of Community and Regional Affairs that would result in a very high priority being assigned to additional senior citizen housing units in this part of Alaska.

Sincerely,

Gary Thurlow

Gary Thurlow
Borough Manager

er

Matanuska-Susitna Borough

assembly memorandum

245-4801

no. AM 83-27

from: Gary Thurlow, Borough Manager date: 1/25/83

subject: SENIOR HOUSING IN THE MATANUSKA-SUSITNA BOROUGH

The Borough Senior Citizens Advisory Board has studied proposals now under consideration by the State Office of Management and Budget that 1.8 million dollars additional money be allocated to senior citizen housing in Wasilla and Palmer.

The Matanuska-Susitna Borough Senior Citizens Advisory Board thought that good planning would call for constructing fourteen additional units in Wasilla at this time for a total of 32 units--18 units already funded plus 14 additional units from the 1.8 million and that the balance of approximately $400,000 ought to be allocated for planning and site acquisition for congregate housing in Palmer.

The board considers that the status of planning for the Wasilla project is such that the new units could be constructed and occupied at an early date and that planning for the Palmer area has not yet reached a point where early construction could be anticipated.

In planning for senior housing in the Matanuska-Susitna Borough, the board concluded that there is a need for a balance of two different types of senior housing:

Clustered independent housing of the type already planned for Wasilla.

Congregate housing, which is primarily independent housing, but which provides more ready physical access to an area where meals can be taken and where adult day care and medical services can be readily obtained. Palmer is the best location for this type of housing because the Pioneer Home and the Valley Hospital are located there.

In the judgment of the advisory board, recent needs assessment information shows that there is a sufficient demand for the additional housing in Wasilla. Although the board believes that there is sufficient demand for congregate housing in Palmer, there being a 90 person waiting list for the Pioneer Home, a full needs assessment has not been carried out for congregate housing. Additional time for senior housing in Palmer

Appv 1-26-83 E T

would make it possible to compile more reliable assessment needs information for congregate housing in Palmer.

Congregate housing should be located so that there would be ready access to certain facilities in the Pioneers Home, which means that closeness to the Pioneers Home would be an important site selection criterion. Among other things the Pioneer Home is the origination point for transportation and is the location of many social functions.

It is the opinion of the advisory board that the overall and long-term housing needs of senior citizens in the Valley could be best met if available state senior housing resources were used in this way. The above approach has been thoroughly reviewed with both the Wasilla and Palmer Senior Citizen organizations and they are agreed that this is the best way to pursue an adequate program of senior housing in the Borough.

If the Assembly agrees with this analysis, a copy of this memorandum will be sent to the Office of Management and Budget within the Office of the Governor, to the State Department of Community and Regional Affairs, to our legislative delegation, to the House and Senate Committees on Health and Social Services, to John Wolfe, Executive Director, Older Alaskans Commission, Pouch C, Juneau, Alaska (9811 and to Louis Odsather, Chairman, Pioneer Homes Advisory Board, P. O. Box 178, Wasilla, Alaska 99687.

Respectfully submitted,

Gary Thurlow
Borough Manager

er

January 24, 1982

Mrs. Rose Palmquist
325 Dawson Street
Leslie Building
Anchorage, Alaska 99503

Dear Rose,

You may recall I informed you last year in August, 1982, that I had applied for an apartment in the Chugach View Senior Apartments, Anchorage. At the time I applied, I was number 90 on the waiting list. Now, five months later, I am number 78 on the list, which, according to Chugach View management indicates a two-year wait for an apartment.

I have been ill and thus far unable to work even part time. The rent for my small, one-bedroom apartment with no storage, has gone up four times since 1981, for a total of 78%. Now management has notified us that they are going to remodel all of the apartments because the new owner (someone Outside) may want to sell in two or three years and won't be able to make a profit unless there's some improvements made to the apartments. The building is 20 years old, as is the carpeting and other items in the apartments. The remodeling will increase the price of the apartment by $200, for a total of $600 for this small, one-bed-room apartment.

This new rent outlay will not leave much from a small fixed income, grateful as I am for it.

I am writing to inquire if you see any indication that our legislators will provide the necessary funds for the much talked about 120 additional units at Chugach View, so badly needed.

Sincerely,

Bess Ferrara

Bess Ferrara

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

HOUSING NEEDS OF THE ELDERLY IN THE MATANUSKA-SUSITNA BOROUGH

Prepared by

POLICY ANALYSTS, LIMITED

DR. RICHARD L. ENDER

Prepared for

ALASKA DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

WITH

MATANUSKA-SUSITNA BOROUGH

COOK INLET NATIVE ASSOCIATION

MAT-SU OEDP. INC.

June, 1980

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HOUSING NEEDS OF THE ELDERLY IN THE MATANUSKA-SUSITNA BOROUGH

Introduction

The purpose of this study is to provide an assessment of the present housing condition and the housing needs of the elderly residing in the Mat-Su Borough. This requires a description of the demography of the elderly and their housing situation as to type, payment, quality and general condition. This information base provides the possibility of producing quantitative indicators of need. Measures include financial needs (costs exceeding the capacity to pay), structural needs (relating to serious structural defects in their housing), energy needs (the lack of energy efficient systems), and utility needs (inadequacy in water, sewer, heat, etc.). The discussion will conclude with the perceived desirability of future housing alternatives.

Methodology

The analysis is based on a survey of 679 randomly sampled households in the Mat-Su Borough. Areas not connected by road or sufficiently sparse in estimated population were excluded. The remaining available for sampling was estimated to be 85 to 87 percent of the Borough population. Therefore, approximately 13 to 15 percent of the more rural population was excluded from the sampling process. This could effect the accuracy of estimation of a number of population characteristics, particularly in the area of housing. Thus, the reader is cautioned as to the limitations of the sample. (See appendix for methodology)

The population estimate of the Matanuska-Susitna Borough for December 1979 is 18,536. This is 4,651 people below the official 1979 Borough estimate accepted

by the Department of Community and Regional Affairs (23,177), but is higher than 1978 estimates made by the Department of Labor (15,400) and Bureau of the Census (16,100).

Demographic Characteristics of the Elderly Residing in Mat-Su Borough

Defining the number of elderly in the Borough is generally done by estimating the number of people above a specified age. About 5.6 percent of the Borough is 60 years of age or more, which is 1,040 individuals. An additional 7.8 percent of the population is 50 through 59 years of age (1,442). Table 1 estimates each of the age categories and the proportion falling in each, while figure 1 attempts to display the age distribution of the over 50 population.

TABLE 1: ESTIMATED ELDERLY MAT-SU POPULATION BY AGE CATEGORY

Age	% of Population	Population Estimate
50-54	4.6	845
55-59	3.2	597
60-61	1.0	179
62 and over	4.6	861

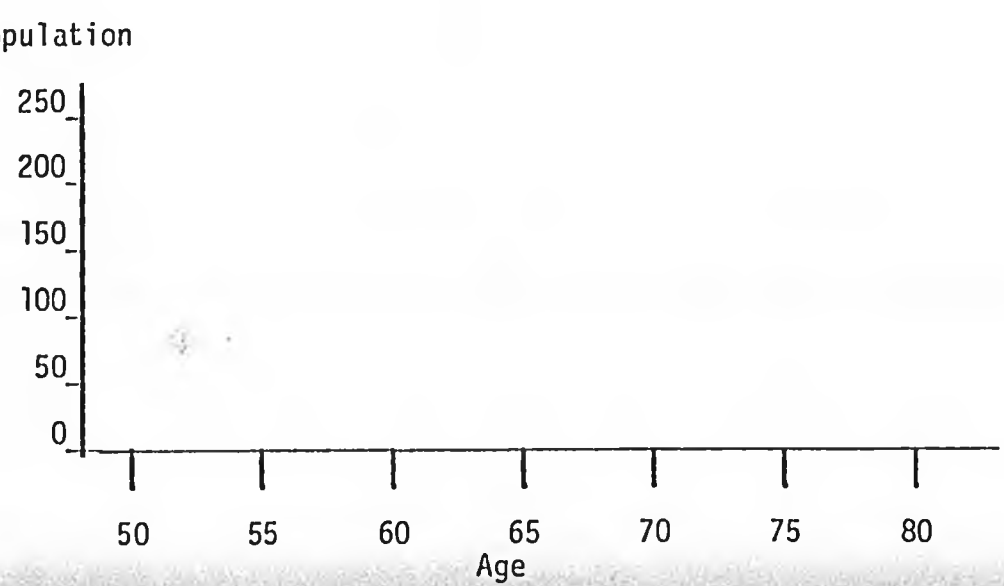

FIGURE 1: FORECASTED AGE CURVE OF MAT-SU ELDERLY
(Actual curve would not be expected to be perfectly smooth)

Though the 60 years and over elderly population is only 5.6 percent of the population, they are spread throughout 11.6 percent of the households. Thus, of the estimated 5,546 occupied households in the Mat-Su, 645 have one or more persons 60 years of age or more, or 1.6 elderly persons per elderly household.

Table 2 highlights the distribution of six measures by four age categories. The key observation is the marked difference between those 50 to 59 years and those 60 years and over. The incidence of widowed status rises measurably after 60 as does retired employment status. Educational attainment also falls as age increases. Race remains fairly constant though the proportion of non-whites increases slightly above 62 years of age. A constant 55 percent male, 45 percent female distribution is reversed for the 60-61 year group. It is difficult to tell if this is due to actual differences occuring or the small size of the 60-61 subgroup.

Another question focuses on where elderly households are located. Generally, senior citizen households are distributed fairly evenly in proportion to the total population. For example, 10.1 percent of the elderly households sampled were in the Butte area while 9.4 percent of all households were located in Butte. There are two important exceptions to this that involve the two most heavily populated areas of the Mat-Su. While 39.6 percent of the sample came out of the Wasilla area, only 25.3 percent of the senior households were from Wasilla. The reverse was true for the Palmer area with 26.2 percent of the total sample and 40.5 percent of the elderly households responding.

TABLE 2: PERCENTAGE DISTRIBUTION OF SELECTED DEMOGRAPHIC INDICATORS BY AGE CATEGORIES

Sex	50-54	55-59	60-61	62+
Male	57.6	54.3	42.9	55.4
Famale	42.4	45.7	57.1	44.6
Marital Status				
Married	90.8	94.3	85.7	76.2
Single	5.1	1.4	----	1.0
Divorced	3.1	4.3	4.8	6.9
Widowed	1.0	----	9.5	15.8
Weeks Employed in Past Year				
None	35.1	32.9	55.0	78.2
1-49	19.5	25.7	15.0	7.9
50-52	45.4	41.4	30.0	13.9
$\bar{X}$	27.2	27.4	19.5	9.2
Present Employment Status				
Employed	51.0	55.7	33.0	18.8
Unemployed	16.3	10.0	14.3	1.0
Retired	12.2	18.6	23.8	70.3
Homemaker	20.4	15.7	28.6	9.9
Education				
0-11 years	29.6	21.7	20.0	43.2
12	29.6	37.7	55.0	17 9
13-15	22.4	20.3	15.0	16.8
16+	18.4	20.3	10.0	22.1
$\bar{X}$	12.3	12.8	12.2	11.8
Race				
White	97.0	98.6	100.0	95.0
Native	3.0	----	----	3.0
Other	----	1.4	----	2.0
(n)	(99)	(70)	(21)	(101)

Characteristics of Households With an Elderly Member

In addition to discussing the characteristics of individual senior citizens, it is necessary to assess households in which elderly reside. Fro example, the question of relative deprivation is an important one. This includes housing and economic status comparisons to the general population. Table 3 compares senior and total households on ten selective measures. A senior citizen household is defined as any unit with at least one individual who is 60 years of age or more.

Senior households are smaller (an average of 2.5 persons per household versus 3.3) compared to the general populations. This is largely due to the absence of children in the household. Adults per household are essentially the same comparing senior and general households. Senior households have an average residence in the Mat-Su more than twice that of the total population. They also have lived in their present residence sever years more than all households.

Looking at housing characteristics, senior citizen households are somewhat more likely to be single family structures (though most housing in the Borough is single family). Also senior households are almost two times more likely to own their home outright which results in average housing payments less than one-half the total population. Lower payments are also due to the fact that 50 percent of the senior households have resided in their home prior to 1973 suggesting lower interest rates for those buying their home. Senior housing is logically older reflecting the longer time in residence. Though there is a greater incidence of single family residence, the older housing produces slightly smaller homes for seniors. Their homes average 5.0 census rooms, 2.4 bedrooms and 1.4 bathrooms compared to 5.3 census rooms, 2.6 bedrooms and 1.4 bathrooms for the general population. Considering the lower average household size of seniors it is unlikely that the problem of crowding occurs with any frequency.

TABLE 3: COMPARISON OF SENIOR CITIZEN AND TOTAL SAMPLE HOUSEHOLD ON SELECTED HOUSING AND SOCIO-ECONOMIC CHARACTERISTICS

Current Housing	Senior Households	Total Households
Single Family	88.6	81.6
Multi-family	2.5	5.6
Mobile Home	7.6	12.4
Other	1.3	0.4
Ownership Status		
Own	64.1	33.9
Buying	28.2	49.5
Rent	6.4	13.6
Other	1.3	2.9
Housing Payment		
None	69.3	36.8
$20 - $1,262	30.7	63.2
$\bar{X}$	$113	$253
Median	$ 89	$200
Structure Built		
Up to 1955	25.6	10.6
1956 - 1970	29.5	21.3
1971 - 1975	19.3	20.8
1976 - 1979	25.6	47.3
$\bar{X}$	1964	1970
Median	1969	1975
Length of Residence in Present Structure		
1978 - 1980	19.0	43.2
1974 - 1977	27.9	36.8
1969 - 1973	12.7	8.8
1964 - 1968	15.2	4.9
1959 - 1963	10.1	2.0
Before 1959	15.2	4.3
$\bar{X}$	1968	1975
Median	1973	1977
(n)	79	679

Size of Household	Senior Households	Total Households
1	19.0	9.4
2	55.7	26.8
3	12.7	20.2
4+	12.7	43.6
$\bar{X}$	2.5 persons	3.3
Median	2.1 persons	3.2
Presence of Children		
0	83.5	40.5
1+	16.5	59.5
Household Members With a Mental or Physical Handicap		
Yes	6.9	5.2
No	93.1	94.8
Household Income		
$0 - $12,499	24.6	17.7
12,500 - 19,999	28.0	14.6
20,000 - 29,999	17.6	19.0
30,000 - 39,999	19.3	22.6
40,000+	10.5	26.1
$\bar{X}$		
Median	$19,375	$29,047
Residence in Mat-Su Borough		
Up to 2 years	7.6	18.6
2 to 5	21.5	37.7
5.1 to 10	8.9	16.5
10.1 to 15	7.6	7.1
15.1 to 20	8.8	4.9
20.1+	45.6	15.2
$\bar{X}$	19.9 yrs.	9.3 yrs.
Median	19.9 yrs.	5.0 yrs.

A key characteristic in any analysis of housing need is income as a measure of financial capacity. Total income of senior citizen households is significantly lower than the population. The median income of seniors is almost $10,000 below all households suggesting a markedly reduced capacity in affording housing options. Almost one-quarter of senior households earned less than $12,500 in 1979. In addition to employment income, 40.3 percent of the elderly households receive the Alaska Longevity Bonus. Private pension income goes to 35.5 percent of senior households; 72.7 percent receive social security; and only 1.3 percent receive old age assistance. The incidence of these income sources increases significantly as age increases.

Income ceilings developed by the Department of Housing and Urban Development provide a method to measure financial need. The approach uses the total income of the household and relates this to the number of people residing in the home. Table 4 shows the 1979 HUD income ceilings for Anchorage which would be generally applicable to the Mat-Su.

Using these guidelines, 40.7 percent of the Mat-Su senior citizen households qualify for HUD assistance. This is substantially above the proportion eligible within the general Mat-Su population (27.5 percent) or those eligible in Anchorage (25.5 percent).

TABLE 4: HUD INCOME ELIGIBILITY GUIDELINES

Size of Family	Income Ceiling
1	$14,000
2	16,000
3	18,000
4	20,000
5	21,250
6	22,500
7	23,750
8+	25,000

The Quality of Present Housing

Present housing quality is an important measure of housing needs. Those living in housing which is unsatisfactory in terms of structural deficiencies, absence of standard utilities or equipment, or the lack of other necessary characteristics produce a greater need for programmatic action. Tables 5 and 6 provide a number of housing condition measures both from the viewpoint of the respondent as well as objective indicators.

The data presented generally support the conclusion that there is a small group of senior citizen households (about 2.5 to 3.0 percent) whose housing is seriously deficient and is measured that way both objectively and subjectively. The result was that 2.6 percent of the elderly households rated their present housing as poor, though a general assessment by field interviewers found no senior housing so poor that it was structurally not worth repairing and could be expected to leave the market.

Added to those elderly living in poor conditions, another eight to ten percent reside in fair housing. This could be defined as housing which had defects which are important but either not serious or correctable by making reasonable (in terms of cost) repairs. Generally, the quality of senior housing is somewhat better in terms of quality compared to the total stock. This does not overshadow the fact that a small number of elderly are found with heating, water, facility, a structural inadequacies. This means 20 to 80 households affected by deficiencies depending on the exact measure.

One interesting crosscheck of data involves comparing perceived crowding by respondents and an objective measure of crowding. Crowding is defined as more than 1.01 persons per census room. While 6.4 percent of the senior households

perceived overcrowded conditions, only 3.8 percent could be objectively measured as crowded. This compares to 14.7 percent of all households who perceived themselves as crowded while 9.6 percent were measured as crowded.

TABLE 5: COMPARISON OF SENIOR CITIZEN AND TOTAL SAMPLE HOUSEHOLDS ON PERCEIVED QUALITY OF HOUSING

Perceived Housing Condition	% Senior Households	% Total Households
Heating System Does Not Keep Home Warm in the Winter	3.8	6.9
Overcrowded Housing	6.4	14.7
Housing too Expensive	5.1	16.8
Poor Insulation	13.0	18.9
Rundown Condition	3.9	6.8
Lack of Storm Windows	23.7	22.7
Housing too Far From Job, Shopping and Friends	9.1	17.9
Rate Present Housing as a Place to Live		
Excellent	47.4	42.4
Good	42.1	42.8
Fair	7.9	13.2
Poor	2.6	1.6

TABLE 6: COMPARISON OF SENIOR CITIZEN AND TOTAL SAMPLE HOUSEHOLDS ON OBJECTIVE MEASURES OF HOUSING QUALITY.

Assessment of Structure	% Senior Households		% Total Households	
	Fair	Poor	Fair	Poor
Roof	9.2	--	12.0	1.1
Outside Walls	9.2	2.6	13.5	1.5
Foundation	11.8	2.6	12.4	1.7
Door and Windows	11.8	--	14.7	1.5
Chimneys	8.0	--	11.6	1.1
Steps	12.0	1.3	13.5	2.0
General Condition	11.8	--	13.2	0.6

Lack of Facilities	% Senior Households	% Total Households
Kitchen Sink with Piped Water	6.3	8.0
Range or Cookstove	2.5	1.6
Refrigerator	3.8	4.0
Hot and Cold Running Water	2.6	9.3
Flush Toilet	2.6	9.6
Tub or Shower	2.6	9.6

Preference for Future Housing

In general terms, senior households want much the same in housing as everyone else residing in the Borough (see table 7). Only 5.1 percent of elderly households sought to relocate their housing during the previous six months. This included one elderly respondent who was looking to relocate to retirement housing. Most (92.4 percent) prefer the single family unit as a desirable housing style though their bedroom needs (2.16) are less than the general households (2.74) reflecting their smaller size. Ownership of housing is almost a universal desire with only 6.6 percent preferring a rental situation. However, the perceived maximum housing payment that a senior citizen household could make each month is considerably below that of all units (averaging $331 versus $419). This difference is reasonable considering the lower median incomes of elderly households.

On the subject of alternative housing styles, the elderly are not much different from the general population. Only 12.7 percent responded in any positive way to a condominium arrangement, and 7.6 percent were positive toward a mobile home park option. Four elderly respondents noted that condominiums would be a good option for returement housing (5.1 percent), and another 19 respondent households with no senior member expressed the same opinion.

For those households with a senior citizen present, three questions were asked relating to retirement housing (see table 8). The first measured interest in moving to senior citizen housing in the Borough. A projected 114 elderly households in the Mat-Su would consider this housing option, if available, but 522 would not. To measure a greater level of commitment, only 7.7 percent of senior households (a projected 50) responded with a willingness to move into senior housing within the next year. An estimated 595 households would not be interested.

TABLE 7: COMPARISON OF SENIOR CITIZEN AND TOTAL SAMPLE HOUSEHOLDS ON HOUSING PREFERENCES

	Senior Households	Total Households
Looked for Other Housing in Past Six Months	5.1%	12.1%
Housing Preference		
Single Family	92.4%	94.8%
Duplex	2.5%	1.3%
Apartment	.0%	0.4%
Townhouse-Condo	2.5%	0.6%
Mobile Home	1.3%	1.0%
Other	.0%	1.6%
Undecided	1.3%	0.1%
Average number of Bedrooms Needed	2.16	2.74
Prefer to Buy Housing Rather than Rent	93.4%	95.8%
Maximum Amount Could Pay		
$\bar{X}$	$331	$419
Median	$299	$400
Would Consider Condominiums	12.7%	11.7%
Would Consider Mobile Home Park	7.6%	9.3%

The final question dealt with the location of future senior citizen housing. Thirty percent of the elderly were unwilling to give a location because they saw no needs. For those with an opinion, the Wasilla area had the most support with 31.6 percent, with Palmer the second preference (20.3 percent). Locations west of Wasilla was preferred by 8.9 percent and Chugiak was mentioned by 2.5 percent. Generally, residents selected locations near their present home. Wasilla received support because it was the primary choice (when one was made) of living in Wasilla, and areas to the west such as Houston, and Willow; and was also selected by 26 percent of the Palmer and, 28.6 percent Butte residents who gave a site choice.

TABLE 8: PREFERENCES FOR SENIOR CITIZEN HOUSING

	YES	NO	DON'T KNOW
Would Consider Moving to Senior Citizen Housing in Borough			
%	17.7	81.0	1.3
Projected Households	114	522	9
If Built Would Move into Senior Citizen Housing Within the Next Twelve Months			
%	7.7	92.3	.0
Projected Households	50	595	0

Town Preferred for Location of Senior Citizen Housing[a]

	Percent	Projected Households
Anywhere in the Borough	5.1	33
Palmer	20.3	131
Wasilla	31.6	204
Talkeetna; Big Lake, Knik, Willow	8.9	57
Chugiak	2.5	16
Not in Town	1.3	8
Don't Need it; Rehabiliate What We Have	3.8	25
Refused; Because Not Interested	17.7	114
Don't Know; Don't Care	8.9	57

[a]Towns not mentioned (such as Houston) are due to the use of an open-ended question and no one in the sample referred to those particular communities.

Housing Scenario Based on Elderly Needs

Based on the data available the following scenario was developed to meet the husing needs of the elderly in the Mat-Su Borough. See Table 9 for a breakdown of demand.

- Locate 20 units in the Wasilla area in relative proximity to basic services, possibly keeping in mind the location of the proposed senior citizen's center.

- These units should be clustered, but constructed to provide a sense of space reflected in the dominant lifestyle of Mat-Su area. This might mean clustered fourplexes constructed in a row style to give all occupants individual access to their units and a small semi-private garden area. Structures larger than a fourplex or of an traditional apartment style construction would reduce their attractiveness to potential clients.

- Based on the desires of these interested in senior citizen housing, ten of the units should be constructed as one bedroom and ten units as two bedroom. If this were not done, there is no way to predict if demand would be reduced below the level predicted.

This scenario is based on the following points:

- The demand of the entire Borough for subsidized elderly housing is only about 50 units. Of that, it is estimated that up to 28 units of the demand would prefer Wasilla. One additional reason a population center was chosen rather than any point along the Parks Highway was the point

that seniors interested in this type of housing were dissatisfied with their present housing due to its remoteness from services and social interactions.

- Even though the optimal demand is 28 units, the number of refinements cuts this number to 20. Only one-fifth prefer structural configurations other than the single family house, and only 21 percent would prefer renting. An addition, 60 percent of the potential clients own their homes outright which reduces the economic impetus to relocate.

- Elements which reinforce demand is that those interested in relocating to senior citizen housing are twice as likely to have inadequate heating systems, perceive their present housing as too expensive and four times as likely to have insufficient hot water and presently have fair to poor housing compared to other seniors.

- Economic status also plays an important role in leading to demand for senior citizen housing. The perceived housing payment affordable to those interested in senior housing is lower than other elderly. Sixty-four percent of those interested stated they could only pay $200 or less a month, while 63 percent of other seniors could afford to pay over $200 a month for their housing.

TABLE 9: PROJECTION OF SENIOR CITIZEN HOUSING DEMAND

	N
Total number of elderly households in the Mat-Su Borough	645
Interested in senior citizen housing	114
Would most likely move in	50
Would move in if located in Wasilla	28
Would move in, if located in Wasilla, in a low density rental configuration	20

APPENDIX

METHODOLOGY OF THE MAT-SU HOUSING AND ECONOMIC DEVELOPMENT STUDY

INTRODUCTION

The general goals of this study were to document the attitudes, behavior and characteristics of a sample of the Matanuska-Susitan Borough's population related to housing needs and issues of economic development. The success of the study depended on the close cooperation of a number of agencies and organizations. The base funding for the study came from a grant made by the Department of Community and Regional Affairs to the Cook Inlet Native Association (CINA). While the grant was the key, it was not sufficient to cover the cost of the entire effort. CINA contracted with the Mat-Su Borough to act as the prime sponsor of the study. The Mat-Su Overall Economics Development Plan, Inc. (OEDP) joined the project by providing the field work management at no cost. The Borough contributed substantial CETA funds and other indirect monies to underwrite a portion of the field work, a field work supervisor, printing of the questionnaire, and other costs. Policy Analysts, Limited provided the technical expertise in questionnaire design, sampling, data processing, and analysis. While it is difficult to assess the total cost of the project, it easily exceeded $20,000.

The Questionnaire

The survey instrument was 18 pages in length and was designed by Policy Analysts, Limited. This included 13 pages in the main body of the

questionnaire plus five handout sheets to be filled in or to understand particular questions. The interview varied among respondents but averaged about 30 minutes. There were 85 questions or question groups asked which resulted in 185 discrete pieces of datum coded from each interview.

The field work was conducted during the months of November 1979 to January 1980. Twelve interviewers were employed to complete the 679 total surveys. All the staff went through one training session to familiarize each interviewer with the particular aspects of this schedule and review basic interviewing techniques. In addition, completed material was reviewed to detect initial field problems. In order to monitor progress, interviewers had to maintain daily contact with the field work supervisor.

A copy of the complete questionnaire is presented in the back of this publication.

Sample Design

A skip interval areal probability cluster housing technique forms the basis for this sample survey. A complete list of the distribution and location of housing in the Mat-Su Borough does not exist in one place.

A planned complete housing count was abandoned for lack of funds. The following process was utilized to produce the most complete housing

count by location.

- Step 1

  Data from Mat-Su Borough computer listing of plot ownership were compiled to check for assessed building evaluation.

  Residential units were identified on the basis of assessed building evaluation using a base of $4,000 building evaluation on taxable land pieces for a residential status in the Palmer, Wasilla and Big Lake areas unless contrary information was available. The $4,000 cut off assessment evaluation reflects $2,500 for a well and $1,000 for a septic structure which is consistent with Borough assessor evaluations.

  The base evaluation rate used for outlying areas; such as Eureka, Chickaloon, Sutton, Houston, Willow, Talkeetna, Skwentna, and other outlying areas was $2,000 (unless otherwise discernible) for building improvement assessments to determine residential status. The $2,000 minimum level for the more rural areas reflects possible very low cost structures, such as cabins. Anything with an assessed value above $180,000 was considered commercial unless otherwise verified by the research group.

  Data were transferred from computer listings onto the Mat-Su Road System Map to identify specific locations. In the case

of subdivisions, information was cross-referenced with the Tax Assessment Map to find exact ownership location.

In the first step, no attempt was made to differentiate between multi-family, single family, recreational; trailer or commercial dwellings, unless the specific location was discernible; except for assessed evaluations in excess of $180,000, which are considered non-residential.

The first step mapping code system for dwelling was "0". Eventually this evolved to a more complex system as follows:

Single family Dwelling	0
Multi-family Dwelling	Ø
Trailer	T
Recreational	R
Commercial	C

Step 2

The mapped information from Step 1 was compared with the 1976 Land Use Survey map to check residential status and add discernible specific data (such as trailers, single or multi-family dwelling, and commercial buildings.

Maps were also cross checked for dwellings that were arbitrarily left out under the $4,000 building evaluation in Palmer and Wasilla areas and under the $2,000 building evaluation in outlying areas.

- Step 3

  The data base from Step 2 was reviewed with the Borough assessors to determine:

  1) Correctness of 1978 compiled data
  2) New additions since 1978
  3) Specific types of dwellings (commercial, single or multi-family, trailer, and recreational)

- Step 4

  Any areas in question were surveyed visually by driving to areas and confirming the type of dwelling.

The above process produced a structure count of 6,075. This included 147 commercial buildings, and 1,141 recreational structures, leaving 4,787 residential dwellings. This number was adjusted by 250 because an assessor's analysis suggested the 60 multi-family structures produced about 310 multi-family separate units. This produces 5,037 identified units. A breakdown of the units by area is noted in table 10. The boundaries of the areas is given in figure 2. A discussion of these counts with actual estimates is noted in the following section.

TABLE 10: HOUSING COUNTS BY AREAS OF THE BOROUGH

Area	Total Residential	Single Family	Multi-Family	Mobile Homes	Recreational	Commercial
Talkeetna	94	92	—	2	22	4
Montana	70	69	—	1	44	3
Caswell	39	39	—	—	31	1
Willow	164	162	—	2	274	4
Houston	214	205	—	9	92	6
Big Lake	392	371	3	18	530	8
Goose Bay - Knik	62	62	—	—	13	—
Point MacKenzie	17	17	—	—	—	—
Wasilla	1,826	1,761	22	43	133	85
Palmer	1,297	1,207	31	59	2	24
Butte	476	440	4	32	—	11
Sutton - Chickaloon - Independence Mine	136	136	—	—	—	1
Adjustment	250	—	250	—	—	—
Total	5,037	4,561	310	166	1,141	147

Based on the final counts, 150 clusters of six designated units were apportioned to the base maps by the percent of units each map had. Base maps without road access or in which the number of units fell below 20. In all, 64 maps were discarded, of which 16 had no residential units, and six had only one unit. Non-road areas outside the mapped locations were also excluded. The sample thus was a random distribution of the road areas of the Borough with at least a minimum population. This constitutes about 85 percent of the population. The clusters allocated to each map were then apportioned to one of nine sections on the map based on the unit distribution. Start points for each cluster within a cluster was selected by a random number generator from a set of random start points. Once a start point was fixed, every third unit was sampled for a total of six units.

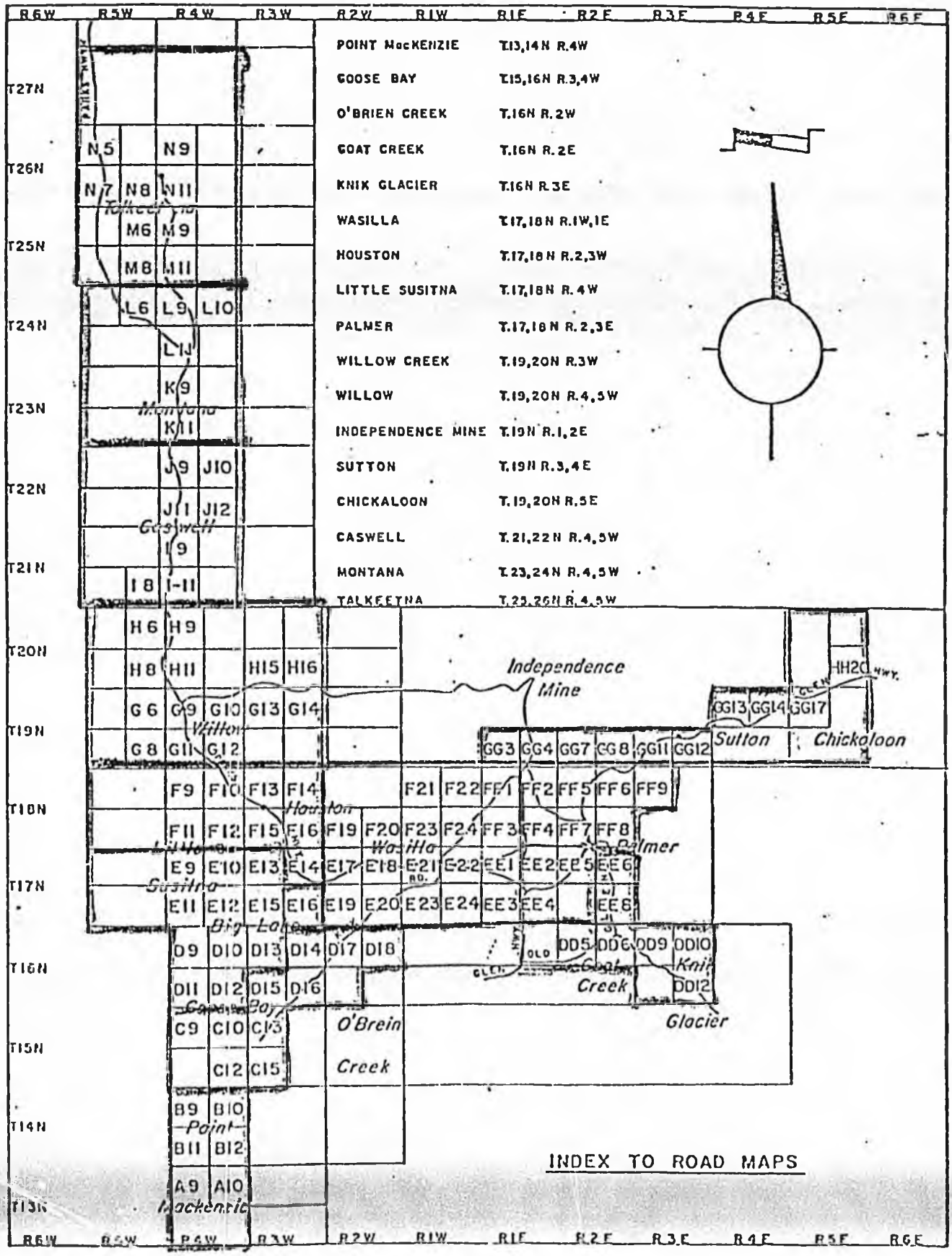

FIGURE 2: Road Connected Areas of Mat-Su Borough Showing Subarea Demarcations

This information was transferred to a special field map showing the location of the clustered units (one field map per cluster was prepared). Of the 900 units sampled, 679 interviews were completed. Most sample points had four to five interviews completed. An analysis of completed interviews suggested that it was a randomly distributed sample of the road connected areas of the Borough, and constituted about 12.2 percent of the total occupied housing stock in the Borough

Projection of Housing and Population

While 5,037 units were identified in the sampling process, it is estimated that there are 5,844 dwelling units in the Borough. The difference is due to two things: roadless areas were not counted, and the approach used produces an undercount in the road connected areas. It is estimated that 8.5 percent of total stock lie in the roadless areas. In addition, the methodology used could not be completely precise. Units misidentified as recreational, below assessment limits, not showing up in records, built too recently to be included, and generally poor records make accuracy a problem. This produced about a 5.3 percent undercount.

Of the 5,844 units estimated to exist, 5,546 are occupied. This produces a 5.1 percent vacancy rate. The data are not sufficiently precise to say what the vacancy rates are in each area of the Borough, but information does suggest that vacancies in the Palmer area are the highest in the Mat-Su (probably twice that of comparable areas). Rural areas have the lowest vacancy rates. Of the 5,844 units, it is esti-

mated that 4,850 are single family, 310 are multi-family and 663 are mobile homes. The number of mobile homes are substantially higher than the table 1 count because that approach aggregated mobile homes on private lots and single family into one category. The mobile homes identified were largely those located in parks. Single family units include stereotypical units as well as cabins and assorted non-conventional units in which only one family resides. Finally, there are an estimated 21 "other" dwellings not accounted for, included people living in commercial structures, at least one tepee, etc.

These residential estimates do not include a projected 1,141 recreational units heavily concentrated in Big Lake, Willow, Wasilla and Houston. Based on employment data, housing estimates, labor force participation rates, and household size, it is estimated that the population of the Mat-Su Borough in December 1979 was 18,536.

MAT-SU HOUSING AND ECONOMIC DEVELOPMENT SURVEY

_____ (3) ID#

30-35 _____ (6) Assessor's Block Number

36-39 _____ (4) Map Number

40-42 Sub-Division Name_____

APPOINTMENTS: _____

FINAL STATUS: [1. Completed Interview] [2. Refused] [3. Occupied, but not at home.]

[4. Recreational] [5. Vacant] [6. Other_____]

43 SUBSTITUTION: [0.NA] [1.YES] [2.NO]

Hello, My name is _____, and I am conducting a housing and economic survey for the Mat-Su Overall Economic Development Program and the University of Alaska under a grant from Department of Community and Regional Affairs. The questions are about housing, the census characteristics of the household and economic development in the Mat-Su area. Your answers are important because they help local public and private groups in deciding the future direction of the valley by listening to your household. This information will be used to assist the Mat-Su public in planning for its own future. The answers you give are strictly confidential, voluntary and very much appreciated. (Thank you for participating)

We need to talk to an adult in the household, either a male or female spouse, or head of household.

(To have a balance between males and females for the survey, is there a male/female adult present who could be interviewed)?

NOTE: Original Questionnaire was printed on 8½ X 14 inch paper (except accompanying handout sheets which were printed on 8½ X 11.) This appendix is a photo reduction of the original.

MAP #

NAT-SU HOUSING AND ECONOMIC DEVELOPMENT SURVEY

ID# 1-3

CD# 4-(1)

B1. The first questions deal with your housing.
Would you describe your current housing as a -- (mention most appropriate)
single-family house, a multi-family home, a mobile home, or what?

1. SINGLE-FAMILY HOUSE

B1a. Are there any separate rental apartments or rooms in your house?

1. YES

2. NO (GO TO B2)

5

2. MULTI-FAMILY

6-7

B1b. Including your own, how many separate housing units are there in the building you live in?

NUMBER OF UNITS: _____

(GO TO B3) Page 2

3. MOBILE HOME

(GO TO B4) Page 3

4. OTHER (Describe):

_____

_____

(GO TO B6) Page 4

B2. (For single-family only)
Are you renting your (housing), are you buying it, do you own it free and clear, or is there some other arrangement?

8

1. RENTING

2. BUYING IT

3. OWN IT (GO TO B6) Page 4

4. OTHER (Describe)

_____

_____

(GO TO B6) Page 4

9-12

B2a. What is the Monthly rent?

$ _____

How much is the Monthly payment?

AMOUNT: _____

13-17

18-20

B2c. What utilities are covered in your monthly rent? (Check those mentioned)

____1. Electricity
____2. Water
____3. Sewer
____4. Fuel Oil
____5. Solid Waste (Garbage)

(GO TO B6) Page 4

B2d. Does that regular payment include:

	Yes	No
(1) Real estate taxes on the property?	1	2
(2) Fire and hazard insurance?	1	2
(3) Special Improvement District?	1	2

(GO TO B6) Page 4

B3. (For multi-family only) Are you renting your home, are you buying it, do you own it free and clear, or is there some other arrangement?

8

1. RENTING

2. BUYING IT

3. OWN IT

4. OTHER (Describe)

_____

_____

9-12

B3a. What is the monthly rent?

AMOUNT: $

(GO TO B6)
Page 4

B3b. Are you (Buying), (Own) just the unit you live in or the entire building?

1. Just Unit

2. Whole Building

13-17

B3c. What utilities are covered in your Monthly rent?
(Check those mentioned)

____ 1. Electricity

____ 2. Water

____ 3. Sewer

____ 4. Fuel Oil

(9-12) ____ 5. Solid Waste (Garbage)

(GO TO B6)
Page 4

B3d. (For buyers) How much is the monthly payment?

AMOUNT: $

18-20

B3e. Does that regular payment include:

	YES	NO
(1) Real Estate taxes on the property?	1	2
(2) Fire and hazard insurance?	1	2
(3) Special Improvement District?	1	2

(GO TO B6)
Page 4

8

B4. (For Mobile Homes) Are you renting your home, are you buying it, do you own it free and clear, or is there some other arrangement?

1. RENTING | 2. BUYING IT | 3. OWN IT (GO TO B5) | 4. OTHER (Describe) _____ _____

9-12

B4a. What is the monthly rent?

AMOUNT:

(GO TO B5)

B4b. How much is the Monthly payment?

AMOUNT: $

13-17

B4c. What utilities are covered in your monthly rent? (Check those mentioned)

18-20

___ 1. Electricity
___ 2. Water
___ 3. Sewer
___ 4. Fuel Oil
___ 5. Solid Waste (Garbage)

B4d. Does that regular payment include:

	YES	NO
(1) Real Estate taxes on the property?	1	2
(2) Fire and hazard insurance?	1	2
(3) Special Improvement District?	1	2

B5. (For Mobile Homes) About the land the home is sitting on, are you renting the space, are you buying it, do you own it free and clear, or is there some other arrangement?

21

1. RENTING | 2. BUYING IT | 3. OWN IT (GO TO B6) | 4. OTHER (Describe) _____ _____ _____ (GO TO B6)

22

B5a. Is the (rent) (payment) for the land included in the monthly payment you just gave me for the home?

1. YES (GO TO B6) | 2. NO

23-26

B5b. What is the cost of the additional (Payment/rent) for the land?

AMOUNT: $

B6. Now I have some questions about the actual housing unit. . . .
When was the housing structure or building originally built - in what year?
(IF NOT SURE: What's your best guess about the year it was built?)

27-28 YEAR BUILT: _____

B7. And when did your family or household move in - in what year?
(IF NOT SURE: Well, what's your best guess?)

29-30 YEAR MOVED IN: _____

B8. Now I need to know about the kitchen facilities that are solely for use by your household - do you have. . .

		YES	NO
31	(a) a kitchen sink with piped water? . .	1	2
32	(b) a range or cook stove?	1	2
33	(c) and, a refrigerator?	1	2

B9. This next set of questions is about plumbing facilities - do you have hot and cold piped water in your (individual housing unit)?

34 [1. YES] [2. NO]

B10. Do you have a flush toilet in your (individual housing unit)?

35 [1. YES] [2. NO]

B11. What about a bathtub or shower - do you have one of these in your (housing unit)?

36 [1. YES] [2. NO]

B12. Now, thinking about the number of rooms in your (housing unit) - how many rooms are there altogether in your (housing unit)? Do not count bathrooms, open porches, balconies, foyers, halls, half-rooms, laundry or furnace rooms, unfinished attics or basements, other unfinished storage space, and areas like that.

37-38 NUMBER OF ROOMS: _____

B13. How many of these rooms are bedrooms? This would include any rooms used mainly for sleeping even if they are also used for other purposes.

39 NUMBER OF BEDROOMS: _____

B14. And how many bathrooms do you have?

40 NUMBER OF BATHROOMS: _____

B15. What kind of fuel do you use to heat your home - fuel oil, electricity, propane, coal, wood or what?

41 [1. Fuel Oil] [2. Electric] [3. Propane] [4. Coal] [5. Wood]

[6. Other (Describe)_____]

B16. What kind of heating system do you have - central warm air, circulating water, permanent baseboard or wall electric, room heaters, fireplace or stove, or what?

[1. Central air] [2. Circulating water]

42 [3. Built in electric] [4. Room heaters] [5. Fireplace/stove]

[6. Other (Describe)_____]

B17. Does your heating system keep your home warm enough in winter?

43 [1. YES] [2. NO] [3. Don't Know]

INTERVIEWER: Ask B18 first. If R says YES to B18, ask B18a next. (If applicable). Continue through the entire list of 7 items in this manner.

B18. This next set of questions concerns your current housing. Here is a list of conditions which many people experience with their housing. We would like to know which, if any, you have.

	Do you have	NO	YES	IF "YES" IN B18: B18a. Is it so objectionable that you would like to move? NO	YES
44	(1) Overcrowded housing?	1	2	3	4
45	(2) Housing that is too expensive?	1	2	3	4
46	(3) Insufficient hot water?	1	2	3	4
47	(4) Poor insulation?	1	2	3	4
48	(5) Housing that is in run-down condition?	1	2	3	4
49	(6) A need for storm windows?	1	2	3	4
50	(7) A home that is too far from your job, shopping or friends?	1	2	3	4

B19. Overall, how would you rate your present housing as a place to live -- would you say it is excellent, good, fair, or poor? 51

[1. EXCELLENT] [2. GOOD] [3. FAIR] [4. POOR]

B20. Do you know how much insulation you have in your walls and ceilings? 52

[1. YES] [2. NO (GO TO B21]

B20a. How many inches are in your. . .
Walls _____ inches 53-54
Ceiling _____ inches 55-56

Type of insulation: [1. Fiberglass] [2. Foam] [3. Other] 57

B21. During the past two years, have you done any of the following things to your homes to save energy:

68	a. Added insulation	1. YES	2. NO
69	b. Added weatherstripping or caulking	1. YES	2. NO
70	c. Added storm or improved windows	1. YES	2. NO
71	d. Installed a water flow restrictor	1. YES	2. NO
72	e. Installed an automatic thermostat	1. YES	2. NO

B22. To make new buildings more energy efficient, which of the following government actions would you support and which would you oppose:

73	a. Energy education for homebuyers and contractors	1.SUPPORT	2.OPPOSE
74	b. Tax incentives for more energy efficiency	1.SUPPORT	2.OPPOSE
75	c. Energy building standards for new construction	1.SUPPORT	2.OPPOSE
76	d. Low interest loans for energy efficient measures	1.SUPPORT	2.OPPOSE

C1. Within the past six months, have you made any effort to look for other housing -- that is, other than the housing you have now?

67

[1.YES] [2. NO (GO TO C3)]

C2. Why are you looking for other housing -- what is your major reason?

68-69
70-71

_____

_____

C3. What kind of housing structure do you prefer to live in -- a single-family house, a duplex, an apartment building, a townhouse/or condominium, a mobile home, or what?

72

[1. HOUSE] [2. DUPLEX] [3. APARTMENT BUILDING]

[4. TOWNHOUSE/CONDO] [5. MOBILE HOME]

[6. OTHER (Describe):_____]

73 C4. How many bedrooms would you need? [ ]

74 C5. And would you prefer to rent or buy? [1. RENT] [2. BUY]

C6. Given your household's current monthly income, what is the maximum you would be able to pay each month just for your housing unit? This would not include utilities, taxes, or anything like that -- just for the housing unit.

75-77 [AMOUNT:]

1-3
4-(2)
5-b

C7. What about a condominium arrangement, where you would buy a multi-family unit rather than rent it. How would you feel about buying a condominium?

(Why is that? Any particular reason? Anything else?)

6-7
8-9

_____

_____

_____

C8. How would you feel about living in a mobile home in a planned mobile home park? This is an area that is zoned just for mobile homes and has utilities, laundry and recreation facilities, a central meeting room, and some shopping available. What are your feelings about that?

(Why is that? Any particular reason? Anything else?)

10-11
12-13

_____

_____

_____

D1. Now I would like to turn to the topic of economic development. Here is a list of economic and development activities (HAND RESPONDENT SHEETS A1-A2) Please check each one on whether you think it be encouraged or discouraged for the future of the Mat-Su Borough?

D2. As far as the economy of the Valley is concerned over the next two to five years, do you think the future looks pretty good or do you see some problems ahead?

14 [1. PRETTY GOOD (GO TO D3)] [2. PROBLEMS AHEAD] [8. UNDECIDED (GO TO D3)]

D2a. What problems do you see in the Valley's future?

15-16 _____

17-18 _____

D3. On a seven-point scale, with 1 indicating no more development and seven representing a lot more development, where do you place yourself?

19 [ ]

D4. How much influence do "outside" business interests have in Alaska, a great deal, some, or not very much?

20 [1. A Great Deal] [2. Some] [3. Not Very Much] [8. D.K.]

D5. Do you think the influence that "outside" business interests have on Alaska is good or bad for the state or doesn't it make much difference.

21 [1. Good] [2. No Difference] [3. Bad]

D6. Would you support joint ventures between Alaska and out-of-state or international firms if the results meant more income and jobs for Alaskans?

22 [1. YES] [2. NO] [8. Don't Know]

D7. Do you generally favor or oppose incentives to encourage business to come to Alaska?

23 [1. FAVOR] [2. OPPOSE] [8. Don't Know]

The final section deals with you and your household. These questions are important in gaining an understanding of the people in the Mat-Su area, and are for statistical purposes only.

24-26 E1. How long have you lived in the Mat-Su area? ____YEARS ____MONTHS

27 E2. How many times have you moved your residence in the past three years? [ ]

E3. Where did you live before moving to the Mat-Su area? (Last move to area)

28-29 _____

E4. Why did you move to the Mat-Su area? _____

30-31

32-33 _____

E5. How many people, adults and children, are presently living in your household?

34-35 # [ ]

E6. How many of these are 18 years of age or older?

36 [ ]

E7. Now I need to ask some census questions about each adult in the Household. You said there were _____adults, let's begin with yourself.

	R	2	3	4
Are you/ is the person male or female?	1. Male 2. Female	1. Male 2. Female	1. Male 2. Female	1. Male 2. Female
(SKIP FOR RESPONDENT) How is he/she related to you?		1. Spouse 2. Son/Daugh. 3. Other _____ 8. Not related	1. Spouse 2. Son/Daugh. 3. Other _____ 8. Not related	1. Spouse 2. Son/Daugh. 3. Other _____ 8. Not related
(For Respondent use "You") Is he/she presently married, single, divorced, widowed, or what?	1. Married 2. Single 3. Divorced 4. Widowed 5. _____	1. Married 2. Single 3. Divorced 4. Widowed 5. _____	1. Married 2. Single 3. Divorced 4. Widowed 5. _____	1. Married 2. Single 3. Divorced 4. Widowed 5. _____
How old is he/she? (Record number of years)				
how many weeks has he/she been employed in the past twelve months?				
Is he/she presently employed, unemployed, retired, student or homemaker.	1. Employed 2. Unempl. 3. Retired 4. Student 5. Homemaker	1. Employed 2. Unempl. 3. Retired 4. Student 5. Homemaker	1. Employed 2. Unempl. 3. Retired 4. Student 5. Homemaker	1. Employed 2. Unempl. 3. Retired 4. Student 5. Homemaker
(If employed) How many hours does he/she work each week?				
(If employed) Is the job located less than 10 miles from your home, in the Borough, Anchorage, or somewhere else?	1. Local 2. Borough 3. Anchorage 4. Else	1. Local 2. Borough 3. Anchorage 4. Else	1. Local 2. Borough 3. Anchorage 4. Else	1. Local 2. Borough 3. Anchorage 4. Else
(If employed) In which of these categories does his/her primary job fit? (USE EMPLOYER SHEET-B)				
(If employed) In which of these categories does his/her main occupation fit? (USE SHEET-C)				
How many years of school did he/she complete?				
What is his/her race?	1. White 2. Black 3. Native 4. Other	1. White 2. Black 3. Native 4. Other	1. White 2. Black 3. Native 4. Other	1. White 2. Black 3. Native 4. Other

If additional adults go to the next column. ____ ____ ____

E8. How many children 17 years of age or younger are living in your household? 37

E9. Could you please list their ages and sex from youngest to oldest?

	YOUNGEST -							-OLDEST
AGE 38-53								
SEX (M,F) 54-61								

(If Any Are Older Than 12 Years)

E10. Are any employed Full-time or Part-time? 62-63

0. NO 2. # FULL-TIME_____ 3. # PART-TIME_____

E11. Is there anyone in your household who is mentally or physically handicapped? 64

1.YES 2.NO (GO TO E12)

E11a. How many handicapped adults, 18 years of age or older are there in the household? 65

#

E11b. How many handicapped children, 17 years of age or younger are there in the household? 66

#

E12. Last of all, to get an accurate picture of people's financial situations, we need to know the income of all the households we interview -- this would be all the income you (and your family or household) receive in 1979, from all sources, not just from wages, and before any taxes and other deductions.

(HAND RESPONDENT CARD D) Just give me the letter of the correct income category. (IF DON'T KNOW) What is your best estimate of total household income? 67-68

(If any adult in the household is 60 years of age or older skip to E13, otherwise end interview with following.)

Thank you very much for your cooperation. Because we are talking to over 800 Mat-Su residents, we have a verification system to check to see if the interviews were really completed.

I need your first name only and telephone number, but do want to stress the confidential nature of the survey.

FIRST NAME_____ PHONE #_____

IF ANY ADULT IN THE HOUSEHOLD IS OVER 60 YEARS OF AGE, ASK THE FOLLOWING:

E13. Does any of the household's income come from (READ EACH)

69 _____Alaska Longevity Bonus

70 _____Private Pension

71 _____Old Age Assistance

72 _____Social Security

(If Senior Citizen member of household is present ask he/she, otherwise ask non-senior respondent)

E14. If special housing were built for senior citizens in the Borough, would you (your_____) be interested in moving into it?

73 [1. YES] [2. NO]

E15. If senior citizens housing were built in the Borough would you (your_____) want to move into it within the next twelve months?

74 [1. YES] [2. NO]

E16. If you (he/she) could select its location, in what town would you (he/she) prefer to locate the senior citizen housing?

75 _____

(Respondent to E14-E16 is

76 [OVER 60] [UNDER 60])

Thank you very much for your cooperation. Because we are talking to over 800 Mat-Su residents, we have a verification system to check to see if the interviews were really completed.

I need your first name only and telephone number, but do want to stress the confidential nature of the survey.

FIRST NAME_____PHONE#_____

VISUAL ASSESSMENT OF HOUSING CONDITION

1-3
4-(3)
5-b

DESCRIPTIVE INFORMATION

6 Number of stories above basement.

7 Type of foundation [1. Full Basement] [2. Half(Daylight) Basement] [3. No Basement]

8 Type of surface material [1. Masonry] [2. Wood] [3. Metal] [4. Other]

9 Style (Single-Family) [1. 1-Story on Slab or Piling] [2. 1-Story with Basement] [3. Split Level (All types)] [4. Log Cabin] [5. Other Cabin] [8. Other_____]

10 Style (Multi-Family) [1.Row Style Townhouse] [2. Other, Exterior Entrance] [3. Other Interior Entrance]

11 Style (Mobile Home) [1. Single Wide] [2. Double-Wide] [3. Travel]

(Mobile Home) [4 Attached Structure] [5 .No Attached Structure]

12 Plot (Property) [1. Urban (Less than 1 acre)] [2.Rural (No Agriculture)] [3. Agricultural]

13 Vehicle Storage [1. Garage] [2. Carport] [3. None]

EXTERIOR

14	Roof	Sound	Fair	Poor	N/A
15	Outside Walls	Sound	Fair	Poor	N/A
16	Foundations	Sound	Fair	Poor	N/A
17	Doors & Windows	Sound	Fair	Poor	N/A
18	Chimneys	Sound	Fair	Poor	N/A
19	Steps	Sound	Fair	Poor	N/A
20	Porches	Sound	Fair	Poor	N/A
21	General Condition	Sound	Fair	Poor	N/A

INTERIOR

22	General Condition	Good	Fair	Poor	N/A

ASSESSMENT

LOT/PREMISES

23 Landscaping [Good] [Fair] [Poor] [N/A]

24 Driveways/ Walkways [Good] [Fair] [Poor] [N/A]

25 Rubbish Accumulation [None] [Small Items] [Large Items]

26 Refuse Storage [Satisfactory] [Unsatisfactory] [N/A]

27 Race of Respondent [White] [Black] [Native] [Oriental]
[Spanish-American] [Other, specify_____] [Not Sure]

28 Respondent's Sex [Male] [Female]

29 INTERVIEWER'S NAME_____

Date of Interview_____ Length of interview(In minutes)_____

Note any unusual interviewing problems_____

_____

SHEET A1

ECONOMIC AND DEVELOPMENT ACTIVITIES

1. Deep water port at Pt. MacKenzie	1. Discourage	2. Encourage	8. DK
2. Pt. MacKenzie Site Development (Development & utilization of resources for community, commercial, agricultural and industrial complex)	1. Discourage	2. Encourage	8. DK
3. Small business loan support program (funds to support a locally administered industrial, agricultural & commercial loan program)	1. Discourage	2. Encourage	8. DK
4. Recreational Site Development (access turnout to Little Susitna River drainage, facility at Matanuska Glacier, etc.)	1. Discourage	2. Encourage	8. DK
5. Increased Agricultural Development	1. Discourage	2. Encourage	8. DK
6. Expanded Dairy Industry	1. Discourage	2. Encourage	8. DK
7. Red Meat Industry Development	1. Discourage	2. Encourage	8. DK
8. Knik Arm Surface Crossing	1. Discourage	2. Encourage	8. DK
9. Hovercraft and Port Facility to Connect Valleys with Anchorage	1. Discourage	2. Encourage	8. DK
10. Building a New Capital at Willow	1. Discourage	2. Encourage	8. DK
11. Encouragement of Energy Intensive Industries (Aluminum, Cement; Methanol, etc.)	1. Discourage	2. Encourage	8. DK
12. Fishing Industry (Processing and Hatchery Development)	1. Discourage	2. Encourage	8. DK
13. Timber (Wood products, Pulp,etc.)	1. Discourage	2. Encourage	8. DK
14. Light Manufacturing (Such as printing or furniture making)	1. Discourage	2. Encourage	8. DK
15. Government Civilian Services (Federal, State, & Local Offices)	1. Discourage	2. Encourage	8. DK

16. Petrochemical (Oil and Gas) Industries	1. Discourage	2. Encourage	8. DK
17. Refining hard rock minerals (Iron ore, Copper, etc.)	1. Discourage	2. Encourage	8. DK
18. Transport and Storage Facilities	1. Discourage	2. Encourage	8. DK
19. Tourism	1. Discourage	2. Encourage	8. DK
20. Educational and Research Facilities	1. Discourage	2. Encourage	8. DK
21. Retail and Wholesale Businesses	1. Discourage	2. Encourage	8. DK
22. Military Bases	1. Discourage	2. Encourage	8. DK
23. Financial Banking, Real Estate	1. Discourage	2. Encourage	8. DK
24. Medical and Health Facilities	1. Discourage	2. Encourage	8. DK
25. Alternate Energy Demonstration Projects (wind, solar, peat, etc.)	1. Discourage	2. Encourage	8. DK

HOUSEHOLD INCOME

1. Under $3,000
2. $3,000-$4,999
3. $5,000-$7,999
4. $8,000-$9,999
5. $10,000-$11,999
6. $12,000-$14,999
7. $15,000-$19,999
8. $20,000-$24,999
9. $25,000-$29,999
10. $30,000-$39,999
11. $40,000-$49,999
12. $50,000-$59,999
13. $60,000-$69,999
14. $70,000 or More

SHEET B

EMPLOYER-INDUSTRY

1. Agriculture & Commercial fishing
2. Mining (including oil and gas production)
3. Construction
4. Manufacturing (including oil and gas refining)
5. Transportation, communications, utilities (including government utilities)
6. Wholesale trade
7. Retail trade
8. Finance, insurance, and real estate
9. Professional services (including medicine and law)
10. Other services (including hotel, beauty parlor, personal and business services)
11. Education (all levels)
12. Federal government
13. State government (excluding education)
14. Local government (excluding education and utilities)

SHEET C

OCCUPATION

1. Professional, technical workers (Airpilots, engineers, lawyers, teachers)

2. Manager, officials, proprietors (Buyers, state and local officials, floor managers, owners of businesses)

3. Clerical - Office workers and sales workers

4. Craftsmen, foremen (Bakers, carpenters, plumbers, cranemen, roofers, upholsters)

5. Operative workers (Machine operators, truck drivers, meat cutters, food packers, boatmen, taxi drivers)

6. Service workers (Private household, hospital, hotel, restaurant workers, policemen, firemen)

7. Laborers - fishermen, teamsters, service station laborers, warehousemen, longshoremen

8. Farmers & farm managers

9. Armed Forces

10. Not in labor force - (Housewives, students)
Specify_____

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

HB
377

COMMITTEE REPORT

HOUSE

RESOURCES

FURTHER: FINANCE

(7)

Date: 5-18-83

4/22/83

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 377

"An Act relating to Regional Resource Development Authorities; and providing for an effective date."

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

#2 - passed out of committee 5-17-83

Lear 5/18/83

Stop 6

Delete P 5 L 21

Regular

Original sponsor: Resources Committee

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 377 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act financing regional transportation facilities by the Alaska Industrial Development Authority; and providing for an effective date."

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

* Section 1. FINDINGS. In addition to the findings in AS 44.88.010, the legislature finds that:

(1) In most areas of the state, there is a lack of basic transportation and port facilities adequate to permit the development of nonrenewable natural resource enterprises, including mining enterprises.

(2) The development of nonrenewable natural resource enterprises, including mining enterprises, is essential to the long-term economic growth of the state and will directly and indirectly alleviate unemployment in the state.

(3) The achievement of full employment and the establishment and continuing development of nonrenewable natural resource enterprises in the state will be accelerated by authorizing the creation of instrumentalities in the various areas of the state with powers to borrow money to provide for the development of transportation and port facilities, as provided in this chapter.

* Sec. 2. PURPOSE. In addition to the purposes specified in AS 44.88.070, the purpose of the authority is to promote the development of transportation facilities by providing financing for transportation facilities or by owning and operating transportation facilities.

* Sec. 3. POWERS. In addition to the powers conferred on the authority

under AS 44.88.080 and under other law, the authority has the power to

(1) acquire, rent, hold, use, and dispose of real and personal property necessary, useful, or convenient for its purposes;

(2) grant, by franchise, lease or otherwise, the use of any project, facilities or property owned or controlled by it to any person for the consideration and period of time and upon the other terms and conditions it may fix and agree upon;

(3) lease or agree with others to use a project for the rentals and upon the terms and conditions the authority may consider advisable;

(4) charge and collect rents, rates, fees, or other charges for its services and facilities;

(5) issue bonds in accordance with sec. 4(b) of this Act and AS 44.88.090(b) - (f) to pay the cost of a transportation facility and to secure payment of the bonds by any means provided in AS 44.88; and

(6) establish insurance funds, reserve funds, or other funds and accounts with money provided by the sale of bonds or collateral provided by participating businesses, as the authority determines to be appropriate to further the purposes described in this Act.

* Sec. 4. REGIONAL TRANSPORTATION FACILITY DEVELOPMENT FUND. (a) There is established in the authority the regional transportation facility development fund. The fund consists of money or assets appropriated or transferred to the authority for transportation facilities and other money or assets deposited in the fund by the authority. The fund may be used to finance or develop a transportation facility or to secure bonds issued to finance transportation facilities.

(b) If a transportation facility is financed or developed through use of the assets of the regional transportation facility development fund, the authority may not pledge or use other assets of the authority to assist in the financing or development of the transportation facility. With respect

to assets of the authority, bonds issued to finance transportation facilities constitute limited obligations of the authority, secured only by assets in the regional transportation facility development fund. If a transportation facility is also a qualified "project," as defined in AS 44.88.220(5), the limitation described in this section does not impair or restrict in any manner the authority's ability to finance the project under the programs established in AS 44.88.

* Sec. 5. REGIONAL DEVELOPMENT ADVISORY COUNCIL. (a) A Regional Development Advisory Council may be established in each of the six economic regions recognized by the Bureau of Labor Statistics, United States Department of Labor, for the purpose of

(1) conducting hearings on and approving or rejecting proposed transportation facilities, unless proposed to be located wholly within the boundaries of a municipality; and

(2) advising the authority in the development, maintenance, and operation of transportation facilities.

(b) A Regional Development Advisory Council shall be organized in a region only after the authority has received a proposal for the development of a transportation facility within the region.

(c) A Regional Development Advisory Council consists of nine members registered to vote in the region. The governor shall appoint the members to reflect the economic and geographic diversity of the region. Council members serve three-year terms at the pleasure of the governor, except that the initial members may be appointed for less than three years so that the term of one-third of the council expires each year. The governor shall appoint a chairperson who shall call meetings as required and preside over the deliberations of the council. A majority of the council constitutes a quorum for transacting the affairs of the council.

(d) Members of a Regional Development Advisory Council receive no

compensation for their services on the council, but are entitled to per diem and travel expenses authorized by law for state boards and commissions under AS 39.20.180.

* Sec. 6. APPROVAL AND FINDINGS REGARDING TRANSPORTATION FACILITIES. (a) Before entering into an agreement with respect to the financing or development of a proposed transportation facility the authority shall obtain the approval of each Regional Development Advisory Council in which the proposed transportation facility is to be located, unless the proposed transportation facility is to be located wholly within the boundaries of a municipality, in which case the council shall obtain the approval of the municipality. Approval under this subsection shall be evidenced by a certified copy of a resolution of the council or governing body of the municipality.

(b) Before issuing bonds to provide financing for a transportation facility the authority shall obtain approval under (a) of this section and find, on the basis of all information reasonably available to it, that

(1) the transportation facility and its development under this chapter will be economically advantageous to the state and the general public welfare and will contribute to the economic growth of the state;

(2) the transportation facility applicant is financially responsible;

(3) the transportation facility is financially feasible and able to produce revenue adequate to repay the bonds with which it is financed;

(4) provision to meet increased demand on public facilities that might result from the transportation facility is reasonably assured;

(5) the transportation facility will provide or retain employment reasonably related to the amount of the financing by the authority considering the amount of investment per employee for comparable facilities and other relevant factors; and

(6) the scope of the transportation facility is sufficient to provide a reasonable expectation of a benefit to the economy of the state.

* Sec. 7. HEARING TO CONSIDER PROPOSED TRANSPORTATION FACILITY. Before considering a resolution regarding the approval or rejection of the development or financing of a proposed transportation facility, a Regional Development Advisory Council shall conduct a public hearing in at least three different locations within the region or, if applicable under sec. 6(a) of this Act, the governing body of a municipality shall conduct a hearing.

* Sec. 8. APPOINTMENT OF TWO AUTHORITY MEMBERS TO REPRESENT COUNCIL OR GOVERNING BODY. (a) If the development or financing of the proposed transportation facility is approved, the Regional Development Advisory Council or governing body of a municipality, as the case may be, may designate two persons to serve as voting members of the authority in connection with subsequent action by the authority that exclusively concerns the transportation facility. If the transportation facility is located in the jurisdiction of more than one council, the authority may, by resolution, prescribe the manner in which local representation is provided.

(b) The two members designated under (a) of this section are subject to the provisions of AS 44.88.180, except that they may vote on a decision even though they may be regular shareholders of a native corporation affected by the decision. However, they may not vote on the decision if they are officers or employees of the native corporation.

* Sec. 9. DEVELOPMENT, MAINTENANCE, AND OPERATION OF TRANSPORTATION FACILITIES. The authority must obtain approval of the Regional Development Advisory Council or governing body of a municipality, as the case may be, in which the transportation facility is located before the adoption or execution of contracts, agreements, resolutions, or other matters that directly concern the development, maintenance, and operation of the

transportation facility.

* Sec. 10. EQUAL USE AND ACCESS. If the authority owns, leases, or otherwise operates or controls, or participates in the financing of a transportation facility, the authority shall, to the maximum extent possible, provide for equal rights of access to and use of the facility by members of the public and other persons or entities, and the access to and use of the facility shall be upon terms and conditions which are fair and reasonable. However, this section does not prevent the authority from establishing fair and reasonable limitations on use of or access to a facility to the extent the limitations are necessary in connection with the nature of the facility or the demand for use of or access to the facility. This section applies to the establishment of rates and rate structures as well as all other factors, terms and conditions relating to the use of or access to the facility, including without limitation the design and location of the facility. The members of the authority shall make a written finding concerning compliance of the facility with the provisions of this section.

* Sec. 11. DEFINITIONS. In this Act, unless the context requires otherwise,

(1) "authority" means the Alaska Industrial Development Authority;

(2) "transportation facilities" or "facilities" means harbor, port, shipping and transportation facilities of all kinds, including without limitation harbors, channels, turning basins, anchorage areas, jetties, breakwaters, waterways, canals, locks, tidal basins, wharves, docks, piers, slips, bulkheads, public landings, warehouses, terminals, refrigerating and cold storage plants, rolling stock, car ferries, tugs, boats, conveyors, tunnels, bridges, highways, roads and railroads, and appliances of all kinds for the handling, storage, inspection and transportation of freight

and natural resource products; it also includes without limitation all property, rights, easements and franchises relating to a facility and necessary or convenient for the acquisition, construction or operation of the facility.

* Sec. 12. EFFECTIVE PERIOD. The powers described in this Act to finance or develop a transportation facility expire on December 31, 1985. Nothing in this section modifies the provisions of this Act with regard to transportation facilities approved, financed, and developed under this Act before December 31, 1985.

* Sec. 13. This Act takes effect immediately in accordance with AS 01.-10.070(c).

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHR 377 (LOANS)
Title: " Financing Regional Trans. Fac...
Sponsor: Comm & Reg. Affairs Committee
Requestor:

II. FISCAL DETAIL

Agency Affected: Commerce & Econ. Develop.
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Administrative Services

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	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: James F. Wiedeman Phone: 465-2018
Division: Office of Commissioner Date:

Approved by Commissioner: Richard A. Lyon Frank Whitelaw/for Date: 5/27/83
Department: Commerce & Economic Development

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
Copy to Requestor (if different from Sponsor)

3/8/83

CSHB 377 (LOANS)
Fiscal Note Analysis 5/27/83

Language in Section 5(b) of this committee substitute ties the establishment of a Regional Development Advisory Council to the Submission of a transportation facility proposal to AIDA. Costs incurred by the Council would be charged back to the project. If that language is deleted, and regional councils are established regardless of proposed projects, there would be fiscal impact to the department as indicated in the fiscal note dated 5/9/83.

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

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: May 15, 1983

RE: CSHB 377: Proposed Amendments

The attached amendments to CSHB 377 have been requested by representatives of the Alaska Environmental Lobby. The proposals have been numbered for the purpose of easy reference.

Proposed Amendments to CS for House Bill No. 377 (C&RA)
May 14, 1983

1/ Page 2, line 14-17
Change language to read "(6) establish insurance funds, reserve funds, or other funds and accounts with monies provided by the sale of bonds or collateral provided by participating businesses, as the Authority determines to be appropriate to further the purposes described in this Act."

Comment: The current version makes reference to capital reserve funds. In the existing AIDA statutues (AS 44.88.105), capital reserve funds are set up to imply the moral obligation of the state to repay Industrial Development Bonds if project revenues are insufficient to cover them. The state, as a practical matter, is at risk for any tax exempt bonds it issues, but the "moral obligation" phrase increases the risk.

The intent of the amendment is to retain the use of insurance funds and reserve funds, which protect the state from risk, but to have those funds filled with private monies, not state monies. They would also serve to reduce interest rates.

2/ page 3, line 16,17
Change language to read "A Regional Development Advisory Council consists of nine members who are registered to vote in the Advisory Council Region. They will be appointed by the Governor to reflect the economic and geographic diversity of the region."

Comment: The present language does not insure local representation. These changes would encourage the Governor to see that local interests are represented.

3/ page 4, line 16
Add a new point after (2) "The proposed project is financially feasible and able to produce revenues adequate to repay the bonds with which it is financed"

Comment: At present, the findings of AIDA required before bonds are sold do not include a specific examination of the viability of the project which is to be financed.

4/ page 5, line 4 and 5
change to "may designate two persons to serve as voting members of the authority in connection with subsequent action by the authority that concern the transportation facility exclusively"

Comment: "voting" and "exclusively" are added to make the role of the two members more clear. The tow added members would not be able to vote on issues that affect transportation facilities state wide.

5/ page 5, line 5
Add a new line or lines that states that the two designated members of the authority are subject to the AIDA conflict of interest law (AS 44.88.180) except that they may be regular shareholders of a native corporation that is affected by an AIDA decision and still vote on that decision. However, they may not be employees or officers of the native corporation and vote.

Comment: As the CS is currently written, most people in the NANA region could not serve as voting Authority members on the Red Dog Mine Proposal, since NANA is in a joint venture on the projects, and most residents are shareholders of NANA.. The legal aspect of this modification needs to be checked--I do not know how specifically the statutes can exclude somebody from conflict of interest requirements.

6/ page 5, line 15.
Add "A public hearing on any issue requiring approval of the Regional Development Advisory Council must be held at the request of 5 or or more residents."

Comments: The intent is to provide public hearings on the development, maintenance and operation of the transportation facility, if there is a need for them. In the present CS, they are not provided for.

7/ Page 3, line 15. (OUT OF ORDER)
Add "Advisory Councils will be formed only after transportation facilities have been proposed to AIDA for that region."

Comments: The administration has suggested that these councils could serve purposes other than evaluating AIDA transportation facility programs, but they have not been listed in this legislation. Since, at present, councils serve no purpose until proposals are made, their formation need not be immediate.

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Comments: The administration has suggested that these councils could serve purposes other than evaluating AIDA transportation facility programs, but they have not been listed in this legislation. Since, at present, councils serve no purpose until proposals are made, their formation need not be immediate.

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

GREATER SITKA
Chamber of Commerce, Inc.

May 13, 1983

Testimony for Public Hearing by House Committee on Community and Regional Affairs

Monday, May 16, 1983 3:15 P.M.

The Greater Sitka Chamber of Commerce wishes to be on record in support of HB 377 and SB 151 relating to Regional Resource Development Authorities. We believe that both of these bills are in the best interest of the Alaskan economy which cannot afford to be dependent upon a single resource.

Greater Sitka Chamber of Com
Board of Directors

POST OFFICE BOX 638 • SITKA, ALASKA 99835

Rep. Sacher

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

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 377 (C&RA)
Title: "... Financing Regional Trans. Fac..."
Sponsor: Comm. & Reg. Affairs Committee
Requestor:

II. FISCAL DETAIL

Agency Affected: Commerce & Econ. Develop.
Program Category Affected: Public Protection
BRU, Program of Subprogram(s) Affected:
Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	70.1	73.6	77.3	81.2		
200 TRAVEL	91.8	96.4	101.2	106.3		
300 CONTRACTUAL	9.5	10.0	10.5	10.0		
400 COMMODITIES	7.8	8.2	8.6	9.0		
500 EQUIPMENT	7.0	.5	.5	.5		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	186.2	188.7	198.1	208.0		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	186.2	188.7	198.1	208.0		
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: James F. Wiedeman Phone: 465-2018
Division: Office of Commissioner Date:

Approved by Commissioner: Richard A. Lyon Date: 5/9/83
Department: Commerce & Economic Development

Distribution:
Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
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Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

CSHB 377 (C&RA) ANALYSIS

It is assumed that each Regional Development Advisory Council will meet once each year. Inflation is assumed to be 5% per year.

100	PERSONAL SERVICES			70.1
	Six councils will require two new positions to provide administrative and program support			
	Development Specialist I		44.4	
	Clerk III		25.7	
200	TRAVEL			91.8
	Travel for staff		18.9	
	Development Specialist I	13.2		
	Clerk III	5.7		
	Council travel and per diem		72.9	
300	CONTRACTUAL			9.5
	Telephone, telegraph, computers, copying, printing, etc.			
400	COMMODITIES			7.8
	Paper, meeting materials, etc.			
500	EQUIPMENT			7.0
	First year costs			
	Equip new positions	3.3		
	Recording equipment	2.5		
	Other	1.2		

1.	POSITION TITLE: Clerk III			RANGE/STEP: 8A	BARG. UNIT: Gen.	FORM 12 PAGE/LINE	COV	APPROV.	DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION						

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	17,844	
6.	Benefits	2,766	
7.	Supplemental Benefits	2,240	
8.	Fixed Benefits	2,980	
9.	TOTAL PERSONAL SERVICES	01	25,730
10.	Travel	02	5,700
11.	Contractual	03	1,250
12.	Commodities	04	900
13.	Equipment	05	1,650
14.	Other		
15.	TOTAL COST		35,230

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	35.2
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will assist the Development Specialist I in support of the six "Regional Development Advisory Councils." The position will be responsible for coordinating and handling all travel arrangements for council functions, per diem claims, correspondence, organizing and supervising recording of meetings and minutes, and other similar work as required.

13 REQUEST FOR NEW POSITION

AGENCY COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM

BRU

COMPONENT

Page of

Revised Date

FY 84

01-1136 (7/82) - 13

1.	POSITION TITLE: Development Specialist I			RANGE/STEP: 18A	BARG. UNIT: Gen	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION							

4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	33,984	
6.	Benefits	5,267	
7.	Supplemental Benefits	2,240	
8.	Fixed Benefits	2,880	
9.	TOTAL PERSONAL SERVICES	01	44,371
10.	Travel	02	13,210
11.	Contractual	03	1,250
12.	Commodities	04	500
13.	Equipment	05	1,650
14.	Other		
15.	TOTAL COST		60,981

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	61.0
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will function as the Executive Secretary to the 6 "Regional Development Advisory Councils". The encumbent will serve also as a consultant to the Councils and as the liaison between the Councils, the State and the private sector. This position will be responsible for organizing and assisting the managing of the various council meetings; will prepare or have prepared ecomonic and economic development information and data, development and feasibility studies and reports; and all other material required by the Councils.

13 REQUEST FOR NEW POSITION

AGENCY: Dept. of Commerce and Economic Development

PROGRAM: _____

BRU: _____

COMPONENT: _____

Page _____ of _____

Revised Date _____

FY 84

01-1136 (7/82) - 13

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 377 (C&RA)
Title: Regional Transportation Facilities
Sponsor: House Community & Regional Affairs
Requestor:

II. FISCAL DETAIL

Agency Affected: Commerce & Econ. Develop.
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected:
Alaska Industrial Development Authority

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	*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:

*Any costs, such as travel, incurred by AIDA for specific projects will be charged back to those projects.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Bertram Wagnon, Executive Director Phone: 274-1551
Division: Alaska Industrial Development Authority Date:

Approved by Commissioner: Richard A. Lyon Date: 5/9/83
Department: Commerce and Economic Development

Distribution:
Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
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3/8/83

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

M E M O R A N D U M

TO: HOUSE SPEAKER JOE HAYES

FROM: REPRESENTATIVE BARBARA LACHER

DATE: May 4, 1983

SUBJECT: HB 377 Memorandum

I received a memo from your office today requesting that I move HB 377 out of the C&RA Committee. First the Administration has formally requested that I hold the bill in committee until this Friday as they have materials they are working on that are relevant to the bill. Secondly, there is testimony that has yet to be heard in relation to this bill. Finally, the Senate companion bill passed out of the Senate today and will be coming into the House C&RA Committee in the near future.

ALASKA

STATE LEGISLATURE

MAY 4, 1983

MEMORANDUM

TO: REP. BARBARA LACHER

FROM: JOE HAYES

BARBARA,

I'D REALLY APPRECIATE YOUR TAKING A HARD LOOK AT MOVING HB 377 OUT THIS AFTERNOON IF AT ALL POSSIBLE. I'M ANXIOUS FOR IT TO HAVE A THOROUGH HEARING IN RESOURCES BEFORE EVERYTHING STARTS TO GET URGENT AROUND HERE.

PLEASE ASK SOMEONE TO GIVE MY OFFICE A RING AFTER YOUR MEETING TO LET US KNOW WHETHER YOU'VE MOVED IT AND/OR WHEN YOU MIGHT BE ABLE TO DO SO.

THANKS,

STATE OF ALASKA
FISCAL NOTE

Revision Date . 983

I. REQUEST

Bill/Resolution No.: HB 377
Title: Relating to RRDA's
Sponsor: House C&RA
Requestor: House C&RA

II. FISCAL DETAIL

Agency Affected: Office of the Governo
Program Category Affected: Exec Operatio
BRU, Program or Subprogram(s) Affected:
Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS ETC						
TOTAL OPERATING	-0-	20.6	10.4	11.0	-0-	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	20.6	10.4	11.0	-0-	
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: Dana C. Coffman, Deputy Director
Phone: 586-6181
Division: Division of Elections
Date: May 3, 1983

Approved by Commissioner:
Date: 5/4/83
Department:

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
Copy to Requestor (if different from Sponsor)

3/8/83

HOUSE BILL 377

ASSUMPTIONS:

1. An election will be held in one REAA area creating one Regional Resource Development Authority. If the election does not take place at the same time as a regularly scheduled REAA election, there will be a fiscal impact.

2. The above question passes and an election of the initial five member board take place not less than 60 nor more than 90 days after the order of election. There will be a fiscal impact.

3. Subsequent election of members, after the initial members' terms have expired, takes place at the same date as a regularly scheduled REAA election. Only the Contractual Services category will be affected and is figured at 6% inflation.

4. This analysis is computed for an election of an RRDA and board members for one REAA area. If there should be elections in all 21 REAA areas, multiply $20.6 x 21 to compute the fiscal impact. (432.6)

GCO Minerals Company

MAY 0 7 1983

1031 WEST 4TH AVE SUITE 300
ANCHORAGE ALASKA 99501
907/274-9541
TLX 26-666
P.O. BOX 4258
HOUSTON TEXAS 77210
713/651-9261
TWX 910-881-2778

May 2, 1983

Ms. Barbara Lacher
Chairperson
House Community and Regional Affairs Committee
Alaska House of Representatives
Juneau, Alaska 99801

RE: House Bill 377
Regional Resource
Development Authorities

Dear Ms. Lacher:

This letter is to express GCO Minerals Company's interest in and support for House Bill 377. GCO Minerals Company, a wholly owned subsidiary of International Paper Company, has been involved in exploration and development of hardrock mineral resources in Alaska since the late 1960's. Since the late 1970's GCO Minerals Company, along with various partners, has been directly involved in efforts to develop our interests in an asbestos deposit in east-central Alaska and a lead-zinc-silver deposit in northwestern Alaska. Both of these deposits represent significant mineral resources which should be developed.

GCO Minerals Company, along with many others, has seen much of our effort to develop potential resources in Alaska stymied by the lack of existing transportation facilities and the high cost of construction of these facilities. The ability to construct these facilities using tax exempt bonds would greatly facilitate the development of the mineral wealth of the state and insure that Alaska's mineral resources can economically compete on world markets. House Bill 377 is a significant step in this direction.

In GCO Minerals Company's consideration of this legislation, we have worked closely with Nana Regional Corporation, Cominco Alaska, Inc. and others to insure that the legislation provides fair and reasonable access to facilities on an equal basis to any potential user. This important aspect of the legislation has

been addressed throughout the bill, but specifically in Section 130. This section should insure that the state, local regions and potential users derive maximum benefit from the legislation.

GCO Minerals Company strongly supports the concept and implementation of House Bill 377.

Very truly yours,

GCO MINERALS COMPANY

Joe M. Britton
Alaska District Manager

JMB:slg

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

M E M O R A N D U M

TO: ATTORNEY GENERAL NORMAN GORSUCH

FROM: REPRESENTATIVE BARBARA LACHER

SUBJECT: HB 377, SB 151; Relating to establishment of Regional Resource Development Authorities.

DATE: April 28, 1983

The attached correspondence echos my concerns on Hb 377 which is scheduled for first hearing in the House Community and Regional Affairs Committe on May 4, 1983. While the author of the attached material was referring to SB 150, and certain revisions have been made in HB 377, the following question persists:

1) Is the establishment and proposed activities of Regional Resource Development Authorities, as implemented in HB 377, within the authority of the State Constitution?

I realize that I am requesting a response in an unusually limited time frame and only do so because of the importance of this issue.

Matanuska-Susitna Borough

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

DEPARTMENT OF ADMINISTRATION

April 26, 1983

APR 28 1983

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

Dear Barbara:

Steve Morrissett, our Borough Attorney, is concerned that Senate Bill 151 would undermine the system of borough and city local governments as established by the Alaska Constitution.

His analysis is attached.

Sincerely,

Gary Thurlow
Borough Manager

er

Attachment

cc: Steven H. Morrissett, Borough Attorney

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

April 22, 1983

MEMORANDUM

To: Gary Thurlow, Borough Manager

From: Steven H. Morrissett, Borough Attorney

Subject: SB 151: REGIONAL RESOURCE DEVELOPMENT AUTHORITY BILL

The bill was introduced April 6, 1983, by Kerttula, Farenkamp, Ferguson and Paul Fisher which is intended to create "regional resource development authorities". The boundaries of any authorities created would be the regional education attendance areas for school districts. The authorities would operate as public corporations.

The control of a resource development authority would be through a board of governors. Three of the members would be appointed by the Governor. Five of the members would be elected pursuant to the Alaska Election Code. Candidates would be nominated by a petition signed by 20 voters in the area. Elections would be held on the first Tuesday of October, the same time as municipal elections. Terms for board members would be two years.

My first concern is that the bill appears to establish the authorities as "political subdivisions" at least for issuance of bonds and tax exempt status. I think it is likely that this conflicts with the State Constitution. Article 10, Section 1 provides "the purpose of this article is to provide for maximum local self-government with a minimum of local government units..." Article 10, Section 2 provides "all local government powers shall be vested in boroughs and cities." It is my opinion that creation of a "political subdivision" which is not a city or borough under the appropriate statutes would probably violate the Alaska Constitution.

The practical effect of this potential conflict is that an authority which was created very well may find its bonds to be unsaleable. Since I have no particular expertise in the area of municipal bonds, it would be best to request the advice of knowledgable bond counsel. However, it is my understanding that a legal question striking at the validity of a corporation which issues bonds would similarly effect the validity of those bonds.

A second problem with this bill is that it creates a direct competition with the Borough's responsibility and powers

to develop transportation systems (MSB 2.04.167, AS 29.48.030(a)(12)), powers to develop harbors, wharves and marine facilities (MSB 2.04.150) and powers to promote economic development through the other borough powers. A parallel local government authority exercising "resource development" responsibilities may find itself in direct competition with the Borough for bond sales, economic development programs and other areas where there may be duplicate responsibilities.

A third problem is that the real and personal property of the authority would be exempt from taxation as "property of a political subdivision of the state". Again, there appears to be a conflict with the Alaska Constitution, because the authority is neither a city nor a borough and is not controlled by a city or a borough. The bill attempts to create a tax exemption by declaring the authority to be a "political subdivision" rather than a state agency.

I believe that this bill deserves comment by this Borough, other municipalities and the Alaska Municipal League.

Steven H. Morrissett
Borough Attorney

er

Matanuska-Susitna Borough

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

DEPARTMENT OF ADMINISTRATION

April 26, 1983

APR 28 1983

The Honorable Barbara Lacher
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Sincerely,

Gary Thurlow
Borough Manager

er

Attachment

cc: Steven H. Morrissett, Borough Attorney

CORRECTED VERSION

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

May 3, 1983

Honorable Arliss Sturgulewski
Alaska Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: CSSB 151
Our file no.: 366-575-83

Dear Senator Sturgulewski:

This letter responds to your inquiry regarding the establishment of regional resource development authorities (authorities) under CSSB 151.

The proposed establishment of up to 21 authorities in the unorganized borough, each with authority to issue bonds to finance the development of regional transportation facilities, raises a myriad of complex policy and legal concerns. Resolution of the difficult policy considerations has been actively pursued through the several committee hearings, and has resulted in the adoption of numerous amendments, many of which relate to your concerns regarding the propriety of more extensive executive oversight of the formation and bonding activities of an authority.

Resolution of the legal questions is no less difficult. The legal questions addressed in this letter are quite novel, and cannot be answered with any degree of certainty. Indeed, this letter can perhaps be more accurately described as identifying the relevant legal concerns rather than offering a legal analysis and result. In substantial part, the legal uncertainty reflects the curious endowment of each authority with attributes of both a political subdivision and a state agency. While the difficulty in assigning a label may not be significant in itself, the cumulative lack of legal certainty may itself implicate separate policy considerations.

With the foregoing qualification in mind, it is our view (1) that an authority is a permissible limited purpose political subdivision of the state, (2) that the state has no

legal liability in the event that an authority defaults on its debts, and (3) that the proposed provisions for succession to a subsequently established local government are adequate. We explain our conclusion below.

1. Is establishment of an authority permissible under art. X of the Alaska Constitution?

The bill proposes the establishment of authorities across the unorganized borough in areas contermnious with the existing boundaries of Rural Education Attendance Areas (REAAs). Though limited in other respects, an authority would have broad, if not plenary power with respect to the financing of a transportation facility within its jurisdiction. Article X, section 2 of the Alaska Constitution provides, however, that "[a]ll local government power shall be vested in boroughs and cities." Since, of course, an authority is neither a borough or a city, it is arguable that their establishment is contrary to the constitutional provision.

Testifying in support of the legislation, representatives of the NANA Development Corporation suggested that an authority does not possess the requisite "local government power" to be subject to the article X prohibition. The argument posits a distinction, at least with respect to the applicability of article X, between governmental and proprietary functions of local governmental entities.

Though the proffered argument is plausible, we have substantial reservations whether a court would similarly conclude that the proposed authorities are beyond the scope of article X. It is first arguable that the powers of an authority are governmental, not proprietary. The determination of whether a function is governmental or proprietary is "often a difficult question to answer." 5 E. McQuillin, The Law of Municipal Corporations 10.05, at p. 743 (1979). Among other considerations, the extent to which a function is traditionally engaged in by local government is entitled to substantial weight. Id. Under present law, the power to provide for facilities proposed for financing by an authority is one traditionally accorded to municipalities in Alaska, suggesting that the power of an authority to provide for transportation facilities is a local government power. See AS 29.48.030(a)(3), (8) and (12). In the same vein, AS 29.58 authorizes municipalities to issue revenue bonds to finance the

development of capital projects, again suggesting that the financing powers of an authority parallel the traditional powers of local governments in Alaska. More fundamentally, our research discloses no case authority or historical documentation to suggest that the constitutional framers intended to limit the scope of the art. X prohibitions in the suggested fashion. To the contrary, the desire to avoid the proliferation of local governmental units explicitly articulated in sec. 1 would appear to be as salient regardless of whether an entity is exercising what may be labeled proprietary rather than governmental functions. And, the explicit exception in art. IX, sec. 11 relating to revenue bonds issued by a public corporation established by a political subdivision further suggests that in other instances where a political subdivision acts in what may be regarded as a proprietary capacity, it remains subject to constitutional limitation.

That an authority is within the ambit of art. X does not, however, necessarily lead to the conclusion that their establishment is unconstitutional. Section 5 of art. X authorized the assembly of an organized borough to create service areas for the provision of special services not common to the entire borough. Article X, sec. 6 authorizes the establishment of comparable service areas in the unorganized borough:

> The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

In our view, the legislature may establish regional resource development authorities in its role as the assembly for the unorganized borough. The resultant authorities serve a limited purpose -- the promotion and financing of transportation facilities in a specific area of the unorganized borough. And, since the unorganized borough itself a political subdivision of the state, Walters v. Cease, 388 P.2d 263, 264 n.1 (Alaska 1964), a constituent part of the unorganized borough must as well be a political subdivision. See generally 1977 Op. Att'y Gen. No. 15 (March 26) (REAAs are limited purpose political subdivisions).

We do recognize that an authority has certain attributes of a state agency. See e.g., Alaska State Operated School System v. Muller, 536 P.2d 99 (Alaska 1975). The governor must certify the need for establishment of an authority. The

governor is futher authorized to appoint three of the eight board members from among the principal heads of executive departments. And, the state bond committee, comprised of the commissioners of commerce, revenue and administration (AS 37.15.010) is accorded oversight responsiblities.

On balance, however, we conclude that organization through local election in addition to the numerous other provisions establishing a modicum of local autonomy are more determinative of the characterization of an authority. If, in the unlikely event that a court were to conclude otherwise, the failure to place the authories within an executive branch department would be problematic. Alaska Const. art. III, sec. 22.

2. It there any potential for the state to be liable in the exteit than an authority is unable to satisfy its debts?

Assuming that a regional resource development authority constitutes a permissible political subdivision of the state, you ask if that relationship imposes any possible legal obligation for the state to satisfy debt service obligations in the event that the assets of an authority prove inadequate. As a general proposition, the state has no legal obligation to guarantee satisfaction of debt service obligations on bonds issued by a political subdivision of the state. See Kenai Peninsula Borough v. State, 532 P.2d 1019, (Alaska 1975); cf. Walker v. Alaska State Mortgage Association, 416 P.wd 245 (Alaska 1966); DeArmond v. Alaska State Development Corp., 376 P.2d 717 (Alaska 1962). While SB 151 purports to immunize the state from any potential liability, sec. 30.13.090(b), we caution that it is arguable that in certain instances the legislature may have a constitutional obligation to preserve the ability of an authority to maintain its operation of a transportation facility. That argument derives from the requirement in art. X, sec. 6 for the legislature to "provide for the performance of services it deems necessary or advisable in unorganized boroughs."

Under the authority of article X, sec. 6, we have previously advised the legislature that it "may well have an obligation to satisfy judgments against REAA's." Inf. Att'y Gen. Op. (April 22, 1982; J66-668-81). It is our estimation that whatever the legal obligation for the state to satisfy the debts of an REAA, it is a tenuous proposition at best to extend that analysis to impose a requirement for the state to satisfy bond obligations of an authority. First, the provision of education in the unorganized borough is mandated under article VII of the

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

April 22, 1983

MEMORANDUM

To: Gary Thurlow, Borough Manager

From: Steven H. Morrissett, Borough Attorney

Subject: SB 151: REGIONAL RESOURCE DEVELOPMENT AUTHORITY BILL

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I believe that this bill deserves comment by this Borough, other municipalities and the Alaska Municipal League.

Steven H. Morrissett
Borough Attorney

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GCO Minerals Company

1031 WEST 4TH AVE. SUITE 300
ANCHORAGE ALASKA 99501
907 274-9541
TLX 26-666
P.O. BOX 4258
HOUSTON TEXAS 77210
713 651-9261
TWX 910-881-2778

May 2, 1983

Ms. Barbara Lacher
Chairperson
House Community and Regional Affairs Committee
Alaska House of Representatives
Juneau, Alaska 99801

RE: House Bill 377
Regional Resource
Development Authorities

Dear Ms. Lacher:

This letter is to express GCO Minerals Company's interest in and support for House Bill 377. GCO Minerals Company, a wholly owned subsidiary of International Paper Company, has been involved in exploration and development of hardrock mineral resources in Alaska since the late 1960's. Since the late 1970's GCO Minerals Company, along with various partners, has been directly involved in efforts to develop our interests in an asbestos deposit in east-central Alaska and a lead-zinc-silver deposit in northwestern Alaska. Both of these deposits represent significant mineral resources which should be developed.

GCO Minerals Company, along with many others, has seen much of our effort to develop potential resources in Alaska stymied by the lack of existing transportation facilities and the high cost of construction of these facilities. The ability to construct these facilities using tax exempt bonds would greatly facilitate the development of the mineral wealth of the state and insure that Alaska's mineral resources can economically compete on world markets. House Bill 377 is a significant step in this direction.

In GCO Minerals Company's consideration of this legislation, we have worked closely with Nana Regional Corporation, Cominco Alaska, Inc. and others to insure that the legislation provides fair and reasonable access to facilities on an equal basis to any potential user. This important aspect of the legislation has

been addressed throughout the bill, but specifically in Section 130. This section should insure that the state, local regions and potential users derive maximum benefit from the legislation.

GCO Minerals Company strongly supports the concept and implementation of House Bill 377.

Very truly yours,

GCO MINERALS COMPANY

Joe M. Britton
Alaska District Manager

JMB:slg

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 26th, 1983

RE: House Bill 377

HB 377 is a companion bill to SB 151. The legislation establishes a mechanism for the creation of a Regional Resource Development Authority (RRDA). The purpose of an RRDA is the improvement, establishment, and development of facilities in its district for transportation purposes in connection with natural resource enterprises.

The legislation provides for the RRDA to issue bonds and to deposit or invest funds, and, to enter into contracts with public or private entities. Neither the members of an RRDA nor the persons executing the bonds are personally liable on bonds of the authority. Language is included providing that bonds issued by an RRDA do not become an indebtedness of the state or local subdivision.

The real and personal property of an RRDA, assets, and income are exempt from all taxes and special assessments of the state and political subdivisions. The RRDA is not subject to the jurisdiction of the Alaska Transportation Commission.

RREA's are to be established only in the unorganized borough. The boundaries will be the same as the Rural Education Area Authority in which the RRDA is located. Upon municipal incorporation of the geographical area in which the RRDA is located, the RRDA will become integrated into the newly formed borough or home rule municipality. The newly formed borough or municipality may not levy taxes to pay the indebtness of an RRDA that is absorbed by the local government.

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 25, 1983

SUBJECT: Regional resource development authorities (HB 377)

TO: Represenative Barbara Lacher

FROM: James H. Lear
Legislative Counsel

You have requested our office to provide a sectional analysis of HB 377 which is an Act relating to Regional Resource Development Authorities. We offer the following information.

Section 1. Legislative findings and policy are set forth with emphasis on the need for the creation of instrumentalities in the various areas of the state with powers to borrow money to provide for the development of transportation and port facilities to encourage the development of natural resource enterprises, including mining enterprises, essential to the long-term economic growth of the state.

Section 2. This section amends AS 30 by adding a new chapter 13 pertaining to regional resource development authorities.

Sec. 30.13.010 addresses creation of an authority. An authority may only be created by the residents within the boundaries of a regional educational attendance area by petition filed with the Department of Community and Regional Affairs and a supporting statement submitted to the governor outlining the purposes and projects contemplated. If the governor determines that the goals and potential projects of the proposed authority would not be advantageous to the economic growth of the region and the state, the petition may not be submitted to the voters. However, if the governor makes affirmative findings as to the purposes and potential projects of the proposed authority or fails to submit his findings to the director of elections within 90 days, the director of elections must order an election in the area of the proposed authority if the petition is in proper form.

The election for the creation of an authority must be held between 30 and 120 days after the date of the election order. If creation of an authority is approved, another election is held to choose the five initially elected members of the board of governors of the authority. The initially elected members of the board of governors serve staggered terms ranging from approximately one to three years. The director of elections supervises both elections in the general manner prescribed by AS 15 and the state bears the costs of the elections. Election materials are filed with the director of elections and the date of that filing constitutes the date of creation of an authority for all legal purposes.

Sec. 30.13.020 provides for a board of governors consisting of eight members, five of whom are elected and three of whom are appointed by the governor. The term of a regularly elected member is two years. The three members appointed by the governor must be heads of principal departments of the executive branch. The members of the board of governors elect a chairperson and a vice chairperson from among its members and a majority of the members of the board at a meeting at which a quorum is present may transact business. The board of governors may delegate powers and duties that it considers proper and may appoint officers and employ professionals and employees it considers advisable.

Subsection (e) addresses conflicts of interests that may arise when the board of governors votes on agreements to be entered into by the authority. A member may not vote if the member is a party to the agreement or has a direct ownership or equity interest, beneficially or of record, exceeding one percent in, or is employed by, a firm, partnership, corporation or association that is a party to the agreement.

Sec. 30.13.030 sets forth the purpose of an authority as being the improvement, establishment, and development of facilities in its district for transportation purposes in connection with natural resource enterprises. The purpose may be accomplished either directly or by agreement with any public or private entity or person.

Sec. 30.13.040 designates the powers of an authority. The enumerated powers are similar to those granted by statute to public corporations. The more remarkable provisions are those authorizing the authority to issue bonds and to deposit or invest its funds, subject to agreements with bondholders, and those provisions authorizing the authority to enter into

contracts or other transactions with public or private entities or persons consistent with the exercise of the other powers of the authority.

Sec. 30.13.050 sets forth certain limitations on powers of the authority. An authority does not have powers of eminent domain, taxation, land use planning, zoning, permitting, or other similar governmental powers.

Sec. 30.13.060 addresses bonds of an authority. Those provisions delineate how the authority may borrow money and issue bonds. Much of this section is standard bond language. However, subsection (f) is worthy of note. Before issuing bonds for a project under this chapter an authority must submit a description of the bond issue and an independent economic feasibility analysis of the project and expected revenues to the state bond committee. The bonds may not be issued unless the state bond committee finds that the project revenues can be reasonably expected to be adequate for payment of the principal and interest on the bonds to be issued, and that issuance of the bonds by the authority would not be expected to adversely affect the ability of the state or its political subdivisions to market bonds.

Sec. 30.13.070 addresses trust indentures and trust agreements used by an authority to secure an issue of bonds. Paragraph (1) sets forth the covenants and agreements that the authority may make with the trustee or the holders of the bonds as to use and disposition of the proceeds of the bonds, the fixing and collection of rents or other consideration associated with a project agreement, assignment by the authority of its rights in a mortgage or other security interest, et cetera.

Sec. 30.13.080 sets forth the intention of the legislature that a pledge made in respect of bonds be perfected and valid and binding from the time the pledge is made regardless of whether the resolution, trust agreement or any other instrument by which the pledge is created is recorded or filed under the provisions of the Uniform Commercial Code.

Sec. 30.13.090 clarifies that neither the members of an authority nor persons executing the bonds are personally liable on bonds of the authority. Furthermore, the bonds issued by an authority do not constitute an indebtedness of the state or local subdivision.

Sec. 30.13.100 provides protection for bondholders by stating that the state will not limit or alter the rights and powers vested in an authority by this chapter or in anyway impair the rights and remedies of the holders until the bonds and interest and expenses are fully met and discharged.

Sec. 30.13.110 exempts the real and personal property of an authority and its assets and income from all taxes and special assessments of the state or a political subdivision of the state. Additionally, interest on bonds issued by the authority are tax exempt. However, this section does not limit other provisions of Alaska law pertaining to license fees, property taxes, or excise, income or other taxes, nor does it create a tax exemption with respect to the interest of any business enterprise or other person other than the authority.

Sec. 30.13.120 specifies that the bonds of an authority constitute securities in which all public officers may legally invest in the discharge of their fiduciary responsibilities.

Sec. 30.13.130 requires that an authority provide equal use and access to the public if the authority owns, leases, or otherwise operates or controls or participates in the financing of a facility. Reasonable terms and conditions may be imposed by the authority, but the members of the authority must make a written finding concerning compliance of the facility with the provisions of this section.

Subsection (b) requires an authority to make a finding, before issuing bonds for a project, that the project and its development will be economically advantageous to the state and region, that the project would be financially feasible, and that the scope of the project is sufficient to provide a reasonable expectation of a benefit to the region and the economy of the state.

Sec. 30.13.140 declares that an authority is not subject to the jurisdiction of the Alaska Transportation Commission.

Sec. 30.13.150 provides a mechanism by which an authority is integrated into a borough or home rule municipality within one year of incorporation of a first or second class borough or a home rule municipality created within an area coterminous with the authority. This section does specify that the newly created borough or home rule municipality may not levy any

taxes to pay the indebtedness of an authority that is absorbed by the local subdivision.

Sec. 30.13.900 contains definitions that would apply in the newly created chapter. Paragraph (6) defines "transportation facilities", or "facilities", or "projects" by broadly enumerating mechanisms for transporting, handling, and storing freight and natural resource products. The definition also includes all property, rights, easements, and franchises relative to a facility but does not include airport facilities.

Section 3 provides for an immediate effective date.

Hopefully, this information is responsive to your request. If you wish further information, do not hesitate to contact us.

JHL:ljb
16/014

LEGISLATURE

Red Dog mine measure amended

by Bill White
Times Juneau Bureau

Juneau — A bill designed to spur development of the rich Red Dog zinc mine near Kotzebue underwent heavy amending Friday to assure the state doesn't make a sour multimillion-dollar investment in the project.

The bill would let each of the state's 21 Bush school districts form a Regional Resource Development Authority. Each authority could issue tax-free bonds to generate money to build mining roads and ports in rural areas.

The bonds would be paid off by charging the mining companies fees to use the roads and ports.

The bill was drafted with the aid of Cominco America Inc., which has bought production rights to the 85 million-ton Red Dog mine 90 miles north of Kotzebue.

Development of that mine, rich in zinc, lead and silver deposits, is clouded by a lack of funds to build a 55-mile road to tidewater, absence of port facilities, need for federal and state approval for its access route, and a world metals market that's nearly hit rock bottom.

But some Senate Resource Committee members, led by Sens. Arliss Sturgulewski, R-Anchorage, and Vic Fischer, D-Anchorage, questioned what protection the state would have from bad investments made by the authorities.

The committee adopted a dozen amendments to the bill Friday, before sending the measure to the Finance Committee. They include changes to:

• Require the governor to issue a finding, before an authority may be created, that the authority's projects and goals would aid the economic growth of the region and state. The governor also must find the authority is a desirable way to accomplish those goals and projects.

• Raise to 100, from 50, the minimum number of residents that may petition for a vote on the creation of an authority.

• Require the state bond committee to find a project's revenues can be expected to repay the bonds, and that the bond issue won't hurt the state's credit rating, before an authority may sell bonds.

• Set a limit of June 30, 1986, on the creation of authorities.

Those four amendments help insure the authorities make good investments, Pat Pourchot, a Resource Committee aide, told the panel members.

But environmentalists asked for stricter assurances.

The state would have little control over the debt these authorities incur, said Jay Nelson, head of the Alaska Environmental Lobby.

"If one of these organizations ever went bankrupt, the state would be obligated to bail them out (by covering their bonds), not morally or legally, but financially to protect its own credit rating," he said.

Nelson circulated a cartoon depicting a baby elephant, symbolic of an authority, at the state's front door asking for a handout. The caption reads, "If you don't feed me, I'll die in your front yard."

He recommended three alternatives to authorities.

First, new boroughs could be formed in areas that want roads and ports. The boroughs would have concerns other than just developing a mine, he said.

The state also could fund development through its business loan agency or through tax-free bonds issued by the Transportation Department.

Dan Casey, head of that department, said the administration thinks the bill's concept is good, but some changes may be needed. One concern is of user fees remaining imposed on mining companies after the bonds are paid off, he said.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

April 6, 1983

Memo

To: Senator Bennett, Co-Chairman Finance Committee
Senator Sackett, Co-Chairman Finance Committee

From: Senator Bettye Fahrenkamp

Subject: CSSB 151, Regional Resource Development Authorities

As you know, the Finance Committee has recently received the above bill for consideration from the Resources Committee. This bill would authorize the establishment of authorities in the unorganized borough for the purpose of developing infrastructures for resource development projects. Funding for the developments would primarily come from the issuance of tax-exempt revenue bonds by the authority to be repaid with user fees from the developments.

In testimony and discussion before the Resources Committee several criticisms of the bill as originally drafted surfaced: 1) lack of guarantees of equal access to facilities which may be developed; 2) the possibility of proliferation of authorities throughout the unorganized borough; 3) the encouragement of less-than-sound economic projects by authorities; 4) the possibility that bonds issued by authorities may in some way create a liability to the state or add to the state's overall bond indebtedness; and 5) the possibility that the issuance of bonds by authorities might in some way affect the ability of the state or its political subdivisions to market their revenue bonds.

In response to these criticisms the Resources Committee adopted several major changes and additions to the bill including:

1) Page 2, lines 19-29, the Governor must make a positive finding that an authority's goals and projects would be economically advantageous to the region and state and that the authorit is an appropriate and desireable method of accomplishing the goals and projects prior to establishment of an authority.

2) Page 2, lines 8-11, the ability to petition for establishment of an authority expires on July 1, 1986.

3) Page 2, lines 13-14, a petition to call for an election to establish an authority must be signed by 100 persons of a district.

4) Page 4, lines 26-29, the Board of Governors of an authority shall consist of eight members, five elected locally and three Department heads appointed by the Governor.

5) Page 8, subsection (f), Prior to issuance of bonds an authority must submit an independent economic analysis of a project and its revenues to the state bond committee. The committee must find that project revenues are adequate for payment of the bonds and that the issuance of bonds would not adversely affect the ability of the state or localities to market their bonds.

6) Page 11, subsection (b), bonds issued by an authority do not constitute any liability or indebtedness to the state or political subdivision, nor can an authority pledge the faith or credit of the state or local government.

7) Page 13, subsection (a), ensures fair and equal access and fee assessements for users of facilities.

8) Page 13-14, subsection (b), an authority must find that prior to issuance of bonds that a project would be economically advantageous to the state and general public welfare and that the project is economically viable.

9) Page 14, section 30.13.150 provides that an authority would be integrated into a local government should it be established, but that an indebtedness of an authority does not constitute an obligation of the new government.

I think that these provisions adequately address the concerns that were raised. However, several other possible amendments were suggested that might further clarify the intent of this legislation which were suggested too late to be properly integrated into the committee substitute. I would urge the Finance Committeeto consider the following possible changes:

1) Changing the number of petitioners calling for an election to establish an authority from an absolute number of 100 to a percentage formula similar to other regional elections. (Attached is a possible formula suggested by the Division of Elections).

2) Any monies received by the state may not be used to satisfy bond obligations or collateral by an authority (attached are draft suggestions from the Department of Law).

3) Change a quorum of the Board from a majority to a majority plus one. (Suggested by the Alaska Environmental Lobby; see attached comments).

4) Ensure that proposed projects get fair and equal consideration within a district by an authority. (See attached language submitted by the Alaska Miners Association).

In addition, several technical changes should be made in the bill. The folling should be made to correct changes which were made by the Legal Division in the CS:

1) On page 5, lines 12-13, delete the phrase "at a meeting at which a quorum is present". This simply clarifies that a quorum constitutes a majority of the members of the board of governors.

2) On page 6, lines 16-17, delete the phrase "in accordance with the Administrative Procedure Act (AS 44.62)". This phrase was not contained in the CS which passed out of the Resources Committee and could be construed as evidence that authorities are somehow to be viewed as quasi-agencies of the state.

3) On page 8, line 25 delete "AS 30.13.060(f)(1)" and insert in lieu thereof "this subsection". There is no subsection (f)(1).

4) On page 15, line 18, add a comma after the words "rolling stock".

Finally, I would call your attention to the Letter of Intent which was passed out with the bill. This further clarifies that it is the intent that the bonds issued by the authorities not constitute any liability to the state or local governments or taxpayers in a successor government.

I would be happy to appear before your Committee to further explain this legislation and the actions of the Resource Committee. In addition, I have asked my staff to provide whatever assistance you may need on the bill. I remain convinced that this legislation could be of tremendous value in facilitating the development of resource projects in our state which would have tremendous economic and social benefits to regions as well as the state. I would hope the Finance Committee could expedite its consideration of this important legislation.

Senator Vic Fischer
Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954

March 22, 1983

TO: Senator Bettye Fahrenkamp
Chair, Senate Resources Committee

FROM: Senator Vic Fischer

Thank you for the opportunity to consider possible amendments to SB 151.

Amendment 1 does not entirely reflect my concerns about the possibility of a proliferation of authorities. The intent of my suggestion was that the Governor be required to find that the creation of a particular authority is necessary and desirable. This would seem to require a new subsection in Sec. 2 to require submittal of a statement to the Governor to include (1) purpose of the proposed authority, (2) the goals it would seek to meet, (3) analysis of the options other than an authority for obtaining the desired goals, and (4) justification for the choice of an authority over other options for meeting the stated goals. This step would logically come at the same time as petition to C&RA. The Governor would then be required to find that (1) meeting the proposed authority's goals would be advantageous to the state and the region's economic growth, and (2) the authority's creation would be necessary to obtain those goals.

In light of the attached article, which describes the problem of independent authorities and corporations incurring debt for which the state may become at least morally liable, I would like to suggest a further amendment. This would be a new section requiring the Commissioner of Revenue to approve the sale of revenue bonds by an authority. The authority would submit a statement detailing (1) the prospectus of the bond issue and (2) an economic feasibility analysis of the proposed development project and its expected revenues. The Commissioner of Revenue would then be required to find that (1) the project appeared to be capable of producing adequate revenues to repay the bonds and (2) bonds of the authority would not be expected to negatively affect the ability of the state or its subdivisions to market their own bonds and meet their financial obligations.

I'm sure that the legal people can put these suggested amendments into their proper form. Feel free to contact either me or my staff if you need further clarification.

FORMULA DETERMINATIONS : GATHERING OF SIGNATURES SB 151

FORMULA 1

The most direct formula for the creation of Regional Resource Development Authorities in the REAA districts is the initiative formula presently in use for REAAs and CRSAs under AS 29.28.070 (b).

In REAAs smaller than 7500 residents, this would require signatures in a number equal to 25% of the qualified voters voting in the last General Election or special election called for the purpose of electing city, borough (or REAA) officers.

In REAAs greater than 7500 residents, the formula would be 15%. There is no requirement for gathering signatures in any set percentage of the villages in an REAA, such as 50% or 66%.

FORMULA 2

Under 15.25.170, Alaska Election Laws,"Required number of signatures for a district-wide office", petitions for the nomination of a state representative or senator require signatures equal in number to 3% of the number of votes cast in the respective election or senate district in the preceding general election, provided that no nomination petition is required to contain more than 200 or less than 50 signatures for any district.

The same requirements apply for the nomination of candidates not representing a political party, under AS 15.40.440.

Note:
The requirements for a statewide initiative are more demanding; a petition must be signed by qualified voters equal in number to 10% of those who voted in the preceding General Election and resident in at least 2/3 (two-thirds) of the election districts of the state. This is cited in AS 15.45.140. The same requirements hold for the state-wide referendum, contained in AS 15.45.370.

In any formula adopted by the final legislation, there should be provision for review of the signatures on the petition, notification of the proper or improper filing, and provision for supplementary petition filing where necessary, as is currently authorized in both the municipal statutes, AS 29, and the State Election Laws.

from Mary Lou Meiners,
DN. Elections 3-23-83

Senate Resources Committee
Beltz Meeting Room, 3 pm

Friday, March 25

SB 151, Creation of Regional Resource Development Authorities

FORMULA DETERMINATION, Gathering of Signatures

As now proposed in the legislation, 50 signatures would be required from any REAA district to petition for a special election to create a Regional Resource Development Authority (RRDA). After that election, another 50 signature petition would instigate a second election for voting on board members for the new RRDA. The signatures for the petition could be gathered from any one village in the REAA area, proposing an election for the entire area.

A new formula for the gathering of signatures could be devised from elements of present law that would still give equitable access to the ballot, yet more fully inform and involve the residents of the entire area that new elections and an RRDA are proposed.

FORMULA PROPOSAL

Using the Initiative and Referendum formula for municipalities and service areas, AS 29.28.070, this would require that in each REAA (except #4)that signatures be gathered equal to 25% of the number of voters voting in the last REAA election. This would be a greater task than the gathering of 50 signatures, yet give a better measure of the RRDA acceptance in the service area.

To insure that signatures are not gathered from one town or village, an element of the statewide initiative requirements should be incorporated, requiring that signatures be gathered from more than one village, except in REAAs that are composed of just one village. Not to be prohibitive, this section could read, "..with signatures secured from voters residing in more than one village area within an REAA district, except those REAAs composed of one village area."

Finally, an element of AS 15.25.170 could be incorporated to give the dimensions of the signature gathering task; requiring that any petition requesting a RRDA election contain no less than 50 valid voter signatures.

In summary, an RRDA election petition would be based on the present initiative statute for municipalities, AS 29.28.070, would contain signatures of voters from more than one village area within an REAA district, and have no less than 50 valid voter signatures from the REAA district.

Finally, in any formula adopted by the legislation, there should be a provision for review of the signatures on the petition, notification of the proper or improper filing, and provision for supplementary petition filing where necessary, elements that are currently authorized in both the municipal statutes, AS 29, and state election law, AS 15.

DIV. Elections

FORMULA APPLICATION : GATHERING SIGNATURES

SB 151, CREATION OF REGIONAL RESOURCE DEVELOPMENT AUTHORITIES

REAA #	# REG. VOTERS	# VOTING '82 REAA	FORMULA 1 25%	FORMULA 2 3%	# VILLAGES
1	2791	1209	302	36	11
2	2102	791	198	24	15
3	2076	869	217	26	12
4	5251	2240	336*	67	22
5	817	412	103	12	6
6	941	447	112	13	8
7	735	255	64	8	8
8	341	145	36	4	4
9	393	142	35	4	2
10	551	180	45	5	1
11	895	407	102	12	7
12	1455	515	129	15	11
13	1061	573	143	17	10
14	1110	230	58	7	5
15	1947	448	112	13	2
16	1317	539	135	16	9
17	1784	569	142	17	6
18	927	412	103	12	5
19	1090	325	81	10	14
20	639	258	65	8	1
21	508	115	29	3	1

* 15%, over 7500 residents

Div. Elections

LETTER OF INTENT

SENATE RESOURCES COMMITTEE

CSSB 151 (RES)

It is the intent of the Committee to authorize the establishment of regional authorities which will have the ability to issue tax-exempt revenue bonds for the purpose of enhancing the development of resource enterprises which would contribute to the economic growth of the State. It is the intent of the Committee that the authorities established pursuant to this legislation would not create any financial liability or obligation by the state for bonds issued for resource enterprises. Nor is it the intent that the issuance of any such bonds by authorities adversely affect the ability of the state or any of its political subdivisions to market their own bonds. Rather, to the maximum extent possible, liability for bonds issued rest exclusively with the regional authority and the specific resource enterprise involved, not the state, successor boroughs or other municipalities or other projects or citizens in the region or state.

Alaska State Legislature

BETTYE FAHRENKAMP
CHAIRMAN
ROBERT H. ZIEGLER, SR.
VICE-CHAIRMAN
DICK ELIASON - PAUL FISCHER
VIC FISCHER - BOB MULCAHY
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POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

SB 151

Senate

Committee on Resources

1) Senator Fischer and Senator Sturgulewski expressed concern that the legislation could create a proliferation of authorities throughout the unorganized borough, not all of which might be well thought out, economically-sound entities. One possible safeguard which was discussed was to require a finding by the Governor that the project developments would be economically advantageous to the state and the general public welfare and other positive findings.

A possible amendment to the committee substitute for SB 151 to achieve this purpose might be the following:

On page 8, add to section 30.13.050 the following new subsection:

"(f)Prior to issuing bonds for any project under this chapter:

1) An authority shall submit to the Governor a description of the project and its expected impacts on regional and statewide economies; and

2) The Governor must find that the project and its development will be economically advantageous to the state and the general public welfare and will contribute to the economic growth of the region within which the authority has jurisdiction. Failure to make a finding within 60 days of receipt of a project description shall constitute an affirmative finding for the purposes of issuing bonds for the project."

2) Senator Mulcahy expressed concern that the petitioning requirements for calling for elections were not restrictive enough to prevent possible "frivolous" elections and the creation of many ill-conceived authorities.

A possible amendment to strengthen the petitioning requirement might be:

On page 2 in Sec. 30.13.010 make the following change:

"The petition must be signed by [50] 100 residents of the proposed area of the authority."

3) The Division of Elections raised the question of expense of the elections involved. One change to encourage consolidated elections might be:

On page 2, in Sec. 30.10.010 (b) make the following changes:

"The election must be held not less than 30 or more than [90] 120 days after the date of the election order. To the extent feasible and practical the election shall be held on a day coincidental to other regional elections."

4) Senator Fischer raised a question on the language which would limit the succession of an authority to only a first or second class borough. He suggested that all home-rule municipalities should also be included as in the following possible amendment:

On page 15 in Sec. 30.13.150 make the following change:

"Whenever a borough of the first or second class or a home rule municipality is created with an area coterminous with the area of an authority, the authority shall be integrated into the borough or home rule municipality within one year of incorporation. On integration the borough or home rule municipality succeeds to all the rights, powers, duties, assets, and liabilities of the authority, provided, that, any indebtedness of an authority does not constitute a general obligation of the borough or home rule municipality payable from taxes levied by the borough or home rule municipality."

5) There may be cases where a borough or a home rule municipality might be created which would encompass the entire region of an authority but whose boundaries would be outside and not coterminous with those of the authority (i.e. the borough would be larger than the authority). Staff would recommend the following possible amendment:

In the above amendment number 4 change the appropriate line to read:

"...is created with an area coterminous with or inclusive of the area of an authority..."

6) Senator Fahrenkamp and Senator Fischer had questioned as to whether or not a termination date for the bill might be a check on authority proliferation and offer the legislature a chance to review the legislation in several years. A possible amendment might be the following:

On page 4 in section 30.13.010 add the following new subsection:

"(g)The authority to petition and hold elections for the purpose of creating an authority under this section shall cease on June 30, 1986.

7) Senator Ziegler suggested that such authorities may be desirable in some regions of the state such as Southeastern where infrastructure development may be for renewable resource development such as fishing or timber harvesting. The current language on page 1, section 1 speaks to only "nonrenewable" resources. A possible amendment might be:

On page 1, in section 1, part (1), (2) and (3) after the word "nonrenewable" add the words "or renewable".

Alternatively, in the above subsections the word "nonrenewable" could be deleted so that the findings would simply address "natural resource enterprises".

adopted

LAW OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
800 WEST 5TH AVENUE, SUITE 500
ANCHORAGE, ALASKA 99501

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON
PETER ARGETSINGER
ROBERT M. JOHNSON
KENNETH E. VASSAR

TELEPHONE
AREA CODE 907
276-6401

M E M O R A N D U M

TO: NANA Development Corporation

FROM: Wohlforth & Flint

DATE: February 15, 1983

A question has been raised under Article X of the Alaska Constitution concerning the validity of a draft bill prepared by this office to create regional transportation authorities. The draft bill would authorize the residents of the regional education attendance areas (REAAs) to form transportation authorities to serve their areas by petitioning the Department of Community and Regional Affairs. Following the petition, an election would be held in the particular REAA to decide whether the authority should be created. If the voters of the REAA approve formation of the authority, another election would be held to elect members of the board of directors of the authority. In addition to the elected members of the board, the governor would appoint two commissioners to serve on the board. Once formed, the authority would have the ability to issue bonds to finance transportation facilities in connection with resource development projects. It is worth noting that the authority would not have powers of taxation, eminent domain, planning, platting, zoning, or other land use powers, or other powers beyond those necessary to accomplish its purpose of financing transportation facilities. Since an authority could only be formed in an REAA, the jurisdiction of an authority would be limited to a specific area of the unorganized borough.

The constitutional question, it is believed, arose largely because the draftman of the bill stated at a hearing before the Joint House and Senate Resource Committees on February 9, 1983, that the bill provided for "limited local government" by the proposed authorities. We are convinced, however, that the powers to be granted to the proposed authorities are not "local government powers" contemplated by Article X, section 2, to be vested in boroughs and cities and that the creation of the proposed authorities is within the discretion of the legislature under Article X, section 6.

There are three pertinent sections in Article X; they are Sections 1, 2, and 6. These sections state:

> Section 1. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.
>
> Section 2. All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.
>
> Section 6. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

The initial question is whether the power to provide financing for transportation facility projects in connection with natural resource development is a "local government power" such that granting the power to a public corporation would violate Section 2 by vesting a "local government power" in an entity other than a borough or city.

The Minutes of the Constitutional Convention (herein "Minutes") reflect little or no discussion of the nature of "local government powers". However, there is considerable discussion of the results the delegates intended to avoid by requiring that such powers be vested in boroughs and cities. The delegates were well aware of the proliferation in other states of local entities which exercised governmental powers. These local entities were autonomous from the municipalities within which they operated, and their powers weakened the ability of the municipalities to coordinate and control governmental activities. The results, which the delegates sought to avoid, were conflicts among the various autonomous entities, as well as between the entities and the municipalities, overlapping jurisdictions, and multiple taxation uncontrolled by a single governmental body. By placing local government powers in a

borough or city, the delegates felt that a single body -- the assembly or council -- would be able to orchestrate the activities of the various municipal departments and the activities of the boards and commissions established to administer special service areas within the municipality. The exercise of the governmental power on a local level by a single body would avoid the conflicts resulting from the exercise of various governmental powers by a number of bodies within the same overlapping jurisdictions.
In this regard, the following comments of the delegates reflect the concerns summarized above and the intent behind Section 2 (page numbers are from the Minutes):

> TAYLOR: I think the purpose of this article is to simplify our governmental procedure and also to prevent an overlapping of government functions. Now, we have two governmental functions set up here, the cities and the boroughs. I think that is plenty. They can provide for everything including the schools. So now, if the camel gets his head in the tent by adopting this amendment [to add school districts to the list of entities in which local goverament powers shall be vested under Section 2] as proposed by Mr. Johnson, he probably will be all in the tent, bringing with him the amendments that establish public utility districts, health districts, public improvement districts, and we will be right back to our old method of numerous taxing bodies which we want to get away from. Now, with the borough and the city I don't believe that there is any reason at all but what the taxing purposes for schools can be set up something along the same lines as it is now.

Pages 2669 -- 2700

. . . .

> HILSCHER: Bearing on this particular subject, a conversation I had last year with an editor of a paper in the State of Washington, a city of about 15,000, he informed me that they had 11 taxing jurisdictions in the particular area in which he lived and if I remember some of them, they were welfare, hospitals, sanitary, harbor, and even a trunk sewer system, and he said that was the one thing that was causing them the greatest worry of

all and that was the spread of the taxing power. I am against it [the amendment vesting local government powers in school districts].

Page 2701

. . . .

V. RIVERS: [I] am trying to separate just the idea of schools and trying to hold to the principles as to whether the principle of the disbursing and the approvals of budgets shall lie in the body of one general governing body of government or whether you shall have an autonomy without any co-relation between the other activities of government -- whether you shall have an autonomy in just one function and one activity of government. I think that that covers what I have to say except that on the broad principle, I think you can have better government at less expense by correlating the taxing activities and channeling them through one body with one set of appraisers, one set of collectors, one set of condemnors and tax sale experts, and having that money go into one fund for distribution by a general body elected by all of the people no matter what level of government we operate at.

Page 2703

. . . .

LONDBORG: I have gone along with the Committee in their general thinking of trying to get rid of this overlapping of taxes and [sic] has been mentioned, 10, 12, 15 different agencies, each with a blank check to write all they wish to write on it.

Page 2704

. . . .

HINCKEL: I would like to ask a question if I may. Your interpretation of Section 2, also, that the borough in an organized borough would probably be the one and only taxing authority? That is, they would handle all of the taxes, and only in unorganized boroughs would the state tax? Would

that be the way to expect the thing would work out?

V. FISCHER: Yes. We would assume a consolidation there.

Page 2707

. . . . .

ROSSWOG: Our main intention was to try not to have a lot of separate little districts set up, you know, handling only one problem and try to combine them.

Page 2715

. . . . .

These concerns were concisely stated several years after the convention in a book written by a former delegate to the convention. Although without legal value in determining the delegates' intent, the following passage from Alaska's Constitutional Convention by Victor Fischer (University of Alaska Press, 1975), page 119, is helpful as a precis of the delegates' comments:

> As seen by delegates, the inadequacies of conventional counties were limited functional jurisdiction, frozen boundaries, an overabundance of constitutionally established elective offices, inadequacy of fiscal powers, and lack of specifically local (as against state) governmental authority. They noted also that numerous special districts were being created to fill service gaps left by counties and municipalities, resulting in a multiplicity of overlapping tax jurisdictions.

It should be apparent that the intent behind Article X, Section 2, was not to make cities and boroughs the sole repositories of all powers which could possibly be exercised by a city or borough. Such an interpretation would virtually prohibit the state from acting within an organized borough or city. It would cast serious doubt on the validity of any state action taken on a regional basis. Moreover, it could even be said that most non-profit corporations would be prohibited from conducting business in the state, since a city or borough would be capable of exercising their charitable or eleemosynary powers.

The more rational and more likely interpretation is that the delegates intended to vest those powers which are peculiarly "governmental", and which are provided on a local basis, in cities and boroughs. The distinction between local "governmental" powers and other ("proprietary") powers exercised by municipalities has long been recognized. McQuillin, in his treatise, Municipal Corporations (3rd Edition), describes the factors denoting "governmental" functions performed by municipalities:

> [A]mong the factors denoting a governmental function is the fact that an activity was historically engaged in by local government, that it is uniformly so furnished today, that it could not be performed as well by a private corporation, that it is not undertaken for profit or for revenue, and that it is not within the imperative public duties imposed on a municipality as agent of the state.

Volume 2, section 10.05, page 743 (footnote omitted). In describing municipal "proprietary" functions (which McQuillin describes as "private"), McQuillin states:

> Private, municipal, proprietary functions and powers are those relating to the accomplishment of private corporate purposes in which the public is only indirectly concerned, and as to which the municipal corporation is regarded as a legal individual.... All functions of a municipal corporation not governmental have been said to be private.

Volume 2, section 10.05, page 744 (footnotes omitted).
The Attorney General's Office has described, without expressly recognizing, the distinction between governmental powers and proprietary powers. In considering a statute under the municipal revenue sharing program which would have allowed payments to be made by the state to a "Native village government for a village which is not incorporated as a city", Assistant Attorney General Rodger W. Pegues discussed the provisions of Article X, sections 1 and 2. After reviewing the history and purpose of those sections, Assistant Attorney General Pegues stated in his opinion:

> The use of traditional village councils or IRA councils to provide local government services is at odds with the constitution's provisions on local government. The public services they would perform are those which local governments perform.

Op. Att'y Gen., April 27, 1981, p. 3. As noted earlier in this memorandum, two of the factors denoting governmental powers are "the fact that an activity was historically engaged in by local government" and "that it is uniformly so furnished today". Assistant Attorney General Pegues then acknowledged the difference between governmental and proprietary functions, again without expressly so designating them, by stating:

> This is not to say that the state cannot contract with a racially (or religiously) exclusive group to provide public services or manage a public facility on a non-discriminatory basis for all the residents of a community. On a limited basis, therefore, grants can be made to IRA councils in their capacity as business corporations to provide some public services. The state constitution, however, bars the de facto establishment under state law of these councils as the local governments of Alaska's villages.

Id. at pages 3 and 4. Thus, provision for the performance of essentially proprietary services in the unorganized borough by a private corporation, in the opinion of the Attorney General's Office, would not violate the constitution.

The distinction between "governmental" and "proprietary" functions was also set out in Britt v. City of Wilmington, 73 S.E. 2d 289 (N.C. 1952), as follows:

> So then, generally speaking, the distinction is this: If the undertaking of the municipality is one in which only a governmental agency could engage, it is governmental in nature. It is proprietary and "private" when any corporation, individual, or group of individuals could do the same thing.

73 S.E. 2d at 293 (citation omitted).

The financing of transportation facilities in connection with resource development projects is not an activity historically engaged in by local governments and is certainly not uniformly furnished by local governments today. It is a function which could be, and undoubtedly is, performed by private corporations. In performing this function, the acts of the transportation authorities would only indirectly concern the public at large. Under McQuillin's description, this power is clearly "proprietary" and not "governmental". The operation of a transportation facility has been found to be a proprietary function (Albuquerque v. New Mexico State Corp. Commission, 605 P.2d 227 (New Mexico 1980)), and the financing of privately owned facilities, as may be the case with the authorities, is characterized as "private activity" financing in the conference report accompanying the Tax Equity and Fiscal Responsibility Act of 1982. Bonds of local governments or public corporations issued for these purposes enjoy tax exemption only if issued for certain narrowly defined purposes or in limited amounts.

It is the exercise of the "governmental" powers by more than one municipal unit with the same or overlapping jurisdictions which results in the kind of conflict and duplication the delegates to the constitutional convention sought to avoid. Placing in the proposed transportation authorities the power to assist in the financing of private projects without more (that is, without placing in them any power of eminent domain, any power of taxation, any power of regulation, or any other "governmental" power) could hardly lead to the problems perceived by the delegates. If authorizing the creation of such entities with such limited powers is a violation of Article X, section 2, then the state must carefully review its corporations code, in which authorization for the incorporation of such entities by private individuals is also provided.

Even if the powers contemplated for the proposed authorities should be considered "local government powers" for purposes of Section 2, the legislature nevertheless derives authority for the creation of such authorities in the unorganized borough from the provisions of Article X, section 6. Section 6 expressly directs the legislature to provide for the performance of services it deems necessary or advisable in unorganized boroughs and, in connection with those services, further directs the legislature to allow for maximum local participation and responsibility. The use of the language,

"deems necessary or advisable", was expressly considered by the delegates to clarify their intention to allow wide discretion in the legislature in determining what services to perform. Delegate Ralph Rivers explained the significance of the words:

> The point was made yesterday that where it says, "the legislature shall provide for the performance of necessary functions," and somebody said, "Who decides what is necessary?" and the Committee said it would take it under advisement. I pursued the point a little bit and drafted this language, "for the performance of services it deems necessary or advisable". In the first place, it specifies that the legislature is the one who shall use its discretion; it clears up that point and also improves the context a little.

Minutes, Part 4, page 2720. There was no intent that, in order to receive services which could be performed by a local government unit, the unorganized area should have to organize into a borough or city. Provision of services by the legislature until such time as organization occurred was clearly foreseen. Delegate Rivers further stated:

> Speaking of unorganized areas where they don't have any self-fun[illegible]ioning. [sic] Here the state would perform those services that the legislature deems necessary or advisable until such time as the area does get organized.

It cannot reasonably be disputed that, within the unorganized borough, the legislature may provide for the services contemplated in the proposed legislation. The local election of members of the board of directors of the proposed authorities simply complies with the dictates of Section 6 to allow for maximum local participation and responsibility.

It should be emphasized that Section 6 authorizes the legislature to provide for services in the unorganized borough; it does not require that the legislature or the state actually perform the services. This point was discussed at the convention, as reflected in the following dialogue between Delegates Taylor and McLaughlin at page 3609 of the Minutes:

TAYLOR: Mr. McLaughlin, isn't it a fact that that [the phrase "shall provide for the performance of services"] would possibly mean that the legislature would provide a manner in which unorganized boroughs could provide their people in that borough with these certain services? The legislature is not going to provide the services or performance of services, are they?

McLAUGHLIN: When they say "shall provide for the performance of services", it means they shall make provision for them.

TAYLOR: Then in an unorganized borough then, if they were in need of garbage services, the legislature would hire garbage men? Is that right?

McLAUGHLIN: It doesn't necessarily mean that. There are two possible meanings. If we said the legislature "shall" provide the services, that would be one thing; but if we say the legislature shall provide for the performance of services, I think that that means another thing. That is, they can set up the rules and conditions and circumstances under which the services will be provided.

It was the latter phrase ("shall provide for the performance of services") which the delegates chose. The reasonable conclusion, based upon Delegate McLaughlin's explanation, is that the state need not perform the services but can "set up the rules and conditions and circumstances under which the services will be provided."

For the foregoing reasons, we are convinced that (1) the powers granted to the proposed authorities are not "local government powers" which must be vested in cities or boroughs; and (2) the creation of the proposed authorities is well within the authority of the legislature to provide for services in the unorganized borough, allowing for maximum local participation and responsibility.

HB
396

COMMITTEE REPORT

HOUSE

(7) FURTHER: FINANCE

5/3/33 Date: May 3, 1983

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 396

"An Act relating to certain audit and financial statement requirements."

under consideration and reports it back as follows:

[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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

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_____

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_____

CHAIRMAN

H 60

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: HB 396
Title: Audit & Financial Statement Regulations Rec ID 930
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar
Phone: 465-4750
Division: Municipal & Regional Assistance
Date: 12/29/83

Approved by Commissioner: [signature]
Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 396
Title: Audit & Financial Statement Regulations Rec ID 930

ANALYSIS:

Assumptions:

Fiscal impact is not anticipated for Community and Regional Affairs but there could be impact on certain municipalities.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

May 25, 1983

ANALYSIS OF IMPACT FOR HB 396

"An Act relating to certain audit and financial statement requirements."

The following are the numbers of cities or communities and the total dollars that would be affected by Sections 2 and 3 of HB 396.

Section 2

31 second class cities received over $100,000 in combined funding in FY 82 under the State Revenue Sharing, Municipal Assistance, and Raw Fish Tax programs. This funding totalled $5,016, 273. A list of these cities is attached.

Section 3

Legislative grants to named second class cities in the FY 83 budget which were $100,000 or greater totalled $17,810,000. There were 87 grants in the budget (SCSHB 148 (Fin)) which fell into this category.

There are presently 61 grants to named unincorporated communities which equal or exceed $100,000 and they total $14,040,185.

For Informational Purposes

Grants under SB 168 to unincorporated communities would not be affected by this legislation, but at the request of the House Community and Regional Affairs Committee it is provided for informational purposes. There are approximately 43 grants under this program which total $6,881,000.

Summary

Section 2--31 second class cities (SRS, MA, Raw Fish)	$5,016,273
Section 3--87 second class cities (Legislative grants)	17,810,000
61 unincorporated communities (Leg. grants)...	14,040,185
TOTAL	$36,866,458

Mark Lewis, Commissioner

21-P1LH

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

May 10, 1983

to: House C.& R.A. Committee

from: Ginny Chitwood Ginny

re: HB 396 - Audit Requirements for Second Class Cities

Summary: This bill requires all municipalities to provide for annual independent audits of the accounts and financial transactions, except second class cities receiving less than $100,000 from revenue sharing, municipal assistance, and raw fish tax. Currently, no second class city is required to provide for an audit, but all other municipalities are. This bill also authorizes state agencies to require an independent audit of municipal grants for projects over $100,000. The purpose of the bill is to ensure good financial procedures and accountability.

Section 1: AS 29.23.560 lists reports that municipalities must file with the Department of Community and Regional Affairs in order to be eligible for revenue sharing payments. Currently, second class cities are required to provide only statements of income and expenditures, but with this bill would be required to provide for independent audits if they receive $100,000 or more from revenue sharing, municipal assistance, and raw fish tax.

Section 2: Chapter 48 of Title 29 is "Powers Applicable to All Municipalities". This bill amends AS 29.48.220. Post Audit to require second class cities to provide for an annual independent audit if they receive at least $100,000 from the following sources:

AS 29.88 - Revenue Sharing, Municipal Tax Resource Equilization (the main, formula part of revenue sharing)

AS 29.89 - Revenue Sharing, State Aid for Miscellaneous Purposes (roads, hospitals & health facilities, etc.)

AS 29.90 - Revenue Sharing, State Aid for Hospital Construction

AS 29.95 - Revenue Sharing, Administration (minimum entitlements & cost of living differentials)

AS 43.20.016 - Sharing of Corporate Income Tax Revenue with Municipalities (Municipal Assistance Fund)

AS 43.75.130 - Refund to Local Governments of Fisheries Taxes (Raw Fish Tax)

Section 3: This section of the bill amends the law to allow state agencies to require an audit of a grant for a capital improvement project if over $100,000 is provided through AS 37.05.315 - Grants to Municipalities, AS 37.05.316 - Grants to Named Recipients, or AS 37.05.317 - Grants to Unincoporated Communities.

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: May 10th, 1983

RE: House Bill 396

HB 396 was introduced by the Committee on Community and Regional Affairs upon the request of the Administration.

The intent of the proposed legislation is to require second class cities that receive more than $100,000 from various state funding sources including capital project grants, state revenue sharing, municipal aid and the raw fish shared tax, to have an independent financial audit performed annually.

Present law provides second class cities the option of preparing a financial statement or an independent audit.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

May 9, 1983

POSITION PAPER

RE: HB 396
SPONSOR: House Community and Regional Affairs

Program Effects of the Bill

This bill would require second class cities receiving more than $100,000 in combined funding under the State Revenue Sharing, Municipal Assistance and the Raw Fish Shared Tax programs to prepare an annual independent audit. The bill would also allow state agencies to require an independent audit of a capital improvement project funded under AS 37.05.315-37.05.317 if the grant exceeds $100,000.

Comments

The standard of requiring second class cities to provide certified annual income and expenditure statements in lieu of a complete independent audit was enacted when the level of State aid to municipalities was substantially less. With increased appropriations to the Municipal Assistance Program and the establishment of minimum entitlements under the State Revenue Sharing there is justification for increased accountability. An audit could, in fact, pay for itself through improvements in recordkeeping and efficiency.

Similarly, projects funded under AS 37.05.315-37.05.317 which exceed $100,000 may need to be audited to insure proper accountability of the State funds. The Department would recommend at least giving the State the option of requiring an audit for these large grant projects.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 396
Title: Audit & Financial Statement Require.
Sponsor: HCR
Requestor: HCR

II. FISCAL DETAIL

Agency Affected: Dept. of C & RA
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Local Government Assistance Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
	-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 Rainery RR
Division: Commissioner's Office
Phone: 465-4703
Date: 5/9/83

Approved by Commissioner:
Department: Dept. of Community and Regional Affairs
Date: 5/9/83

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
Copy to Requestor (if different from Sponsor)

3/8/83

HB
461

COMMITTEE REPORT

HOUSE

(7) FURTHER: FINANCE

1/9/84

Date: 1-27-84

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 461
"An Act relating to distributions from the municipal assistance fund; and providing for an effective date."

under consideration and reports it back as follows:

[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

M.W. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.W. Miller
CHAIRMAN

H 60 (Rev. 3/81)

Alaska MUNICIPAL League

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

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

To: House CRA Committee

From: Scott A. Burgess, Executive Director

Date: February 29, 1984

Re: HB 461 - Municipal Assistance Distributions

The League endorses HB 461 and urges its passage. The bill would change the existing Municipal Assistance Program to provide for the disbursement of municipal assistance funds to all municipalities on February 1 of each year.

Currently municipalities whose fiscal years do not coincide with the calendar year are penalized by having to wait for four months. Municipalities depend on municipal assistance funds to provide needed services while holding down taxes. In addition to waiting longer for the money unnecessarily because of a local budget decision, these municipalities lose the potential interest on that money during the four month period.

The League supports HB 461.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

☐ 225 CORDOVA STREET · BLDG B
ANCHORAGE, ALASKA 93501
PHONE: (907) 264-2294

January 17, 1984

POSITION PAPER

RE: HB 461
SPONSOR: Representative Grussendorf

PROGRAM EFFECTS:

The bill would provide for all municipalities to receive Municipal Assistance distribution on February 1 each year. Only municipalities with calendar fiscal years presently receive this early payment. The Municipal Assistance Program is administered by the Department of Revenue; however, because this Department works closely with municipalities throughout the State, it has been asked to comment on this bill.

COMMENTS:

The timing of the distribution of State aid to municipalities is an important consideration, particularly in this era of stagnant or declining State revenues. The date when funding is made available affects municipal cash flow management and can allow municipalities to get more use out of the limited State dollars shared with them.

Many municipalities believed they were unfairly and arbitrarily penalized under the dual payment formula that was enacted in 1981 (Chapter 51, SLA 1981). This statute change allowed municipalities that were on a calendar fiscal year to receive their Municipal Assistance funding February 1, four months earlier than all other municipal recipients. This gave these selected municipalities the use of their money for 120 days before the other municipalities saw any of their funding. The basis for this dual payment plan, the attempt to increase predictability and provide the funds at the most optimum time, have not justified the basic inequity of the formula.

House Bill 461 will correct this dual payment plan and allow for all municipalities to have their Municipal Assistance funding distributed on February 1. This is more equitable and, therefore, this Department supports this legislation as introduced by Representative Grussendorf.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-P1LH

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: HB 461
Title: Distributions from the Municipal Assistance Fund
Sponsor: Grussendorf
Requestor:
Date of Request:

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-					
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-					
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Doug Griffin Phone: 465-4735
Division: Municipal & Regional Assistance Date: 1/17/84

Approved by Commissioner: Emil Notti Date: 1/20/84
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Alaska State Legislature

REPRESENTATIVE
BEN GRUSSENDORF
P.O. BOX 928
SITKA, ALASKA 99835
(907) 747-8458

HOUSE FINANCE COMMITTEE
SPECIAL COMMITTEE ON FISHERIES

DISTRICT 3
ELFIN COVE
PELICAN
PORT ALEXANDER
SITKA
HOONAH
TENAKEE

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-3824
(907) 465-4965

House of Representatives

January 10, 1984

Ms. Shirley Minnish
Department of Revenue
Accountant Technician II Shared Revenue
MS 0400
Juneau, Alaska 99811

Dear Ms. Minnish:

Enclosed you will find a copy of House Bill 461 by Representative Grussendorf relating to distributions from the municipal assistance fund. The effect of this legislation is to treat all boroughs and cities equitably concerning the distrubitions of municipal assistance money. It would allow all boroughs and cities to recieve their municipal assistance funds at the same time, February 1 of the state fiscal year for which the appropriation to the fund is made.

Representative Grussendorf would like you, or someone else in the Department who is familiar with the municipal assistance fund, to comment on HB 461. He would also like a list of the cities and organized boroughs who are eligible for municipal assistance monies and when they have been receiving them.

Thank you for your time and consideration.

Sincerely,

Kate Tesar

Kate Tesar
Administrative Assistant

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

January 18, 1984

The Honorable Ben Grussendorf
Attn: Kate Tesar
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Ms. Tesar:

Attached is a list of the cities and boroughs receiving Municipal Assistance funds. This list indicates when the cities would receive their sharing as required by AS 43.20.016.

We have not received a resolution stating operating year for those cities and boroughs with a check mark. The sharing date for them will be based on their FY 83 resolution.

A fiscal note is being prepared and will be forwarded.

Sincerely,

Robert D. Heath

Robert D. Heath
Commissioner of Revenue

RDH:BJ:jas

Enclosure

cc: Pushpinder Dhillon
Fiscal Analyst

04-D2LH

Municipal Assistance
Resolution Log
FY 84

	Share Date
✓Anchorage Municipality	February
✓Juneau	June
Sitka	June
Bristol Bay Borough	June
North Star Borough	June
Haines Borough	June
Kenai Peninsula Borough	June
Ketchikan Gateway Borough	June
Kodiak Island Borough	June
Matanuska-Susitna Borough	June
✓North Slope Borough	June
✓Akhiok	June
✓Akiachak	June
Akiak	June
Akutan	June
✓Alakanuk	June
Aleknagik	February
Allakaket	June
Ambler	June
Anaktuvok Pass	June
Anderson	June
Angoon	June
Aniak	June
Anvik	June
Atgasuk	June
Atmautluak	June
Barrow	June
Bethel	June
Brevig Mission	June
Buckland	June
Chauthbaluk	June
Chefornak	June
Chevak	June
Chignik	June
Clark's Point	February
Cold Bay	June
Cordova	June
✓Craig	June
Deering	June
✓Delta Junction	June
✓Dillingham	June
Diomede	June
Eagle	June
Eek	June
Ekwok	June
Elim	June
Emmonak	June

Municipal Assistance
Resolution Log
FY 84

	Share Date
Fairbanks	February
Fort Yukon	June
Fortuna Ledge	June
Galena	June
Gambell	June
Golovin	June
Goodnews Bay	June
✓Grayling	June
Haines	June
Holy Cross	June
Homer	June
Hoonah	June
Hooper Bay	June
Houston	June
Hughes	June
Huslia	June
Hydaburg	February
✓Kachemak	June
Kake	June
✓Kaktovik	June
Kaltag	June
✓Kasaan	June
Kasigluk	June
Kenai	June
Ketchikan	February
Kiana	June
King Cove	June
Kivalina	June
Klawock	June
Kobuk	June
Kodiak	June
Kotlik	June
Kotzebue	June
Koyuk	June
✓Koyukuk	June
Kupreanof	June
Kwethluk	June
Larsen Bay	February
Lower Kalskag	June
Makoktak	June
McGrath	June
Mekoryuk	June
Mountain Village	February
✓Napaiskak	June
Napakiak	June
Nenana	June
New Stuyahok	June
Newhalen	June

Municipal Assistance
Resolution Log
FY 84

	Share Date
Newtok	June
Nightmute	June
Nikolai	June
Nome	June
Nondalton	June
Noorvik	June
North Pole	February
Nunapitchuk (Akolmiut)	June
Nuiqsut	June
Nulato	June
Old Harbor	June
Ouzinkie	June
Palmer	February
Pelican	June
Petersburg	June
Pilot Station	February
Platinum	June
Point Hope	June
Port Alexander	June
Port Heiden	June
Port Lions	June
Quinhagak	June
Ruby	June
Russian Mission	June
Saint Marys	June
Saint Michael	June
Saint Paul	June
Sand Point	June
Savoonga	June
Saxman	June
Scammon Bay	June
Selawik	June
Seldovia	June
Seward	June
Shageluk	June
Shaktoolik	June
Sheldon Point	June
Shishmaref	June
Shungnak	June
Skagway	June
Soldotna	June
Stebbins	June
Tanana	June
Teller	June
Tenakee Springs	June
Thorne Bay	February
Togiak	June
Toksook Bay	June

Municipal Assistance
Resolution Log
FY 84

	Share Date
Tuluksak	June
Tununak	June
Unalakleet	June
Unalaska	June
Upper Kalskag	June
Valdez	February
Wainwright	June
Wales	June
Wasilla	June
White Mountain	June
Whittier	June
Wrangell	June
Yakutat	June

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: HB 461
Title: Relating to distributions from the Municipal Assistance Fund.
Sponsor: Grussendorf
Requestor: House C&RA Committee
Date of Request: January 12, 1984

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected:

BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

		FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
	OPERATING						
100	PERSONAL SERVICES	-	-	-	-	-	-
200	TRAVEL	-	-	-	-	-	-
300	CONTRACTUAL	-	-	-	-	-	-
400	SUPPLIES	-	-	-	-	-	-
500	EQUIPMENT	-	-	-	-	-	-
600	LANDS & STRUCTURES	-	-	-	-	-	-
700	GRANTS, CLAIMS	-	-	-	-	-	-
800	MISCELLANEOUS	-	-	-	-	-	-
	TOTAL OPERATING	-	-0-	-0 -	-0-	-	-
	CAPITAL	-	-	-	-	-	-
	REVENUE	-	(1,159.0)	(1,293.0)	(1,396.0)	-	-

FUNDING: (Thousands of Dollars)

	GENERAL FUND	-	-	-	-	-	-
	FEDERAL FUNDS	-	-	-	-	-	-
	OTHER	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: ~~Attach~~ a separate page for analysis.

Prepared By: Robert W. Elliott (Robert W. Elliott) Phone: 465-2173
Division: Research Section Date: 01/19/84

Approved by Commissioner: (Robert A. Ebbott) Date: 1/30/84
Agency: DOR

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Analysis for HB 461

HB 461 proposes three changes to AS 43.20.016, the statute which establishes the Municipal Assistance Fund and provides for distributions from that fund to qualifying cities and boroughs:

1) Reference to "revenues received under AS 43.21" is removed. Since AS 43.21 has been repealed, this would appear to be a house-cleaning amendment only, and in no way affects future appropriations, since the Legislature is free to appropriate any amount.

2) The change on line 18 and 19 is a technical wording change only, and does not affect the program.

3) The most significant change is to the date(s) of distribution. HB 461 provides for all distribution to be done on February 1 each year. This change will have no administrative effect on the Department of Revenue. Currently the total effort is roughly several days, and most of that takes place just before the February 1 distribution.

The estimates reflect the loss of General Fund interest earnings which the state would forego to municipalities if the municipal assistance distribution of June 1 was changed to February 1. The estimates were computed using the following assumptions: a 9 percent annual interest rate was applied, the full 30 percent was appropriated per formula, and population figures were held constant.

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

September 29, 1983

Department of Community
& Regional Affairs
Local Government Construction Division
Pouch BH
Juneau, Alaska 99811

Dear Sirs:

Enclosed is our Resolution No. 83-239 requesting municipal assistance funding.

I appreciate this funding, but must again mention my objection to the discriminating law that allows some governments to receive this funding four months earlier than other governments simply because of varying fiscal years start dates. Makes no sense.

Sincerely yours,

Richard Anderson
Finance Director

Enclosure

cc: Ben F. Grussendorf
Richard I. Eliason

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 83-239

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA REQUESTING MUNICIPAL ASSISTANCE FUNDING FROM THE STATE OF ALASKA

WHEREAS, A.S. 43.20.016(a) requires the governing body of a municipality to approve a resolution requesting municipal assistance funding; and

WHEREAS, this resolution must be submitted to the Department of Revenue or the Department of Community and Regional Affairs; and

WHEREAS, the City and Borough of Sitka has a fiscal year beginning July 1 and ending on June 30; and

WHEREAS, the City and Borough of Sitka is desirous of receiving municipal assistance funding;

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka by this resolution hereby requests distribution of funding from the municipal assistance fund to the City and Borough of Sitka by the Department of Revenue on the date required by law.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 27th day of SEPTEMBER, 1983.

John E. Dapcevich, Mayor

ATTEST:

Dolores Ingwersen, Clerk

Alaska MUNICIPAL League

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

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

1984 POLICY STATEMENT

The Alaska Municipal League is a voluntary, non-profit nonpartisan organization whose member cities, boroughs, and unified municipalities represent approximately 95% of Alaska's population. The League provides a forum through which local government officials may assist each other in the solution of municipal problems and may express their common concerns to state and federal officials. A major objective of the League is to advance the interests and well-being of the people residing within the state by promoting the betterment of every aspect of local government in Alaska.

This 1984 municipal statement was adopted November 5, 1983 by the delegates attending the Alaska Municipal League 33rd Annual Local Government Conference in Juneau. It represents the collective philosophy, goals, responsibilities, and ideals of Alaska's local government officials. Items included in the statement have been reviewed and debated for several months by municipal officials who are concerned on a day-to-day basis with the many complex problems facing local governments in Alaska. The statement is a guide to the priority concerns of AML member municipalities.

Alaska MUNICIPAL League

GINNY CHITWOOD
EXECUTIVE DIRECTOR

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

(907) 586-1325

school foundation, and school construction programs and that the legislature begin setting aside funds in FY85 so that the program may be fully implemented at the earliest possible date.

6. Criteria Based Budgeting: The League supports criteria based budgeting systems and encourages the administration to notify the public and local governments of the proposed criteria and to consistently follow this system once finalized through executive, legislative, and local government cooperation.

C. MUNICIPAL ASSISTANCE/REVENUE SHARING PROGRAMS

1. Consolidation of Municipal Assistance and State Revenue Sharing Programs: The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing Programs together with the funding of the consolidated program at a level of at least 8% of the prior year's state operating budget so that municipalities can continue to provide important, needed services while holding down taxes.

2. State Revenue Sharing: (a) If the Legislature does not consolidate the current State Revenue Sharing and Municipal Assistance programs, the League supports annual increases in the State Revenue Sharing Program. The annual appropriation by the Legislature to the State Revenue Sharing Program should include an increase of the FY 84 legislative appropriation based on such criteria as state population, inflation, cost of local government services, and other timely considerations.

(b) In those cases where legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients.

(c) The League supports an increase in the state revenue sharing minimum allocation to $100,000 for each municipality and $50,000 for each eligible unincorporated community.

(d) The League supports continued full state funding for road maintenance at levels determined by the First Session of the 11th State Legislature and adjusted annually to reflect increased cost of maintenance.

3. Municipal Assistance: (a) If the Legislature does not consolidate the current State Revenue Sharing and Municipal Assistance Programs, the League supports the funding of the FY 85 entitlement at the statutory level of at least 30% of the FY 84 corporate income tax proceeds.

(b) The League further endorses a change to the existing Municipal Assistance Program that would provide for the disbursement of municipal assistance funds to all municipalities on February 1 of each year.

4. FY 84 Supplemental Appropriation: The League supports the supplemental appropriation of $9.4 million FY 84 Municipal Assistance revenues to fully fund the entitlement at the level authorized by state statutes. The

Presidential Party Primary Election (repeal of provisions)

HOUSE BILL NO. 459, by Reps. Ward and Martin. Would repeal the provisions of law that relate to the presidential party primary election: AS 15.13.011 (State Election Campaigns. Inapplicability to Presidential Primary), AS 15.25.220 - 15.-25.280 (Presidential Party Primary Election), and section 4, chapter 20, SLA 1980 which repeals the law creating the presidential primary on July 1, 1985. The bill also states that if this law becomes effective before March 13, 1984, the presidential party primary election scheduled for March 13, 1984 be cancelled and not be held in 1984. Provides Act takes effect immediately.

Introduced January 9 and referred to State Affairs, Finance.

Presidential Party Primary Election

HOUSE BILL NO. 460, by Rep. Lacher. See HB 459, above, identical.

Introduced January 9 and referred to State Affairs, Finance.

Revenue Sharing (fiscal/ calendar year)

HOUSE BILL NO. 461, by Rep. Grussendorf. Amends AS 43.20.-016(a) (Sharing of Corporate Income Tax Revenue with Municipalities) by deleting reference to distribution based on fiscal or calendar years. Under this bill distribution of money from the fund would be made on February 1 of the state fiscal year for which the appropriation to the fund is made (currently cities or organized boroughs with a fiscal year beginning January 1 would receive money on February 1, and all other cities and organized boroughs receive funds on June 1 of the state fiscal year for which the appropriation to the fund is made). Provides Act takes effect July 1, 1984.

Introduced January 9 and referred to Community & Regional Affairs, Finance.

Dental Hygienists (temporary licenses)

HOUSE BILL NO. 462, by Rep. Grussendorf. Adds a new section to AS 08.32 (Dental Hygienists) allowing the Board of Dental Examiners to issue without examination a temporary license to a qualified applicant who is licensed to practice in another state. The temporary license would terminate at the time notice is given of the results of the applicant's exam. The hygienist practicing under a temporary license would be subject to all other provisions regulating hygienists. Time in active clinical dental hygiene practice under a temporary license could not be credited toward licensure by credentials. Does not provide for an effective date (becomes effective 90 days following Governor's signature).

Introduced January 9 and referred to Labor & Commerce, Health, Education & Social Services.

Appropriation (special) (Whittier prison)

HOUSE BILL NO. 463, by Reps. Furnace and Cowdery. Makes a special appropriation in the amount of $25 million to the Department of Health & Social Services to construct a prison in Whittier. Provides appropriation is for a capital project and is subject to competitive bidding requirements. Provides Act takes effect immediately.

Introduced January 9 and referred to Health, Education & Social

HB
537

COMMITTEE REPORT

HOUSE

FURTHER:

(7)

Date: 2-1-84

1/24/84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 537

"An Act authorizing municipalities to exempt motor vehicles from taxation; and providing for an effective date."

under consideration and recommends:

[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 [X] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

M.W. MILLER

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.W. Miller

CHAIRMAN

Public Employ. Retirement (earlier service credit)

HOUSE BILL NO. 254, by Rep. Koponen. Amends law governing credited service for employment with the state or territory prior to January 1, 1961. Current law (AS 39.35.360) provides that an employee who was employed before January 1, 1980 who completes three years of credited service with the state after January 1, 1961 for which the employee makes retroactive contributions is entitled to credited service (without making retroactive contributions) for service rendered (1) before January 1, 1961, as an employee of the state or former Territory of Alaska; (2) before January 1, 1961, as an employee of the U.S. government in Alaska, excluding military service; or (3) after January 1, 1961, as a peace officer, correctional officer, or fireman of a participating political subdivision of the state.

The bill would allow vested or retired members who are not eligible to receive credited service for employment prior to January 1, 1961 under (1) and (2) above, to receive credited service if they elect to do so within a specified time frame and make retroactive contributions. The contributions would be in the amount of 4-1/2% of the compensation earned during the employment for which credited service is claimed plus compound interest at a rate prescribed by regulation from the date of the earlier service to the date of making the retroactive contribution.

Provides Act effective July 1, 1983.

Introduced March 11 and referred to State Affairs and Finance.

Residential Property Tax Exemptions (municipal)

HOUSE BILL NO. 255, by Rep. Malone. Would repeal the $10,000 limit on municipal tax exemptions for residential property contained in AS 29.53.025(a). That portion of the law authorizes municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. The bill repeals: "An exclusion or exemption authorized by this section may not exceed $10,000 for any one residence." Does not provide for an effective date (becomes law 90 days after Governor's signature).

Introduced March 11 and referred to Community & Regional Affairs.

Salmon Spawning Streams (resource permits)

HOUSE BILL NO. 256, by Reps. Flood, Uehling and Grussendorf. Transfers from the Dept. of Health and Social Services to the Dept. of Environmental Conservation responsibility for issuing permits for natural resource development projects that could have a negative impact on salmon spawning streams and waters. (Amends AS 16.10.020.) Does not provide for an effective date (becomes law 90 days after Governor's signature).

Introduced March 11 and referred to Resources.

Health Ins. Policies (limitations & exclusions)

HOUSE BILL NO. 257, by Rep. Ward. Adds new section to AS 21.41 (The Insurance Contract) relating to limitations and exclusions in health insurance policies. New section reads: "An individual or group health insurance policy that provides coverage on an expense incurred basis or an individual or group service or indemnity type contract issued by a nonprofit

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

January 31, 1984

POSITION PAPER

RE: HB 537
SPONSOR: Representative Grussendorf

PROGRAM EFFECTS:

Allows municipalities to exempt by ordinance, Motor Vehicles from taxation.

COMMENTS:

Currently, municipalities' handling of motor vehicles assessment ranges from full exemption to full market assessment. This optional language would enable those communities which wish to exempt motor vehicles to do so and would not affect those jurisdictions where exemption it not desired and where various other taxing arrangements are currently employed. The Department has no objection to this bill.

Approved: Emil Notti
Emil Notti, Commissioner

21-P1LH

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: HB 537
Title: "Exempt motor vehicles from taxation"
Sponsor: Rep. Grussendorf
Requestor: House C&RA
Date of Request: 1-31-84

FISCAL DETAIL
Agency Affected: C&RA
Program Category Affected:
BRU, Program or Subprogram(s) Affected: State Assessor

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Michael Worley Phone: 465-4730
Division: MRAD Date: 1-31-84

Approved by Commissioner: David Watts Date: 2/1/84
Agency:

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 13, 1984

Senator Richard Eliason
Alaska State Senate
Pouch V M/S 3100
Juneau, Alaska 99811

Rep. Ben Grussendorf
Alaska House of Representatives
Pouch V M/S 3100
Juneau, Alaska 99811

Dear Dick and Ben:

The assembly has asked that I request you to work toward and support a change in Title 29, concerning municipal taxation of motor vehicles.

The taxation provisions of Title 29 are mandatory on all municipalities, including home rule domains like Sitka. Title 29 specifically lists the tax exemptions which we may grant. The problem is that the assembly wishes to exempt motor vehicles from the ad valorem tax, but is not allowed to under the statute.

Some municipalities such as Juneau, do not tax motor vehicles under a grandfather clause in the statute [A.S.29.53.025(d)]. This option is not open to Sitka.

Other municipalities let the state collect a local fee set by statute at the time of vehicle registration [A.S.28.10.431] however, the statutory fee is overall much higher than Sitka's ad valorem rate and the assembly does not wish to burden Sitkans with increased taxes.

With the statute requiring taxation of vehicles, Sitka is forced to comply; however, collection appears to be uneconomic. We have approximately 4,000 cars in Sitka and receive $25,000 to $35,000 in taxes on them annually. Most, if not all of that revenue is offset by the cost of collection and enfcrcement. A tax which did not produce any net revenue, but only paid the

salary of the tax collector might be considered by some to be a significant comment on modern government. We just don't want that comment to be made about Sitka.

In the past we coupled tax collection with a vehicle safety inspection, but the safety inspection ordinance has been repealed leaving us with only the tax gathering function.

I would suggest that A.S. 29.53.025 be amended by adding a subsection (h) to read as follows, "municipalities may by ordinance classify and exempt or partially exempt from taxation motor vehicles".

Such an enactment would save Sitkans much time and effort if it could go into effect by January 1, 1985. Since we don't know what the fate of the proposed new Title 29 will be this year, perhaps you could not only try to get this idea into the new 29 draft, but simultaneously attempt to amend the existing statute.

The assembly would greatly appreciate your efforts and comments on this matter.

Sincerely,

Pete Hallgren

Peter S. Hallgren
Municipal Attorney

cc: Administrator
Anderson

HB
558

COMMITTEE REPORT

3/28

HOUSE

(9)

FURTHER: COMMUNITY & REGIONAL AFFAIR

2/1/84

Date: 3/27/84

The Committee on TRANSPORTATION has had HB 558

"An Act relating to local service roads and trails; and providing for an effective date."

under consideration and recommends:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 558 (Trsp) [X] same title [ ] new title

and recommends _____

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

[X] Zero Fiscal Note Attached a/analysis Sept 16

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Mabel Bland

Adelheid Herrmann

Mike Davis

M. W. Miller

Bettie Cate

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Joe R. Rue, Bride, no Rec

Jim Fuller NO #560

Bettie Cate
CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1/4/84

REQUEST
Bill/Resolution No.: HB 558
Title: Local Service Roads & Trails
Sponsor: DOT&PF
Requestor: Commissioner's Office
Date of Request:

FISCAL DETAIL
Agency Affected: DOT&PF
Program Category Affected: Design & Construction
BRU, Program or Subprogram(s) Affected: Capital Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared By: John J. Simpson Phone: 789-6261
Division: Standards & Technical Services Div. Date: 1/4/84

Approved by Commissioner: Date: 1/11/84
Agency: DOT&PF

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

The proposed bill is strictly a housekeeping measure and has no fiscal impact on either the operating or capital budget. No additional positions are required.

The proposed bill revises A.S. 19.30 in two areas:

1) AS 19.30.127 and AS 19.30.131(a) are reworded to make allocation district boundaries coincide with DOT&PF's regional boundaries. This simplifies the allocation process of LSR&T monies.

2) AS 19.30.161 is reworded to require LSR&T projects constructed on a Federal-aid secondary route to be approved by the Commissioner of DOT&PF. This language change is needed to assure that Federal requirements for roadway width, design standards and right-of-way are met.

HB 558

BILL SHEFFIELD
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 31, 1984

The Honorable Joe Hayes
Speaker of the House
Pouch V
Juneau, Ak 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the local service roads and trails program. The bill makes minor amendments to existing statutes.

Section 1 repeals and reenacts AS 19.30.127. The current language establishes five allocation districts. The proposed language creates allocation districts by simply saying that they are identical to the Department of Transportation and Public Facilities' operating regions. When the local service roads and trails program was enacted in 1971 there were five highway districts within the Department of Highways. The allocation districts established in the statute coincided with those highway districts. Those allocation districts bear little relationship to the manner in which the state's highway program is administered today. There are currently three regional offices with headquarters in Anchorage, Fairbanks, and Juneau, respectively. This amendment will allow the program to be administered in a way that is consistent with the Department of Transportation and Public Facilities' current administrative structure. The amendment will enable the allocation districts to match any future changes in geographic organization of the department.

Additionally, sec. 1 of the bill provides a mechanism to address the problem of local governments which lie within two allocation districts. Subsection (b) of AS 19.30.127 will provide that the boundary between the allocation districts is to be adjusted to include the local government within the allocation district in which the largest portion of the local government's land is located.

Section 2 amends AS 19.30.131(a) by deleting the reference to five allocation districts. This amendment is necessary because of the new method of establishing the allocation districts found in sec. 1 of the bill.

Section 3 amends AS 19.30.161 by adding language requiring the prior approval of design standards, rights-of-way, and widths for projects which are constructed on a federal-aid secondary route, even though the project will be constructed by a local government that has assumed road powers. As a general proposition under the local service roads and trails program, if a local government has assumed road powers it is responsible for the maintenance of the facility after construction. Consequently, the state has little concern over the standards. In 1981, the nature of the program changed when AS 19.30.111 was amended to allow the use of program money on the federal-aid secondary highway system. These facilities can be quite complicated and the state is required to comply with various standards to continue to receive federal aid for the route. It is therefore appropriate that the commissioner of DOT/PF have a right of prior approval of design standards, rights-of-way, and width.

Sincerely,

Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: CSHB 558
Title: Local Services Roads and Trails
Sponsor:
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: DOTPF
Program Category Affected: Design & Construction
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Bette Cato, Chairman Phone: 4858
Division: House Transportation Committee Date: 3-27-84

Approved by Commissioner: Date:
Agency:

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

The Committee Substitute for House Bill 558 has no fiscal impact on either the operating or capital budget. No additional positions are required.

The proposed Committee Substitute revisions are as follows:

1. AS 19.30.127 and AS 19.30.131(a) are reworded to make allocation district boundaries coincide with DOTPF's regional boundaries. This simplifies the allocation process of LSR&T monies. (As in HB 558)

2. AS 19.30.131(c) and AS 19.30.141 deletes first class cities from direct allocations. Per the Department, the need for this change is to provide first class cities with adequate funds to construct local service roads. Presently, the law treats allocations for most first class cities are not adequate to construct a local service road project. This change in the law allows funding of projects for first class cities through their respective borough or unorganized borough on a priority basis.

3. AS 19.30.161 is reworded (per the Department's request) to require LSR&T projects constructed on a Federal-aid secondary route to be approved by the Commissioner of DOTPF. This language change is needed to assure that Federal requirements for roadway width, design standards and right-of-way are met.

4. AS 19.30.241(3) adds language which includes second class cities to conform with the definition of municipality in AS 29.78.010(8). Per the Department, this change is necessary to enable any political subdivision of the State to construct and maintain a project under the provisions of this act.

5. AS 19.30.241(4) adds language to the definition of local service roads to include an average daily traffic count of fewer than 400 vehicles to target LSR&T monies for projects which the LSR&T program was originally intended to do.

COMMITTEE SUBSTITUTE FOR HOUSE BILL 558 (TRANSPORTATION)

Section 1. creates allocation districts by simply saying that they are identical to DOT's operating regions.

provides mechanism to address the problem of local governments which lie within 2 allocation districts; includes the local government within allocation district in which largest portion of the local government's land is located.

Section 2. deletes reference to FIVE allocations.

Section 3. deletes first class cities from direct allocation. The need for this change is to provide first-class with adequate funds to construct local service roads. Presently, the law treats allocation of funds to first-class cities the same as home rule cities. Present allocations for most first class cities are not adequate to construct local service road project. This change in the law allows funding of projects for first class cities through their respective borough or unorganized borough on a priority basis.

Section 4. deletes first class cities from direct allocation.

Section 5. allows the use of program money on the federal-aid secondary highway system.

Section 6. adds language to include second class cities to conform with the definition of municipality in AS 29.78.010(8). Necessary to enable political subdivision of the State to construct and maintain a project under the provisions of this act.

adds language to the definition of local service roads to include an average daily traffic count of 400 vehicles in order to give alleviate the problem of LSR&T funds to be used on major urban roads.

HB
562

COMMITTEE REPORT

HOUSE

JUDICIARY

FURTHER: FINANCE

(7)

Date: 2/1/84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 562

"An Act relating to service of process in cases involving domestic violence."

under consideration and recommends:

[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 [X] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Bill Miller

MEMBERS HAVING OTHER RECOMMENDATIONS:

CHAIRMAN

COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT

POSITION PAPER

HB 562

"An Act relating to service of process in cases involving domestic violence."

The Council on Domestic Violence and Sexual Assault supports HB 562 "An Act relating to service of process in cases involving domestic violence."

The Council is concerned about the right of victims to be protected by a domestic violence restraining order as soon as possible. In communities that have police departments, local police officers are in the best position to respond quickly. If there are no peace officers in a municipality, this revision in the legislation enables the court to designate any other peace officer as the server. Thus state peace officers could concentrate on areas with no other police protection and respond in a more timely manner to their needs.

Jana Varrati
Vice-Chair
Council on Domestic Violence
and Sexual Assault

KENAI POLICE DEPT.

P.O. BOX 3173, KENAI, ALASKA 99611

TELEPHONE 283-7879

March 13, 1984

The Honorable Mike Miller
Chairman, Community & Regional Affairs
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

MAR 16 '84

Dear Representative,

Request that House Bill No. 562 be defeated. This is the bill relating to the service of domestic violence orders. This request is made for the following reasons:

1) At present all civil process is vested in the Commissioner of Public Safety. The Commissioner of Public Safety is the executive officer of all Alaskan Courts. This is a centralized system that has proven far more effective than in many states where this responsibility is dispersed among several agencies.

2) The Department of Public Safety presently has a judicial services section that performs the function of process service. This legislation would require that municipalities set up similar systems in order to carry out this function. This could result in a net increase in cost to the public.

3) As the subjects of these orders cross jurisdictional lines it would be necessary to transfer these orders from one agency to another. This builds in the possibility of error and time delays in service.

If lack of resources on the part of the Department of Public Safety is one of the primary reasons for this legislation, I would request that they be funded at a level sufficient to handle it. To change the present centralized system that has functioned well should only be done after careful consideration. It would seem ill-advised to do it on a piece meal manner.

Respectfully submitted,

Richard A. Ross
Chief of Police
Kenai Police Department
107 South Willow Street
Kenai, Alaska 99611

RAR/kdl

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

TO: House Community and Regional Affairs Committee

FROM: House Community and Regional Affairs Committee

DATE: 3/13/84

SUBJ: HB562

As per the Chairman's instructions, staff contacted the Chief of Police of Anchorage, Fairbanks, Nome, Palmer, Valdez and Juneau.

At this time, Palmer and Fairbanks have sent the attached letters, one in support, the other with a no action recommendation.

Staff spoke to aide Ruth Rockwell of the Chief of Police Bob Kauer's staff in Nome. Ms. Rockwell stated that the Nome Police Department already aid the State Police in the serving of writs within Nome's perimeters. She felt no great impact would be felt and has no problem with this bill. She stated that it could clarify and ascertain jurisidiction within the city's boundaries and that in most cases, the local police would be more effective in getting the job done quickly and with a minimum of distress to the recipient as the local police were generally more familiar figures of authority than the state police.

Valdez Chief of Police Pat Shelly's response to HB562 was that it was a good bill. For his size of community, he would prefer to have the control. He stated that generally his people were first on the scene, familiar with the people involved and the situation that had occurred. He felt the service of process gave his department a chance to follow up on the situation, to answer subject's questions concerning his rights, limitations and property and for the officer to offer to act as a mediator and arrange a convenient time for subject's personal articles to be removed from household.

Staff met with Chief of Police Joseph Ciraulo of Juneau. He offered to testify before the Committee if he was available at the time of the hearing. Staff is expecting him. However, he stated he believed that this bill would cost the city more money. Also, he believed that the state troopers has a special team and funding for this type of action. If bill was passed, he would use opportunity to gain another much needed staff position. He stated that already his department did step into help state police serve these writs. Also, it was up to the local department to enforce the writs. His personal feeling was that if

there was any way a civilian could handle this job, it would be better. The less a uniformed officer, whether they be state or city paid, was visible in these cases, the less likely the chance of more violence taking place.

Staff called the City of Anchorage; Chief of Police Brian Porter's office and Daniel Cowden with the Muni's Program Planning and Budget. Cowden said they would try to work out a probable fiscal note. The Chief's secretary said the Chief was in Juneau. Staff left messages at the meeting site and his hotel about the bill and asking for his position. No response has been forthcoming from either gentlemen. Staff did renotify Mr. Cowden and his statement was that he had notified the departments involved and they had not responsed. This led him to believe that this bill was not a priority with the city.

All the above contacts said that they would send letters of back up but none have arrived so far except the two attached.

City of Valdez

POLICE DEPARTMENT
March 6, 1984

Representative Mike Miller
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Re: House Bill No. 562
An Act relating to service of process in cases involving domestic violence.

Dear Representative Miller:

I wish to express my support for this bill as I believe it would not only keep us informed of potential problems but also would allow us contact with the individuals in a non-arrest atmosphere. In this atmosphere an officer could offer services that could prevent future problems and officer risk. As an example, when papers are served there may be items in the residence such as clothes, tools, etc. that the person may need, but is restrained from getting. We could offer to stand by or to pick up the items for them. This process allows us to practice crime prevention which is preferable to being called to a crisis which does not allow us any alternatives and often is to late to prevent injury.

I believe this bill goes a long way in addressing domestic problems.

Sincerely,

Patrick M. Shely
Chief of Police

PMS:jmc

P.O. BOX 307 . . . VALDEZ, ALASKA 99686 . . . TELEPHONE (907) 835-4313

POLICE DEPARTMENT
CITY OF FAIRBANKS
656 7TH AVENUE
FAIRBANKS, ALASKA 99701
907-452-1527

MATTHEW K. KIERNAN
CHIEF OF POLICE

March 2, 1984

Rep. Mike Miller
House Community & Regional Affairs
Pouch V
Juneau, AK 99811

Re: House Bill No. 562

Dear Rep. Miller:

Section 25.35.040 Service of Process as amended by House Bill No. 562, would place an extra costly burden upon the City of Fairbanks Police Department at a time when the Department is seeking ways of reducing budget dollars by eliminating unnecessary services by police officers.

During the previous year the Police Department has, with the assistance of the City of Fairbanks Attorney's office, instituted a procedure whereby all subpoena and criminal summonses are first served by Registered Mail. This procedure has resulted in a 60 to 80 per cent service record. Those not received are then served by a police officer or legal aid.

The City of Fairbanks Police Department is also supporting a State funded telecommunications link between the District Court and the State correctional facility in Fairbanks. This communications system is scheduled to be implemented during the summer of 1984, and will eliminate the majority of police officer escorted transports of prisoners from State Jail to Court for arraignment, thereby reducing the police officer man-hours necessary to accomplish this service.

The City of Fairbanks Police Department has also considered using civilian employees for the purpose of serving court processes in lieu of highly paid and trained police officers.

It is my recommendation that your committee take no action on House Bill 562. The State Troopers are funded and have the manpower for service of processes under AS 25.35.010 or AS 25.35.020. It will be my further recommendation that if the committee is looking at reducing the responsibility of highly trained police officers in serving processes from Superior and District Courts, that the committee look at amending the State statute to allow court officers to serve these processes.

Other law enforcement agencies have used civilian employees in handling domestic violence disputes with a high degree of success and with very little violence towards civilians. The civilian employee does not pose a threat to the parties involved as does the police officer having the authority to make arrests. Therefore, I am of the opinion that a civilian officer of the court could execute processes issued under AS 25.35.010 or 25.35.020 without any danger to his person.

The cost of training and equipping police officers to perform enforcement duties is done at considerable expense. I believe it is necessary to look at alternatives to using police officers outside of the job for which they have been trained. I would request that your committee give consideration to my recommendations when discussing House Bill No. 562.

Yours truly,

RICHARD L. CUMMINGS
Captain, Fairbanks Police Department

RLC:lnh

Palmer Police Department

POST OFFICE BOX 1368
PALMER, ALASKA 99645

PHONE: 745-4811

JOHN L. McKIBBEN
CHIEF OF POLICE

Mr. Mike Miller, Chairman
House Community Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

February 29, 1984

REF: House Bill 562, Service of Process in
Cases Involving Domestic Violence

I would like to take this opportunity to express my support for House Bill 562. It is my feeling that City Police departments should serve local domestic violence processes. As I am sure you and your committee are aware, these situations can be very touchy ones. In many small communities, the Police Officers would more than likely know the parties involved and have some insight into the best ways to approach them. I do not feel that this additional responsibility would place any undo strain on city departments.

If I can be of any assistance, or if you have any questions, please do not hesitate to contact me.

Very truly yours,

John L McKibben

John L. McKibben
Chief of Police

JLM/lmcc

Alaska State Legislature

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: MUNICIPAL AND LOCAL POLICE DEPARTMENTS

FROM: HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

DATE: February 29, 1984

SUBJ: HB562 - relating to service of process in cases involving domestic violence.

This bill will be heard again within 10 days in the H C&RA Committee. If you have a wish to testify or present a position paper, please contact Shirley Dreas, aide, HC&RA - 465-3870.

Thank you.

sd

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB 562

Support

During the last two years the tremendous increase in the number of domestic violence orders to be served has placed a severe drain upon the manpower of the Alaska State Troopers and has caused some delay in the services of these orders. This legislation transfers the primary responsibility for the service of these injunctions from the State Troopers to local police departments. State Troopers would continue to serve these orders when local officers are not available.

Domestic violence injunctions are served by Troopers assigned to the Judicial Services section of the Alaska State Troopers. This section is also responsible for courtroom security, prisoner transportation and the service of subpoenas and warrants. The Alaska State Troopers have never received funding to cover the costs associated with the service of domestic violence orders. Thus this increased work load falls on an already overloaded unit and the service of these orders must sometimes be subordinated to other law enforcement demands.

The majority of domestic violence orders are served within the boundaries of political subdivisions which have their own police agencies. The local police are often more familiar with the locations and individuals involved in domestic violence situations and therefore can more safely and efficiently serve orders.

Robert J. Sundberg
Commissioner

REQUIRE THAT THE RESULTING COURT ORDER BE SERVED BY A STATE TROOPER WHOSE PRIMARY PATROL AREA IS OFTEN OUTSIDEOF THE CITY OR BOROUGH AND WHO HAS HAD NO PREVIOUS CONTACT WITH THE VICTIM OR THE CASE IS NOT AN EFFICIENT USE OF LAW ENFORCEMENT RESOURCES, AND MAY CAUSE A DELAY IN THE SERVICE OF THE ORDER. IN THE LARGER CITIES, SERVICE OF THESE INJUNCTIONS IS MADE BY OFFICERS IN THE JUDICIAL SERVICES SECTION OF THE STATE TROOPERS. THE NEED TO ENSURE ADEQUATE SECURITY IN COURTROOMS, TRANSPORT PRISONERS, AND SERVE CRIMINAL ARREST WARRANTS AND SUBPOENAS SEVERELY LIMITS THE AMOUNT OF TIME AND EFFORT A JUDICIAL SERVICES OFFICER MAY DEVOTE TO SERVICE OF DOMESTIC VIOLENCE INJUNCTIONS.

IN THE INTERESTS OF PROVIDING THE QUICKEST AND BEST POSSIBLE PROTECTION FOR VICTIMS OF DOMESTIC VIOLENCE, AND OF MAKING THE WISEST POSSIBLE USE OF AVAILABLE LAW ENFORCEMENT RESOURCES, I URGE YOUR PROMPT PASSAGE OF THIS BILL.

ALASKA NETWORK ON DOMESTIC
VIOLENCE AND SEXUAL ASSAULT
110 SEWARD #13 JUNEAU ALASKA 99801
(907)586-3650

POSITION PAPER

HB 562: An Act relating to service of process in cases involving domestic violence

The Alaska Network on Domestic Violence and Sexual Assault, representing 20 programs statewide that provide services to victims of domestic violence and sexual assault, supports HB562 which provides for service of process in cases involving domestic violence.

Some Network member programs, especially those in rural areas, have experienced difficulties in the service of Temporary Restraining Orders (TROs) under the current statute, which requires that a State peace officer serve and execute process. In communities where State Troopers are not permanently stationed this results in a delay in service and execution of the TRO. Allowing municipal peace officers and Village Public Safety Officers (VPSOs) to serve TROs would alleviate this problem.

The Network feels that timely service, whether by a VPSO, municipal peace officer, or State Trooper, is the critical issue. The purpose of securing a TRO is to protect the victim from further harm. The court is required to notify the appropriate law enforcement agency that an order has been issued, and law enforcement is charged with serving the order. If there is a delay in notification by the court or service by law enforcement, the purpose of securing the order is thwarted, and can result in further harm to the victim.

DEPARTMENT OF PUBLIC SAFETY

FEB13'84

POSITION PAPER - HB 562

Support

During the last two years the tremendous increase in the number of domestic violence orders to be served has placed a severe drain upon the manpower of the Alaska State Troopers and has caused some delay in the services of these orders. This legislation transfers the primary responsibility for the service of these injunctions from the State Troopers to local police departments. State Troopers would continue to serve these orders when local officers are not available.

Domestic violence injunctions are served by Troopers assigned to the Judicial Services section of the Alaska State Troopers. This section is also responsible for courtroom security, prisoner transportation and the service of subpoenas and warrants. The Alaska State Troopers have never received funding to cover the costs associated with the service of domestic violence orders. Thus this increased work load falls on an already overloaded unit and the service of these orders must sometimes be subordinated to other law enforcement demands.

The majority of domestic violence orders are served within the boundaries of political subdivisions which have their own police agencies. The local police are often more familiar with the locations and individuals involved in domestic violence situations and therefore can more safely and efficiently serve orders.

Robert J. Sundberg
Commissioner

HB
590

COMMITTEE REPORT

HOUSE

3/29

JUDICIARY
FINANCE

(7)

FURTHER:

2/6/84

Date: _____

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 590

"An Act relating to state aid for Indian tribes located on certain federally established Indian reserves; and providing for an effective date."

under consideration and recommends:

[ ] 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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

Introduced: 2/8/84
Referred: Community & Regional Affairs, Judiciary and Finance

IN THE HOUSE BY MCBRIDE

HOUSE BILL NO. 590

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for Indian tribes located on certain federally established Indian reserves; and providing for an effective date."

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

* Section 1. INTENT. It is the intent of the legislature that the Metlakatla Indian Community qualify to receive state assistance commensurate with the services provided by the Metlakatla Indian Community to the residents of the Annette Island Reserve. Neither this Act nor any action taken under it should be construed to expand or diminish the authority or jurisdiction of any Native village council.

* Sec. 2. AS 29.88.010(c) is amended to read:

(c) For purposes of this section, locally generated revenue

(1) includes

(A) the actual revenue derived from the levy and collection of local taxes in the taxing unit for local government services during the preceding fiscal year of the taxing unit;

(B) motor vehicle payments received by the municipality during the preceding fiscal year under AS 28.10.431;

(C) revenue from fees, rentals, leases, penalties, licenses or permits received during the preceding fiscal year by the local government [MUNICIPALITY] for a function or service over which it has control, including revenues derived from parks and recreation services, mass transit, offstreet parking, and garbage and solid waste disposal services;

(D) special assessments received during the preceding fiscal year; and

(E) payments received by a local government [MUNICIPALITY] from a utility that [WHICH] are in place of taxes levied and collected by the local government [MUNICIPALITY];

(2) excludes

(A) revenue derived from the levy and collection of local [MUNICIPAL] taxes and appropriated for the operating expenses and debt service of utilities;

(B) revenue from interest earned on investments and from the sale and lease of land or equipment; and

(C) all other revenue from whatever service derived.

* Sec. 3. AS 29.88.020(a) is amended to read:

(a) The department may require a local government [MUNICIPALITY] to return a certification, signed by the appropriate local official that [MUNICIPAL TREASURER OR MANAGER AND THE MAYOR, WHICH] provides an estimate of the locally generated revenue received by the local government [MUNICIPALITY] during the preceding fiscal year.

* Sec. 4. AS 29.88.020(b) is amended to read:

(b) By October 15 of each year, the department shall make an initial determination of the millage rate equivalent of each taxing unit to be used for computing and distributing equalization entitlements for the current fiscal year under this chapter. The department shall base the initial determination on the estimates in the certification returned [BY A MUNICIPALITY] under (a) of this section.

* Sec. 5. AS 29.88.020(c) is amended to read:

(c) As early as possible, but not later than December 15 of each year, the department shall make a final determination of the millage rate equivalent of each taxing unit to use to compute and distribute

equalization entitlements under this chapter. The department shall base the determination on audits, financial statements and other financial reports prepared and submitted by the local government [A MUNICIPALITY]. The department shall adjust the locally generated revenue reported [BY A MUNICIPALITY] to exclude the [MUNICIPAL] revenue claimed by the local government that [MUNICIPALITY WHICH] does not qualify for inclusion in or recognition as locally generated revenue for local government purposes under AS 29.88.010(c)(1). The adjustment shall be made by deducting from total revenue claimed by the local government [MUNICIPALITY] the amount of the department's estimate of revenue that [WHICH] is not recognized for local government purposes.

* Sec. 6. AS 29.88.020(d) is amended to read:

(d) The full and true assessed property value shall be determined by the department in the manner provided for the computation of state aid to education under AS 14.17.140. When the determination of locally generated revenue includes revenue of a utility received under AS 29.88.010(c)(1)(E), the full and true assessed property value shall include the computed assessed value of the utility, determined by dividing the amount of the payment in place of taxes made by the utility by the millage rate that [WHICH] would apply to the utility if the utility were subject to levy and collection of local taxes [UNDER AS 29.53.010 - 29.53.420].

* Sec. 7. AS 29.88.020(e) is amended to read:

(e) In addition to the computation for local governments that [MUNICIPALITIES WHICH] levy and collect a property tax, the department shall determine an estimated full and true assessed property value under (d) of this section for

(1) each municipality that [WHICH] is a school district and

that [WHICH] does not levy and collect a property tax;

(2) each second class city or Indian reserve with a population of 750 or more persons; however, a computation is not required under this paragraph more often than once during a period of three successive calendar years; and

(3) all other second class cities and Indian reserves, by determining the average per capita full and true assessed property value of all cities and Indian reserves having a population of less than 750 persons in which an assessment has been completed by a municipality or for which a determination is not made under (1) or (2) of this subsection.

* Sec. 8. AS 29.88.025 is amended to read:

Sec. 29.88.025. REPORTS. A payment of an equalization entitlement may not be made to a local government [MUNICIPALITY] under this chapter until the local government [MUNICIPALITY] has submitted its certificate of estimated revenue and its financial report to the department for the fiscal year preceding the year for which the equalization entitlement is sought, together with a budget for the local government's [MUNICIPALITY'S] current fiscal year. The financial report shall include a listing of general revenue collected from taxes levied and assessed by the local government [MUNICIPALITY] and any other revenue that [WHICH], in the opinion of the local [MUNICIPAL] officials, is eligible for inclusion in computations of the locally generated revenue of the taxing unit.

* Sec. 9. AS 29.88.030(b) is amended to read:

(b) An equalization entitlement for a municipality determined with reference to revenue other than revenue obtained from the levy and collection of taxes may be used for areawide or nonareawide purposes, at the discretion of the assembly or council.

* Sec. 10. AS 29.88.035 is amended to read:

Sec. 29.88.035. TAX EQUALIZATION ACCOUNT. The tax equalization account is established. Money to carry out the provisions of this chapter shall be allocated by the department to the account. The amount allocated to the account shall be fully distributed by the department as payments to local governments [MUNICIPALITIES] to fulfill each local government's [MUNICIPALITY'S] share authorized under AS 29.88.010. The amount allocated to the account shall be distributed by the department pro rata among eligible local governments [MUNICIPALITIES].

* Sec. 11. AS 29.88.040(a) is amended to read:

(a) The department may adopt regulations necessary to implement AS 29.88.010 - 29.88.045. The regulations shall include, among other provisions,

(1) procedures and filing dates for submitting certification and financial reports;

(2) procedures for obtaining information required to compute and determine the local government's [MUNICIPALITY'S] millage rate equivalent; and

(3) procedures by which the department shall notify a local government [MUNICIPALITY] in writing of the reasons for a proposed disallowance or adjustment of any factor bearing upon the determination of the local government's [MUNICIPALITY'S] entitlement and by which the local government [MUNICIPALITY] will be provided reasonable time in which to respond or to challenge the department's determination.

* Sec. 12. AS 29.88.040(b) is amended to read:

(b) The department shall make reasonable efforts to advise and assist local governments [MUNICIPALITIES] in collecting information

and completing reports necessary for the determination of entitlements under AS 29.88.

* Sec. 13. AS 29.88.040(c) is amended to read:

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a local government's [MUNICIPALITY'S] millage rate equivalent under AS 29.88.010 any tax revenue appropriated for a utility not included in the definition set out in AS 29.88.045(4).

* Sec. 14. AS 29.88.045(3) is amended to read:

(3) "taxing unit" means an Indian tribe located on a federally established Indian reserve or a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities and outside federally established Indian reserves;

(B) in a city, a differential tax zone;

* Sec. 15. AS 29.88.045 is amended by adding new paragraphs to read:

(5) "local government" means a municipality or an Indian tribe located on a federally established Indian reserve;

(6) "Indian reserve" means a federally established Indian reserve in existence before enactment of 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act) and continued in existence under 43 U.S.C. 1618(a).

* Sec. 16. AS 29.89.020 is amended to read:

Sec. 29.89.020. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The department shall pay to a local government that [MUNICIPALITY WHICH] has power to provide for road maintenance and exercises that power, $2,500 a mile for each mile of road, street or highway maintained by the local government, excluding (1) the official state highway system, (2) roads, streets or highways not dedicated to public use, (3) roads,

streets or highways maintained under the local service road program (AS 19.30.111 - 19.30.251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road that [WHICH] is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway that [WHICH] may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for a payment of $1,500 per mile if the waterway and connection are maintained during the period of use by a local government [MUNICIPALITY] or combination of local governments [MUNICIPALITIES]. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the [CORPORATE] limits of a local government [MUNICIPALITY], which local governments [MUNICIPALITIES] shall receive the payments under this subsection, unless the local governments [MUNICIPALITIES] involved have agreed in writing to a particular distribution.

* Sec. 17. AS 29.89.030(a) is amended to read:

(a) The department shall pay

(1) to a local government that [MUNICIPALITY WHICH] has the power to provide hospital facilities and services and that [WHICH] exercises that power, $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 $250,000 a hospital for those hospitals with 10 or more beds, or $50,000 a hospital for those hospitals with less than 10 beds, as the local government [MUNICIPALITY] may elect; money received under this paragraph may be used only for

hospitals and shall be apportioned among qualifying hospitals as the local government [MUNICIPALITY] determines;

(2) on the basis set out in (1) of this subsection to a local government [MUNICIPALITY] for a nonprofit hospital not operated by a local government [MUNICIPALITY] if the local government [MUNICIPALITY] first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals that [WHICH] have been adopted by the local government [MUNICIPALITY]; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the local government [MUNICIPALITY] shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) to a local government [MUNICIPALITY] in which a health facility is operated, $2,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $8,000 per health facility as the local government [MUNICIPALITY] determines.

* Sec. 18. AS 29.89.030(c) is amended to read:

(c) Money received by a local government [MUNICIPALITY] under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the local government [MUNICIPALITY] determines.

* Sec. 19. AS 29.89.050 is amended to read:

Sec. 29.89.050. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The state shall pay $25.00 to a Native village government for a village that [WHICH] is not incorporated as a city under AS 29.03.010 .

29.95.030. In this section, "Native village government" means

(1) a local governing body organized by authority of [THE ACT OF CONGRESS OF JUNE 18, 1934 (] 25 U.S.C. [SEC.] 476 [)] other than the governing body of an ~~Indian tribe~~ located on a federally established Indian reserve existing before enactment of 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act) and continued in existence under 43 U.S.C. 1618(a); or

(2) a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village that [WHICH] meets the requirements of [THE ALASKA NATIVE CLAIMS SETTLEMENT ACT (] 43 U.S.C. [SECS.] 1601 - 1628 (Alaska Native Claims Settlement Act).

* Sec. 20. AS 29.89.100 is amended by adding a new paragraph to read:

(4) "local government" means a municipality or an Indian tribe located on a federally established Indian reserve existing before enactment of 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act) and continued in existence under 43 U.S.C. 1618(a).

* Sec. 21. AS 29.95.020(a) is amended to read:

(a) An Indian tribe qualifying for an entitlement under AS 29.88 or AS 29.89 shall receive a minimum payment of $25,000 plus an area cost-of-living differential for each fiscal year. A municipality qualifying for an entitlement under AS 29.88 or AS 29.89 shall receive a minimum payment of $25,000 plus an area cost-of-living differential for each fiscal year if:

(1) the municipality has conducted a regular election under AS 29.28.010 - 29.28.050 during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and has reported the results of the election to the commissioner of the Department of Community and Regional Affairs;

(2) regular council meetings are held in the municipality in accordance with the requirements of AS 29.23.210 during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and an audit or financial statement for the preceding fiscal year has been prepared and furnished to the Department of Community and Regional Affairs in accordance with AS 29.23.560(a); and

(4) local ordinances adopted by the governing body of the municipality have been codified in accordance with AS 29.48.180.

* Sec. 22. AS 29.95.020(b) is amended to read:

(b) The area cost-of-living differential payable to each Indian tribe and municipality under this section shall be determined annually by election district under the provisions of AS 39.27.030. Except as provided in AS 29.95.030, application of the area cost-of-living differential may not result in a payment which is less than the minimum payment determined under (a) of this section. For purposes of this subsection, the election districts used are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

* Sec. 23. AS 29.95.020(c) is amended to read:

(c) The Department of Community and Regional Affairs shall pay to each Indian tribe and municipality eligible to receive a minimum payment under this section an amount equal to the difference between the minimum payment determined under (a) and (b) of this section and the sum of the amounts payable for the same fiscal year under AS 29.88

and AS 29.89.

* Sec. 24. AS 29.95.020 is amended by adding a new subsection to read:

(f) In this section, "Indian tribe" means an Indian tribe located on a federally established Indian reserve in existence before enactment of 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act) and continued in existence under 43 U.S.C. 1618(a).

* Sec. 25. AS 43.20.016(a) is amended to read:

(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 30 percent of the income tax revenue received by the state under AS 43.-20.011(e) [AND AS 43.21] for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each Indian tribe and municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY CLASS] on an annual basis as provided in (b), [AND] (c) and (e) of this section. An Indian tribe or a municipality [A BOROUGH OR CITY] may not receive payment under (b), [OR] (c) or (e) of this section until it submits to the Department of Revenue a resolution approved by the governing body [OF THE MUNICIPALITY] that requests the funds. Distribution of money from the fund to an Indian tribe or a municipality [CITY OR ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be made on February 1 of the state fiscal year for which the appropriation to the fund is made. Distribution of money from the fund to all other Indian tribes [CITIES] and municipalities [ORGANIZED BOROUGHS] shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A municipality [BOROUGH OR CITY] that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

* Sec. 26. AS 43.20.016(c) is amended to read:

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) and (e) of this section, the excess amount shall be distributed to each Indian tribe [BOROUGH] and municipality [CITY] on the basis of population. For the purpose of this subsection, the population of each Indian tribe and each [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.

* Sec. 27. AS 43.20.016 is amended by adding new subsections to read:

(e) The base amount to be distributed during each fiscal year from the municipal assistance fund to each Indian tribe within a borough or unified municipality shall be a share of the amount distributed to the borough or unified municipality in which the reserve is located based on the ratio of population in the reserve to the total population in the borough or unified municipality. The base amount to be distributed to each Indian tribe outside a borough or unified municipality shall be the amount received as a base amount by the city most closely approximating the reserve in population at the time of the city's incorporation.

(f) In this section, "Indian tribe" means an Indian tribe located on a federally established Indian reserve in existence before enactment of 43 U.S.C. 1601 - 1628 (Alaska Native Claims Settlement Act) and continued in existence under 43 U.S.C. 1618(a).

* Sec. 28. This Act takes effect July 1, 1984.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

☐ 225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2234

March 21, 1984

POSITION PAPER

RE: HB 590
SPONSOR: Representative McBride

PROGRAM EFFECTS:

The bill would require the Department to pay State Revenue Sharing to Indian tribes located on federally established Indian reserves at the same level as funding currently is being provided to municipalities of the state. The Metlakatla Indian Community located on the Annette Island Reserve is the only recognized tribe located on an Indian reserve.

COMMENTS:

The Metlakatla Indian Community is a federally chartered city and as such provides a wide range of services to its residents. The community has an elected local government and is similar in many ways to cities organized under State law. As a functioning local government, Metlakatla must meet minimum levels of service and administer its local government based on standards set out in its federal charter. Section 8 (p.4, line 12) of this bill will require that Metlakatla meet the same reporting and documentation requirements that other municipalities under State law must adhere to in order to receive State Revenue Sharing funds.

The Department believes that Metlakatla operates as a municipal government and should be recognized as such and compensated accordingly. Therefore, the Department supports enactment of this legislation.

APPROVED: Emil Notti
Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: HB 590
Title: An Act relating to state aid for Indian tribes...
Sponsor: Rep. McBride
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Department of Community and Regional Affairs
Program Category Affected: Revenue Sharing
BRU, Program or Subprogram(s) Affected:

-EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Jon Cecil, Administrative Assistant Phone: 465-4733
Division: Municipal & Regional Assistance Divison Date: March 23, 1984

Approved by Commissioner: [signature] Date: 3/23/84
Agency: DCRA

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 590
Title: An Act relating to state aid for Indian tribes...

ANALYSIS:

Assumptions: It is impossible at this time to make a determination about the additional amount of State Revenue Sharing funds available to the Metlakatla Indian Community under AS 29.88 and AS 29.89. Depending upon such variables as population,, millage rate, road mileage, number of health facilities, and amount of locally generated revenues, a final entitlement determination is impossible to predict. A current determination cannot be made at this time because of an unavailability of adequate information.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations: Dependent upon variables such as road mileage ($2,500 per road mile/ $1,500 per ice road mile), number of health facilities ($8,000 per facility or $2,000 per bed).

Economic Impact:

Impact on Local Government:

Attachments

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: HB 590
Title: State aid for Indian tribes

Sponsor: McBride
Requestor: C & RA, Judiciary, Finance
Date of Request:

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: Revenue Collection and Management
BRU, Program of Subprogram(s) Affected: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

		FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
	OPERATING						
100	PERSONAL SERVICES	-	-	-	-	-	-
200	TRAVEL	-	-	-	-	-	-
300	CONTRACTUAL	-	-	-	-	-	-
400	SUPPLIES	-	-	-	-	-	-
500	EQUIPMENT	-	-	-	-	-	-
600	LANDS & STRUCTURES	-	-	-	-	-	-
700	GRANTS, CLAIMS	-	-	-	-	-	-
800	MISCELLANEOUS	-	-	-	-	-	-
	TOTAL OPERATING	-	-	-	-	-	-
	CAPITAL	-	-	-	-	-	-
	REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

	GENERAL FUND	-	-	-	-	-	-
	FEDERAL FUNDS	-	-	-	-	-	-
	OTHER	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached.

Prepared By: Ervin B. Jones
Division: Administrative Services
Phone: 465-2313
Date: 2/29/84

Approved by Commissioner: Bruce M. Botelho
Date: 3/13/84
Agency: Revenue

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

HB 590

ANALYSIS:

Assumptions: I assume the substitution of the word "municipalities" in place of "organized boroughs and cities of any class" does not further broaden the field of eligible recipients of municipal assistance.

For purposes of municipal assistance, the Department of Revenue uses populations certified by the Commissioner of C&RA. The definition statement in Section 27 should be clarified as to which persons would be counted (i.e. all persons residing within the Indian reserve, or just members in good standing who reside in the reserve, or all members, regardless of residence).

This bill will have no effect on the administrative cost of the municipal assistance program in the Department of Revenue. The effect of section 27 will be to dilute the amount to be shared per capita, as a result of increasing the base amount shared. Since the population of the only known such Indian Reserve (Metlakatla) is approximately 1050 persons, the effect on other communities will be minimal.

SB 228 TITLE & SPONSOR SUMMARY 11:09 3/28/84 PAGE 1 OF 2

AMENDED TITLE:
AN ACT RELATING TO STATE AID FOR INDIAN TRIBES LOCATED ON FEDERALLY ESTABLISHED INDIAN RESERVES; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: ZIEGLER.
CO-SPONSORS:
CURRENT STATUS: 3/27/84 IN (S) RULES

SB 228 SENATE ACTION 11:09 3/28/84 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/05/83	01	0580	FIRST READING -- COMMITTEE REPORTS
05/26/83	02	1121	C&RA -- CS03
06/21/83	03	1406	JUD -- C&RA CS01, NR03
06/21/83	04	1406	LETTER OF INTENT
03/27/84	05	2470	FIN -- C&RA CS(AM)05, NR02
03/27/84	06	2471	C&RA F/NOTE EQUALS ZERO
03/27/84	07	2471	DEPT REVENUE ZERO F/NOTE W/ANALYSIS
			RULES
****	**	**	*** *** ***

SENATE JUDICIARY
STANDING COMMITTEE
June 15, 1983
1:30 p.m.

Members Present: Senator Bill Ray, Chairman
Senator Fritz Pettyjohn
Senator Bob Ziegler
Senator Joe Josephson
Senator Dick Eliason

COMMITTEE CALENDAR

HB 163 — Amended Title: An Act relating to harassment of persons lawfully engaged in hunting, fishing, camping, or trapping.

HB 323 — Amended Title: An Act relating to residency and residency requirements; and providing for an effective date.

HB 126 — Amended Title: An Act limiting the liability of aircraft owners or operators for personal injury or death to guest passengers.

HB 130 — Amended Title: An Act relating to homesteads; and providing for an effective date.

SB 228 — Amended Title: An Act relating to state aid for Indian tribes located on federally established Indian reserves; and providing for an effective date.

WITNESS REGISTER

Mr. Jay W. Nelson, Director
Alaska Environmental Lobby
No information provided.
Position Statement: Testified on HB 163.

Mr. Ron Somerville
representing the Alaska Sportsman Council
No information provided.
Position Statement: Testified on HB 163.

Mr. Steven S. Anderson
attorney for the Metlakatla Indian Community
No information provided.
Position Statement: Testified in favor of the bill.

Senator Rick Halford

Alaska State Legislature
Pouch V, Juneau, Alaska 99811
465-4958
Position Statement: Testified on HB 126.

Robert Maynard
Department of Law
Pouch KC, Juneau, Alaska 99811
465-3600
Position Statement: Was available to answer questions.

Tamara Cook
Division of Legal Services
No information provided.
Position Statement: Testified and answered questions from committee rembers.

Gail Horetski
Department of Law
Pouch KC, Juneau, Alaska 99811
Position Statement: Testified and answered question from committee members.

PREVIOUS ACTION

HB 163 — Please refer to Senate Judiciary Committee minutes dated 05/25/83, 05/20/83 and Senate Resources Committee minutes dated 05/13/83. Please refer to House Rules Committee action before 04/22/83, House Judiciary Committee action before 04/20/83 and House Resources Committee action before 03/21/83.

HB 323 — Please refer to Senate Judiciary Committee minutes dated 06/13/83 and Senate State Affairs Committee minutes dated 06/09/83. Please refer to House Finance Committee action before 05/26/83, House Judiciary Committee action before 05/14/83 and House State Affairs Committee action before 04/20/83.

HB 126 — Please refer to Senate Labor & Commerce Committee minutes dated 05/24/83. No Senate Judiciary Committee previous action to record on HB 126. Please refer to House Judiciary Committee action before 05/17/83 and House Labor & Commerce Committee action before 04/14/83.

HB 130 — Please refer to Senate Resources Committee minutes dated 06/10/83 and 06/01/83. No Senate Judiciary Committee previous action

to record on HB 130. Please refer to House Finance Committee action before 04/21/83 and House Resources Committee action before 03/30/83.

SB 228 — Please refer to Senate Judiciary Committee minutes dated 06/10/83 and Senate Community & Regional Affairs Committee minutes dated 05/24/83.

ACTION NARRATIVE

TAPE 1 for 06/15/83, SIDE A.
Recording
Number 000

The meeting of the Senate Judiciary Committee was called to order by Chairman Ray at 1:30 p.m. All members were present. Senator Rick Halford also was in attendance.

The first order of business was Senate Committee Substitute for Committee Substitute for House Bill 163 (Jud) -- Relating to harassment of persons lawfully engaged in hunting, fishing, camping, or trapping. The bill was returned to the Committee for additional amendments.

Mr. Jay W. Nelson, Director of the Alaska Environmental Lobby, testified and pointed out three areas of major concern. The first being that the bill is perceived as being directed at environmentalists and that these groups resent the implementations. Secondly, he pointed out that at the present time there are no cases of harassment in this state and that the bill was initiated because of a case in British Columbia and in Massachusetts. He also pointed out that in private discussions he had with legislators, the consensus was that this statute would most likely never be used because of law enforcement being sparse in this State and, therefore, what is the necessity for this bill. Senator Josephson voiced his concerns and suggested that Mr. Nelson should perhaps use a reverse tactic, rather than make the accusation that the Legislature doesn't act until a problem exists. He pointed out that this piece of legislation was not directed to any environmentalist groups in the State, but the problem has occurred in other states, and, therefore, was initiated as a

preventative measure and that harassment of hunters will not be tolerated in Alaska. Mr. Nelson agreed with Senator Josephson, but feels that should this bill pass, it will not effect "environmentalists" in this state and reiterated that it would most likely not be enforceable. Senator Pettyjohn pointed out that guides who feel they have a vested interest in certain game areas, are actually using harassment tactics on hunters. Senator Josephson supports this legislation and explained his reasoning to the committee.

Senator Ray referred to Alaska Statutes Section 16.05.926 and stated he felt this section is superfluous, as it is already covered in the Alaska Statutes Section 16.05.925. Senator Rick Halford advised the committee that he had spoken to the prime sponsor and suggested that the section be deleted. Senator Pettyjohn concurred with the deletion and pointed out a number of problems that could occur if that section were not deleted.

Mr. Ron Somerville, representing the Alaska Sportsman Council, testified in support of the bill and the deletion of the AS 16.05.926 and reiterated to the committee that the bill was not directed to environmental groups. He also pointed out that this legislation would address seal hunting on the Pribilof Islands and marine mammal management in Alaska game reserves which are both "high priority issues." He further stated that Green Peace and other organizations have addressed these priorities and stressed the importance of establishing ground rules now, so that it is not just for the sports hunters but for commercial enterprises as well.

Senator Ray suggested on line 17, page 1 to insert the words "harassing or" after the word "hindering", whereupon Ms. Horetski, from the Dept. of Law, advised against this insertion and explained this would prohibit action rather than speech and explained that the first amendment allows people to speak their minds.

Senator Pettyjohn moved an amendment to delete Alaska Statutes Section 16.05.926,

and on page 2, lines 7 and 10, deleting references to that section, and there being no objections, it was so ordered.

Senator Pettyjohn moved to pass the bill from committee, as amended, with individual recommendations. All members signed "Do Pass".

The second order of business was Committee Substitute for Senate Bill 228 (C&RA) -- relating to state aid for Indian tribes located on certain federally established Indian reserves, whereupon Senator Ziegler, the prime sponsor, referred to Mr. Lee Sharp's letter of June 13th which explained that this bill would have no effect on the Juneau Indian Village.

Mr. Steven S. Anderson, attorney for the Metlakatla Indian Community, testified in favor of the bill. Mr. Anderson submitted written testimony and briefly explained that the main purpose of the bill is to extend the benefits of these state revenue sharing programs to the Metlakatla Indian Community. At present, under Alaska state law, only state municipalities which have been created by state law are eligible to receive revenue sharing monies. Although Metlakatla is organized under federal law, they actually perform the same type of governmental functions as state law municipalities do. He went on to explain that the bill had been drafted to apply only to the Metlakatla Indian Community, and explained that after the passage of the Native Land Claims Settlement Act, it is the only remaining Indian reserve in Alaska; that they have functioned as any other community, providing public works and services without state revenue sharing and that the citizens who are non-members of the Metlakatla Community do not have the same rights as the members. He cited the example that, non-members can not vote for Metlakatla's twelve-man governing council. Senator Ray stated that if the non-members could not vote, then perhaps the state should not provide them with money. Mr. Anderson responded that the limited amount of non-members have all the governmental benefits as everyone else, except the right to vote for mayor or council, although this doesn't apply to

school board and the expenditure of funds.

Senator Josephson questioned that if this bill were passed, would it be opening up a potential for other native groups and could Metlakatla be treated in this special manner. In Mr. Anderson's opinion, it could because the Metlakatla Community did not participate in the Native Land Settlement Act, they are the only Indian reserve in Alaska, and equitably speaking, other Indian communities are "incorporated" under state law. They receive federal funds as well as revenue sharing money as long as they live in or near a first or second class city. This perhaps creates a double payment standard, but with Metlakatla this would not happen.

Mr. Anderson responded to Senator Eliason's questions regarding federal benefits, stating that these benefits are also extended to other native tribes and reservations.

Senator Ray questioned whether or not the use of fish traps had been abolished, whereupon Mr. Anderson responded that the use of fish traps had not been abolished.

Discussion was had by the committee as to why the Metlakatla Indians opted not to petition for the Native Claims Settlement Act. It was pointed out that at the time of the petition, the people chose to remain a traditional Indian reservation.

Advantages were discussed and the reasoning behind the trade off and perhaps the principle value was the "fish traps" which was used to provide revenues for their community, but because of this trade off they did not receive the monetary benefits that the others did.

Mr. Anderson strongly expressed that they are not asking for anything special, but only that the Alaska citizens who live in Metlakatla be able to receive the comparable benefits which other Alaskan natives receive.

Discussion was had in reference to the non-members who live in Metlakatla and it was

suggested that perhaps state aide should be provided to those non-members (approx. 100). Mr. Anderson, reminded the Committee that the members are Alaskan citizens, too.

Senator Josephson briefly summarizes Mr. Anderson's testimony and feels that basically at the time of the Alaska Native Claims Settlement Act, the native reserves (seven total) were each given the right by election to either affiliate with a regional corporation, and become a village corporation under the act and take revenues and benefits of the act and go into the corporate shareholder mode or to opt out and retain their reserve status, by opting out they did not foresee that they would be creating a disability in terms of not being eligible for state programs.

Mr. Anderson explained that prospect of the Alaskan citizens who reside there, because other state citizens located in other locations in the state receive their share of these monies, using gym and library as an example, with the exception of the Alaska citizens who live on the Metlakatla reserve.

Senator Eliason questions revenue sharing before the Alaska Native Claims Settlement Act if it did exist and what the federal cutback were at this time. If infact because of the cutbacks is this not what the push for this bill all about, this of course being the case.

Senator Ray expressed his concerns of the broadening of the use of the word "local government" instead of "municipality". Ms. Tamara Cooke, representing Legislative Legal Counsel and drafted the bill, explained that the definition of "municipality" did not apply to the Community of Metlakatla.

Senator Josephson requested that should the bill pass from Committee he would like to have a "letter of Intent" explaining why Metlaktla is receiving this treatment, because he foresees other unincorporated communities requesting the same. Chairman Ray requested that Senator Josephson write a letter of intent, and rescheduled the bill for Friday, June 17th.

The third order of business was Committee Substitute for House Bill 323 (Fin) am - - residency requirements. Mr. Robert Maynard from the Dept. of Law was available to answer questions and explained the amendments which were incorporated into the work draft. The first amendment was sec. 9, page 6, amending the student loan residency requirement which would assure that if a dependent lives out of the state and qualifies for a student loan, because his parent or guardian is in this state, that dependent would have some contact in the state within five years. The second amendment is to delete sec. 10 on page 6, changing the residency of one who can collect bounties to six months.

Senator Pettyjohn moved to pass the bill out of Committee with individual recommendations. All members signed "Do Pass".

The final order of business was the following bill assignments:

SCSHB126 Limiting the liability of aircraft owners or operators for personal injury or death to guest passengers to Senator Eliason.

CSHB 130 Relating to homesteads to Senator Josephson.

There being no further business the meeting adjourned at 2:20 p.m.

COMMITTEE LETTER OF INTENT
ON
CS FOR SENTATE BILL 228 (JUDICIARY)

In the Legislature of the State of Alaska
13th Legislature - 1st Session

The purpose of Senate Bill 228 is to extend to the Metlakatla Indian Community the benefits of two ongoing state revenue sharing programs, the Municipal Assistance Fund, AS 43.20.016, and the Municipal Tax Resource Equalization Program, AS 28.88.010 et seq. Under existing state law, the Metlakatla Indian Community is not eligible to participate in these programs because it is not technically a state-law "municipality." Senate Bill 228 applies only to the Metlakatla Indian Community and does not affect the legal status or rights of any Indian Reorganization Act entities, traditional councils or village or regional corporations organized under the Alaska Native Claims Settlement Act.

The Committee believes that in fairness the Metlakatla Indian Community must be distinguished from other Native organizations in Alaska with respect to state revenue sharing. The Metlakatla Indian Community has a legal status in Alaska that is absolutely unique. Because the Metlakatla Indian Community elected to forgo the benefits of the Alaska Native Claims Settlement Act, the reservation status of the Annette Islands Reserve was preserved. Metlakatla was the only reserve in Alaska to make this choice. Thus section 19 of the Alaska Native Claims Settlement Act extinguishes all previously existing federal Indian reserves in Alaska

but specifically excepts the Annette Islands Reserve. As a federal Indian reservation, located on federal trust land, the Community cannot incorporate under state law.

It is true that the Metlakatla Indian Community is eligible for various federal assistance programs made available to tribes throughout the United States. However, the Metlakatla Indian Community enjoys no special advantage vis-a-vis other Alaska Native groups in this regard. Section 2(c) of the Alaska Native Claims Settlement Act provides that the Act does not diminish the responsibility of the federal government to Alaska Natives and Alaska Native groups. The various federal statutes extending benefits to Indian tribes have therefore been amended to provide that the term "tribe" includes the traditional councils, the Indian Reorganization Act entities, and the village and regional corporations located in Alaska. These entities, as well as the Metlakatla Indian Community, therefore receive federal aid under the Indian Self-Determination Act and other federal programs. Unfortunately, this federal aid for Indian entities throughout the United States has substantially eroded. According to the Bureau of Indian Affairs, the federal cutbacks in Indian programs under the Reagan administration have averaged 45%. The Metlakatla Indian Community must now look to other sources for funding.

With respect to state aid, the Metlakatla Indian Community is at a special disadvantage compared to non-Native and predominately Native communities in Alaska. The Metlakatla Indian Community provides substantial governmental services for the approximately

1300 persons who reside on the Annette Islands Reserve, including both members and non-members of the Community. Its governmental expenses are commensurate with these responsibilities, averaging approximately $1.7 million per year. But because the Metlakatla Indian Community is chartered under federal, not state, law, it is not eligible for the state revenue sharing benefits that are extended to other Alaska communities. In contrast, the other Native communities in Alaska, at least those of a size comparable to Metlakatla, are incorporated under state law and the Alaskans resident there enjoy the indirect benefits of state revenue sharing. For example, the City of Hydaburg is organized as a first class city and is eligibile to receive state revenue sharing. At the same time, this predominately Native community also receives substantial federal benefits, under the Indian Self-Determination Act and other programs, because of the presence there of the Haida Corporation, an ANCSA village corporation, and the Haida Cooperative Association, an Indian Reorganization Act entity set up pursuant to section 16 of the Indian Reorganization Act. The Metlakatla Indian Community is eligible to receive the federal but not the state benefits. Senate Bill 228 will eliminate this disparity of treatment between state citizens by extending the state revenue sharing benefits that other Alaska communities now enjoy to the Metlakatla Indian Community.

At the Committee hearing, concern was expressed that the phrase "local government," referring both to state law municipalities and to the Metlakatla Indian Community, was unnecessarily

broad. The Committee has discussed this matter with legislative counsel and recommends that this language be eliminated and that the phrase "municipality and federal Indian reserve tribe" be used to refer to the legal entities eligible for revenue sharing under these two state programs. The existing definition section, clarifying that the "federal Indian reserve tribe" refers only to Metlakatla, should be retained.

- File

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

June 13, 1983

The Honorable Robert H. Ziegler, Sr.
Alaska State Senator
107 Capitol Building
Juneau, Alaska 99801

File: Legislature - 1983 - General Correspondence

Subject: CSSB 228 (C&RA)

Dear Senator Ziegler:

Following your telephone conversation this morning I reviewed CSSB 228 (C&RA) to determine whether it would have any effect on Juneau area Indian tribes or the Indian-owned property on Willoughby Avenue often referred to as the Juneau Indian Village or the village.

It is my reading of the bill, particularly in light of the intent section, that it will have no effect on any Juneau area Indian tribe or on the village. The bill affects only those Indian tribes located on a "federally established Indian reserve" and there are no federally established Indian reserves in Juneau. In fact, all Indian reserves in Alaska except the Annette Island Reserve (Metlakatla) were revoked by Section 19(a) of ANCSA.

The village is a 1964 townsite plat known as the Juneau Indian Village Addition to the Juneau Townsite. The federal townsite trustee conveyed property to Alaska Natives occupying property within the Juneau Indian Village Addition by means of deeds entitled "Native Restricted Trustee Deed." The deeds, pursuant to 43 USC 733, provided that the land

> shall not be alienated or encumbered without the consent of the Secretary of Interior, and shall not be subject to taxation, to levy and sale in satisfaction of debts, contracts or liabilities, or to any claim of adverse occupancy or law of prescription . . .

With the consent of the Secretary of Interior the restricted status of much of the village property has been lifted and the property conveyed to non-natives. The village is now a patchwork of restricted and non-restricted titles. In any event, the village created by the Juneau Indian Village Addition townsite plat was not then, and is not now, a federally established Indian reserve and would not be affected by CSSB 228 (C&RA).

In reading sections 27 and 28, the addition of the phrase "Indian tribe and" to the sections of Title 29 being amended caused me some concern over the fact that "Indian tribe" was not defined and could be read to mean any Indian tribe. However, upon reading AS 29.95.020 (a), (b) and (c) as amended by sections 26 through 28 of the bill, it becomes clear that the term "Indian tribe" is limited to Indian tribes qualifying for state aid under AS 29.88 and AS 29.89.

In summary, I do not believe the subject bill would have any effect on the Juneau Indian Village on Willoughby Avenue nor on any Indian tribe in the Juneau area.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:jr

cc: Senator Bill Ray

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST
Bill/Resolution No: SB 228
Title: State aid for Indian tribes
Sponsor: Ziegler
Requestor: Senate Comm. & Reg. Affairs

II. FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: Rev. Coll&Mgmt.
BRU, Program of Subprogram(s) Affected:
Administrative Services

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 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
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: Ervin B. Jones Phone: 465-2313
Division: Administrative Services Date: 5/16/83

Approved by Commissioner: for Dorothy McDonald Date: 5/17/83
Department: Revenue

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
Copy to Requestor (if different from Sponsor)

SB 228

IV. ANALYSIS:

This bill will have no effect on the administrative cost of the municipal assistance program in the Department of Revenue. The effect of section 30 will be to dilute the amount to be shared per capita, as a result of increasing the base amount shared. Since the population of the only known such Indian Reserve (Metlakatla) is approximately 1200 persons, the effect on other communities will be minimal.

Assumptions: I assume the substitution of the word "municipalities" in place of "organized boroughs and cities of any class" does not further broaden the field of eligible recipients of municipal assistance.

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

May 16, 1983

The Honorable Donald E. Gilman
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: CSSB 228

Dear Senator Gilman:

At your request we have reviewed the proposed CSSB 228. You asked whether the bill would affect the State's relationship with unincorporated communities or Native village governments. The bill amends the revenue sharing (AS 29.88 and AS 29.89) and municipal assistance (AS 43.20.016) programs to include Indian tribes located on federally established reserves which were not revoked by the Alaska Natives Claims Settlement Act (ANCSA), 43 U.S.C. 1601-1628. The only community which fits this description is the Metlakatla Indian community.

We see no legal problem with including Metlakatla as a recipient of the various programs established to benefit local governments. However, we believe that the use throughout the bill of the term "Indian tribe", and the omission of any reference to Metlakatla, may suggest to a reader not intimately familiar with AS 29 and ANCSA, that the effect of the bill is much broader. This effect could be avoided by replacing all references to "Indian tribe" with "the Metlakatla Indian community." We believe that the specific reference to Metlakatla would not cause the bill to be viewed as a local or special act in violation of Alaska Const. art. II, § 19, because it would have precisely the same effect as the use of the term "Indian tribe" as defined in CSSB 228 -- that is, "Indian tribe" as defined in the bill is a class of one, Metlakatla being the only federally established Indian reserve in Alaska not revoked under ANCSA. In order to simplify the statute and avoid confusing the reader we suggest referring to Metlakatla specifically, as well as identifying it as the only federally established Indian reserve in Alaska.

We note that AS 29.89.050 "State Aid to Native Village governments" is amended in the bill, to clarify that Metlakatla may not qualify both as a local government and as a Native village government. We have advised in the past that AS 29.59.050

could be challenged on equal protection grounds by an unincorporated community which is not a Native village. We suggest repealing AS 29.89.050, and supplanting it with a provision for aid to unincorporated communities generally.

As a general practice in drafting legislation affecting Native villages in Alaska, you should consider including a provision of legislative intent to the effect that neither the act nor any action taken under it shall be interpreted to either expand or diminish the authority or jurisdiction any Native village council may have. This would reduce the possibility that any legislative act benefitting Native village communities may be interpreted to alter the relationship between the State and those communities.

We hope that this brief response is helpful in your consideration of CSSB 228.

Very truly yours,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: Laura L. Davis
Assistant Attorney General

LLD:dlm

cc: Tam Cook
Legislative Affairs Agency

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

May 6, 1983

POSITION PAPER

RE: CSSB 228

SPONSOR: Senator Ziegler

PROGRAM EFFECTS OF THE BILL

Allows federally established Indian reserves to be considered "local governments" for purposes of the State Revenue Sharing and Municipal Assistance grant programs. In effect, only one community, Metlakatla, would benefit from this legislation because it is the only Indian reservation in Alaska. Under the terms of the Alaska Native Claims Settlement Act no new reservations may be established in the State.

COMMENTS

The Department generally favors this bill from the perspective that it extends the benefits of two vital State aid programs to another type of municipality that is providing needed services to its residents. Metlakatla Indian Community is a federally chartered municipality and, therefore, is not empowered by Title 29 of the Alaska Statutes. However, it functions like a municipality and is providing a full range of local services to the Alaskans living on the reserve and should be afforded the most liberal interpretation possible under the State Revenue Sharing and Municipal Assistance programs.

The Department cannot comment on the possible legal ramifications or precedents that might occur with passage of this legislation as they relate to dealing with other unincorporated communities and Indian tribes. The Department defers to the Department of Law on this question.

Approved:

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 228
Title: State Aid for Indian Tribes
Sponsor: Ziegler
Requestor: Senate Comm. & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community and Regional Affairs
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Local Government Assistance Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
	-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 Rainery
Division: Commissioner's Office
Phone: 465-4703
Date: 5/6/83

Approved by Commissioner:
Department: Community and Regional Affairs
Date: 5/6/83

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
Copy to Requestor (if different from Sponsor)

3/9/83

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 21, 1983

The Honorable Robert H. Ziegler, Sr.
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SB 228 (Relating to State aid for Indian tribes located on federally-established Indian reserves)

Dear Senator Ziegler:

Assistant Attorney General Larry D. Wood of the Department of Law office in Fairbanks recently brought this bill to my attention. In particular, he noted that the provisions of the bill would apply to an "Indian tribe located on a federally established Indian reserve." Neither "Indian tribe" nor "federally established Indian reserve" are defined or further identified in the bill.

As you may know, there is considerable uncertainty regarding those terms and concepts in Alaska. However, everyone seems to agree that the Metlakatla Indian Community qualifies as an "Indian tribe located on a federally established Indian reserve." Accordingly, if it is your intent to ensure that the Metlakatla Indian Community may receive state aid, we believe it would be desirable to amend the bill to reach only the Metlakatla Indian Community. We recognize that this may present some problem under the prohibition on local and special legislation in Art. II, sec. 19 of the Alaska Constitution. However, that provision of the Constitution prohibits local and special legislation only if a general law cannot be made applicable. Given the uncertainty regarding the concepts of "Indian tribe" and "federally established Indian reserve," we believe there is sufficient justification for limiting the reach of this bill to the Metlakatla Indian Community.

We will be happy to work with you, a designated legislative committee, or the Legal Affairs Division of the

Legislative Affairs Agency in working on this measure. We look forward to hearing from you at your convenience.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: G. Thomas Koester
G. Thomas Koester
Assistant Attorney General

GTK/rm

cc: Billy G. Berrier
Larry D. Wood

ZIONTZ, PIRTLE, MORISSET, ERNSTOFF & CHESTNUT
ATTORNEYS AT LAW

STEVEN S. ANDERSON*
RICHARD M. BERLEY
STEVEN H. CHESTNUT
RICHARD A. DU BEY
BARRY D. ERNSTOFF
GLENN M. FELDMAN**
FRANK R. JOZWIAK
MASON D. MORISSET
ROBERT L. PIRTLE
JAMES J. PURCELL
THOMAS P. SCHLOSSER
MARC D. SLONIM
SAMUEL J. STILTNER
JAMES L. VARNELL
JAMES B. WEBER
ALVIN J. ZIONTZ

* WASHINGTON AND ALASKA STATE BARS
** DISTRICT OF COLUMBIA BAR
ALL OTHERS WASHINGTON STATE BAR

METROPOLITAN PARK, 16TH FLOOR
1100 OLIVE WAY
SEATTLE, WASHINGTON 98101
(206) 623-1255

TWX: 910-444-4047
TELECOPIER (206) 623-7622

WASHINGTON D.C. OFFICE
1129 TWENTIETH ST. N.W.
SUITE 506
WASHINGTON, D.C. 20036
(202) 331-8690

PLEASE REPLY TO SEATTLE OFFICE

March 4, 1983

Sandra Borbridge
Special Assistant
Office of the Governor
Pouch A
Juneau AK 99811

Re: Metlakatla Indian Community's Eligibility for Municipal Aid

Dear Sandra:

As we discussed the other day on the telephone, I have prepared a paper for Senator Ziegler outlining the basis for the Metlakatla Indian Community's request that various state statutes be amended so that the Metlakatla Indian Community qualifies for state revenue sharing and other state municipal aid programs. I enclose a copy for your reference. Since the Community's position as to precisely what programs it will seek to have amended is not yet clear, I would prefer that you withhold distribution of the paper.

In light of our earlier conversations, I would particularly call your attention to the section of the paper that discusses Metlakatla's position relative to other Native communities in Alaska. As I have explained to you, the Community does not in any way want to interfere with the efforts of other predominantly Native communities from securing state aid. At the same time, however, it must be recognized that the situation of the Metlakatla Indian Community is legally and practically unique.

It is my position that it makes the most sense to approach the question of Metlakatla's inequality of treatment first and then approach the problems of state treatment of other Native communities on an ad hoc basis. As I emphasized in the paper, it is important to realize that other Native communities, as well as the Metlakatla Indian Community, receive substantial federal aid. They qualify under federal statutes for Indian Self-Determination Act funding and most other federal programs made available to Indian tribes generally. It is also important to recognize that most Alaska Natives residing in communities of a size comparable to Metlakatla are either at or near a state municipality. Such communities, of course, are eligible for state municipal aid, and the individual Natives who live there receive the indirect benefits of such aid.

The only Natives who would not receive indirect benefits on a scale comparable to Metlakatla, if the requested amendments are enacted, would be those Natives in the unorganized borough who live in smaller communities which are not organized under state law. To my knowledge, none of these communities approach the size of Metlakatla or deliver governmental services on a scale that Metlakatla does. They do not have the same need for revenues that the Community does. If there are any such communities, however, that do deliver substantial governmental services, I see no reason that their situation could not also be remedied by an amendment to the state law. They would be in a much stronger position, however, if Metlakatla got its amendments through first so that they could point to similarities in their situation to that of the Metlakatla Indian Community. On the other hand, for communities that are organized under state law, duplication of state funding would occur if revenue sharing were made available to traditional or IRA councils within the same geographic boundary.

My greatest concern is that the problems that Metlakatla faces should not be ignored simply because it is difficult to deal with the problems concerning the treatment of other Alaska Natives. Metlakatla's situation is not controversial - its governmental status and the extent of its responsibilities are quite clear.

I will be happy to discuss this matter with you further at your convenience. Thank you again for your attention to Metlakatla's concerns.

Very truly yours,

ZIONTZ, PIRTLE, MORISSET,
ERNSTOFF & CHESTNUT

Steven S. Anderson

SSA:mk

Enclosure

cc: Senator Robert H. Ziegler, Sr.
Representative Ron Wendte
Representative Jack McBride
Mayor Casey Nelson,
Metlakatla Indian Community
Council Members,
Metlakatla Indian Community
Gordon Thompson
Wally Kubley

MK/3483
F2/MIC/BOR/L

ZIONTZ, PIRTLE, MORISSET, ERNSTOFF & CHESTNUT
ATTORNEYS AT LAW

STEVEN S. ANDERSON*
RICHARD M. BERLEY
STEVEN H. CHESTNUT
RICHARD A. DU BEY
BARRY D. ERNSTOFF
GLENN M. FELDMAN**
FRANK R. JOZWIAK
MASON D. MORISSET
ROBERT L. PIRTLE
JAMES J. PURCELL
THOMAS P. SCHLOSSER
MARC D. SLONIM
SAMUEL J. STILTNER
JAMES L. VARNELL
JAMES B. WEBER
ALVIN J. ZIONTZ

* WASHINGTON AND ALASKA STATE BARS
** DISTRICT OF COLUMBIA BAR
ALL OTHERS WASHINGTON STATE BAR

METROPOLITAN PARK, 16TH FLOOR
1100 OLIVE WAY
SEATTLE, WASHINGTON 98101
(206) 623-1255

TWX: 9104464047
TELECOPIER: (206) 623-7622

WASHINGTON, D.C. OFFICE
1129 TWENTIETH ST. N.W.
SUITE 506
WASHINGTON, D.C. 20036
(202) 331-8650

PLEASE REPLY TO SEATTLE OFFICE

March 4, 1983

Representative Ron Wendte
State Capitol
Pouch V
Juneau AK 99811

Re: Elgibility of the Metlakatla Indian Community for State Municipal Aid

Dear Representative Wendte:

I am writing on behalf of the Metlakatla Indian Community to request your assistance in securing legislation to make the Metlakatla Indian Community eligible for various state revenue sharing programs, as well as for other financial aid which is now extended to the municipalities of the State of Alaska. I have already met with Senator Ziegler concerning this matter while I was in Juneau several weeks ago, and I understand that in your meeting with the delegation from the Metlakatla Indian Community they advised you of their concern to seek these amendments.

I enclose a copy of my letter to Senator Ziegler formally requesting his assistance, along with a position paper I have prepared outlining the basis for the Community's position. As you can see, it is premised primarily on the argument that the disqualification of the Metlakatla Indian Community from state revenue sharing unfairly discriminates against Alaska state citizens who live on the Annette Islands Reserve as compared to other citizens residing in comparable communities. It seems to me that state revenue sharing for such communities should not turn whether they are organized under federal or state law, but rather on whether they exercise substantial governmental functions and are in need of state assistance. Metlakatla, particularly in light of the substantial federal cutbacks under President Reagan's administration, should qualify on both counts.

I would very much like to meet with you personally to discuss these matters and think that it would be useful to have a delegation from the Community as well as the Community's lobbyist, Mr.

Kubley, present as well. We will be available to meet with you at your convenience.

In the meantime, I will be very happy to discuss any questions you may have concerning these matters over the telephone. Thank you again, on behalf of the Metlakatla Indian Community, for any assistance you can give.

Very truly yours,

ZIONTZ, PIETLE, MORISSET,
ERNSTOFF & CHESTNUT

Steven S. Anderson

SSA:mk

Enclosure

cc: Senator Robert H. Ziegler, Sr.
Mayor Casey Nelson,
Metlakatla Indian Community
Council Members,
Metlakatla Indian Community
Gordon Thompson
Wally Kubley

MK/3483
F1/MIC/WEN/L

W0 13-1128

ZIONTZ, PIRTLE, MORISSET, ERNSTOFF & CHESTNUT

ATTORNEYS AT LAW

STEVEN S. ANDERSON*
RICHARD M. BERLEY
STEVEN H. CHESTNUT
RICHARD A. DU BEY
BARRY D. ERNSTOFF
GLENN M. FELDMAN**
FRANK R. JOZWIAK
MASON D. MORISSET
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* WASHINGTON AND ALASKA STATE BARS
** DISTRICT OF COLUMBIA BAR
ALL OTHERS WASHINGTON STATE BAR

METROPOLITAN PARK, 16TH FLOOR
1100 OLIVE WAY
SEATTLE, WASHINGTON 98101
(206) 623-1255
TWX 910-444-2047
TELECOPIER (206) 623-7622

WASHINGTON, D.C. OFFICE
1129 TWENTIETH ST. N.W.
SUITE 506
WASHINGTON, D.C. 20036
(202) 331-8690

PLEASE REPLY TO SEATTLE OFFICE

March 4, 1983

Senator Robert H. Ziegler, Sr.
Pouch V
Juneau, Alaska 99811

Re: Metlakatla Indian Community Eligibiliy for State Revenue Sharing

Dear Senator Ziegler:

I am writing on Metlakatla's behalf, as a follow-up to our conversation in Juneau, to request your assistance in securing legislation making the Metlakatla Indian Community eligible for State revenue sharing and other State financial aid which is available to Alaska's other municipalities, including a number of like size and comparable governmental responsibilities.

Although I know you are quite familiar with Metlakatla's status and its treatment under state law, I thought it might be helpful if I provided you with a detailed explanation of the basis for the Community's position. I have prepared a paper outlining Metlakatla's arguments which I enclose for your reference. It discusses the legal status of the Community, and what I see as the primary basis for expanding the eligibility requirements of the various State municipal assistance programs. The paper is preliminary because, except for the revenue sharing programs, it does not identify precisely the programs in which Metlakatla seeks to participate. I believe that will have to wait for additional discussions with you and Representatives Wendte and McBride.

As you know, the State of Alaska has in the past provided assistance to the Metlakatla Indian Community as it has to other communities throughout the State of Alaska. Most often, as in the case of the swimming pool project, the money has been made available as part of a specific legislative grant. The Community is well aware that this has been made possible primarily through your sponsorship.

There are many on-going State assistance programs, however, for which the Community does not currently qualify. In several instances, the Community has received funds from the Department of Community and Regional Affairs under programs making the so-called "unincorporated communities" eligible for State financing. Metlakatla's classification as an "unincorporated community," however, is problematic.

Although the Metlakatla Indian Community is organized under federal law and is therefore not technically a state "municipality," in form and function it more closely resembles a "municipality" than it does an "unincorporated community." Metlakatla does not resemble those communities in the unorganized borough with no organized local government. The distributions authorized by the legislature for the unincorporated communities have been much less substantial than the distributions to the municipalities. Since Metlakatla has substantial "municipal" responsibilities, it has a correspondingly greater need for revenues than do the unincorporated communities, and it would seem that Metlakatla's elegibility for those programs should turn on the functions it performs for the Alaska citizens who reside on the Reserve, rather than on the fact that it is chartered by the United States rather than the State of Alaska.

At the present time, Alaska citizens who reside on the Annette Islands Reserve do not share the same opportunity as other state citizens residing in similar communities to enjoy the indirect benefits of state revenue sharing. The Legislature, it seems to me, has made a policy decision that some of Alaska's wealth should be made available to its citizens indirectly through the various state programs that provide direct financial aid to local governments. Such a distribution scheme has the advantage of ensuring that a substantial part of the money distributed will be invested in permanent civic improvements of long-range benefit to state citizens. When oil and gas revenues are distributed directly to individual state citizens, there is, of course, no such assurance. Considered from the perspective of the individual state citizen who lives on the Annette Islands Reserve, therefore, the State does not extend to the Metlakatlans the same indirect benefits it does to other state citizens residing in similar communities. This inequality of treatment is most clearly evident in the Municipal Assistance Fund where the State has elected to distribute 30% of the oil and gas income tax revenues to municipalities.

I am aware that some of the arguments the Community advances could also be made by other Native groups in Alaska. Neither I nor the Community have any desire to debunk the efforts of other needy Alaska Natives to obtain help from the State of Alaska. At the same time, the Community's status in Alaska law is unique and I do not think there is any unfairness in extending eligibility for municipal revenue sharing only to the Annette Islands Reserve, at least as a first step. Metlakatla's governmental and reservation status is crystal clear. The problem of treatment of other Alaska Natives can be approached on an ad hoc basis by determining which other Native communities provide governmental services similar to Metlakatla and yet are ineligible for State aid.

Most if not all of the other Native communities in Alaska with populations of the same magnitude as the Annette Islands Reserve are incorporated under state law as first or second class cities, or are located within an organized borough. As a result, Natives resident there enjoy the indirect benefits of the State distributions that Metlakatla is denied. And, as I explain more fully in the attached paper, these Native groups are also eligible for the same federal aid that is extended to Metlakatla since the various federal statutes extending aid to Native Americans have expanded the definition of "Indian tribe" to include the villages, the ANCSA village and regional corporations, and the traditional councils located throughout the State of Alaska. It is also significant, concerning equality of treatment, that the Metlakatla Indian Community and its members have been ineligible to participate in the Alaska Native Claims Settlement Act benefits that other Alaska Natives have enjoyed.

I would like to specifically request that you ask Tamara Cook of the Legislative Affairs Agency to assist on this project. As we discussed, she is currently working on the redraft of Title 29, the State Municipal Code, and is very familiar with the various State programs for municipal assistance. In addition, Senator Ziegler, I would also request that you authorize her to discuss these matters with me so that I can remain involved in the drafting process.

In analyzing the various State statutes, I have had considerable difficulty in determining which statutes the Community should seek to have amended. The clearest candidates are the two principal revenue sharing measures--the Municipal Assistance Fund, AS 43.20.016 discussed above, and the Municipal Tax Resource Equalization Program codified in AS 29.88.010 et seq., and along with them, the

corresponding program for State aid for miscellaneous municipal purposes found in AS 29.89. Not only do these revenue sharing measures clearly implicate the Community's concerns for unequal treatment of Metlakatla residents, but if extended to Metlakatla they would provide the advantage of an on-going source of support to replace, in part, the federal funding which has been evaporating under the Reagan administration.

At the same time there are a number of State programs providing monies to individual communities for particular purposes. An example is the Department of Environmental Conservation's program for assistance to municipalities for water, sewer and solid waste systems. The Attorney General has ruled that Metlakatla is ineligible for such assistance because it was not a "municipality." The problem I am having is that an attempt by Metlakatla to amend such statutes would substantially overlap with the proposal advanced to you independently by the Community for State aid for various priority projects. I am also concerned that the Metlakatla Indian Community not jeopardize its chances for increased State assistance by asking for too many changes at once. On the other hand, at least as a matter of logic, it might make sense to seek to make Metlakatla eligible for all State municipal aid programs. It seems to me that the Community and I will need your counsel on this point. A further complication arises because to the extent that the Community receives specific appropriations for individual projects (the water supply dam discussed in the Community's proposal, for example), it may not be necessary to seek to amend the general State statutes. I am clearly not in a position to make a unilateral decision as to which specific programs should be included.

Because of that uncertainty, the attached position paper is preliminary in certain respects and will probably have to be modified as the Community's position becomes more refined. I have no objections if you wish to distribute the paper and will leave that to your judgment. In light of the meeting you had last week with Governor Sheffield, I thought I should send copies of the paper to Representatives McBride and Wendte. I will ask them to consult with you as to whether they think the paper should be kept confidential at this point. I am also taking the liberty of sending a copy to Governor Sheffield's Aide for Indian Affirs, Sandra Borbridge, who has called me several times for briefing on the Community's position. I will also ask her to withhold distribution of the paper.

I would like to have another meeting along with a Metlakatla delegation with you, Representative McBride and Wendte and Wally Kubley. I will be available to come back up to Juneau at your convenience and will, of course, be happy to testify in any hearings or provide any other assistance I can in attempting to secure these amendments. In addition, I am sure that Mayor Casey Nelson and the members of the Council and staff will be available to testify or help if that becomes useful.

Once again, I would want to express my thanks and the Community's thanks for your assistance and advice.

Very truly yours,

ZIONTZ, PIRTLE, MORISSET,
ERNSTOFF & CHESTNUT

Steven S. Anderson

cc: Representative Ron Wendte
Representative Jack McBride
Mayor Casey Nelson,
Metlakatla Indian Community
Council Members,
Metlakatla Indian Community
Wally Kubley
Gordon Thompson

Enclosure

SSA:asr/mm/mk

MK/3483
F2/MIC/ZIE/L

MEMORANDUM State of Alaska

TO. Ernst W. Mueller, Commissioner
Department of Environmental
Conservation

DATE: July 28, 1982

FILE NO: 366-747-82

TELEPHONE NO: 465-3600

FROM: WILSON L. CONDON
ATTORNEY GENERAL

SUBJECT: Metlakatla Indian Community grant eligible under AS 46.03.030

By:
Robert E. Price
Assistant Attorney General

RECEIVED
AUG 02 1982

This is in response to your opinion request of June 7 in which you asked whether the Metlakatla Indian community is entitled to receive construction grant assistance under AS 46.03.030.

AS 46.03.030 provides for grants of state funds to a "municipality" for public water supply, sewerage and solid waste facilities.

AS 46.03.900(11) defines "municipality" as "an organized borough or an incorporated city outside an organized borough, and includes all classes of boroughs and cities whether home rule or otherwise."

The Metlakatla Indian Community is an entity organized under section 16 of the Indian Reorganization Act, 25 U.S.C. 476. It is not incorporated as a city or organized as a borough under the law of the State of Alaska.

The definition of municipality in AS 46.03.900(11) does not include the Metlakatla Indian Community. It is not an organized borough or an incorporated city within the meaning of the statute. The Alaska Constitution, Article X, deals with local government within the context of boroughs and cities which are incorporated under state law. The definition of municipality in AS 46.03.900(11) should be construed within the framework of Article X of the Alaska Constitution inasmuch as it employs the words "borough" and "city" which are set out in the constitution.

There is no equal protection problem raised by the statute caused by the exclusion of the Metlakatla Indian Community from benefits under the statute because the basis of the exclusion is governmental and not race. The Metlakatla Indian Community may become a city or borough under state law upon compliance with the applicable provisions of Title 29. The equal protection clause does not deny to States the power to treat dif-

ferent classes in different ways so long as the classification is "reasonable, not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly circumstanced shall be treated alike." Reed v Reed, 404 U.S. 71, 75-76, 30 L.Ed. 225, 229 (1971).

Further, this opinion does not mean that the legislature may not make grants to the Metlakatla Indian Community by designating that entity as eligible for a grant. See page 83 of 1982 SLA 101 for a grant to Metlakatla specifically within the group of municipalities. However, the statute must either include Metlakatla within a group, for example, as an unincorporated, or specifically describe the Metlakatla Indian Community as a grant recipient.

REP/jb

ELIGIBILITY OF THE METLAKATLA INDIAN COMMUNITY FOR STATE REVENUE SHARING AND MUNICIPAL AID PROGRAMS

March 4, 1983

Prepared By:

Steven S. Anderson
ZIONTZ, PIRTLE, MORISSET,
ERNSTOFF & CHESTNUT
1600 Metropolitan Park
1100 Olive Way
Seattle, WA 98101

Attorneys for the
Metlakatla Indian Community

INTRODUCTION

The purpose of this paper is to show the justification for amending Alaska's laws to make the Metlakatla Indian Community eligible for various state municipal aid programs. At the present time, the Community's treatment under Alaska law is somewhat confusing and inconsistent. On the one hand, the Alaska Attorney General has ruled that the Metlakatla Indian Community is not a "municipality" as that term is defined in various state statutes making state monies available to local governments. At the same time, however, the Attorney General has ruled that the Metlakatla Indian Community can be classified as an "unincorporated community" for certain purposes so as to be eligible for various state programs extending aid to such communities.

This paper will demonstrate that although the Metlakatla Indian Community is organized under federal law, and is therefore not a state law municipal corporation, it nevertheless functions as an established unit of local government, a fact recognized both by the State of Alaska and the United States.

Unlike the so-called "unincorporated communities," the Metlakatla Indian Community operates a "municipal" government and provides governmental services to the more than 1,300 residents of the Annette Islands Reserve. These services include police and fire protection, water, sewer and electrical service, as well as general government. Like other local governments, the Community enacts and enforces laws and has an established judicial system. For these reasons, classification of the Metlakatla

Indian Community as an "unincorporated community" ignores the realities of Metlakatla's extensive governmental operations and the needs it has for funding the services it provides. This paper will discuss in some detail the Community's status under federal and state law, the need for state revenues, and the reasons that Metlakatla's unique status justifies its inclusion within these state municipal aid programs.

THE METLAKATLA INDIAN COMMUNITY'S ELIGIBILITY FOR STATE FINANCIAL ASSISTANCE UNDER EXISTING ALASKA LAW

The State of Alaska now makes substantial sums of money available to local units of government throughout the state. This occurs not only through the State's revenue sharing programs but also through state statutes that make monies available to local governments for specific projects within local government responsibility. The primary revenue sharing programs include the Municipal Assistance Fund administered by the Department of Revenue, AS 43.20.016 and the Municipal Tax Resource Equalization Program found in AS 28.88.010 et seq. The examples of state aid for miscellaneous municipal purposes are numerous including such programs as state aid to municipalities seeking to build or improve water and sewer systems, AS 46.03.030, as well as the state program found in AS 29.89.030 et seq. providing aid for municipalities maintaining roads, operating health facilities, and maintaining volunteer fire departments.

For the most part, the Metlakatla Indian Community is not eligible for these programs because it is not a "municipality"

within the meaning of the various state statutes that make these programs available to local governments. Last year, for example, the Metlakatla Indian Community applied for aid to the Department of Environmental Conservation for a grant under AS 46.03.030 for improvements to the Community's public water system. The Department of Environmental Conservation requested an opinion from the Alaska Attorney General as to whether Metlakatla was eligible, and the Attorney General, on July 28, 1982, issued an opinion noting that the Metlakatla Indian Community was an Indian tribe organized under § 16 of the Indian Reorganization Act, 25 U.S.C. § 476 and was "not incorporated as a city or organized as a borough under the laws of the State of Alaska." As a result, the Attorney General ruled, Metlakatla was not a "municipality" within the meaning of the statute and was not eligible for state aid. The Attorney General went on to note, however, that there was no legal prohibition on the Legislature making grants available to the Metlakatla Indian Community if the Community were designated as eligible. A copy of the Attorney General's Opinion is attached.

On the other hand, the Metlakatla Indian Community <u>has</u> qualified for state aid in certain circumstances, either because the statute makes state aid available to persons or organizations other than "municipalities," or in the case of a number of state programs, because the aid has been made available to "unincorporated communities." For the most part, the amounts made available to the "unincorporated communities" are substantially less than

the amounts made available to "municipalities." For example, AS 29.88 makes a maximum grant of $25,000 available to communities not incorporated under state law, while that amount is the minimum grant for municipalities and is subject to adjustment upward based on a formula set out in the statute. The singular exception was the Municipal Aid Program, Chapter 60, SLA 1981, which made grants available to both municipalities and incorporated communities calculated on a $1,000 per capita basis. Metlakatla, like other incorporated and unincorporated communities throughout the State of Alaska will receive a substantial grant from the State under this program.

Presumably, there are several principal reasons that the Legislature has chosen to make larger sums available to municipalities than to unincorporated communities. First, municipalities have governmental responsibilities to perform and therefore need more assistance. Second, their stable governmental structures ensure that State monies are spent or invested in a responsible fashion; they are more accountable than "unincorporated communities." Third, in contrast to State programs distributing State wealth to individual Alaskans on a per capita basis, distributions of state money to local governments ensures that substantial portions of the money will be invested in permanent improvements of long-standing benefit to the citizens of the State.

Although the Metlakatla Indian Community is organized under federal rather than state law, it more closely resembles a "muni-

cipality" than it does an "unincorporated community." If the State of Alaska were to make its revenue sharing programs available to the Community, it would be assured that the money would be utilized responsibly by the Community in helping to meet its very substantial governmental responsibilities. It would result in permanent benefit to the State citizens who reside on the Annette Islands Reserve, both members and nonmembers of the Community.

THE UNIQUE LEGAL STATUS OF THE METLAKATLA INDIAN COMMUNITY IN ALASKA

The Metlakatla Indian Community is the governing body of the only remaining federal Indian reservation in Alaska, the Annette Islands Reserve. The Reservation was established by Act of Congress in 1891 and a stable council-form tribal government has been in effect continuously since that date. In 1944, the Metlakatla Indian Community adopted a Constitution under § 16 of the Indian Reorganization Act, 25 U.S.C. § 476, which provided a new federal framework for Indian tribal government. The form of the Community's government, however, remained essentially the same.

The Community's chief executive officer is the Mayor; it has a Secretary and Treasurer and its legislative body is a 12-person Council. The Community also has a judicial system headed by a federally-trained Magistrate. As a federally recognized Indian tribe the Metlakatla Indian Community enjoys the legal power to perform traditional local government functions. Like other tribes, it enacts and enforces civil and criminal laws and has

power to levy taxes, although its tax base is very limited. While Indian tribes enjoy a status in American law that is unique, for present purposes the Metlakatla Indian Community can be described as a federally chartered municipal corporation because it carries out the same types of governmental functions as do state-chartered municipal governments.

In Alaska, after the Alaska Native Claims Settlement Act was passed by Congress in 1971, Metlakatla's situation became unique. Under § 19(a) of ANCSA, all Indian reservations in Alaska, with the sole and express exception of the Annette Islands Reserve, were abolished. In addition, § 19(a) provides that no person enrolled in the Metlakatla Indian Community is eligible for benefits under the Act.

The unique status of the Metlakatla Indian Community was explicitly recognized by Congress in the Indian Tribal Governmental Tax Status Act of 1982. That statute provides that for certain federal tax purposes, Indian tribal governments shall be treated as states. The legal effect of the statute was to provide that Indian tribes, like state and local governments, would receive favorable tax treatment under the Internal Revenue Code. Thus, contributions made to Indian tribes are now tax deductible as are contributions made to state and local governments. Indian tribes are now entitled to immunity from certain federal excise taxes. And Indian tribes, like state and local governments, can now issue certain kinds of bonds, the interest on which is exempt from

federal income tax. The definition section of the statute provides that

> The term 'Indian tribal government' means the governing body of any tribe, band, community, village, or group of Indians which is determined by the Secretary, after consultation with the Secretary of Interior, to exercise substantial governmental functions and in Alaska shall include only the Metlakatla Indian Community.

Section 203.

Consistent with its clear governmental status, the responsibilities of the Metlakatla Indian Community for the governance of the more than 1,300 people resident on the Annette Islands Reserve are substantial. For the fiscal year ended September 30, 1982, the Metlakatla Indian Community had total expenses of more than 1.7 million dollars. Of this sum, approximately one million dollars are associated with general government operations including expenses for building operations, road and street maintenance as well as the expenses of general accounting and administration. The other single most important expense was the Community's Police Department which accounted for 16.4% of the total budget. The following chart shows the breakdown of expenditures by the Metlakatla Indian Community on a dollar and percentage basis.

	Expenditures	Percent of Total
General Government	$1,029,882	57.4%
Fire Department	$ 55,284	3.1%
Rental Expenses	$ 144,683	8.1%
Public Health and Sanitation Department	$ 32,263	1.8%
Sewer System	$ 6,088	0.3%
Police Department	$ 294,368	16.4%
Water Department	$ 30,928	1.7%
Garbage Department	$ 52,730	2.9%
Cable Television Department	$ 69,743	3.9%
Forestry Project	$ 76,853	4.4%

This data does not include the operation of Metlakatla Power & Light, which is responsible for providing electric power to the Reservation. Metlakatla Power & Light is fully owned and operated by the Metlakatla Indian Community and generates power from both hydrogenerators and diesels.

In sum, although the Metlakatla Indian Community is organized under federal law, not under the laws of the State of Alaska, it nevertheless performs governmental functions and has governmental responsibilities that are every bit as extensive as the municipalities of the State of Alaska serving similar population bases. It has a corresponding need for revenues to meet these expenditures.

REASONS FOR EXTENDING MUNICIPAL REVENUE SHARING AND OTHER STATE BENEFITS MADE AVAILABLE TO LOCAL COMMUNITIES TO THE METLAKATLA INDIAN COMMUNITY

1. The Residents of the Annette Island Reserve Are Citizens of the State of Alaska and Should Not Be Denied Benefits Enjoyed By Other State Citizens Through Their Units of Local Government.

It is important to remember that the residents of the Annette Islands Reserve, both members and nonmembers of the Metlakatla Indian Community, are state citizens. As such they qualify for any distributions of Alaska's wealth made available on a per capita basis to state citizens. Rather than distributing money directly to state citizens on a per capita basis, the Legislature has determined that state revenues should be shared with state citizens indirectly, through grants to individual municipal governments. The best example of this is the Municipal Assistance Fund, AS 43.20.016, under which 30% of the oil and gas corporate income tax revenues are distributed to state municipalities, the amount of the grant being directly proportional to the population of each municipality.

Metlakatla fully supports the substantial policy justification for distributing state wealth through this method. By giving the money to stable local governments, the Legislature is assured that the money will be spent responsibly. The Legislature can reasonably expect that the monies so distributed will be invested in ways that will be of lasting benefit to the citizens of the State, as when the local governments utilize the state grants to build public facilities used by state citizens.

But if the rationale for distributing state wealth to units of local government is that the Legislature wants to see substantial portions of the money permanently invested by responsible governments in a way that will be of lasting benefit to state citizens, there is no reason to distinguish the Metlakatla Indian Community. Although the Metlakatla Indian Community is chartered under federal, not state law, it exercises governmental functions just as state municipalities do. The Metlakatla Indian Community has had a stable and continuous tribal government for more than eight continuous decades. The Legislature can be assured that money distributed to Metlakatla will be applied in a responsible fashion and in ways that will provide lasting benefit to the state citizens who reside there. To deny Metlakatla participation in state revenue sharing and other municipal aid programs, is to deny Alaska state citizens residing at Metlakatla substantial benefits other citizens enjoy.

2. Because of the Very Substantial Cutbacks in Federal Aid to Indian Tribes, the Metlakatla Indian Community Is in Substantial Need of State Assistance.

Although in the past the Metlakatla Indian Community has received substantial federal aid, the situation has changed dramatically for the Metlakatla Indian Community, as for other Indian tribes, under the Reagan administration. On a national level, it is estimated by the National Tribal Chairmen's Association in Washington, D.C. that with the budget cuts of October, 1982, there has been a 45% reduction in federal dollars made available to Indians and Indian tribes on the various reservations through-

out the country. Even the Bureau of Indian Affairs concedes that there has been at least a one-third cutback in federal dollars made available to the tribes.

By way of illustration, on the Annette Islands Reserve, the following programs have received the following cutbacks:

Program	Fiscal Year 1982 Entitlement	Fiscal Year 1983 Entitlement	Percentage Reduction
CETA	$326,000	$162,000	50%
Indian Community Health Program	$ 80,000	$ 55,000	31%
EDA Grant	$ 40,000	$ 30,000	25%
Senior Citizens Program	$112,000	$ 82,000	29%
BIA Welfare Assistance	$ 20,000	-0-	100%

The Metlakatla Indian Community has had very substantial difficulties in making up for these federal cutbacks. At the present time, the level of unemployment on the Annette Island Reserve is 61%. Employment does vary seasonally, but the primary reason for the extraordinarily high level of unemployment now is that the sawmill run by Louisiana-Pacific has closed.

Metlakatla also suffers substantially because of the depressed salmon market. Although the Community itself has had no salmon recalled from its Community operated cannery, the botulism scare has had a substantial impact. This directly impacts funding of the Community's government because profits from the Community cannery and cold storage enterprise are traditionally

applied to the Community's governmental operating expenses rather than being distributed on a per capita basis to the members of the Community.

In addition, although the Community has in the past been able to enjoy substantial revenues from timber sales, the prospect for future sales looks glum. Not only is the timber market presently depressed, but first growth timber has already been largely harvested and it will be many decades before the second growth timber is marketable. The Community estimates that only ten million board feet of original growth timber remain.

3. The Metlakatla Indian Community Functions More Like a "Municipality" Than an "Unincorporated Community" and Should Be Funded Accordingly.

As explained above, the Metlakatla Indian Community, like municipalities organized under state law, has considerable governmental functions and responsibilities. It provides a stable government, substantial municipal services such as water, sewer, and electricity, and police and fire protection to name only a few examples. It also provides substantial social services to the members and nonmembers of the Community who reside on the Annette Islands Reserve.

Unlike the "unincorporated communities" in the unorganized borough, the Metlakatla Indian Community has a need for revenue that is parallel to the governmental services it provides. The mere fact that its charter derives from federal law rather than state law is not a reasonable basis for disqualifying Metlakatla from state revenue sharing programs and other types of state

municipal aid. Amendment of the State statutes to give Metlakatla entitlement will substantially help to equalize the treatment of citizens of the Metlakatla Indian Community and other citizens resident in comparable communities throughout the State.

4. Extension of State Aid to the Metlakatla Indian Community Will Not Give the Community or Its Residents More Favorable Treatment Than Other Similarly Situated State Citizens.

Although the Metlakatla Indian Community does have a unique legal status in Alaska because it is a reservation and because it is excluded from the Alaska Native Claims Settlement Act, the Community believes that its residents would not receive any undue advantage over other Alaska Natives if state laws were amended to make Metlakatla eligible for municipal revenue sharing. First, although the Metlakatla Indian Community gets federal aid because of its status as a federally recognized Indian tribe, it is important to recognize that the other Indian Reorganization Act entities and traditional councils in Alaska also receive the same aid. For example, the Indian Self-Determination Act of 1975 provides that the United States can contract with Indian tribes to allow the tribes to perform various functions that were formerly performed by the Bureau of Indian Affairs or other United States entities. Substantial federal funds, usually referred to as 638 funds, are provided to the Metlakatla Indian Community and other tribes under this program.

But Metlakatla enjoys no special benefit here because the Act defines "Indian tribe" to include not only the Metlakatla

Indian Community but also other Native groups in Alaska. The statute provides that the word "tribe" includes "any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians." Similarly, the Indian Financing Act of 1974, 25 U.S.C. § 1451 et seq., the Indian Health Care Amendments of 1980, 25 U.S.C. § 1601 et seq., the Tribally Controlled Community College Assitance Act of 1978, 25 U.S.C. § 1801 et seq., and the Indian Child Welfare Act of 1978, 25 U.S.C. § 1901 et seq., have all been extended to include other Native communities in Alaska.

Other federal programs, not administered by the Bureau of Indian Affairs, such as HUD, CETA and EDA programs, have been extended to other Alaska Native communities as well as to Metlakatla.

On the other hand, while ANCSA provides that the Metlakatla Indian Community was allowed to retain its reservation status, the statute also provides that the Metlakatla Indian Community and its members are not eligible for the benefits of the Act.

It is also important to realize that as to Natives who reside in communities of substantial size, similar to Metlakatla, state benefits are extended to them because, in most if not all situations, there is a municipality, either a first or second class city or a borough, located there. Attached to this paper is a document prepared by the Tribal Operations Office of the

Bureau of Indian Affairs showing the status of the various Native communities in Alaska. As can be seen, a very substantial number of the communities determined to be eligible by the BIA for federal assistance because of their "Indian" status are also incorporated under state law as a first or second class city. The Natives who reside in such communities, therefore, like other state citizens generally, are eligible for the benefits of state revenue sharing.

Also attached is a computer run by the Department of Community and Regional Affairs showing the amount of state revenue sharing entitlements for various state law municipalities under Title 29 for fiscal year 1982. Looking at those communities with populations similar to that of Metlakatla, one can see that the amounts of state money distributed under Title 29 to such communities are substantial. A few examples will suffice:

Municipality	Population	Fiscal Year 1982 Entitlement
Bristol Bay Borough	1,182	$ 257,237
First Class Cities:		
Craig	560	$ 142,110
Haines	1,017	$ 177,619
Second Class Cities:		
Akolmiut	695	$ 151,277

Even communities with relatively small populations are receiving substantial amounts of state money. The community of

Lower Kalskag, with a population of 244, for example, qualifies for $98,540 in revenue sharing for fiscal year 1982.

STATE PROGRAMS FOR WHICH TEE METLAKATLA INDIAN COMMUNITY DOES NOT QUALIFY

Revenue Sharing Measures.

The most important programs for which the Metlakatla Indian Community does not presently qualify are the on-going state revenue sharing programs. There are now two such primary programs in existence:

1. Municipal Assistance Fund--AS 43.20.016. Under this program, administered by the Department of Revenue, 30% of the general and petroleum corporate income tax revenues received by the State are distributed to municipalities--"organized boroughs and cities of any class." There is no specific statutory requirement as to how the funds should be used but the statute expresses the desire of the Legislature that local governments which levy property taxes should reduce those levies in reasonable proportion to the amount of increased state aid received.

2. Municipal Tax Resource Equalization--AS 29.88.010 et seq. The Department of Community and Regional Affairs administers a program under which the Department distributes state revenues to municipalities which are calculated based on a complex formula. The primary variable are population and the "millage rate equiva-

lent" which is determined according to the assessed property values in the locality. Metlakatla is not eligible for the revenue sharing program because it is not a municipality under the statute. AS 29.89.050 does provide, however, that Native Village governments, including local governing bodies organized under the Indian Reorganization Act, are eligible for a $25,000 payment. Under the Revenue Sharing Program, however, $25,000 is the minimum, not the maximum payment.

As noted above, the revenue sharing entitlements for various local governments in the State with a population similar to Metlakatla are often very substantial. The Bristol Bay Borough, with a population of 1,182, for example, has a 1982 entitlement of $157,000. Haines, a first class city with a population of 1,017, has a 1982 entitlement of $177,000. Akolmiut, a second class city with a population of 695, has a 1982 entitlement of $111,734. It is impossible to determine at this time what Metlakatla's entitlement would be, but it would presumably would be substantially more than the $25,000 it is now eligible to receive.

Other State Programs for Aid to Municipalities.

1. State Aid for Miscellaneous Municipal Purposes. AS 29.89 provides for additional state aid to municipalities for various purposes. AS 29.89.020 provides for state aid to municipalities for road maintenance. Metlakatla does not qualify for this program. The same

chapter also provides for state aid to municipalities for health facilities and hospitals. The Community does not qualify for this program. Title 29 does contain a program for which the Community does qualify, a $10 per capita grant to volunteer fire departments which does not turn on the presence of a state law "municipality."

2. Public Library Construction Grants. AS 14.56.350 provides for the administration of a program of grants to muncipalities for the construction and equipping of libraries. Metlakatla does not qualify under this grant program since it is not a municipality. Presumably Metlakatla also does not qualify for library assitance grants under AS 14.56.300.

3. Water, Sewer and Solid Waste Aid. AS 46.03.030 provides that the Department of Environmental Conservation may make grants up to 50% of the eligible costs for water supply, sewerage and solid waste facilities. Only municipalities are eligible. The State has also established a village safe water program, but Metlakatla does not qualify for this program either because only unincorporated communities with populations less than 600 persons are eligibile.

4. Outdoor Recreational, Open Space and Historic Properties Development. AS 41.22.010 provides for a grant

program to municipalities to acquire, preserve or protect historic sites, buildings and monuments. Only municipalities qualify.

5. AS 41.20.355 established a program for the establishment of public ways for trails and footpaths. Again, only municipalities qualify.

6. Municipal Airport Aid. AS 35.05.020 et seq. provides for state aid to "political subdivisions" for airports. Presumably the Community would not qualify.

7. Port Facilities Development. AS 30.15.010 provides for state grants for port facilities construction to municipalities.

This list may not be exclusive.

CONCLUSION

This paper has been designed to provide general background concerning the State of Alaska's treatment of the Metlakatla Indian Community with respect to state municipal aid programs. It has demonstrated that although the Metlakatla Indian Community is organized under federal, not state law, it nevertheless performs governmental functions and has governmental responsibilities that are every bit as extensive as the municipalities in the State of Alaska serving similar population bases. The Community believes that its disqualification from participation in such programs, particularly the revenue sharing programs, discriminates against Alaska citizens residing on the Annette Island Reserve compared to state citizens in other similar communities. This disparate

treatment is not a result of a policy decision by the state legislature to exclude Metlakatla. It should be corrected by amendment of the State statutes.

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TRIBAL OPERATIONS OFFICE - JAO
Alaska Tribal Status

JULY 1982

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Afognak		X	X						
Akhiok		X	X		X	X			X
Akiachak	X	X	X	X		X			X
Akiak	X	X	X	X		X			X
Akutan		X	X		X	X			X
Alakanuk	X	X	X		X	X			X
Alatna	X	X	X		X				
Aleknagik		X	X		X	X			X
Aleutian Pribilofs	X								
Alexander Creek									
Algaacig(St. Mary's)	X	X	X		X	X		X	
Allakaket	X	X	X		X	X			X
Ambler	X	X	X		X	X			X
Anaktuvuk Pass		X	X		X	X			X
Andreafsky (Andrefscy)		X	X		X				
Angoon	X	X	X	X		X			X
Aniak	X	X	X		X	X			X
Anvik	X	X	X		X	X			X
Arctic Village		X	X		X	X			

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Atka	X	X	X	X		X			
Atkasook (Atquasuk)	X	X	X		X				
Atmautluak	X	X	X		X	X			X
Ayakulik			X						
Barrow		X	X		X	X		X	
Beaver	X	X	X		X	X			
Belkofsky		X	X		X	X			
Bells Flats			X						
Bethel (Orutsaramuit)	X	X	X		X	X			X
Bettles (Bettles Field)	X		X		X	X			
Bill Moore's		X	X						
Bionka		X							
Birch Creek	X	X	X		X	X			
Brevig Mission		X	X		X	X			X
Bristol Bay						X			
Buckland	X	X	X	X		X			X
Candle		X				X			
Cantwell	X	X	X		X	X			
Canyon Village		X				X			
Chalkyitsik	X	X	X		X	X			

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Chaloonawick			X		X	X			
Chaneliak						X			
Chanilut		X							
Chefornak (Cherfornak)	X	X	X		X	X			X
Chenega	X		X	X		X			
Chevak	X	X	X		X	X			X
Chickaloon	X		X		X				
Chignik	X	X	X		X	X			
Chignik Lagoon	X	X	X		X	X			
Chignik Lake	X	X	X		X	X			
Chilkat (Klukwan)	X	X	X	X		X			
Chistochina	X	X	X		X	X			
Chitina	X	X	X		X				
Chuathbaluk	X		X		X				X
Chukwaktoligamute		X							
Churarbalik (Russian Mission-Kuskokwim)						X			
Circle	X	X	X		X	X			
Clark's Point		X	X		X	X			X
Cook Inlet	X								
Copper Center	X	X	X		X	X			

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Cordova						X	X		
Council			X						
Craig	X	X	X	X		X		X	
Crooked Creek	X	X	X		X	X			
Deering	X	X	X	X		X			X
Delta Junction						X			X
Dillingham	X	X	X		X	X		X	
Dot Lake	X	X	X		X	X			
Douglas				X		X			
Eagle	X	X	X		X	X			
Eek	X	X	X		X	X			X
Egegik	X	X	X		X	X			
Eklutna	X	X	X		X	X			
Ekuk		X	X		X	X			
Ekwok		X	X		X	X			X
Elim		X	X	X		X			X
Emmonak		X	X		X	X			X
English Bay	X	X	X		X	X			
Eyak	X		X		X				
Fairbanks	X						X		

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
False Pass	X	X	X		X	X			
Farewell						X			
Flat						X			
Fort Yukon	X	X	X	X		X			X
Gakona		X	X		X				
Galena		X	X		X	X		X	
Gambell	X	X	X	X		X			X
Georgetown		X	X			X			
Golovin		X	X		X	X			X
Goodnews Bay	X	X	X		X	X			X
Grayling (Holikachuk)	X	X	X	X		X			X
Gulkana	X	X	X		X	X			
Haines (Chilkoot)	X			X		X		X	
Hamilton		X	X			X			
Healy Lake			X		X				X
Holy Cross	X	X	X		X	X			X
Hoonah	X	X	X	X		X		X	
Hooper Bay	X	X	X		X	X			X
Hughes	X	X	X		X	X			X
Huslia	X	X	X		X	X			X

Village Name	638 GRANTS	ANCSA VILLAGE	DETERNINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Hydaburg	X	X	X	X		X		X	
Igiugig	X	X	X		X				
Iliamna	X	X	X		X	X			
Inalik (Diomede)		X	X	X		X			X
Inupiat CAS				X		X			
Ivanof Bay		X	X		X	X			
Juneau	X	X	X				X		
Kaguyak		X	X						
Kake	X	X	X	X		X		X	
Kaktovik	X	X	X		X	X			X
Kalskag (Upper Kalskag)		X			X	X			X
Kaltag	X	X	X		X	X			X
Kanatak				X		X			
Karluk	X	X	X	X		X			
Kasaan		X	X	X		X			X
Kastgluk	X	X	X		X	X			
Kenaitze	X			X		X			
Kenai		X	X						
Ketchikan	X			X		X	X		
Kiana	X	X	X		X	X			X

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BY MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
King Cove		X	X		X	X		X	
King Island	X		X	X		X			
Kipnuk	X	X	X		X	X			
Kivalina	X	X	X	X		X			X
Klawock	X	X	X	X		X		X	
Knik			X		X				
Kobuk		X	X		X	X			X
Kodiak	X	X	X				X		
Kokhanok		X	X		X	X			
Koliganek	X	X	X		X	X			
Kongiganak	X	X	X		X	X			
Kotlik	X	X	X		X	X			X
Kotzebue	X	X	X	X		X			X
Koyuk		X	X	X		X			X
Koyukuk	X	X	X		X	X			X
Kwethluk	X	X	X	X		X			X
Kwigillingok	X	X	X	X		X			
Larsen Bay (Anton)	X	X	X		X	X			X
Lelida						X			
Levelock	X	X	X		X	X			

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Lime Village		X	X		X	X			
Litnik			X						
Louder	X								
Lower Kalskag		X	X		X	X			X
McGrath	X	X	X		X	X			X
Makok		X							
Manley Hot Springs	X	X	X		X	X			
Manokotak	X	X	X		X	X			X
Marshall (Fortuna Ledge)	X	X	X		X	X			X
Mary's Igloo		X	X						
Matanuska						X			
Medfra		X				X			
Mekoryuk	X	X	X	X		X			X
Metlakatla	X			X		X			
Mentasta (Lake)	X	X	X		X				
Minchumina Lake		X				X			
Minto	X	X	X	X		X			
Mt. Village	X	X	X		X	X			X
Nabesna		X							
Naknek	X	X	X		X	X			

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Napaimute		X	X			X			
Napakiak	X	X	X	X		X			X
Napaskiak	X	X	X		X	X			X
Nelson Lagoon		X	X		X	X			
Nenana	X	X	X		X	X		X	
Newhalen		X	X		X	X			X
New Stuyahok		X	X		X	X			X
Newtok	X	X	X		X	X			X
Nightmute	X	X	X		X	X			X
Nikolski		X	X	X		X			
Ninilchik	X	X	X		X	X			
Noatak		X	X	X		X			
Nikolai	X	X	X		X	X			X
Nome (Eskimo Comm.)	X	X	X	X		X		X	
Nondalton	X	X	X		X	X			X
Noorvik	X	X	X	X		X			X
Northeast Cape		X				X			
Northway	X	X	X		X	X			
Nuiqsuit (Nooiksut)	X	X	X		X				X
Nulato	X	X	X		X	X			X

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Nunapitchuk		X	X	X		X			
Ohogamuit		X	X		X				
Old Harbor	X	X	X		X	X			X
Oscarville		X	X		X	X			
Ouzinkie	X	X	X		X	X			X
Paimute			X						
Palmer						X			
Paradise		X							
Pauloff Harbor (Sanak)		X	X			X			
Pedro Bay	X	X	X		X	X			
Pelican	X				X	X		X	
Perryville	X	X	X	X		X			
Petersburg	X			X		X	X		
Pilot Point	X	X	X		X	X			
Pilot Station	X	X	X		X	X			X
Pitka's Point		X	X		X	X			
Platinum	X	X	X		X	X			X
Point Hope		X	X	X		X			X
Point Lay	X	X	X	X		X			
Portage Creek		X	X		X	X			

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Port Graham	X	X	X		X	X			
Port Heiden	X	X	X		X	X			X
Port Lions		X	X		X	X			X
Port William			X						
Quinhagak (Kwinhagok)		X	X	X		X			X
Rampart	X	X	X		X	X			
Red Devil		X	X		X	X			
Ruby	X	X	X		X	X			X
Russian Mission (Kuskokwim)		X				X			
Russian Mission (Yukon)		X	X		X	X			X
St. George	X	X	X	X		X			
St. Michael		X	X	X		X			X
St. Paul	X	X	X	X		X			X
Salamatof		X	X		X				
Sand Point	X	X	X		X	X		X	
Savonoski		X							
Savoonga	X	X	X	X		X			X
Saxman	X	X	X	X		X			X
Scammon Bay		X	X		X	X			X
Selawik	X	X	X	X		X			X

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Seldovia	X	X	X		X			X	
Shageluk	X	X	X	X		X			X
Shaktoolik (Shaktoolik)		X	X	X		X			X
Sheldons Point		X	X		X	X			X
Shishmaref	X	X	X	X		X			X
Shungnak	X	X	X	X		X			X
Sitka	X	X	X	X		X	X		
Skagway	X				X	X		X	
Slana		X							
Sleetmute		X	X		X	X			
Solomon			X						
South Naknek	X	X	X		X	X			
Squaw Harbor		X							
Stebbins	X	X	X	X		X			X
Sterling						X			
Stevens Village	X	X	X	X		X			
Stony River		X	X		X	X			
Takotna	X	X	X		X	X			
Tanacross	X	X	X	X		X			
Tanana	X	X	X	X		X			X

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Tatitlek	X	X	X	X		X			
Tazlina	X	X	X		X				
Teller		X	X		X	X			X
Telida	X	X	X		X				
Tenakee (Springs)					X	X			X
Tetlin	X	X	X	X		X			
Tigara	X								
Togiak	X	X	X		X	X			X
Tok	X				X	X			
Toksook Bay	X	X	X		X	X			X
Tuluksak	X	X	X	X		X			X
Tuntutuliak	X	X	X		X	X			
Tununak	X	X	X	X		X			X
Twin Hills	X	X	X		X	X			
Tyonek	X	X	X	X		X			
Uganik			X						
Ugashik		X	X		X	X			
Umkumiute (Umkumute)			X						
Unalaska		X	X		X	X		X	
Unalakleet	X	X	X	X		X			X

Village Name	638 GRANTS	ANCSA VILLAGE	DETERMINED ELIGIBLE BY BIA	IRA COUNCIL	TRADITIONAL COUNCIL	BIA MARCH 72 LIST	HOME RULE	1ST CLASS CITY	2ND CLASS CITY
Uyak		X	X						
Unga		X	X						
Valdez						X			
Venetie	X	X	X	X		X			
Wainwright	X	X	X		X	X			X
Wales		X	X	X		X			X
White Mountain	X	X	X	X		X			X
Woody Island			X						
Wrangell	X			X		X	X		
Yakutat	X	X	X		X	X		X	
TOTALS	160	219	222	71	142	217	8	19	100

FY 1982 STATE REVENUE SHARING ENTITLEMENTS

FOR MUNICIPALITIES

FEBRUARY 22, 1982

(REPLACES 2/19/82 COMPUTER RUN)

STATE OF ALASKA
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
POUCH BII
JUNEAU, ALASKA 99811

(907) 465-4733 or 465-4736

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1982

TOTAL APPROPRIATION = $55,707,600
CHAPTER 88 APPROPRIATION = $34,913,800
CHAPTER 89 APPROPRIATION = $14,047,800
CHAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 6.43407506040690
CHAPTER 89 PRORATION FACTOR = 0.928650220206Z6
CHAPTER 90 PRORATION FACTOR = 0.831233480990Z3
MINIMUM ENT. PRORATION FACTOR = 0.967097546Z9341
HOLD HARMLESS PRORATION FACTOR = 0.999052325826Z5

KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE.. ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 198 ENTITLE.
BOROUGHS AND SERVICE AREAS								
010	ANCHORAGE A.W.	180,740	6.25	$6,005,670	$7,565,322	$0	$0	$13,570,99
020	CITY S.A.	53,410	0.48	$161,606	$0	$0	$157,448	$319,05
030	EAGLE RIVER	7,639	0.78	$37,384	$60,281	$0	$0	$97,66
040	CHUGIAK	5,105	0.76	$24,416	$0	$0	$11,921	$36,33
060	GIRDWOOD	539	1.13	$3,818	$24,446	$0	$0	$28,26
070	GLEN ALPS	245	2.13	$3,245	$24,562	$0	$0	$27,80
080	FIRE S.A.	148,761	1.28	$1,189,204	$0	$0	$86,312	$1,275,51
090	ROADS & DRAINAGE	130,845	1.18	$962,464	$0	$0	$0	$962,46
095	LIMITED ROAD S.A.	5,172	0.77	$25,002	$0	$0	$0	$25,00
100	POLICE S.A.	146,004	1.87	$1,699,341	$0	$0	$414,200	$2,113,54
110	PARKS & REC	148,710	0.57	$531,369	$0	$0	$342,741	$874,11
120	P & R/CHUGIAK	13,789	0.60	$51,969	$0	$0	$10,290	$62,26
130	SOLID WASTE S.A.	149,215	0.32	$299,716	$0	$0	$0	$29
140	CHUGIAK/SOLID WASTE	13,789	0.16	$14,342	$0	$0	$0	$14
150	BUILDING SAFETY	148,676	0.17	$157,829	$0	$0	$0	$157,82
160	CITY SA ROADS & DRAINAGE	53,410	0.08	$26,958	$0	$0	$1,226	$28,18
170	SERVICE AREA 35	77,435	0.58	$282,266	$0	$0	$0	$282,26
175	UPPER O'MALLEY	1	0.00	$0	$33,863	$0	$0	$33,86
180	PORT OF ANCH.	180,740	0.35	$397,677	$0	$0	$0	$397,67
185	ROADS	1	0.00	$0	$134,897	$0	$0	$134,89
190	AIRPORT S.A.	180,740	0.01	$17,127	$0	$0	$0	$17,127
195	PUBLIC TRANSIT	180,740	0.09	$108,844	$0	$0	$0	$108,84
200	PARKING S.A.	180,740	0.13	$150,294	$0	$0	$0	$150,294
	TOTAL			$12,150,548	$7,843,375			$21,018,06
210	BRISTOL BAY BOROUGH	1,182	26.97	$198,205	$59,031	$0	$0	$257,23
230	FAIRBANKS BOROUGH	51,659	8.21	$2,613,784	$251,551	$0	$0	$2,865,33
240	ESTER F.P.	944	0.76	$4,468	$0	$0	$0	$4,46
250	NORTH STAR F.P.	5,575	1.05	$36,425	$0	$0	$19,636	$56,06
260	UNIVERSITY F.P.							

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1982

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CHAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 6.434075060406 90
CHAPTER 89 PRORATION FACTOR = 0.928650220200 26
CHAPTER 90 PRORATION FACTOR = 0.831233480990 43
MINIMUM ENT. PRORATION FACTOR = 0.967097546193 41
HOLD HARMLESS PRORATION FACTOR = 0.999052325826 75

KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE. ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1982 ENTITLE
BOROUGHS AND SERVICE AREAS								
	TOTAL			$2,711,877	$251,551			$2,987,76
270	HAINES BOROUGH	1,712	5.85	$62,294	$0	$0	$0	$62,29
280	FIRE DISTRICT	394	1.89	$4,632	$0	$0	$0	$4,63
	TOTAL			$66,926	$0			$66,926
230	JUNEAU BOROUGH A.W.	21,080	14.81	$1,932,690	$424,736	$0	$0	$2,357,427
100	S.A. 1	4,883	12.35	$374,886	$33,005	$0	$0	$407,89
110	S.A. 2	1,378	6.60	$56,586	$11,782	$0	$0	$68,36
120	S.A. 3	14,819	1.18	$109,615	$89,692	$0	$0	$199,307
130	S.A. 4	1,848	0.56	$6,482	$0	$0	$5,450	$11,93
140	S.A. 5	10,822	1.57	$106,234	$0	$0	$0	$106,23
150	S.A. 6	855	1.01	$5,406	$0	$0	$338	$5,74
160	S.A. 7	326	0.76	$1,554	$0	$0	$0	$1,554
170	S.A. 8	695	0.28	$1,219	$0	$0	$3,077	$4,297
	TOTAL			$2,594,675	$559,217			$3,162,759
180	KENAI PENINSULA BOROUGH	26,520	4.01	$649,435	$6,965	$0	$0	$656,401
185	CENTRAL PENINSULA HOSPITAL	15,921	2.60	$257,865	$249,662	$0	$0	$507,528
190	NIKISKI F.P.	3,136	1.53	$29,891	$0	$0	$0	$29,891
195	SOUTH PENINSULA HOSPITAL	6,027	1.33	$50,135	$249,662	$0	$0	$299,796
200	NORTH KENAI REC.	2,344	0.58	$8,571	$0	$0	$11,971	$20,543
210	BEAR CREEK F.P.	674	2.82	$11,830	$0	$0	$0	$11,830
	TOTAL			$1,007,729	$506,291			$1,525,992
290	KETCHIKAN BOROUGH	11,373	9.12	$643,174	$0	$0	$0	$643,174
310	SHORELINE S.A.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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BOROUGHS AND SERVICE AREAS								
	TOTAL			$646,302	$0			$648,44
0440	KODIAK ISLAND BOROUGH	8,358	6.84	$355,490	$375,493	$0	$0	$730,98
0450	FIRE DISTRICT I	1,480	2.01	$18,560	$0	$0	$0	$18,56
0455	SERVICE DISTRICT	1,207	1.16	$8,748	$0	$0	$0	$8,74
0460	ROAD DISTRICT	230	4.00	$5,727	$37,449	$0	$0	$43,17
	TOTAL			$388,527	$412,942			$801,46
0470	MAT-SU BOROUGH	19,123	7.42	$831,340	$0	$0	$0	$831,34
0480	WASILLA F.P.	3,201	0.50	$10,019	$0	$0	$20,163	$30,18
0490	BUTTE F.P.	2,068	0.68	$8,839	$0	$0	$10,659	$19,49
0500	GREATER PALMER F.P.	2,498	0.49	$7,635	$0	$0	$20,182	$27,81
0510	SUTTON F.P.	675	2.32	$9,754	$0	$0	$0	$9,75
0520	NON AREA-WIDE	14,695	0.51	$47,458	$0	$0	$0	$47,45
0525	TALKEETNA FLOOD S.A.	254	1.21	$1,912	$0	$0	$0	$1,91
0530	TALKEETNA F.P.	371	0.61	$1,420	$0	$0	$0	$1,42
0540	GARDEN TERRACE	65	1.62	$654	$0	$0	$0	$65
0541	MIDWAY	1	0.00	$0	$1,417,588	$0	$0	$1,417,58
0550	LAKES F.P.	1,485	1.35	$12,551	$0	$0	$0	$12,55
	TOTAL			$931,588	$1,417,588			$2,400,18
0560	NORTH SLOPE BOROUGH	7,098	9.71	$428,833	$258,665	$0	$0	$687,49
0570	SITKA BOROUGH	7,927	13.58	$669,578	$311,990	$0	$0	$981,56
FIRST CLASS CITIES								
0000	BARROW	2,539	5.98	$94,458	$0	$0	$0	$94,45
0010	CORDOVA	2,223	29.61	$409,286	$317,530	$0	$0	$726,81
0020	CRAIG	[illegible]		[illegible]	[illegible]			

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

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KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE.. ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 198 ENTITLE.
FIRST CLASS CITIES								
030	DILLINGHAM	1,670	24.03	$249,506	$23,318	$0	$0	$272,82
040	FAIRBANKS	25,568	15.67	$2,492,152	$1,850,514	$0	$0	$4,342,66
050	GALENA	805	22.08	$110,500	$28,363	$0	$0	$136,19
060	HAINES	1,017	23.97	$151,555	$26,064	$0	$0	$177,61
070	HOMER	2,588	13.27	$213,571	$45,188	$0	$0	$258,76
080	HOONAH	799	5.38	$26,768	$9,995	$0	$28,312	$65,07
090	HYDABURG	356	4.79	$10,622	$7,352	$6,421	$0	$24,39
100	KAKE	583	16.78	$60,829	$12,441	$0	$0	$73,27
110	KENAI	4,558	23.13	$655,599	$130,498	$0	$0	$786,09
120	KETCHIKAN	7,200	28.29	$1,266,560	$348,215	$0	$0	$1,614,77
140	KING COVE	513	21.13	$67,388	$18,906	$0	$0	$86,29
150	KLAWOCK	389	2.93	$7,094	$11,341	$6,091	$0	$24,52
160	KODIAK	4,678	17.83	$518,592	$36,650	$0	$0	$555,24
170	NENANA	592	21.76	$80,097	$41,289	$0	$0	$121,38
180	NOME	3,039	16.96	$320,508	$418,924	$0	$0	$739,43
190	NORTH POLE	928	8.19	$47,302	$28,810	$0	$0	$76,11
200	PALMER	2,275	17.10	$241,893	$287,228	$0	$0	$529,121
210	PELICAN	172	22.30	$23,852	$10,735	$0	$0	$34,58
220	PETERSBURG	3,001	22.62	$422,028	$286,554	$0	$0	$708,58
230	SAND POINT	607	22.08	$95,676	$34,632	$0	$0	$130,30
240	SAINT MARY'S	432	28.36	$76,165	$53,732	$0	$0	$129,89
250	SELDOVIA	505	15.15	$47,585	$23,742	$0	$0	$71,32
260	SEWARD	1,943	16.45	$198,785	$439,281	$0	$0	$638,06
270	SKAGWAY	819	12.30	$62,654	$31,707	$0	$0	$94,36
280	SOLDOTNA	2,445	15.43	$234,580	$61,866	$0	$0	$296,44
290	UNALASKA	1,944	36.39	$439,880	$124,905	$0	$0	$564,78
300	VALDEZ	3,279	6.38	$130,103	$331,793	$0	$0	$461,89
310	WRANGELL	2,345	23.04	$335,932	$273,199	$0	$0	$609,13
320	YAKUTAT	430	16.92	$45,233	$16,253	$0	$0	$61,48
SECOND CLASS CITIES								

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

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KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE. ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 198 ENTITLE.
ECOND CLASS CITIES								
010	AKIACHAK	435	3.23	$8,763	$31,760	$0	$1,115	$39,15
020	AKIAK	197	0.00	$0	$9,964	$22,790	$0	$32,75
030	AKOLMIUT	695	4.30	$18,600	$103,534	$0	$0	$111,73
040	AKUTAN	189	###	$151,277	$0	$0	$0	$151,27
050	ALAKANUK	534	14.26	$47,349	$37,365	$0	$0	$84,71
060	ALEKNAGIK	152	0.00	$0	$9,603	$21,965	$0	$31,56
070	ALLAKAKET	158	0.00	$0	$8,722	$25,207	$0	$33,92
080	AMBLER	198	8.05	$9,919	$27,200	$0	$0	$37,12
090	ANAKTUVUK PASS	235	0.00	$0	$0	$0	$0	$0
100	ANDERSON	500	3.75	$11,659	$16,152	$6,362	$0	$34,17
110	ANGOON	445	1.43	$3,983	$12,476	$9,034	$13,274	$38,76
120	ANIAK	338	5.28	$11,100	$93,361	$0	$0	$104,46
130	ANVIK	110	3.94	$2,698	$10,337	$20,946	$0	$33,98
140	ATMAUTLUAK	226	1.13	$1,598	$9,973	$21,214	$3,613	$36,81
150	BETHEL	3,549	23.43	$516,963	$255,489	$0	$0	$772,45
160	BREVIG MISSION	149	7.11	$6,590	$10,337	$17,054	$0	$33,98
170	BUCKLAND	211	6.03	$7,917	$0	$25,724	$0	$33,64
180	CHEFORNAK	230	7.61	$10,887	$9,964	$11,903	$0	$32,75
190	CHEVAK	491	2.55	$7,811	$11,521	$13,473	$0	$32,80
200	CHUATHBALUK	104	5.72	$3,700	$34,889	$0	$0	$24,70
210	CLARK'S POINT	78	12.74	$6,177	$5,603	$15,788	$0	$31,56
220	DEERING	155	18.80	$18,118	$10,337	$5,526	$0	$32,59
230	DELTA JUNCTION	945	0.00	$0	$37,876	$0	$4,987	$42,86
240	DIOMEDE	149	2.35	$2,181	$0	$29,071	$0	$31,25
250	EAGLE	186	2.11	$2,450	$6,423	$19,325	$0	$28,19
260	EEK	226	0.00	$0	$0	$0	$0	$0
270	EKWOK	76	0.00	$0	$0	$0	$0	$0
280	ELIM	228	3.93	$5,571	$15,507	$13,076	$0	$30,754
290	EMMONAK	568	6.32	$22,318	$34,594	$0	$0	$56,91
300	FORT YUKON	599	10.86	$40,465	$43,611	$0	$0	$84,07
10	FORTUNA LEDGE							

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CHAPTER 89 APPROPRIATION = $14,047,800
CHAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 6.434075060406 90
CHAPTER 89 PRORATION FACTOR = 0.928650220200 26
CHAPTER 90 PRORATION FACTOR = 0.831233480990 43
MINIMUM ENT. PRORATION FACTOR = 0.967097546193 41
HOLD HARMLESS PRORATION FACTOR = 0.999052325826 75

KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE. ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1982 ENTITLE
ECOND CLASS CITIES								
320	GAMBELL	480	3.91	$11,681	$0	$21,960	$0	$33,64
330	GOLOVIN	94	6.93	$4,050	$10,337	$18,594	$0	$32,01
340	GOODNEWS BAY	167	0.00	$0	$0	$0	$0	$
350	GRAYLING	202	0.00	$0	$0	$0	$0	$
360	HOLY CROSS	233	5.16	$7,477	$23,259	$3,670	$0	$34,40
370	HOOPER BAY	624	2.45	$9,513	$0	$22,913	$0	$32,42
380	HOUSTON	583	0.11	$416	$73,996	$0	$0	$74,41
390	HUGHES	71	0.00	$0	$0	$0	$0	$0
100	HUSLIA	230	0.00	$1	$67,517	$0	$0	$67,51
110	KACHEMAK	425	2.06	$5,461	$0	$20,538	$0	$25,99
120	KAKTOVIK	201	0.25	$323	$0	$33,318	$0	$33,64
130	KALTAG	239	0.00	$0	$0	$0	$0	$0
140	KASAAN	64	0.10	$43	$7,422	$16,933	$0	$24,39
160	KIANA	356	2.64	$5,856	$17,444	$10,915	$0	$34,21
170	KIVALINA	249	4.16	$5,441	$0	$27,200	$0	$30,93
180	KOBUK	64	0.00	$0	$0	$0	$0	$0
190	KOTLIK	339	3.48	$7,339	$9,964	$15,451	$0	$32,75
200	KOTZEBUE	2,250	14.66	$205,125	$56,856	$0	$0	$261,98
210	KOYUK	203	5.40	$6,817	$16,120	$11,235	$0	$34,17
220	KOYUKUK	95	8.75	$5,167	$13,568	$15,352	$0	$34,08
230	KUPREANOF	49	0.00	$0	$0	$0	$0	$0
240	KWETHLUK	451	0.00	$0	$0	$0	$0	$0
250	LARSEN BAY	167	0.00	$0	$0	$25,999	$0	$25,99
255	LOWER KALSKAG	244	2.81	$4,270	$100,339	$0	$0	$98,54
260	MANOKOTAK	290	1.51	$2,737	$10,894	$17,980	$0	$31,61
270	MCGRATH	343	1.71	$3,666	$45,711	$0	$0	$49,37
280	MEKORYUK	176	7.90	$8,646	$9,964	$14,144	$0	$32,75
290	MOUNTAIN VILLAGE	560	13.89	$50,109	$54,492	$0	$0	$104,60
300	NAPAKIAK	283	7.25	$12,764	$17,686	$2,558	$0	$33,00
310	NAPASKIAK	242	0.00	$0	$9,964	$22,791	$0	$32,75
320	NEWHALEM	135	0.39	$396	$9,607			

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1982

OTAL APPROPRIATION = $55,707,600
HAPTER 88 APPROPRIATION = $34,913,800
HAPTER 89 APPROPRIATION = $14,047,800
HAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 6.434075060406 90
CHAPTER 89 PRORATION FACTOR = 0.928650220 20026
CHAPTER 90 PRORATION FACTOR = 0.831233480 99043
MINIMUM ENT. PRORATION FACTOR = 0.967097546 19341
HOLD HARMLESS PRORATION FACTOR = 0.999052325 82675

KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE. ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1982 ENTITLE.
ECOND CLASS CITIES								
630	NEW STUYAHOK	327	0.00	$0	$9,603	$21,965	$0	$30,81[illegible]
640	NEWTOK	175	0.81	$891	$9,964	$21,899	$0	$32,755
650	NIGHTMUTE	135	7.12	$5,977	$9,964	$16,814	$0	$32,755
660	NIKOLAI	88	0.00	$0	$0	$0	$0	$0
670	NONDALTON	171	0.18	$197	$14,105	$17,414	$0	$31,717
680	NOORVIK	508	2.89	$9,152	$18,155	$6,932	$0	$34,239
690	NULATO	338	2.07	$4,362	$29,074	$1,162	$0	$34,599
700	NUNAPITCHUK	271	0.00	$0	$0	$0	$0	$0
710	OLD HARBOR	334	0.18	$387	$11,110	$14,867	$0	$26,365
720	OUZINKIE	170	1.39	$1,473	$7,739	$17,041	$0	$26,254
730	PILOT STATION	323	5.17	$10,398	$6,227	$16,005	$0	$32,630
740	PLATINUM	55	13.59	$4,653	$0	$27,805	$1,294	$33,752
750	POINT HOPE	531	1.03	$3,412	$0	$30,229	$0	$33,[illegible]42
760	PORT ALEXANDER	80	2.59	$1,450	$0	$23,609	$0	$25,060
770	PORT HEIDEN	91	1.08	$613	$89,432	$0	$0	$90,045
780	PORT LIONS	218	8.99	$12,189	$8,463	$5,624	$0	$26,276
790	QUINHAGAK	409	3.01	$7,660	$13,856	$11,366	$0	$28,882
800	RUBY	190	0.60	$715	$0	$32,927	$0	$33,642
810	RUSSIAN MISSION	168	0.00	$0	$0	$0	$0	$0
820	SAINT MICHAEL	258	2.33	$3,750	$10,337	$19,894	$0	$33,982
830	SAINT PAUL	591	8.45	$31,051	$112,541	$0	$0	$143,592
840	SAVOONGA	530	6.59	$21,734	$10,337	$1,910	$0	$33,981
850	SAXMAN	276	0.00	$0	$7,422	$16,976	$0	$24,398
860	SCAMMON BAY	249	2.36	$3,667	$3,892	$24,995	$0	$32,554
870	SELAWIK	372	0.00	$0	$0	$0	$0	$0
880	SHAGELUK	127	0.92	$730	$6,460	$26,663	$0	$33,853
890	SHAKTOOLIK	177	2.88	$3,172	$56,533	$0	$0	$59,705
900	SHELDON POINT	103	5.67	$3,686	$9,964	$19,154	$0	$32,756
910	SHISHMAREF	425	3.06	$8,092	$6,396	$19,363	$0	$33,852
920	SHUNGNAK	208	1.96	$2,546	$10,337	$21,038	$0	$33,921

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

TOTAL APPROPRIATION = $55,707,600
CHAPTER 88 APPROPRIATION = $34,913,800
CHAPTER 89 APPROPRIATION = $14,047,800
CHAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 0.43407506040690
CHAPTER 89 PRORATION FACTOR = 0.92865022020026
CHAPTER 90 PRORATION FACTOR = 0.88123348099043
MINIMUM ENT. PRORATION FACTOR = 0.96709754619341
HOLD HARMLESS PRORATION FACTOR = 0.99905232582675

KEY	MUNICIPALITY	POPULATION	MILL RATE EQV.	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE.. ADD ON	HOLD HARMLESS ENTITLEMENT	TC FY NT
SECOND CLASS CITIES								
3940	TANANA	463	3.08	$8,866	$102,374	$0	$0	$
3950	TELLER	229	7.51	$10,695	$19,027	$4,545	$0	
3980	TENAKEE SPRINGS	132	2.33	$1,912	$12,513	$11,046	$0	
3990	TOGIAK	511	2.69	$8,559	$24,609	$0	$0	
4000	TOKSOOK BAY	331	6.48	$13,351	$9,964	$9,439	$0	
4010	TULUKSAK	234	2.93	$4,265	$119,882	$0	$0	$
4015	TUNUNAK	301	1.92	$3,611	$9,964	$19,179	$0	
4020	UNALAKLEET	672	6.36	$26,608	$41,091	$0	$0	
4030	UPPER KALSKAG	128	2.52	$2,007	$36,827	$0	$0	
4040	WAINWRIGHT	410	0.00	$0	$0	$0	$0	
4050	WALES	143	1.21	$1,079	$0	$30,174	$0	
4060	WASILLA	1,928	0.33	$4,026	$124,026	$0	$0	$
4070	WHITE MOUNTAIN	135	10.18	$8,549	$14,165	$9,004	$0	
4080	WHITTIER	211	33.93	$44,509	$16,125	$0	$0	
4090	EXT FIRE AREAS	7,443	0.00	$0	$69,053	$0	$0	
4100	NATIVE VILLAGE GOVT	1	0.00	$0	$1,275,683	$0	$0	$1,
	TOTAL			$32,610,625	$20,774,190	$1,147,716	$1,175,067	$55,

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (II2) FEBRUARY 22, 198

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITA CONST. AI
BOROUGHS AND SERVICE AREAS						
010	ANCHORAGE A.W.	400.60	0.00	$463,885	$688,405	$5,483,87
020	CITY S.A.	0.00	0.00	$0	$0	$
030	EAGLE RIVER	25.99	0.00	$0	$0	$
040	CHUGIAK	0.00	0.00	$0	$0	$
060	GIRDWOOD	10.54	0.00	$0	$0	$
070	GLEN ALPS	10.59	0.00	$0	$0	$
080	FIRE S.A.	0.00	0.00	$0	$0	$
090	ROADS & DRAINAGE	0.00	0.00	$0	$0	$
095	LIMITED ROAD S.A.	0.00	0.00	$0	$0	$
100	POLICE S.A.	0.00	0.00	$0	$0	$
110	PARKS & REC	0.00	0.00	$0	$0	$
120	P & R/CHUGIAK	0.00	0.00	$0	$0	$
130	SOLID WASTE S.A.	0.00	0.00	$0	$0	$
140	CHUGIAK/SOLID WASTE	0.00	0.00	$0	$0	$
150	BUILDING SAFETY	0.00	0.00	$0	$0	$
160	CITY SA ROADS & DRAINAGE	0.00	0.00	$0	$0	$
170	SERVICE AREA 35	0.00	0.00	$0	$0	$
175	UPPER O'MALLEY	14.60	0.00	$0	$0	$
180	PORT OF ANCH.	0.00	0.00	$0	$0	$
185	ROADS	58.16	0.00	$0	$0	$
190	AIRPORT S.A.	0.00	0.00	$0	$0	$
195	PUBLIC TRANSIT	0.00	0.00	$0	$0	$
200	PARKING S.A.	0.00	0.00	$0	$0	$
210	BRISTOL BAY BOROUGH	6.87	0.00	$0	$38,414	$
230	FAIRBANKS BOROUGH	99.60	0.00	$0	$0	$
240	ESTER F.P.	0.00	0.00	$0	$0	$
250	NORTH STAR F.P.	0.00	0.00	$0	$0	$
260	UNIVERSITY F.P.	0.00	0.00	$0	$0	$
270	HAINES BOROUGH	0.00	0.00	$0	$0	$

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (II2) FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AI
280	FIRE DISTRICT	0.00	0.00	$0	$0	$
290	JUNEAU BOROUGH A.W.	0.00	0.00	$231,942	$159,576	$3
300	S.A. 1	14.23	0.00	$0	$0	$
310	S.A. 2	5.08	0.00	$0	$0	$
320	S.A. 3	38.67	0.00	$0	$0	$
330	S.A. 4	0.00	0.00	$0	$0	$
340	S.A. 5	0.00	0.00	$0	$0	$
350	S.A. 6	0.00	0.00	$0	$0	$
360	S.A. 7	0.00	0.00	$0	$0	$
370	S.A. 8	0.00	0.00	$0	$0	$
380	KENAI PENINSULA BOROUGH	2.79	0.00	$0	$0	$
385	CENTRAL PENINSULA HOSPITAL	0.00	0.00	$249,662	$0	$
390	NIKISKI F.P.	0.00	0.00	$0	$0	$
395	SOUTH PENINSULA HOSPITAL	0.00	0.00	$249,662	$0	$
400	NORTH KENAI REC.	0.00	0.00	$0	$0	$
410	BEAR CREEK F.P.	0.00	0.00	$0	$0	$
420	KETCHIKAN BOROUGH	0.00	0.00	$0	$0	$
430	SHORELINE S.A.	0.00	0.00	$0	$0	$
440	KODIAK ISLAND BOROUGH	0.00	0.00	$249,662	$125,830	$
450	FIRE DISTRICT I	0.00	0.00	$0	$0	$
455	SERVICE DISTRICT	0.00	0.00	$0	$0	$
460	ROAD DISTRICT	15.00	0.00	$0	$0	$
470	MAT-SU BOROUGH	0.00	0.00	$0	$0	$
480	WASILLA F.P.	0.00	0.00	$0	$0	$
490	BUTTE F.P.	0.00	0.00	$0	$0	$
500	GREATER PALMER F.P.	0.00	0.00	$0	$0	$

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (112) FEBRUARY 22, 1980

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITA CONST. AI
510	SUTTON F.P.	0.00	0.00	$0	$0	$(
520	NON AREA-WIDE	0.00	0.00	$0	$0	$(
525	TALKEETNA FLOOD S.A.	0.00	0.00	$0	$0	$(
530	TALKEETNA F.P.	0.00	0.00	$0	$0	$(
540	GARDEN TERRACE	0.00	0.00	$0	$0	$(
541	MIDWAY	581.89	12.00	$0	$0	$(
550	LAKES F.P.	0.00	0.00	$0	$0	$(
560	NORTH SLOPE BOROUGH	54.47	0.00	$0	$82,700	$(
570	SITKA BOROUGH	16.05	0.00	$240,640	$32,727	$(
IRST CLASS CITIES						
000	BARROW	0.00	0.00	$0	$0	$(
010	CORDOVA	8.55	0.00	$268,751	$25,800	$(
020	CRAIG	4.91	0.00	$0	$22,266	$(
030	DILLINGHAM	7.77	0.00	$0	$0	$(
040	FAIRBANKS	87.20	0.00	$268,751	$165,551	$1,181,85
050	GALENA	5.58	0.00	$0	$10,337	$(
060	HAINES	10.44	0.00	$0	$0	$(
070	HOMER	11.70	0.00	$0	$15,978	$(
080	HOONAH	4.00	0.00	$0	$0	$(
090	HYDABURG	3.17	0.00	$0	$0	$(
00	KAKE	5.17	0.00	$0	$0	$(
10	KENAI	45.87	0.00	$0	$15,978	$(
20	KETCHIKAN	16.60	0.00	$251,942	$37,110	$40,65
40	KING COVE	3.10	0.00	$0	$9,603	$(
50	KLAWOCK	1.65	0.00	$0	$7,422	$(
60	KODIAK	14.68	0.00	$0	$0	$(
70	NENANA	13.26	0.00	$0	$0	$(
80	NOME	13.60	0.13	$323,049	$51,687	$(
90	NORTH POLE	10.72	0.00	$0	$0	$(
00	PALMER	19.36	0.00	$240,640	$0	$(
10	PELICAN	1.10	0.00	$0	$7,989	$(
20	PETERSBURG	9.48	0.00	$240,640	$23,101	$(
30	SAND POINT	8.34	0.00	$0	$9,603	$(
40	SAINT MARY'S	7.93	10.21	$0	$9,964	$(
50	SELDOVIA					

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (H2) FEBRUARY 22, 1982

OTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
260	SEWARD	18.35	0.00	$249,662	$143,805	$0
270	SKAGWAY	9.50	0.00	$0	$7,989	$0
280	SOLDOTNA	24.78	0.00	$0	$0	$0
290	UNALASKA	38.42	0.00	$0	$9,603	$0
300	VALDEZ	15.80	0.00	$278,818	$8,922	$0
330	WRANGELL	7.13	0.00	$240,640	$15,400	$0
360	YAKUTAT	3.31	0.00	$0	$7,989	$0
ECOND CLASS CITIES						
000	AKHIOK	4.00	0.00	$0	$0	$0
010	AKIACHAK	1.59	9.00	$0	$9,964	$0
020	AKIAK	0.00	0.00	$0	$9,964	$0
030	AKOLMIUT	0.00	44.75	$0	$19,928	$0
040	AKUTAN	0.00	0.00	$0	$0	$0
050	ALAKANUK	4.00	8.00	$0	$9,964	$0
060	ALEKNAGIK	0.00	0.00	$0	$9,603	$0
070	ALLAKAKET	2.70	0.00	$0	$0	$0
080	AMBLER	5.22	0.00	$0	$10,337	$0
090	ANAKTUVUK PASS	0.00	0.00	$0	$0	$0
00	ANDERSON	5.00	0.00	$0	$0	$0
10	ANGOON	5.18	0.00	$0	$0	$0
20	ANIAK	8.10	24.00	$0	$20,675	$0
30	ANVIK	0.00	0.00	$0	$10,337	$0
40	ATMAUTLUAK	0.00	0.00	$0	$9,964	$0
50	BETHEL	10.85	48.00	$0	$132,026	$0
60	BREVIG MISSION	0.00	0.00	$0	$10,337	$0
70	BUCKLAND	0.00	0.00	$0	$0	$0
80	CHEFORNAK	0.00	0.00	$0	$9,964	$0
90	CHEVAK	0.50	0.00	$0	$9,964	$0
00	CHIGNIK LAKE	4.00	6.00	$0	$10,337	$0
10	CLARK'S POINT	0.00	0.00	$0	$9,603	$0
20	DEERING	0.00	0.00	$0	$10,337	$0
30	DELTA JUNCTION	10.88	0.00	$0	$8,600	$0
40	DIOMEDE	0.00	0.00	$0	$0	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (82) FEBRUARY 22, 1982

OTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AI
250	EAGLE	2.39	0.00	$0	$0	$0
260	EEK	0.00	0.00	$0	$0	$0
270	EKWOK	0.00	0.00	$0	$0	$0
280	ELIM	1.60	0.00	$0	$10,338	$0
290	EMMONAK	3.41	7.50	$0	$9,964	$0
300	FORT YUKON	13.50	0.00	$0	$0	$0
310	FORTUNA LEDGE	5.00	0.00	$0	$9,964	$0
320	GAMBELL	0.00	0.00	$0	$0	$0
330	GOLOVIN	0.00	0.00	$0	$10,337	$0
340	GOODNEWS BAY	0.00	0.00	$0	$0	$0
350	GRAYLING	0.00	0.00	$0	$0	$0
360	HOLY CROSS	4.00	0.00	$0	$10,337	$0
370	HOOPER BAY	0.00	0.00	$0	$0	$0
380	HOUSTON	30.75	0.00	$0	$0	$0
390	HUGHES	0.00	0.00	$0	$0	$0
400	HUSLIA	17.70	0.00	$0	$10,337	$0
410	KACHEMAK	0.00	0.00	$0	$0	$0
420	KAKTOVIK	0.00	0.00	$0	$0	$0
430	KALTAG	0.00	0.00	$0	$0	$0
440	KASAAN	0.00	0.00	$0	$7,422	$0
460	KIANA	2.20	0.00	$0	$10,337	$0
470	KIVALINA	0.00	0.00	$0	$0	$0
480	KOBUK	0.00	0.00	$0	$0	$0
490	KOTLIK	0.00	0.00	$0	$9,964	$0
500	KOTZEBUE	15.50	3.50	$0	$0	$0
510	KOYUK	1.79	0.00	$0	$10,337	$0
520	KOYUKUK	1.00	0.00	$0	$10,337	$0
530	KUPREANOF	0.00	0.00	$0	$0	$0
540	KWETHLUK	0.00	0.00	$0	$0	$0
550	LARSEN BAY	0.00	0.00	$0	$0	$0
555	LOWER KALSKAG	3.86	40.00	$0	$10,337	$0
560	MANOKOTAK	0.43	0.00	$0	$9,603	$0
570	MCGRATH	10.95	0.00	$0	$10,337	$0
580	MEKORYUK	0.00	0.00	$0	$9,964	$0
590	MOUNTAIN VILLAGE	3.50	18.00	$0	$9,96	$0
600	NAPAKIAK	2.48	0.00	$0	$9,964	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (H2) FEBRUARY 22, 198

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITA CONST. AI
610	NAPASKIAK	0.00	0.00	$0	$9,964	$
620	NEWHALEN	0.00	0.00	$0	$9,603	$
630	NEW STUYAHOK	0.00	0.00	$0	$9,603	$
640	NEWTOK	0.00	0.00	$0	$9,964	$
650	NIGHTMUTE	0.00	0.00	$0	$9,964	$
660	NIKOLAI	0.00	0.00	$0	$0	$
670	NONDALTON	1.50	0.00	$0	$9,603	$
680	NOORVIK	2.42	0.00	$0	$10,337	$
690	NULATO	5.80	0.00	$0	$10,337	$
700	NUIQSUT	0.00	0.00	$0	$0	$
710	OLD HARBOR	4.45	0.00	$0	$0	$
720	OUZINKIE	3.10	0.00	$0	$0	$
730	PILOT STATION	2.00	0.00	$0	$0	$
740	PLATINUM	0.00	0.00	$0	$0	$
750	POINT HOPE	0.00	0.00	$0	$0	$
760	PORT ALEXANDER	0.00	0.00	$0	$0	$
770	PORT HEIDEN	26.60	0.00	$0	$9,603	$
780	PORT LIONS	3.39	0.00	$0	$0	$
790	QUINHAGAK	1.25	0.00	$0	$9,964	$
800	RUBY	0.00	0.00	$0	$0	$
810	RUSSIAN MISSION	0.00	0.00	$0	$0	$
820	SAINT MICHAEL	0.00	0.00	$0	$10,337	$
830	SAINT PAUL	37.50	0.00	$0	$0	$
840	SAVOONGA	0.00	0.00	$0	$10,337	$
850	SAXMAN	3.20	0.00	$0	$0	$
860	SCAMMON BAY	1.25	0.00	$0	$0	$
870	SELAWIK	0.00	0.00	$0	$0	$
880	SHAGELUK	2.00	0.00	$0	$0	$
890	SHAKTOOLIK	3.50	18.00	$0	$10,337	$
900	SHELDON POINT	0.00	0.00	$0	$9,964	$
910	SHISHMAREF	1.98	0.00	$0	$0	$
920	SHUNGNAK	0.00	0.00	$0	$10,337	$
930	STEBBINS	0.00	0.00	$0	$10,337	$
940	TANANA	31.60	0.00	$0	$0	$
950	TELLER	2.69	0.00	$0	$10,337	$
980	TENAKEE SPRINGS	2.00	0.00	$0	$7,700	$

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (H2)

FEBRUARY 22, 1982

OTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AI
990	TOGIAK	5.00	0.00	$0	$9,603	$(
000	TOKSOOK BAY	0.00	0.00	$0	$9,964	$(
010	TULUKSAK	9.50	43.00	$0	$9,964	$(
015	TUNUNAK	0.00	0.00	$0	$9,964	$(
020	UNALAKLEET	9.52	0.00	$0	$10,337	$(
030	UPPER KALSKAG	1.50	16.50	$0	$0	$(
040	WAINWRIGHT	0.00	0.00	$0	$0	$(
050	WALES	0.00	0.00	$0	$0	$(
060	WASILLA	45.14	0.00	$0	$15,400	$(
070	WHITE MOUNTAIN	1.52	0.00	$0	$9,603	$(
080	WHITTIER	6.00	0.00	$0	$0	$(
090	EXT FIRE AREAS	0.00	0.00	$0	$0	$61,81(
100	NATIVE VILLAGE GOVT	0.00	0.00	$0	$0	$1,141,86
	TOTAL			$4,028,354	$2,476,985	$7,943,27

HB
598

COMMITTEE REPORT

HOUSE

HEALTH, EDUCATION AND SOCIAL SERVICES

(7) FURTHER:

2/9/84 Date: 2-5-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 598

"An Act deleting the COLA provision in the library assistance grant program; and providing for an effective date."

under consideration and recommends:

[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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Ask
Debbie MacBride DO PASS
Mr. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mr. Miller
CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1/31/84

I. REQUEST

HB ~~498~~ 598

Bill/Resolution No.: AG #377-118-84
Title: An Act deleting the COLA provision
Sponsor: Governor
Requestor: Education
Date of Request:

II. FISCAL DETAIL

Agency Affected: Education
Program Category Affected: Educ., Info., Cultu
BRU, Program of Subprogram(s) Affected:
State Library & Museums-Library Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
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)						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						
TOTAL						

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

This bill would remove the cost of living increase requirement for local expenditures for library operations. There is no fiscal impact requiring additional funds for the change. Remaining provisions for eligibility for grants under the library assistance grant program are unchanged.

IV. ANALYSIS: Attach a separate page for any Analysis See attached

Prepared By: Richard B. Engen Richard B. Engen Phone: 465-2910
Division: State Libraries and Museums Date: Jan. 31, 1984

Approved by Commissioner: Harold Reynolds, Jr. Date: February 1, 1984
Department: Education

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
Copy to Requestor (if different from Sponsor)

9/14/83

AG #377-118-84

 FISCAL NOTE - (continued)

IV. Analysis

This bill would remove from the ary assistance grant program a requirement for a cost of living increase in local operating expenditures of libraries seeking grants. The requirement for COLA creates a hardship for some communities and endangers continuation of the local library service. The COLA requirement has an effect contrary to the intent to strengthen local library services with the grant program.

Increases in local expenditures for local libraries are better determined by local needs and capabilities.

BILL SHEFFIELD
GOVERNOR

HB 598

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 9, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would eliminate the cost-of-living-adjustment (COLA) requirement in the library assistance grant program. This change was requested by the Department of Education, the state library, and several community libraries. Due to the uncertainty of revenues, public library funding entities are experiencing difficulty in maintaining local funding for library services. Requiring an annual cost-of-living increase in local funding jeopardizes continuation of local library support and handicaps the purpose of the Library Assistance Grant Program to help local libraries provide service.

Usually communities that can increase local support of their public libraries do so. The COLA requirement implies that all communities need to be motivated by a legal requirement when that might be needed for only a few.

Section 1 amends the first sentence of AS 14.56.330(b) to remove the COLA requirement and to make clear that, if a library did not exist in fiscal year 1980, the amount to which the prohibition on using the state money to supplant the local money applies is the amount equal to local expenditures in the first year a matching grant is awarded. Section 2 would make this change effective immediately.

The legislation creating this program in 1981 passed both houses unanimously, and I urge early passage of this bill.

Sincerely,

Bill Sheffield
Governor

MEMORANDUM State of Alaska

TO: The Honorable
Mike W. Miller, Chairman
Community and Regional Affairs
Alaska House of Representatives

DATE: March 2, 1984

FILE NO:

TELEPHONE NO:

FROM: Richard B. Engen, Director
Division of State Libraries
and Museums
Department of Education

SUBJECT: HB 598

Dick Engen

The Cost of Living Allowance or inflation percentage requirement applied to local support of the local public library as a provision for receiving a Library Assistance Grant from the State was intended to assure that local governments would increase local support of local libraries at least at the rate of inflation.

There are two main problems with the COLA provision. They are:

1. Inflexibility- even though local support were increased, it might not be increased enough to meet a fixed percentage; and,

2. Indirect control of local decision - local support beyond maintenance of local expenditures in the base year should be decided by the local community, not by a fixed grant program.

By FY 1984, the COLA provision has become a potential liability to the local libraries. In some of the smaller communities there may not be any more money available for offsetting inflation. This currently would mean loss of the grant and deterioration of the library service. Since matching grants for Public Library Assistance had to be prorated this year at 73%, the State moved into a position of requiring local governments to spend more to receive less.

This position is not supportive of the purpose of the Library Assistance Grant Program or of the local libraries. Local libraries are part of their communities. The grant program is meant to assist public libraries with their operating costs and to be part of the Alaska Library Network. In addition annual reports from the majority of libraries indicate increases in local support since 1980. The increase in the number of eligible library outlets from 64 in FY 1982 to 89 in FY 1984 shows that both the communities and grants are working positively to improve library service in Alaska.

Removal of the COLA provision represents removal of a built-in conflict which creates a negative result for library service.

Two sample letters are attached.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF EDUCATION

DIVISION OF STATE LIBRARIES AND MUSEUMS

Richard B. Engen, Director

Pouch G, Juneau, Alaska 99811
(907)-465-2910

October 26, 1983

Elva R. Scott
Eagle Public Library
P.O. Box 45
Eagle, Alaska 99738

Dear Mrs Scott:

Your Basic Public Library Assistance grant is being processed for FY 1984. I am pleased to see your plan to purchase a microfiche reader. It should be very useful to you and your library users.

Please start keeping circulation records and train volunteers to keep them, too. We use circulation statistics frequently as a mesaure of library activity and it is necessary to include Eagle.

I am concerned about your grant application for FY84 in that you request matching funds. Probably this is a repeated warning but if you start having matching for local funds, you must continue the amount plus cost of living increases or forfeit your grant for at least two years. Some libraries are running into this problem already. Since what you plan to do with your local money may relate to repairs and maintenance, I wonder if you will be able to have local money in the future. I really just want to be sure you understand the commitment you are making.

Sincerely,

Margaret

Margaret Leibowtiz
Deputy Director

cc: Audrey Kolb

Margaret - Elva is gone for the winter from your 3rd paragraph, it sounds like we should not apply for the matching funds so, if possible, please cancel that part of the grant.

Betty Berry, Pres

05-E10LH

November 14, 1983

Margaret Leibowitz, Dep. Director
St. of Alaska/Dept. of Educ.
Alaska State Library
Pouch G
Juneau, Alaska 99811-0571

Dear Ms. Leibowitz:

The following information is what was requested on October 24th for our 1983 State Library Grant.

The library is kept open fifty weeks out of the year. We have $1101.94 left from the 1982 grant. The following orders are outstanding: World Book Encyclopedia @ $473.00; and Story House Corp. @ $310.00. That leaves about $319.00 to cover continues cataloging (card kits and labor) until the new grant arrives.

The library use statistics show the following community patron use: from November, 1980 to June, 1981 was 95 items - Cantwell started receiving television that year. July, 1981 to June, 1982 was 150 items. July, 1982 to June, 1983 was 300 items. July, 1983 to November, 1983 was 233 items. The library has one entire wall physically open to the main entrance hallway of the building with about only 35' of hallway reaching to the main doors. I had tried some evening hours in 1981, but haven't tried since then as I had had very little response. I'll be glad to approach the community about hiring someone as I as taking night classes. I do check books out for people any time I am in the building for classes or meetings. The school is still the major center for 95% of the meetings that are held in the community, and all of the adult education classes.

A Community of Cantwell, Inc. meeting was held November 9, 1983. It was decided that I should not apply for the matching grant monies even though the library has been designated to receive monies from them again. I was asked to get the complete procedures for the library grant and the matching grants. Margaret, this is the first time I have ever been told about the community being obligated forever and ever with cost of living increases. I would appreciate receiving ALL the information possible regarding this matter. Thank you.

Sincerely yours,
Armeda A. Bulard
Armeda A. Bulard, Librarian
Cantwell School/Community Library
P. O. Box 29
Cantwell, Alaska 99729

CC:Audrey Kolb
Cantwell Education Association
Community of Cantwell, Inc.
Cantwell School

HB
625

3/29

COMMITTEE REPORT

HOUSE

(7)

FURTHER: RESOURCES

2/13/84

Date: 2-16-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 625

"An Act relating to municpal taxation of agricultural lands; and providing for an effective date."

under consideration and recommends:

[ ] do pass [ ] do not pass

[ ] do pass th attached amendments(s)

[X] replace with CS for [illegible] [ ] same title [ ] new title

and recommends _____

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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

M D Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M D Miller
CHAIRMAN

Original sponsor: Koponen

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 625 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to municipal taxation of agricultural land; and providing for an effective date."

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

* Section 1. AS 29.53.035(a) is amended to read:

(a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax [AT THE CURRENT MILL LEVY TOGETHER WITH EIGHT PERCENT INTEREST] for the preceding seven years [,] as though the land had not been assessed for farm use purposes, together with simple interest at the prime rate on January 1 of the year the additional tax is due, as determined by the Alaska Housing Finance Corporation, plus one percent. Payment by the owner shall be made to the state. If the state has not made full [TO THE EXTENT OF ITS] reimbursement for revenue loss under (e) of this section for the preceding seven years, the state shall pay that portion of the payment to the municipality that is necessary to fully reimburse it together with a proportional share of the interest [. THE BALANCE OF THE PAYMENT SHALL BE MADE TO THE CITY OR BOROUGH].

* Sec. 2. AS 29.53.035(b) is amended to read:

(b) An owner of farm use land must, to secure the assessment, make application to the assessor before May 15 of each year in which the assessment is desired. During the same year, however, the governing body of the municipality may for good cause shown waive the owner's failure to make timely application for the assessment for that year and authorize the assessor to accept the application as if timely filed. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor and shall include information that [WHICH] may reasonably be required to determine the entitlement of the applicant. If the farm use land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

* Sec. 3. AS 29.53.035(c) is amended to read:

(c) In this section "farm use" means the use of land for raising and harvesting crops, [OR FOR] the feeding, breeding and management of livestock, [OR FOR] dairying or another agricultural use, [FOR PROFIT] or any combination of them [THEREOF]. To be farm use land, the owner or the lessee must be actively engaged in farming the land [, AND DERIVE AT LEAST 10 PER CENT OF HIS YEARLY GROSS INCOME FROM THE FARM USE LAND]. The provisions of this section do not apply to land respecting which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related activities [INCOME] may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the

land [AND THE ANTICIPATED PERCENTAGE OF INCOME]. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement detailing the farm use activities on the farm use land [OF THE PERCENTAGE OF GROSS INCOME ATTRIBUTABLE TO THE FARM USE LAND]. Failure to make the filing required in this subsection forfeits the exemption.

* Sec. 4. AS 29.53.035(e) is amended to read:

(e) Subject to legislative appropriations for the purpose, 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. ~~If appropriations are less than the amount necessary for full reimbursement to each municipality under this subsection, payments shall be determined by prorating appropriations using a factor that, when applied, reduces all payments by an equal percentage.~~ Reimbursement under this subsection is a lien in favor of the state against the farm use land to the extent of the deferred tax and interest that may be collected under (a) of this section. Upon recordation in the recording office of the district in which the farm use land is located, the lien is prior and superior to other liens against the property except for general taxes or special assessments and may be enforced by lien foreclosure. The lien becomes immediately due and payable when the property is converted to a use incompatible with farm use.

Motion defeated 4/is section - 3/26/84

* Sec. 5. AS 29.53.035(d) is repealed.

* Sec. 6. This Act takes effect January 1, 1985.

PASSED H(C&RA) -

1 - DO PASS - MIKE MILLER
1 - DO NOT PASS - BARBARA LACHER
2 - NO REC - JACK MCBRIDE, RANDY PHILLIPS

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

TO: House Community and Regional Affairs Committee

FROM: House Community and Regional Affairs Staff

DATE: March 26, 1984

SUBJ: CSHB625

As per Chairman Mike W. Miller's instructions, staff returned the work draft to the Dept. of Community and Regional Affairs Mike Worley, State Tax Assessor to review the date to be tied to the prime rate on line 21, page 1, section a.

The date of January 1 was chosen, rather than date of sale, as being an equitable date for all concerned because of the possibility of the land being taken out of the "farm use" category but not necessarily sold.

While reviewing the bill with Mr. Worley and Lisa McClaren of Rep. Kopenen's staff, we discovered that there was a double payment to the borough at this time in the statute. If the state has paid to the borough the full reimbursement for revenue loss, there was no need for any of the penalty monies to be passed to the municipality involved. However, if there has been a shortfall declared and the municipality did not receive full reimbursement, it is suggested to the Committee that lines 24 - 28 be added to insure the municipality of being able to recoup their loss during a seven year period.

A concern, generated by staff and shared by the tax assessor, is the possibility of a new owner having no knowledge of a large tax bill on the land he has just bought and being legally liable for this debt as the assessment and debt incurred is upon the property, not an individual. Lines 14 - 22 of page 3 have been suggested to the committee as the insurance against this happening. This language is already in place in other legislation such as AS 29.63.05 EXEMPTION so there is a precedent. This language forces the state to do the paperwork to insure a title company of finding the lien. At this time, there is an undeclared lien upon all such exempted property which is legal and binding. This language just makes sure that all persons entering into a real estate transaction will be informed of the indebtedness against such property.

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

TO: House Community and Regional Affairs Committee

FROM: House Community and Regional Affairs Staff

DATE: March 21, 1984

SUBJ: CSHB625

The committee substitute for HB625 is suggested by staff in answer to suggestions outlined by constituents and the Department of Community and Regional Affairs.

Rep. Kopenen's original bill is intact within the committee substitute. Staff has interviewed the Dept. of C & RA and other interested parties and there has been no great show against the bill. However, in interviewing the constituency, staff found that the bill stopped short of what several organizations would like to eventually have placed in the statutes. Also, the Dept. of C & R A had some house keeping amendments that they would like see enacted. By revising HB625 into a committee substitute, the Committee can handle the other requests without drawing up separate legislation.

*Section 1 -

The Department of C & R A wanted to bring the penalties more in line with modern day inflation. There suggestion was raise the 8% interest rate to a much higher rate. The mill levy has in the last couple of years declined and the language "current mill levy" could offer substantial gains to the individual and losses to the state and borough. The reverse could also be true, as state revenues decline and mill rates are elevated. Since this particular statute was written as a deterrent to farmers selling off prime farm land to other developing interests, it is felt that tying the penalties to the fluctuating current prime rate of interest would tend to make the penalties more fair and equitable and legislation would not have to be enacted for inflation adjustment. The penalties are now being computed at compounded interest and in conversation with C & R A, it was felt that simple interest would be fair with the fluctuating prime rate tied to it.

*Section 2 -

The changes in this section have been precipitated by several associations involved with farming. "Ag rights" land has to be filed upon

initially and not until a change of lease holder, does this filing take place again. However, fee simple property has to be filed yearly by a certain date to retain "farm use" status and have a special assessment. It is felt that there is great inequity between the filing system of "ag rights" land and "fee simple" land. However, "ag rights" land is not owned by an individual and the state holds all the power on the status of that land. "Fee simple" is of course owned by the individual and therefore, the individual has the option to do anything with their land that they desire. Since the "ag rights" land can never be switched to another status without the state becoming immediately aware of the fact, there is no need to file more than initially. The local and state assessors are concerned that if only an initial filing is required on "fee simple" property, they might not be able to become aware of changes affecting the "farm use" status. The official date of tax assessing is the 1st of January of each year. In talking with local assessors, they try to have their records updated by the 1st of March. Since it is sometimes very hard to determine land status under 20 feet of snow, they make their notes and then compare them to the filing when the property owner submits it. If there is a great discrepancy or unanswered questions, the assessor will contact the property owner for the answers. The local assessor feels he needs to have the yearly filing and it should not be a great deal of time out of the land owner's year to fill out the paperwork and get it to the assessor. In talking with land owners, they did not like the deadline for fear they could lose a year's tax status inadvertantly or thru carelessness. The change suggested gives the land owner an opportunity to show good cause and gain a waiver for failure of timely application.

*Section 3 - Rep. Kopenen's bill.

*Section 4 - Rep. Kopenen's bill.

*Section 5 -

This section is suggested by the Dept. of C & R A to handle prorating in case of shortfalls. This section, staff is informed, will start being introduced in legislation to help in the future and eliminate the need for special appropriation legislation.

*Section 6 -

The effective date of this bill is changed to Jan 2 to keep this bill from being null and void when CSHB172 becomes effective. Merely a housekeeping precaution.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

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

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

OFFICE OF THE COMMISSIONER
March 21, 1983

POSITION PAPER

RE: CS HB 625
SPONSOR: ~~Rep. Koponen~~ H(C+RA)

POSITION: No objection

PROGRAM EFFECTS

The bill removes the ten percent income requirement from the agricultural lands tax deferment program and corrects and clarifies some of that existing language.

COMMENTS

The Department supports the language in the bill which corrects or clarifies existing law.

In Section, 5, the bill allows the Department to prorate payments to municipalities in the event State revenues are not adequate to fully fund the program.

Elimination of the phrase "at the current mill levy" (Section 1), in conjunction with the adoption of a higher rate of interest, provides the means for avoiding potential problems which could result from the sale of farm property in the future. In the event municipal mill rates were to drop, the language in existing law would encourage farmers to (1) sell their property into development status, and (2) in the process of doing so, pay lower property taxes than other taxpayers have in past years.

The corrective language provides a penalty and a rate of interest which should encourage the farmer (1) not to sell at all, or, if he does sell the property, to sell it for farm use purposes, and (2) pay back taxes at a higher rate than other property owners, in the event he does sell the property into development.

The language is Section 2,which allows the local governing body to "waive the owner's failure to make timely application", is the same as existing language in statutes governing other tax programs which the Department administers. We have not seen any problems develop locally as a result of that language, and we have no objection to its introduction into the farm use program.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-P1LH

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/14/84

REQUEST
Bill/Resolution No.: HB 625
Title: Municipal Taxation/ Agricultural Lands
Sponsor: Rep. Koponen
Requestor: House C&RA Committee
Date of Request: 3/13/84

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Community Development
BRU, Program or Subprogram(s) Affected: Farm Use Land
Community Assistance Grants (Agricultural Lands Exemption)

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		20.0	21.2	22.5	23.9	25.3
800 MISCELLANEOUS						
TOTAL OPERATING		20.0	21.2	22.5	23.9	25.3
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		20.0	21.2	22.5	23.9	25.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: Negligible Impact

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mike Worley
Phone: 465-4730
Division: Municipal & Regional Assistance
Date: 3/14/84

Approved by Commissioner: [signature]
Date: 3/14/84
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 625
Title: Municipal Taxation/Agricultural Lands

ANALYSIS:

Assumptions:

We are assuming 20 additional applicants at $1,000 each. The figure of 20 is strictly an estimate based on rejected applications.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

19 Mar 84

Shirley –

Here is the tax application form you requested, as you can see it's a ring-tailed snorter.

Am working on getting input to you regarding our conversation, but as you can guess it will take a few days to have results – only hope it will be timely enough to be usable.

Let me know if I can do more, or can expedite matters in any way.

Chuck

FARM USE ASSESSMENT APPLICATION
AS 29.53.035

Application must be filed on or before May 15, of the assessment year.
Complete a separate form for each parcel contained within the farm unit.

NAME _____ DATE REC'D _____ BY _____

MUNICIPALITY _____ ACCOUNT NUMBER _____

NAME OF OWNER _____ NAME OF LESSEE _____

MAILING ADDRESS _____ MAILING ADDRESS _____

CITY _____ STATE _____ ZIP _____ CITY _____ STATE _____ ZIP _____

TELEPHONE _____ SOC. SEC. NO. _____ TELEPHONE _____ SOC. SEC. NO. _____

Soc. Sec. No. not mandatory for eligibility

PROPERTY LOCATION - DESCRIPTION - OWNERSHIP - USE

Parcel Number _____ City or Service Area _____ Ownership Verified by _____ Assessor or Clerk

Subdivision/USS _____ Recording District _____ Type of Instrument _____

☐ OWNER OF RECORD ☐ LAND LEASED
Copy of lease attached

Section _____ Township _____ Range _____ Date _____ Volume _____ Page _____

ROW CROP _____ SMALL GRAINS _____ HAY-ENSILAGE _____ ROTATION PASTURE _____

FARM BLDGS _____ RESIDENCE _____ UNCLEARED _____ PERMANENT GRAZING _____ TOTAL ACRES _____

Sum of individual listings must be equal to TOTAL ACRES

INCOME DATA

OWNER

I hereby make application for Farm Use Assessment on the above described property for assessment year 19___. I am actively engaged in farming the land and declare that my gross income attributable to the farm use land for the years indicated is 10% or more of my yearly gross income.

☐ Last year ☐ Three year average

☐ I will submit income verification documents for inspection by clerk or assessor prior to May 15, of the assessment year, OR

☐ Attached is a signed and notarized "Authorization for Income Verification, Form 21-411". My state income tax return will be filed with the Alaska Department of Revenue prior to December 31, of the assessment year.

☐ Estimated income this year. Proof will be filed prior to February 1, next year.

LESSEE

I hereby submit information to supplement and support he owner application for Farm Use Assessment for assessment year 19___. I am actively engaged in farming the land and declare that my gross income attributable to the farm use land for the years indicated is 10% or more of my yearly gross income.

☐ Last year ☐ Three year average

☐ I will submit income verification documents for inspection by clerk or assessor prior to May 15, of the assessment year, OR

☐ Attached is a signed and notarized "Authorization for Income Verification, Form 21-411". My state income tax return will be filed with the Alaska Department of Revenue prior to December 31, of the assessment year.

☐ Estimated income this year. Proof will be filed prior to February 1, next year.

CERTIFICATION

I/we the undersigned hereby certify that I/we have read this application and the answers given are true and correct to the best of my/our knowledge. I/we understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270. My/our signature(s) hereon, authorizes the assessor to review municipal records with those of the local Soil Conservation Subdistrict. It is agreed that the owner shall be liable for the amount of tax deferred plus interest per AS 29.53.035.

DATE _____ SIGNATURE OF APPLICANT _____

DATE _____ SIGNATURE OF LESSEE _____

This space for local assessors use only

☐ Approved ☐ Denied _____

PROPERTY	FULL VALUE	FARM VALUE	DEFERRED
Land			
Buildings			NONE
TOTAL			
Mill Rate			
Amount of Tax	$	$	$

"Does the gross income attributed to the farm use land for which application is made equal or exceed 10% of the applicants adjusted gross income?"

☐ YES ☐ NO DATE:

Verified by: _____ Assessor or Clerk

Not dedicated or being used for nonfarm purposes.

Verified by: _____ Assessor or Clerk

Local Assessor - white copy Department of Community & Regional Affairs - yellow copy Applicant - pink copy

Form 21-410

ALASKA STATUTES TITLE 29, MUNICIPAL GOVERNMENT
CHAPTER 53, MUNICIPAL ASSESSMENT AND TAXATION:

Sec. 29.53.035. Farm or agricultural lands. (a) Farm use lands included in a farm unit and not dedicated to or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner shall be liable to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough. (sec 3 ch 229 SLA 1976)

(b) An owner of farm use land must, to secure the assessment, make application to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor and shall include information which may reasonably be required to determine the entitlement of the applicant. If the farm use land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor with a copy of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land for raising and harvesting crops or for the feeding, breeding and management of livestock or for dairying or another agricultural use for profit or any combination thereof. To be farm use land, the owner or the lessee must be actively engaged in farming the land, and derive at least 10 percent of his yearly gross income from the farm use land. The provisions of this section do not apply to land respecting which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable of the farm use land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of his gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, 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.

ALASKA ADMINISTRATIVE CODE TITLE 19, DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
CHAPTER 38, FARM OR AGRICULTURAL LANDS

19 AAC 38.010. FORMS. (a) The Department of Community and Regional Affairs Form 21-410 and Form 21-411 are adopted for use in application for the farm and agricultural land use assessment and tax deferment program.

(b) Application and authorization forms shall be made available by and shall be returned to the clerk or assessor of the municipality in which the land for which the farm use assessment and tax deferment are sought is located. (Eff. 12/31/75, Reg. 56)

19 AAC 38.020. SUPPLEMENTARY INFORMATION SUPPORTING APPLICATION FOR THE ASSESSMENT AND TAX DEFERMENT. Annulled under AS 44.62.320, passed 5/25/77.

19 AAC 38.030. APPEAL. An Applicant for the farm use assessment and tax deferment who believes that the valuation or classification assigned to the land that is the subject of the application is erroneous may appeal to the board of equalization of the municipality in which the land is located in the manner provided by AS 29.53.130. The municipality shall report the disposition of all such appeals to the state assessor. (Eff. 12/31/75, Reg. 56)

19 AAC 38.040. MAINTENANCE OF RECORDS - DUPLICATE COPIES. The municipality in which the land is located shall maintain separate files and records of all applications for the farm use assessment and tax deferment, whether allowed by the municipality or not, including valuation of the property under the full and true value standard of AS 29.53.060. Duplicate copies of all records relating to the application entered in the file shall be forwarded to the state assessor. The municipality shall investigate to determine whether title to land for which the assessment and deferment have been granted has been conveyed or alienated in such a way that the assessment or deferment may be terminated and shall advise the state assessor as to the results of its investigation. (Eff. 12/31/75, Reg. 56)

19 AAC 38.050. CONFIDENTIALITY. Tax records and other documents providing evidence of the applicant's eligibility for the farm use assessment and tax deferment are confidential and shall be used only for the purpose of ascertaining whether the applicant is entitled to the benefits of the assessment and deferment. (Eff. 12/31/75, Reg. 56)

19 AAC 38.060. DEFINITIONS. In this chapter:

(1) "farm use assessment" means the value of the unit or parcel of property for which application for a farm use assessment and tax deferment is made, based upon its highest and best use as farm or agricultural land;

(2) "yearly gross income" means the income of the applicant for the year preceding the tax year for which the application is filed and means the adjusted gross income of the applicant as defined in Section 62 of the Internal Revenue Code (26 U.S.C. 62). (Eff. 12/31/75, Reg. 56)

McKEE, INC.
20 MILE CHENA HOT SPRINGS ROAD · S.R. BOX 50985 · FAIRBANKS, ALASKA 99701 (907) 488-6676

March 8, 1984
Rep. Mike Miller
Pouch V
Juneau, Alaska, 99811

MAR 14 '84

Dear Rep. Miller:

Thank you for your calls for information on our experiences with farm taxation as relates to HB 625.

We strongly urge your support of HB 625. Passage would result in the people who are creating and developing farms be assessed at fatm tax status. Most farmers have a difficult time deriving any income from farms for many years so are unable to prove 10% of their gross income has come from farming.

We had hoped that legislation could be introduced so famers would not need to apply for farm tax status on a yearly basis. Perhaps such legislation will be introduced at a future date.

We are strongly opposed to HB 641 which would create a Recreation Area in Pot Latch Ponds. Some of the acres are not suitable for farming, but many of the acres in Pot Latch Ponds could be developed as good agricultural lands. Many people have waited four years to have an opportunity to do just that. We strongly urge defeat of HB 641 so farmers will be allowed to develop this area.

We would appreciate your support of HB 625 and defeat of HB 641. Thank you.

Sincerely,
McKee, Inc.

Donald W. McKee

Donald W. McKee, Pres.

See Reynolds - borough's resp not worded

THE GRANGE

AMERICA'S FAMILY COMMUNITY FRATERNITY

Two Rivers Grange No. 3

S.R. 50985
Fa irbanks, Alaska, 99701

December 5, 1983
Representative Mike Miller
P.O. 55094
North Pole, Alaska, 99705

Representative Miller:

Farmers in the North Star Borough question the need to apply for farm tax status each year. Many of the farmers have state "Ag-Rights Only" land which limits the use of the land to agriculture. Many farmers have filed for farm tax status yearly for many years.

It is felt by many farmers that this yearly task is redundant, yet they must comply or pay full-value taxes.

We recommend that legislation be enacted to require only an initial filing for farm taxes. If land no longer is used for agricultural purposes, it would become the responsibility of the tax payer to notify the proper taxing body.

We appreciate your attention to this matter.

Yours truly,

Two Rivers Grange #3

Alice H. McKee, Sec.

Check on States

Alaska State Legislature

Representative John Ringstad
District 20-B
P.O. Box 1848
Fairbanks, Alaska 99707
(907) 456-8336

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4958

House of Representatives

Alice H. McKee
Secretary
Two Rivers Grange No. 3
S.R. 50985
Fairbanks, Alaska 99701

December 19, 1983

Dear Ms. McKee,

After reviewing your recent letter concerning farmers having to apply annually for a special tax status, I instructed a member of my staff to look into the problem.

Mr. Dave Braden's office was contacted at the Borough Assessment Department. They explained that the only farmers who need to apply for a special tax status annually are those who own "fee simple" land. It seems that in the past a few "Ag rights only" folks were erroneously required to file for the special status, however, it is not the intent of the Borough to require such action.

I hope this clears up any questions that you may have. If additional questions arise, Mr. Braden may be contacted at 452-4761, ext. 213.

Should you need additional assistance from my office please do not hesitate to call.

Sincerely,

Rep. John Ringstad

RJR/aa

MSG 84-0002424 PRTY 1 03/14/84 13:32:39 ORIG: LF20 IN= 0005 OUT= 0082
FROM: LINDA/FBX TO: JNO INFO
TARGET: LJHK SUBJ: POM

9

TO: HSE C & RA (REPS A.W.MILLER, CATO, HURLBERT, LACHER, PHILLIPS, LINDAUER, MCBRIDE)
REP. KOPONEN

FROM: JOHN PEOPLES, PRESIDENT OF INTERIOR FARMING ASSOC.
PO BOX 59799
FBX, AK 99701
488-6272

RE: HB623, TAXATION ON AG LAND

AT THE INTERIOR FARMING ASSOCIATION'S LAST MEETING, MARCH 2, 1984, THE MEMBERSHIP VOTED UNANIMOUSLY TO SUPPORT HB623 AS A PIECE OF LEGISLATION HAVING GREAT IMPORTANCE TO THE AGRICULTURAL DEVELOPMENT OF ALASKA. THIS BILL WILL DO MUCH TO ENCOURAGE INVESTMENT IN THIS NEWLY DEVELOPING INDUSTRY. WE URGE ACTION ON THIS BILL.

---EOM

MSG 84-00025534 PRTY 1 03/16/84 15:50:53 OPIC LFC0 IN= 0097 OUT= 0110
FROM: PAULA/FKS TO JNU INFO
TARGET: LJHK SUBJ: POM

TO: REPS N.W. MILLER, CATO, HURLBERT, LACHER, LINDAUER, MCBRIDE, PHILLIPS, KOPONEN

FROM: [illegible]

RE: ORIGINAL TAXATION OF [illegible] LANDS (HB 625)

[illegible] PLEASE GIVE HB 625 YOUR SUPPORT. AS INTRODUCED, IT WILL FURTHER ENCOURAGE EXISTING AGRICULTURAL DEVELOPMENT IN ALASKA AT LITTLE COST AND NO ADDITIONAL [illegible] TO THE STATE. THE CHANGE AS DRAFTED MAY BE TRIED AGAIN IF [illegible] OVERRIDE. THANK YOU. ----------DON

MSG 84-00024301 PRTY 1 03/14/84 10:40:20 ORIG: LF00 IN= 0003 OUT= 0043
FROM: LYNDA/FBX TO: JNO INFO
TARGET: LJHK SUBJ: POM 15

TO: HSE C & RA - REPS M.W.MILLER, CATO, HURLBERT, LACHER, PHILLIPS, LINDAUER, MCBRIDE
INT. DELEGATION - REPS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD
SEPS FAHRENKAMP, MOSS, BENNETT

FROM: JANE BURCHARD
13 MI CHENA HOT SPRINGS-4222
FBX, AK 99701
#488-6068

MAR 16 '84

RE: HB 625, TAXATION OF AG LAND

MSG: I AM IN SUPPORT OF THIS BILL!

-----EOM

22

TO: HOUSE C & RA
REPS D.W. MILLER, CATO, HURLBERT, LACHER, PHILLIPS, LEVDAUER, MCBRIDE

HOUSE RESOURCES
REPS RINGSTAD, SHULTZ, UEHLING, COWDERY, RUSSELL, LISKA, VASKA, GOLL, LARSON

REPS DAVIS, BETTISWORTH, KOPONEN,
SENS BENNETT, FAHRENKAMP

FROM: DAVID C. NESTER
SR BX 50935
FAIRBANKS, AK, 99701
488-6336-H 452-1557-W

RE: HB 625, MUNICIPAL TAXATION OF AG LANDS

DSC: PLEASE PASS.

---COM

HB625 Contacts (Koponen)

Gary & Chena Newman
SR Box 51233
Fairbanks, Alaska 99701

Ben Nester
Pres Interior Trail Riders
SR 50935
Fairbanks, Alk. 99701

John Peoples 488-6292(h)
Interior Farmer's Assn 474-7617
SR 50799
Fairbanks, AK 99701

Chuck Goff 488-9094(h)
P.O. Box 10296 99710
Fairbanks, AK ~~99701~~

THE GRANGE

AMERICA'S FAMILY COMMUNITY FRATERNITY

Two Rivers Grange No. 3

S.R. 50985, Fairbanks, Alaska, 99701

March 8, 1984
Rep. Mike Miller
Pouch V
Juneau, Alaska, 99811

MAR 14 '84

Dear Rep. Miller·

The members of the Two Rivers Grange #3 sincerely appreciate your support for the agricultural industry.

We urge your support for HB 625. Enactment would encourage development of agricultural lands. The development stage is tremendously expensive and rarely is offset by any income. Therefore the 10% of gross income required to qualify for farm tax status is often unobtainable.

Our members are opposed to HB 641 to create a recreational area in the Pot Latch Ponds parcel. We would urge that this bill not get out of committee. Some of the land in Pot Latch Ponds is not farmable, but many acres are. Pebple should be given the opportunity to develop these acres.

We would appreciate your support for HB 625 and defeat of HB 641. Thank you.

Sincerely,
Two Rivers Grange #3
Alice H. McKee
Alice H. McKee, Sec.

MSG (#-0002780) PRTY 1 03/15/84 10:32:09 ORIG: LF00 IN= 0004 OUT= 0041
FROM: FAIRBANKS TO: JNU INFO
TARGET: LJHR SUBJ: F0m 16

TO: REPS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
SENS BENNETT, FAHRENKAMP, MOSS

ALSO: HOUSE S & RA
REPS CATO, HURLBERT, LANCHER, PHILLIPS, LINDAUER, MCBRIDE

FROM: NEV NESTER
PRES INTERIOR TRAIL RIDERS
PO BOX 80935
FAIRBANKS, AK, 99701
488-8336-H

MAR 16 '84

RE: HB 425, MUNICIPAL TAXATION OF AG LANDS

NOTE: WOULD LIKE TO URGE YOU TO SEE THIS BILL (PASS.) IT SEEMS TO BE A PRETTY GOOD BILL AND WITH WELL THOUGHT OUT CHANGES SO A RANCHER/FARMER IS NOT PENALIZED FOR HAVING BAD LUCK AS BEFORE.

----------EOM

3/15
(H) CRE

TO: ELES DAVIS, BETTISWORTH, K[illegible]N, RINGSTAD, M.W. MILLER
SENS BENNETT, FAHRENKAMP, M

FROM: MR. RON REESER
1438 COLLEGE
FAIRBANKS, AK, 99701
[illegible]

RE: HB 641, LITTLE CHENA TEC

REG I SUPPORT HB 641 AND I OBJECT TO ANY MONEY BEING GIVEN TO THE DEPT. OF NATURAL RESOURCES TO SURVEY LAND FOR THE POTLATCH FORES LAND DEST[illegible] EOM

HB
629

Introduced: 2/13/84
Referred: Community & Regional
Affairs, Judiciary and Finance

IN THE HOUSE BY LINDAUER, ADAMS AND HURLBERT

HOUSE BILL NO. 629

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing that certain Native governments and corporations are political subdivisions of the state for the purpose of receiving state funds."

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

* Section 1. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.090. NATIVE GOVERNMENTS AND CORPORATIONS. A Native government organized under 25 U.S.C. 476 or a Native corporation organized under 25 U.S.C. 477 is a political subdivision of the state for the purpose of receiving state funds and qualifies for state assistance available to municipalities or other governmental entities.

STAFF NOTE: Replacing with Comm. Substitute you to draft 3/5/84

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

☐ 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

March 28, 1984

POSITION PAPER

RE: CS HB 629 (C&RA)
SPONSOR: Representative Lindauer

PROGRAM EFFECTS:

This bill would qualify Native councils of a federally recognized tribe or an Indian Reorganization Act council to receive State assistance on the same basis as money is made available to second class cities. Native councils representing villages of less than 25 permanent resident voters, or representing villages that would not qualify to incorporate as cities due to population or location, would not be eligible.

Native councils receiving money under this section would have to meet the same requirements as those imposed on second class cities. This would include increased requirements in the areas of budgeting, certified financial statements, annual elections, regular and public council meetings, and a codification of ordinances passed by the council. The bill further requires that funds be used only for a public purpose in a nondiscriminatory way.

The Department shall, by January 1 of each year, certify and transmit to the Legislature a list of all communities which qualify under this provision.

The method used to implement these provisions is a bit confusing because it does not address, or even cross-reference, the actual sections of State law affected by this provision.

COMMENTS:

While the Department supports the concept of this bill, the items mentioned above would need to be addressed.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-P8LH

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: CS HB 629
Title: "Native councils qualify to receive State assistance"
Sponsor: C&RA Committee
Requestor: House Finance Committee
Date of Request:

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Community Development
BRU, Program or Subprogram(s) Affected: Community Assistance Grants
Municipal Revenue Sharing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		770.0				
800 MISCELLANEOUS						
TOTAL OPERATING		770.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		770.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: N. WINTERS
Phone: 465-4700
Division: Commissioner's Office
Date:

Approved by Commissioner:
Date:
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Analysis -- CSHB 629

700 Grants

Approximately 55 Native Councils in unincorporated communities now receive, or are eligible to receive, State Revenue Sharing of $25,000 as unincorporated communities. To pay Native Councils as second class cities receiving minimum entitlements of $25,000 plus a cost- of-living adjustment would increase the entitlement going to Native Councils by about $8,000 per council government. Therefore, part of the fiscal impact of this bill is reflected by:

55 Native Councils X $8,000 = $440,000

In addition, the bill would pay about 10 Native Village Councils located outside cities but within organized boroughs about $33,000 each on average. These communities do not presently receive anything under State Revenue Sharing. Therefore, the remainder of the fiscal impact of this bill would pay:

10 Native Councils inside organized boroughs X $33,000 = $330,000

TOTAL FISCAL IMPACT $770,000

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: CS HB 629 (C&RA)
Title: Providing for political sub-divisions for state funds.
Sponsor: C&RA (Lindauer)
Requestor: House C&RA
Date of Request:

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: General Government
BRU, Program of Subprogram(s) Affected: Shared Taxes, Administrative Services Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-0-	-	-	-	-
200 TRAVEL	-	-0-	-	-	-	-
300 CONTRACTUAL	-	-0-	-	-	-	-
400 SUPPLIES	-	-0-	-	-	-	-
500 EQUIPMENT	-	-0-	-	-	-	-
600 LANDS & STRUCTURES	-	-0-	-	-	-	-
700 GRANTS, CLAIMS	-	-0-	-	-	-	-
800 MISCELLANEOUS	-	-0-	-	-	-	-
TOTAL OPERATING	-	-0-	-	-	-	-
CAPITAL	-	-0-	-	-	-	-
REVENUE	-	-0-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-0-	-	-	-	-
FEDERAL FUNDS	-	-0-	-	-	-	-
OTHER	-	-0-	-	-	-	-
TOTAL	-	-0-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached.

Prepared By: Ervin B. Jones
Division: Administrative Services
Phone: 465-2313
Date: 3/30/84

Approved by Commissioner: Bruce McDonald
Date: 3/30/84
Agency:

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Analysis for CS HB 629 (C&RA):

This bill will have no effect on the administrative cost of the municipal assistance program in the Department of Revenue. The effect of Section 1 would be to reduce the amount of municipal assistance shared with cities and organized boroughs currently covered under the law. The extent of this dilution would depend on the number of native governments and native corporations qualifying under Section 1. The impact would be to reduce the amount available for per capita sharing under AS 43.20.016.

16

TO: REPS HAYES, DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
SENS BENNETT, FAHRENKAMP, MOSS

HOUSE C & RA
REPS CATO, HURLBERT, LACHER, PHILLIPS, LINDAUER, MCBRIDE

FROM: THOMAS SCARBOROUGH
SR 10219
FAIRBANKS, ALASKA 99701
479-3412-H 479-4602-W

APR 4 '84

RE: HB 629, POLITICAL SUBDIVISION

MSG: REQUEST YOU OPPOSE HB 629. POLITICAL SUBDIVISION MUST NOT BE ESTABLISHED ON THE BASIS OF RACE, RELIGION OR SEX.

----------EOM

Ukpeaġvik Iñupiat Corporation

March 21, 1984

Representative John Lindauer
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Representative Lindauer:

On behalf of the Board of Directors and the Shareholders of the Ukpeagvik Inupiat Corporation, we would like to commend you on taking the initiative of introducing House Bill No. 629 in the Thirteenth Alaskan Legislature. UIC represents approximately 54 % of the North Slope Inupiat.

We believe thet House Bill No. 629 is an important piece of legislation which merits a positive review by the Community and Regional Affairs, Judiciary and Finance Committees. The Ukpeagvik Inupiat Corporation Resolution 84-6, which is enclosed, affirms that position.

If we can be of any assistance to you whatsoever with reference to this legislation, please do not hesitate to contact me at your convenience.

Sincerely,

R.C. HARCHAREK, PH.D
Director of Technical Assistance

Lnclosure;

cc: Files

RCH/el

P. O. Box 427, Barrow, Alaska 99723
(907) 852-4460 Telex 25287

Ukpeaġvik Iñupiat Corporation

RESOLUTION 84-6

WHEREAS, Ukpeagvik Inupiat Corporation is the village corporation of Barrow, Alaska organized pursuant to Sec. 8 of the Alaska Native Claims Settlement Act; and

WHEREAS, Article III of the Articles of Incorporation of UIC states the purposes for which this corporation is organized; and

WHEREAS, enumerated item number three (3) of Article III states as an organizational purpose: "To engage in all activities, whether economic, cultural, social or charitable to protect and preserve the well-being of the Native residents of the Native Village of Barrow, and to engage in and conduct any and all lawful activity necessary or convenient in furtherance thereof"; and

WHEREAS, enumerated item number five (5) of Article III states as an organizational purpose: "To do all and everything necessary suitable or proper for the accomplishment or attainment of any benefit or object herein set forth, including every act or thing necessary, incidental or pertinent to or growing out of or connected with the affairs of the Corporation"; and

WHEREAS, House Bill No. 629 in the Legislature of the State of Alaska, Thirteenth Legislature was introduced on 13 February 1984 by Representatives Lindauer, Adams and Hurlbert; and

WHEREAS, House Bill No. 629 in the State of Alaska Thirteenth Legislature Second Session states in §. 29.73.090. "Native Governments and Corporations. A Native government organized under 25 U.S.C. 476 or a Native Corporation organized under 25 U.S.C. 477 is a political subdivision of the state for the purpose of receiving state funds and qualifies for state assistance available to municipalities or other governmental entities."; and

WHEREAS, the Ukpeagvik Inupiat Corporation Board of Directors at their regular monthly meeting discussed and analyzed at length the intent and content of House Bill 629,

NOW THEREFORE BE IT RESOLVED, that the Ukpeagvik Inupiat Corporation be on record as endorsing House Bill 629: "An Act providing that certain Native governments and corporations are political subdivisions of the state for the purpose of receiving state funds."

BE IT FURTHER RESOLVED, that the Ukpeagvik Inupiat Corporation commends Representatives John Lindauer, Albert P. Adams and

P. O. Box 427, Barrow, Alaska 99723
(907) 852-4460 Telex 25287

Vern Hurlbert for taking the initiative of bringing this important matter before the House of Representatives.

FURTHER RESOLVED, that the Ukpeagvik Inupiat Corporation requests the Community and Regional Affairs, Judiciary and Finance Committees to take action in support of this legislation.

DATED this 14th day of March, 1984.

President

ATTEST:

Corporate Secretary

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 March 12, 1984

SUBJECT: State assistance to Native Councils
(CS HB 629 (C&RA))

TO: Representative Mike W. Miller
Chairman, House Community and
Regional Affairs

FROM: Tamara Brandt Cook TBC
Deputy Director
Division of Legal Services

Here is the section by section analysis that you requested of the attached draft.

Section 1 A traditional Native council or Native council organized under the Indian Reorganization Act is qualified to receive state aid under any law that makes money available to second class cities. The council receives the aid on the same basis as the city would. To qualify for aid the community represented by the Native council must not be incorporated as a city, must contain at least 25 resident voters or qualify by population and location for incorporation, and must be a Native village as defined under the Alaska Native Claims Settlement Act. (Note that, despite this provision, a Native council may not qualify to receive money under every program that a second class city receives money under. For example, AS 29.88 provides money to "taxing units" and a Native council, which probably does not impose local taxes, may not qualify as a "taxing unit."

State money received by a Native council may be used only for public purposes and in a manner that does not discriminate. Expenditures are subject to audit and reporting requirements of the Department of Community and Regional Affairs. The department is authorized to adopt regulations to implement this section and is required to transmit to the legislature a list of all communities that qualify for state assistance annually. The section is not to be construed to increase or decrease the authority of a Native council.

Section 2 The Act takes effect at the beginning of the next fiscal year.

You have also asked whether Metlakatla Indian Community will qualify for aid under this draft. Metlakatla does not qualify under sec. 29.73.090(a)(3) because it is not a Native village for purpose of ANCSA. If it is the intent of the committee that Metlakatla be included, that paragraph could be amended to read:

> . . . is a Native village as defined under 43 U.S.C. 1602(c), or is a federally established Indian reserve in existence before enactment of 43 U.S.C. 1618(a) and continued in existance under 43 U.S.C. 1618(a).

If I can be of further assistance with this draft, please let me know.

TBC:ojb
J4/068 Attachment

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

REPLY TO:

☐ *1031 W 4th AVENUE*
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

☐ *1st NATIONAL CENTER*
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

☑ *POUCH K - STATE CAPITOL*
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

March 28, 1984

The Honorable Mike W. Miller
Chairman, House Community
& Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Proposed CS for HB 629 (C&RA)

Dear Representative Miller:

At the request of your staff we have reviewed the proposed Committee Substitute for House Bill 629, regarding state assistance to Native Councils. We limit this review to legal aspects only and do not address policy or administrative matters.

In our review of the original version of HB 629 we identified four constitutional problems and numerous other legal problems. The proposed committee substitute addresses the non-constitutional problems, but three of the four constitutional problems remain. Specifically,

1) the measure may contravene Article X, Section 2, which limits local governments to boroughs and cities, since it could be read as granting local government status, including the right to receive and spend public funds, to other entities;

2) the measure would commit the expenditure of public funds to the discretion of a group whose membership is racially restricted, i.e., to a quasi-government elected by citizens of only one race, in violation of Article I, Section 3;

3) the measure would be open to attack on equal protection grounds (Article I, Section 1) by similar groups, e.g., nonprofit organizations, performing similar functions in other communities.

In view of these problems, the Department of Law advises caution by the committee, and we are available to assist if the committee wishes to identify other avenues for providing services to rural communities which do not involve these constitutional problems.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: Douglas K. Mertz
Assistant Attorney General

DKM:dlm

cc: Arthur H. Peterson
Assistant Attorney General

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: HB 629
Title: Providing for political sub-divisions for state funds.
Sponsor: Lindauer
Requestor: House C&RA
Date of Request:

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected:

BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

		FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
	OPERATING						
100	PERSONAL SERVICES	-	-0-	-	-	-	-
200	TRAVEL	-	-0-	-	-	-	-
300	CONTRACTUAL	-	-0-	-	-	-	-
400	SUPPLIES	-	-0-	-	-	-	-
500	EQUIPMENT	-	-0-	-	-	-	-
600	LANDS & STRUCTURES	-	-0-	-	-	-	-
700	GRANTS, CLAIMS	-	0-	-	-	-	-
800	MISCELLANEOUS	-	0-	-	-	-	-
	TOTAL OPERATING	-	-0-	-	-	-	-
	CAPITAL	-	-0-	-	-	-	-
	REVENUE	-	-0-	-	-	-	-

FUNDING: (Thousands of Dollars)

	GENERAL FUND	-	-0-	-	-	-	-
	FEDERAL FUNDS	-	-0-	-	-	-	-
	OTHER	-	-0-	-	-	-	-
	TOTAL	-	-0-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached.

Prepared By: Ervin B. Jones — Phone: 465-2313
Division: Administrative Services Division — Date: 03/05/84

Approved by Commissioner: [signature] — Date: 3/5/84
Agency: Revenue

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Analysis for HB 629:

This bill will have no effect on the administrative cost of the municipal assistance program in the Department of Revenue. The effect of Section 1 would be to reduce the amount of municipal assistance shared with cities and organized boroughs currently covered under the law. The extent of this dilution would depend on the number of native governments and native corporations qualifying under Section 1. The impact would be to reduce the amount available for per capita sharing under AS 43.20.016.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: HB 629
Title: Native Governments as political subdivisions - funding
Sponsor: Lindauver, Adams, Hurlbert
Requestor: House Community & Regional Affairs
Date of Request:

FISCAL DETAIL
Agency Affected: DCRA
Program Category Affected:
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	975.	975.	975.			
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	975.					
FEDERAL FUNDS						
OTHER						
TOTAL	975.					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Jon Cecil
Phone: 465-4733
Division: MRAD
Date: 3-5-84

Approved by Commissioner: Emil Notti
Date: 3-5-84
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 629
Title: Native governments as political subdivisions - funding

ANALYSIS:

Assumptions:

Based on a rough estimate 60 IRA's would be eligible for $25,000 payments under the Revenue Sharing Program.

Positions:

Other Expenditures:

Funding: This is assuming no additional general funds, but prorated division of appropriation.

Section Cost Analysis:

Computations:

Sixty communities @ $25,000 plus 30% COLA (standard rate).

Economic Impact:

Impact on Local Government:

Attachments

Alaska MUNICIPAL League

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

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

To: House CRA Committee

From: Scott A. Burgess, Executive Director

Date: February 29, 1984

Re: HB 629 - Native Governments and Corporations

The brevity of HB 629 belies the complexity of the issues it raises. However, if Native governments and corporations are recognized as political subdivisions for the purpose of receiving state funds, the League urges that the total funding for the state programs for which these entities would be eligible be increased accordingly. This is necessary to preclude the dilution of funding to the current recipients, e.g. State Revenue Sharing.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

REPLY TO:

☐ *1031 W 4th AVENUE*
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

☐ *1st NATIONAL CENTER*
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

☑ *POUCH K - STATE CAPITOL*
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

March 2, 1984

The Honorable Mike W. Miller
Chairman, House Community
& Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Re: HB 629

Dear Representative Miller:

At the request of your staff we have examined HB 629 for legal problems. The Department of Law believes HB 629, as written, has several significant defects which render it unconstitutional as well as impractical to implement. The bill would essentially designate native councils created under the Indian Reorganization Act ("IRA") of 1934 as "political subdivisions" of the state.

On the constitutional level, the bill may violate four separate provisions of the Alaska Constitution:

(1) Article X, Section 2 limits local government authority to boroughs and cities. HB 629 would effectively grant local government status -- including the right to receive and spend public revenues -- to entities which have not been created by the constitutional procedure for creating boroughs and cities;

(2) Article IX, Section 6 prohibits the appropriation of public money, or the transfer of public property, except for a public purpose. HB 629 would permit public funds, collected from state taxpayers, to be spent for whatever purposes the IRA council -- a group which does not represent all citizens -- deems proper. There is no requirement in the bill that these state funds be spent to benefit the whole public rather than a limited segment of it;

(3) Article I, Section 3 prohibits denial of political or civil rights on the basis of "race, color, creed, sex, or

national origin." HB 629 would designate as a political subdivision of the State of Alaska an organization which is open only to persons of one race. "Governmental" decisions on spending public funds would be made by a council for which members of all races except one are prohibited from voting;

(4) Even if the above problems were somehow avoided, the bill would still be open to challenge by other organizations occupying a parallel position in villages without IRA councils. Article I, Section 1 guarantees equal protection, which could conceivably be denied if there were no parallel provision for communities with traditional councils or other organization performing tasks similar to those performed by IRA's.

Several other legal/practical problems also exist:

(1) There are 212 communities in Alaska generally considered native villages. 117 of these have regular city governments, some 90 have traditional councils, and approximately 70 have IRA councils; there is quite a bit of overlap, with 46 communities having both city governments and IRA councils. HB 629 makes no distinction between IRA's in communities with city governments and IRA's in communities without them; presumably all IRA's could qualify, while all entities which are not IRA's would not.

(2) IRA councils vary greatly in the way they function in individual communities. In some communities they may perform functions somewhat akin to a limited local government; in other places, especially where there is a regular city government, IRA councils provide only cultural activities for the native segment of the community; in other places, IRA councils may exist on paper but are actually inactive and moribund. HB 629 contains no way to distinguish between these differing situations; presumably all IRA's, including those with no "governmental" role, would qualify.

(3) By officially designating IRA councils as "political subdivisions" of the State, HB 629 would strengthen the argument that such councils are sovereign local governments. The State is already confronting claims by IRA councils that their members are a) exempt from state fish and game laws; b) entitled to exclude non-natives from non-defined geographical areas; c) exempt from state taxation; d) entitled to state funding of social services provided by

IRA councils; and e) entitled to adjudicate the rights of members and non-members in council-created "courts." While it is clear that IRA councils may possess certain rights under federal law, the extent of those rights is not clear and is now in litigation. By designating IRA councils as "political subdivisions," HB 629 may have a serious effect on that litigation and on ongoing discussions with native sovereignty advocates aimed at gaining a consensus on these questions.

We urge the committee to be cautious in its approach to this bill in light of these comments.

Finally, we point out that if the real concern behind this bill is to provide adequate services for all rural communities, there are existing legal avenues, as well as other approaches which could be legally enacted, to achieve that end while avoiding the constitutional and practical pitfalls noted above. We would be happy to work with the committee to explore these alternatives.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: Douglas K. Mertz
Douglas K. Mertz
Assistant Attorney General

DKM:dlm

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 24, 1984

SUBJECT: Native governments as political subdivisions of the state (HB 629)

TO: House Community and Regional Affairs

FROM: Tamara Brandt Cook
Deputy Director TBC
Division of Legal Services

You have asked what the effect of HB 629 is. That bill provides that corporations and governments organized under the Indian Reorganization Act are political subdivisions of the state for the purpose of receiving state funds and that they qualify for state assistance available to municipalities or other governmental entities.

This provision conflicts with the various statutes that provide for state assistance and probably cannot be reconciled with them. For example, AS 29.88 provides aid based on a formula that includes consideration of locally generated tax revenue. That formula would probably make little sense if applied to IRA councils and corporations, because it is unlikely that these entities tax at all. In addition, that program provides aid to "taxing units" defined as particular tax regions of municipalities. Despite HB 629, an IRA council or corporation cannot be deemed to be either a municipality or one of its specified taxing regions that qualify for aid. Even if the organization were found to qualify for aid, it would be impossible to determine the level of aid it qualified for under the formula provided in AS 29.88 because that formula was never designed to apply to that type of organization. If it is intended that IRA councils and corporations receive assistance under AS 29.88, that program needs to be adjusted to specifically include them. The same is true of other assistance programs. Each program must be specifically amended to include IRA councils and corporations. HB 629 as it is now written only creates confusion in the application of statutes providing for state assistance.

However, simply amending each aid program so that it applies to IRA councils and corporations could create a serious constitutional problem. The United States government has a special trust relationship with Native peoples which permits the federal government to accord certain types of preferential treatment to Natives. The preferential treatment is not considered to amount to racial discrimination so long as it furthers the federal government's trust obligation. Morton v. Varconi, 417 U.S. 535 (1974). However, even the federal trust obligation is a limited one that will not justify every form of legislative preference. United States v. Mitchell, 445 U.S. 535 (1980). It is interesting to note that the extent, or even existence, of a general federal trust responsibility to Alaska Natives has been questioned. North Slope Borough v. Andrus, 642 F2d 589 (1980). In any case, state governments do not have a special trust relationship with Natives that would justify special treatment along racial lines. Oklahoma Tax Commission v. United States, 319 U.S. 598 (1943); White v. Califano, 437 F. Supp. 543 (1977). Should IRA councils and corporations be included in various aid programs, care must be taken to avoid state involvement in racial discrimination. Perhaps this could be done by requiring, as a condition of receiving state assistance, that the state money be used for the benefit of the general public.

Another constitutional problem may be created by HB 629. To the extent that IRA councils and corporations are recognized as local governments, Article X, sec. 2 of the state constitution is violated. That article provides in pertinent part:

> All local government powers shall be vested in boroughs and cities.

It should be remembered that, while IRA councils are at least governmental in nature, IRA corporations do not have the regulatory, tax, and police power of local governments and cannot properly be treated as governments. The use of IRA councils and corporations to provide local governmental services together with the granting of state money to finance governmental activities would raise them to a status dangerously close to that of local governments in violation of Article X, sec. 1, 2, 7 and 8. Consequently, if IRA councils and corporations are included in aid programs, the use that may be made of the money received by them must be carefully considered and defined by statute. For example,

the municipal assistance program, AS 43.20.016, does not require that grant money be used for any particular purpose. The intent of the program is to reduce the level of local taxes imposed by recipient municipalities. Since this intent is not applicable to IRA councils and corporations, it would appear that this statute would have to be altered considerably if it were to include those organizations.

In restructuring the various aid programs to include IRA councils and corporations, consideration should be given to the relationship between those organizations and incorporated municipalities. Otherwise, conflicting jurisdictions and duplication of efforts to provide services will result, especially as to Native villages located in boroughs.

In conclusion I must point out that the legal effect of HB 629 is far from clear. The bill may, in fact, have no legal effect because of inconsistencies between it and other statutes, and because of uncertainties regarding constitutional matters.

TBC:csh
C2/136

HB
679

COMMITTEE REPORT

HOUSE

(7)

FURTHER:

FINANCE

2/13/84

Date: 3-7-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 679

"An Act relating to the Municipal Bond Bank authority; and providing for an effective date."

under consideration and recommends:

[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 [X] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bette Ann

Mehran

Rep. M. Bridges, Jr. Bill

Mr. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mr. Miller
CHAIRMAN

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

TO: Community and Regional Affairs Committee

FROM: Community and Regional Affairs Staff

DATE: 3/7/84

SUBJ: HB679 - Municipal Bond Bank Authority

Staff contacted Lee Sharp of the Juneau City and Borough government and Daniel Cowden, Anchorage Municipality (OMB).

Mr. Sharp stated that the Juneau Assembly had not addressed this bill. However, in the past, the City and Borough have always supported increases in the total amount of bonded indebtedness.

Mr. Cowden passed on my request for information to the proper departments in the Anchorage Municipality. When no information was forthcoming, staff made a follow up call. Mr. Cowden reiterated that if the department involved does not advise him negatively or if the bill is not listed on the Muni's concern list, he has no alternative but to come to the conclusion that the Muni is not overly concerned by the intent of a bill.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: HB 679
Title: Relating to the Municipal Bond Bank Authority
Sponsor: Governor
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected:

BRU, Program of Subprogram(s) Affected: Municipal Bond Bank Authority

EXPENDITURES/REVENUES: (Thousands of Dollars)

		FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
	OPERATING						
100	PERSONAL SERVICES	-	-	-	-	-	-
200	TRAVEL	-	-	-	-	-	-
300	CONTRACTUAL	-	-	-	-	-	-
400	SUPPLIES	-	-	-	-	-	-
500	EQUIPMENT	-	-	-	-	-	-
600	LANDS & STRUCTURES	-	-	-	-	-	-
700	GRANTS, CLAIMS	-	-	-	-	-	-
800	MISCELLANEOUS	-	-	-	-	-	-
	TOTAL OPERATING	-	-	-	-	-	-
	CAPITAL	-	*	-	-	-	-
	REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

	GENERAL FUND	-	*	-	-	-	-
	FEDERAL FUNDS	-	-	-	-	-	-
	OTHER	-	-	-	-	-	-
	TOTAL	-	*	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:
*The passage of this legislation will ultimately require full funding of $10 million. At this time, it is difficult to determine if the Bank will have requests to bond into this limit in FY 85.

ANALYSIS: Attach a separate page for analysis.

Prepared By: Marcy Rehfeld
Phone: 465-2300
Division: Revenue
Date: 02/10/84

Approved by Commissioner: Robert A. Hoffman
Date: 2/10/84
Agency: DOR

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

IV. Analysis for Municipal Bond Bank Authority

Additional increase in bonding authority from $200 million to $300 million will require an appropriation for funds leveraging of $10.0 million. Ten percent of the FY 85 borrowing must be backed up by leveraging reserves. As an example, a $50.0 million bond sale program will require $5.0 million in appropriation.

Net earnings on the appropriated reserves to the Bond Bank are returned to the General Fund on an annual basis. Attached are the annual amounts returned to date.

Financial Information

Operating Appropriations

Operations of the Bank are not funded by State of Alaska General Fund appropriation. Operational funds are provided by fees and charges and interest earned on investments. The Legislature, however, does review and approve the operational budget. Surpluses earned over and above the budgeted expenditure level are donated to the general fund. A history of operational appropriations is provided below.

General Fund Appropriations to Fund Operations and Surpluses Earned and Refunded to the State

FY-1976 Original General Fund appropriation	($ 24,000)
FY-1977 General Fund appropriation	(60,000)
FY-1978 General Fund appropriation	—0—
FY-1979 General Fund appropriation	—0—
FY-1980 General Fund appropriation	—0—
FY-1981 General Fund appropriation	—0—
FY-1982 General Fund appropriation	—0—
TOTAL operating appropriations to date	(84,000)
FY-1977 Surplus refunded to State	$ 15,872
FY-1978 Surplus refunded to State	113,934
FY-1979 Surplus refunded to State	110,759
FY-1980 Surplus refunded to State	160,619
FY-1981 Surplus refunded to State	1,140,697
FY-1982 Surplus refunded to State	1,111,785
FY-1983 Surplus refunded to State	1,207,617
Net Surplus to State since inception	4,467,540

Capital Appropriations

The capital appropriation is utilized to establish a reserve fund which remains intact; not depleted or consumed in any way. The reserve fund is normally used to leverage debt in a ten to one ratio. For every $1.0 million placed in the reserve fund, $10 million of outside capital is attracted to the State. While no capital appropriations were received in fiscal year 1982, an additional $1.8 million was received for fiscal year 1984.

BILL SHEFFIELD
GOVERNOR

HB 679

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Municipal Bond Bank Authority. Present law limits the debt capacity of the authority to $200,000,000. To enable the authority to continue to assist municipalities to meet their financing needs, this bill increases the statutory debt capacity to $300,000,000.

While the level of public debt in the state poses a matter of increasing concern, the authorization provided for in this bill is necessary if municipalities without direct access to the capital markets are to meet their financing needs at the lowest available cost. I urge your prompt consideration of this bill.

Sincerely,

Bill Sheffield
Governor

Alaska MUNICIPAL League

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

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

To: House CRA Committee

From: Scott A. Burgess, Executive Director

Date: February 29, 1984

Re: HB 679 - Municipal Bond Bank

The League adopted the following policy statement November 5, 1983 at its 33rd annual conference in Juneau:

> "The League supports the adoption of legislation which would raise the level of bonded indebtedness for the Alaska Municipal Bond Bank to $300 million and approve a suitable level of bonded indebtedness for revenue bonds."

HB 679 increases the total amount of bonded indebtedness from $200 million to $300 million; therefore, the League supports quick and favorable action by the committee and the bill's adoption.

The continued authority to sell, and the ability to market low interest bonds to finance municipal capital projects is a major concern of the League and its member municipalities. As the state continues to grow and develop, its municipalities are facing increasing needs and complex problems with decreasing financial assistance from the state, e.g. shortfalls in the Municipal Assistance and State Revenue Sharing Programs and decreasing state assumption of debt for schools. Many of our municipalities are also facing hard economic times, especially the coastal communities which rely on the fishing industry.

Municipal bonding is an important mechanism to provide necessary community facilities such as schools, libraries, etc. Public capital facilities are necessary not only to provide for the needs of our current residents, but also to attract new business and industry to the state and its communities.

Again, the League supports HB 679.

HJR 59/SJR 34

COMMITTEE REPORT

HOUSE

(7) FURTHER:

2/6/84 Date: 2-3-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HJR 57

Disapproving the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

under consideration and recommends:

[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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

M.W. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.W. Miller
CHAIRMAN

COMMITTEE REPORT

HOUSE

(7) FURTHER:

2/21/84 Date: 2-21-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SJR 24

Disapproving the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

under consideration and recommends:

[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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

M.W. Miller

MEMBERS HAVING OTHER RECOMMENDATIONS:

M.W. Miller

CHAIRMAN

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827
(907) 766-2711

February 17, 1984

FEB27 '84

The Honorable Mike W. Miller
Alaska House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Representative Miller:

We would urge you to support House Joint Resolution #59 disapproving the Local Boundary Commission recommentation for annexation of territory to the City of Haines.

The Haines City Council and Haines Borough Assembly both agreed that the annexation would not be in the best interest of either party if it would be possible to form a unified government. The City and Borough, in a joint meeting agreed according to minutes of that meeting "to place an effective date of two years on the annexation petition or until the City and Borough of Haines have completed the unification process". Somehow, the last part of the request was not transmitted to the Local Boundary Commission, and as a result, they asked for only a two year delay.

It is our feeling that we have a great deal of education to do before our constituents will vote for unification. It is doubtful if we can do more than get started on the unification process in that time. Our citizens have diverse interests and it will take a long time to develop a charter acceptable to the majority.

Then we have conflicting legal questions. Can the Local Boundary commission delay the effective date for two years? Can the Local Boundary Commission specify a particular type of government be formed? Lastly, if a two year effective date is proven illegal, then annexation would become effective immediately. This would destroy all chances for unification.

To explain our Borough, we are at present the only Third-class Borough in the State. The City of Haines has a population of approximately 1000 and 800 live outside the City. The annexation proposal would bring 500 more into the City, leaving 300, thirty miles or more from town. These people see little incentive for unification, but I can sell unification to the majority of the present 800, but that will take time.

In closing I urge your support for House Joint Resolution #59. This would give the City and Borough of Haines an opportunity to work together for a unified government without a time restriction. Annexation disrupts our community year after year. Unification would solve this problem forever. But in order to form an acceptable Charter, we must not be limited in time, as we want the best Charter we can develop for our community.

Sincerely,

R. E. Henderson
Mayor

REH:AMJ

FEL-7 '84

George Figdor
Box 612
Haines, Alaska 99827

Chair
House Committee on
Community and Regional Affairs
State Capital
Juneau, Alaska

Dear Sir or Madam:

I urge you to vote <u>against</u> the Boundary Commission's recommendation for the City of Haines to annex surrounding areas.

Sincerely,

George Figdor

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

February 24, 1984

Ms. Dorothy McLaughlin
Box 405
Haines, Alaska 99827

Dear Dorothy:

SJR34, sponsored by Senator Dick Eliason, passed the Alaska State House on February 23rd and is on it's way to the Governor for final signature.

The letters and testimony from you and your neighbors did much to assure my Committee, House Community and Regional Affairs, that we were correct in acting swiftly on the disapproving of the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

As an elected official, I, personally, appreciate the time and effort taken by you to present your thoughts and recommendations for our Committee's consideration.

Sincerely,

Mike

Rep. Mike W. Miller
Chairman, H C & R A

sd

Rep. Mike Miller
Juneau
Alaska

Feb. 8, 1984

Dear Sir:

Would you please help us by not allowing the annexation proposed for the city of Haines? The city has gone against the wishes of the majority of the people and is trying to get the annexation through.

I see this as the first step in annexing more people to the city. If this goes through the borough will be left with so few people that we won't have a say in any rules and regulations that the city will want the borough to make.

Even though our area (27 mile Haines Hiway) isn't in this annexation plan, it will still effect us with higher taxes. Also, the idea that the annexation will go through if we don't get a unified government, doesn't leave us the choice to stay as we are. Under the unified plan we

would have planning and zoning which we don't want, but nothing in the way of "conveniences."

Please say "no" to the annexation.

Sincerely,

Dorothy McLaughlin

Box 405

Haines, Alaska

99827

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

February 24, 1984

Mr. Ed Hays
6½ Mile Mud Bay Road
Box 98
Haines, Alaska 99827

Dear Ed:

SJR34, sponsored by Senator Dick Eliason, passed the Alaska State House on February 23rd and is on it's way to the Governor for final signature.

The letters and testimony from you and your neighbors did much to assure my Committee, House Community and Regional Affairs, that we were correct in acting swiftly on the disapproving of the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

As an elected official, I, personally, appreciate the time and effort taken by you to present your thoughts and recommendations for our Committee's consideration.

Sincerely,

Rep. Mike W. Miller
Chairman, H C & R A

sd

Hays
Box 98
Haines, AK.
99827

Boards & Commissi...
January 7, 1984

Dear Mr. Miller,

I am writing to ask you to vote against the local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

My wife and I recently built a home outside the City of Haines in the Borough. It was our choice to live outside the City, beyond the utility serviced areas, and beyond the higher city taxes. If this annexation is allowed to go through, there will be only 300 of us left in the Borough who are not annexed into the City. Since we will then be only a mile and a half from the City limits, it will be just a matter of time until we too are annexed.

It seems to me that this process of annexing people into the city who have clearly said they don't want to be annexed goes against our whole form of government. Borough residents outside the city let it be known both at the Boundary Commissions Public Hearings and in the Oct. 4, 1983 election (80% opposed), that

they didn't want to be annexed.

I ask that you consider my concerns.

Thank you.

Sincerely,

Ed Hoyt
6½ Mile Mud Bay Rd
Box 98
Haines, AK. 99827

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

February 24, 1984

Mr. and Mrs. Richard Fredricks
Box 621
Haines, Alaska 99827

Dear Richard and Susan:

SJR34, sponsored by Senator Dick Eliason, passed the Alaska State House on February 23rd and is on it's way to the Governor for final signature.

The letters and testimony from you and your neighbors did much to assure my Committee, House Community and Regional Affairs, that we were correct in acting swiftly on the disapproving of the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

As an elected official, I, personally, appreciate the time and effort taken by you to present your thoughts and recommendations for our Committee's consideration.

Sincerely,

Rep. Mike W. Miller
Chairman, H C & R A

sd

Box 621
Haines

Feb. 9, 1984

Rep. Mike W. Miller chair
Community and Regional
Affairs Committee
Juneau, Alaska 99811

Dear Rep. Miller

I am writing to state our strong opposistion to the proposed plan of annexation presented by the Local Boundary Commission. This is a plan imposed from "the top" totally against the expressed desire of the people of the area concerned.

We are residents of the Haines Borough and wish to make this our permanent residence. Presently we are living on Small Tract Rd.

The Local Boundary Commission's statement calling our area "The Greater Haines Area" is a creation of their imagination. There simply is no such entity and they obviously do not grasp what is the nature of this area. This becomes even more evident when they classify it as urban in character. I don't care how you stretch the word "urban", it simply can not be applied to this area.

The Borough Assembly does have the power now to plan and zone in its territory and also to create service areas. There is no need to belong to the city to do this.

Finally, we question the motivation involved in the extreme pressure to push this annexation. The City Council can not meet its financial obligation of past bills and is simply looking for more to share their bad investments claiming it's for our good that we be annexed.

Thank you for your attetion on this matter.

Richard Fredricks
Susan Fredricks

Richard & Susan Fredricks
Haines, Alaska

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

February 24, 1984

Mr. and Mrs. A. W. Jurgeleit
Box 292
Haines, Alaska 99827

Dear A. W. and Harriet:

SJR34, sponsored by Senator Dick Eliason, passed the Alaska State House on February 23rd and is on it's way to the Governor for final signature.

The letters and testimony from you and your neighbors did much to assure my Committee, House Community and Regional Affairs, that we were correct in acting swiftly on the disapproving of the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

As an elected official, I, personally, appreciate the time and effort taken by you to present your thoughts and recommendations for our Committee's consideration.

Sincerely,

Mike

Rep. Mike W. Miller
Chairman, H C & R A

sd

A. W. Jungeleit
Box 292
Haines, Alaska 99827
February 10, 1984

Representative Mike W. Miller
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Representative Miller:

We have been advised that Senator Richard Eliason and Representative Peter Goll have introduced resolutions opposing the annexation recommendations of the Local Boundary Commission.

We sincerely hope that as a member of the Community and Regional Affairs Committee you will support these resolutions which reflect the views of the majority of the people in this area.

Thank you.

Yours truly,

A. W. Jungeleit

Hannes L Jungeleit

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

February 24, 1984

Mrs. David Woodring
Box 555
Haines, Alaska 99827

Dear Mrs. Woodring:

SJR34, sponsored by Senator Dick Eliason, passed the Alaska State House on February 23rd and is on it's way to the Governor for final signature.

The letters and testimony from you and your neighbors did much to assure my Committee, House Community and Regional Affairs, that we were correct in acting swiftly on the disapproving of the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

As an elected official, I, personally, appreciate the time and effort taken by you to present your thoughts and recommendations for our Committee's consideration.

Sincerely,

Rep. Mike W. Miller
Chairman, H C & R A

sd

Feb. 13, 1984

I hope you will support Senator Eliasons & Rep. Peter Hall's resolution opposing the annexation recommendations of the Local Boundary Commission. I object to arbitrary decisions made for us by non-elected representatives.

I saw what happened in Juneau when we were included in a service area we didn't want, were promised services we never received & were told "We know what's good for you". Douglas was eventually forced in although they were well in the black financially & Juneau deeply in the red.

Sincerely

Mrs David Woodring
Box 555
Haines, Alaska 99827

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

LABOR AND COMMERCE COMMITTEE, CHAIRMAN
RESOURCES COMMITTEE
JUDICIARY COMMITTEE
FISHERIES SUB-COMMITTEE

P.O. BOX 143
SITKA, ALASKA 99835

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4916

February 6, 1984

Senator Eliason Reports on the Haines Annexation Issue

Now that the proposed Haines Annexation has entered the Legislative arena it is important that everyone understand where things stand and how and why we are where we are.

As you know, the boundary change question has had much debate at the local level but the Legislature also has an oversight role mandated by state law in boundary changes. The statutes require the Local Boundary Commission (which is under the Department of Community & Regional Affairs) to submit a report of its proposed changes in local boundaries to the Legislature during the first 10 days of the session. The Haines annexation was submitted this session and referred to the Community & Regional Affairs Committees of each house. The Legislature then reviews these reports and can 1) take no action which then results in the change taking place as proposed or 2) within 45 days of receiving the report, pass a resolution disapproving the change which effectively kills it. Generally the chairpersons of the C& RA Committees will follow the lead of the representatives and senators of the district wherein the boundary changes are proposed. This is where my involvement and that of Rep. Goll come in.

I respect the autonomy of individual communities and am very careful not to interfere with issues best left for resolution at the local level. But in this instance I fear that Haines has already suffered some interference by the state in its efforts to manage its own affairs.

I see my role as one of making sure that everyone understands the process and their rights, and that any annexation that takes place is done properly. Rep. Goll and I held the teleconference last week to discuss the whole issue with the people of the area and get a feel for the questions and concerns. I thank everyone who attended and participated in the teleconference. It was constructive and informative. I know many of you traveled some distance to be there.

Several major concerns have convinced me to take action to insure that the issue and the options remain alive. My main concerns include: (1) The Local Boundary Commission initiated this annexation. While not illegal it seems unwise and a dangerous loss of local autonomy. The Legislature has an obligation to see that the state bureaucracy doesn't get out of hand and begin usurping local initiative. (2) The local vote was against this annexation. We don't want to risk undermining the people's trust in the public input process which becomes a charade if it is ignored and powerless. (3) The clause calling for annexation to kick-in in two years unless unification takes place first. The Attorney General says the delayed effective date is okay but the Legislature's Legal Staff says it is not. But the ringer is the most recent legal opinion, obtained since the teleconference, which says that if the two-year clause were thrown out by a court, the rest of the annexation proposal would stand, meaning the annexation would be immediately in effect. That circumvents the intent to allow time to consider unification and abolishes the compromise which made the proposal palatable to the parties who did sign off on it. (4) I am worried about the precedent set by holding a hatchet over a community's head to "unify or else". Annexation and unification ought to each be weighed and decided on their own merits. Also the big plus in any possible decision to unify is the "custom-built" charter which could, if given enough time and consideration, be drawn up to respond to the variety of special needs and goals of different areas within a unified city and borough. Such a charter could allay many of the objections and fears and allow the community to enter into a unification willingly and comfortably.

Few annexations go through without some objections. Certainly no one would expect 100% consensus on this in Haines where feelings have been strong on these matters for years. But I believe there needs to be more discussion and so I introduced Senate Joint Resolution 34 in the Senate (and Rep. Goll introduced the same one in the House) to disapprove of the proposed annexation.

Now the matter is in the two C& RA Committees which plan to hold hearings and a teleconference. If the Legislature passes the resolution within the 45 days allowed, the annexation as proposed would die and the matter goes back to the drawing board.

So that's where we are right now. I believe we are being fair and sensible in our consideration and action on this matter and hope the people of Haines will agree. I urge your continued involvement in this process and your efforts to make the C& RA Committee members aware of your opinions and concerns as they deliberate on whether to pass the resolutions of disapproval.

I thank the Lynn Canal News for the opportunity to present my viewpoint on this matter of such importance to its readers.

Sincerely,

Senator Dick Eliason

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, 1984

SUBJECT: Annexation of territory to Haines (W.O. 13-1776)

TO: Senator Richard I. Eliason

FROM: Tamara Brandt Cook TBC
Deputy Director
Division of Legal Services

You have asked whether the annexation of territory to the City of Haines will take place within the time required by the constitution or whether the entire annexation is invalid if the delayed effective date provided in the Local Boundary Commission's Recommendation Number One is invalid.

Recommendation Number One contains two parts. The first part of the recommendation states in part the annexation ". . .will become effective two years from the date of the Legislature's approval of the commission's recommendation and then only if the City of Haines and the Haines Borough have not unified. . ." The second part of the recommendation provides for the actual annexation of territory. The question of what happens to the second part of the recommendation if the first part is invalid is essentially a separability question. In the area of statutory construction the general rule is that separability questions are to be determined according to either the will of the legislature or its manifested meaning. (Sutherland Statutory Construction, section 44.03) While the recommendation at issue here is not a statute, it seems likely that a court faced with determining the validity of the recommendation will use those principals of statutory construction that it commonly relies on.

It is clear that the Local Boundary Commission possesses the authority to recommend a boundary change to the legislature, (Art. X, sec. 12, Constitution of the State of Alaska). In this particular case, it is also clear from the letter of recommendation itself that the commission intended to

approve the annexation and only added the delayed effective date later at the request of the municipalities concerned. (See paragraphs 4 and 5 of "Recommendation Number One to the Second Session of the Thirteenth Legislature", Senate and House Joint Journal Supplement No. 16). This appears to be an indication that the Local Boundary Commission's primary intent was to recommend annexation rather than to recommend the delayed effective date. While it is a very close question, I believe that a court would be more likely to find the annexation valid and effective within the time required by the constitution in order to carry out the will of the commission rather than finding the annexation invalid and, thus, thwarting the constitutional power of the commission to recommend boundary changes.

However, this question cannot be resolved with certainty until the issue is presented and decided by the court. The entire problem will, of course, be avoided if the legislature acts to disapprove the annexation.

TBC:csh
C2/134

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM January 31, 1984

SUBJECT: Haines Annexation Recommendation

TO: Representative Peter Goll

FROM: Billy G. Berrier BGB
Director
Division Legal Services

You have asked several questions concerning the Recommendation for the Annexation of Territory to the City of Haines by the Local Boundary Commission which is Recommendation No. 1 to the Second Session of the Thirteenth Legislature dated January 17, 1984.

You have asked whether this recommendation essentially ordered unification and whether the commission has the power to order unification.

A local boundary commission is mandated by the Constitution of the State of Alaska and is constitutionally given broad power over local government boundary changes.

Section 12 of Article X provides:

> SECTION 12. A local boundary commission or board shall be established by law in the executive branch of 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.

The Commission was established by law (AS 44.47.565) and is generally regulated by AS 29.18.011 - 150. It has regulations at 19 AAC 10.

Our Supreme Court has had questions before it concerning the Local Boundary Commission several times. It has stated the purpose for the commission saying, for example, in Oesau v. City of Dillingham 439 P.2d 180 (Alaska 1968):

> The basic purpose for creating the boundary commission and conferring upon it the powers that it possesses was to obviate the type of situation that existed here where there was a controversy over municipal boundaries which apparently could not be settled at the local level. As we pointed out in the Fairview case, the concept that was in mind when the local boundary commission section of the Constitution was being considered by the constitutional convention was that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The purpose of the boundary change effected in this case by the boundary commission and the legislature was to establish boundaries at a state level, and resolve a conflict that could not be properly solved at the local level, by doing away with two separate governments in a single community and avoiding multiplication of facilities and services, duplication of tax burdens, and inevitable jurisdictional conflict and chaos.

The Commission does not have authority to itself unify local governments. That procedure is established in AS 29.68.240 - 440 and requires approval at an election.

However, the commission does have broad power and, even though a boundary changed it purposes would result in dissolution of a municipality without following the dissolution procedure, that is within its power. In the case cited above the commission extended the boundaries of the City of Dillingham to encompass all of the City of Wood River. The court held this valid stating:

> When the boundary change became effective, the city of Wood River was extinguished as a municipal corporation and its property, powers and duties were then vested in the City of Dillingham.

Therefore in my opinion the boundary change is within the power of the Commission even if it were to include all the borough territory and effectively dissolve the borough. It should be noted that the result is not the result reached by unification under AS 29.68.240 - 440 since the result is not one home rule unit of local government.

You have also asked whether the part of the recommendation which reads:

> 1. The annexation of territory to the City of Haines, as herein described, will become effective two years from the date of the Legislature's approval of the Commission's recommendation and then only if the City of Haines and the Haines Borough have not unified pursuant to the provisions of AS 29.68.240 - 580; and

is valid in our opinion.

In my opinion it is clearly invalid.

The constitution itself clearly states the effective date of a proposed change. In Sec. 12 of Article IX the constitution states:

> The commission or board may consider <u>any proposed local government boundary change</u>. It may present <u>proposed changes</u> to the legislature during the first ten days of any regular session. <u>The change</u> 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. (emphasis added)

There is no ambiguity. The change becomes effective at the time stated and that phrase clearly refers to "any proposed local government boundary change." The annexation is the boundary change, not the recommendation, and the Commission is not empowered to vary the constitution by providing a different effective date for that change.

BGB:ojb
J3/019

MEMORANDUM

State of Alaska

TO: Jim Sanders
Local Boundary Commission

DATE: January 17, 1984

FILE NO:

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Delaying effective date of boundary change

By: James L. Baldwin
Assistant Attorney General
Governmental Affairs-Juneau

By: Fran Bremer, Legal Intern
Governmental Affairs-Juneau

You have asked us whether the local boundary commission can validly delay the effective date of a boundary change for two years, contingent on the holding of an election for the unification of the Borough and City of Haines. The answer is yes.

Article X, section 12 of the Alaska Constitution provides for the establishment of a local boundary commission, which may present a proposed boundary change to the legislature within the first 10 days of the session. Section 12 provides, "[t]he 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." AS 44.47.583 repeats essentially the same language: "the change becomes effective 45 days after the presentation ...."

An examination of the minutes of the constitutional convention shows that the wording of section 12 was not intended to set a definite date on which the boundary change was to physically occur. 4 Proceedings of the Alaska Constitutional Convention 2750-2753 (Jan. 20, 1956). Rather, the language was intended as a limit on the legislature's power to disapprove a proposed boundary change.

At the convention, an amendment was introduced which required active legislative approval of a proposed boundary change. The delegates discussed the merits of permitting the proposed change to occur without legislative intervention, and rejected the amendment. 4 Proceedings at 2751. It is clear from comments made during floor debate that the delegates' main concern was the potential for delay caused by conditioning a boundary change on legislative approval. A delegate noted that a boundary change could be "difficult to get through if it is going

to affect somebody's constituents." Id. Others noted that changes must be submitted to the legislature "but in the press of business ... they may not get around to consider such little things as a minor boundary change ... " and that "this little boundary adjustment will go from session to session ... because they won't have time to make it approved." Id. The 45-day limit on the legislature's power to disapprove avoided the possibility that the boundary change could go "from session to session" without being decided. See also A.L.I.V.E. Voluntary, 606 P.2d 769 (Alaska 1980)(discussion of article X, section 12 in terms of the power of the legislature to veto executive action).

We believe the provisions of section 12 do not restrict the power of the local boundary commission to delay the operative date of the boundary change. Alaska courts have recognized that annexation decisions involve policy choices that are incapable of judicial resolution. Port Valdez Co., Inc. v. City of Valdez, 522 P.2d 1147 (Alaska 1974); U.S. Smelting, Refining & Mining Co. v. Local Boundary Comm'n, 489 P.2d 140 (Alaska 1971). The local boundary commission was created to provide an expert and experienced agency to make these policy choices within the guidelines set out by law and regulation. See Town of Stillwater v. Minn. Municipal Comm'n, 219 N.W.2d 82, 87 (Minn. 1974)(commenting on the Minnesota Municipal Commission, whose structure and function is similar to that of the local boundary commission). Accordingly, the statutory scheme grants the commission broad power in matters affecting local boundaries. AS 44.47.565 -- 44.47.583. There is no express provision in either the statute or the regulations dictating the time that a boundary change is to become operative. Therefore, the only restraint on the agency's choice of annexation method is the requirement that there be no abuse of discretion. Port Valdez, 522 P.2d at 1151. The commission's decision to allow a two-year delay was a reasoned choice between the competing objectives of encouraging cooperation between the city and borough, and that of settling boundary questions promptly to facilitate planning and assure responsiveness to current conditions. The commission's choice of method -- to delay the operative date -- is analogeous to an agency's power to delay the effective date of a regulation under AS 44.62.180(4). We, therefore, conclude that the commission has the power to delay the operative date of the annexation for two years.

FB/pjg

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 January 11, 1984

SUBJECT: Local boundary commission recommendations

TO: Senator Richard Eliason

FROM: Richard A. Bradley
Legislative Counsel

Rocky Plotnick has asked whether the effective date of the recommendations of the local boundary commission may be delayed for a year or more.

It seems that they may not.

The Alaska Constitution provides at art. X, sec. 12 (in part):

> It (the commission) 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.

While I have not seen the particular recommendation that is of concern (because it has not been presented), at this time I do not see how a recommendation with delayed effectiveness can be squared with art. X, sec. 12.

If I may be of further assistance, please advise.

RAB:lmb
L3/086

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827
(907) 766-2711

February 6, 1984

The Honorable Don Gilman
Alaska Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Gilman:

I am writing you because you have been interested in the Haines Borough and I have a great respect for your integrity.

I am requesting your support for a resolution that Senator Eliason (Goll) will introduce against the annexation of some 7 square miles by the City of Haines.

The proposed annexation will pull into the City some 500 citizens now living outside the city. This will give the City of Haines a population of some 1500, while only 300 would remain outside. Since municipal assistance is based on population of a borough outside of a city, the borough would have just 300 citizens and our State funds would be reduced to a very low level. Furthermore, the city has 3 members on the current Assembly, the outside area 2 members and 1 member-at-large who now comes from the outside area. If annexation occurred, only 1 member would come from outside and five from the new city. This would not give outside citizens much representation on our Assembly.

In the October election 382 citizens voted against annexation and 255 citizens favored annexation (66% favored).

Both City and Borough have been trying to work out our problems. We feel that a unified government would solve our problem. At a joint meeting of the Council and Assembly, we agreed to request the Local Boundary Commission to delay the effective date of the annexation petition for two years or until the City and Borough have completed the unification process.

Unfortunately, the Local Boundary Commission delayed the annexation for two years, only. Thus on March 3, 1986, if the unification process is not completed, annexation will occur. I do not feel that a Charter Commission, to do the best job, should have to meet deadlines. We have a diversity of people and it is going to take a long time to get a charter that the majority can approve.

Furthermore, there seems to be a question of legality as to whether the Local Boundary Commission can set a date (other than 45 days of legislature after the petiton is introduced), as well as specify the kind of government that must be formed. Some legal opinions also tell us that if the present petition is approved by the Legislature and it is challenged in court and found at fault, then annexation would occur immediately.

Because of all these questions, I believe that the Local Boundary Commission recommendation should be rejected. This would allow the City and Borough of Haines to work out our differences and hopefully come up with a unified government that we can all live with that would benefit us all and thereby solve the annexation problem that disrupts our community every few years.

I sincerely hope that you will help us in any way you can to resolve this issue.

Sincerely,

R E Henderson

R. E. Henderson
Mayor

REH:AMJ

HISTORY OF HAINES ANNEXATION ISSUE

1977 - City purchased Lutak Dock from State.

1979 - City proposes annexation.
Area -wide advisory vote - 63% opposed annexation
Voters protest to city - annexation proposal withdrawn.

Sept. 15, 1982 - City petitions State for annexation of 3.5 square miles.Made necessary by AG's opinion that operation of dock outside city's limit is illegal

Oct. 6, 1982 - C&RA accepts petition.

Oct. 19, 1982 - Borough resolution to allow the City to operate the dock facility exterritorially.

Nov. 5, 1982 - C&RA written report to Local Boundary Commission -- recommends annexation of 6.9 square miles. They felt compelled to recommend annexation of larger area than petitioned for because the 3.5 mile annexation " didn't meet certain of the regulatory standards which apply" (i.e. urban in character), having an extremely low population density (4 persons per square mile) while " the Greater Haines Area meets more of the standards and to a far greater extent." (38 persons per square mile)

Nov. 10, 1982 - Letter from C&RA to Local Boundary Commission - " anticipates substantial opposition from residents in area to be annexed, particularly in light of Department's recommendation."

Nov 23, 1982 - Borough resolution rejects Local Boundary Commission's recommendation.

Dec. 2, 1982 - 345 residents sign petition requesting City to withdraw annexation resolution.

Dec. 12, 1982 - Local Boundary Commission holds public meeting in Haines, which is cut short by a power failure before all testimony can be heard.

Jan. 14, 1983 - Commission meets in Anchorage - recommends annexation of dock only. Due to letters received from Haines residents, the Commission decides to hold second public meeting in Haines on proposed annexation of territory other than the dock.

Annexation of dock is not disapproved by the First Session of the Thirteenth Legislature.

Jan. 20, 1983 - Borough requests Local Boundary Commission postpone the public hearing until fall because of planned proposition to be put before the public on Borough's acquiring the powers of planning and zoning and hopes that the new Administration would change attitude re: Third Class Borough.

There is a widespread perception in Haines that C&RA is intentionally trying to eliminate the Third Class Borough despite strong local support.

The suggested annexation of 6.9 miles would leave only 301 residents in the Borough crippling it as a political subdivision

Feb.19, 1983 - Local Boundary Commission holds second public hearing in Haines, despite Borough's request to postpone until fall.

According to the Lynn Canal News, Feb. 24, 1983 almost 70 people were in attendance, the meeting lasted four hours and "besides the several city officials ... less than a handful of the audience was in favor of it" (the annexation).

March 26, 1983 - Local Boundary Commission holds decisional meeting in Anchorage finding:

1. Greater Haines Area is urban in character (population density greater than that which defines a community -14 persons per square mile.)

2. Greater Haines receives municipal services which can only be provided by the City.

3.Growth potential - need for planning and zoning.

4. Conditions exist which endangers health, welfare and safety of city residents (sewage contamination within Piedad Road area).

5. Direct and indirect benefits to Greater Haines Area from City without tax contributions.

Local Boundary Commission expands City's petition for annexation to fit C&RA's recommendation and approves annexation.

December, 1982 - Legal Brief submitted by the Haines Citizen's Against Annexation claims:

1. The area to be annexed is <u>not urban</u> in character. The Commission would be well advised to utilize a lay definition of "urban"-"characteristic of a city as distinguished from country". (Webster's New World Dictionary)

2. 70% of City's budget is generated by 4% sales taxes which are paid by all residents. A further portion is generated by user fees from residents who live outside the City and pay for their own fire protection and water supply.

3. Borough provides all schools, the museum, the library, the swimming pool and the Chilkat Center for the Arts. The funding comes from municipal assistance and revenue sharing which depends on number of citizens living <u>outside</u> city. City residents do not contribute to these facilities.

4. Proposed annexation would halt development of 550 acres presently owned by the Borough which are presently planned for land disposal.

In addition Planning and Zoning was approved by Borough voters in October, prior to this annexation order.

October 1983 - 1. Area-wide vote on annexation question.

Total vote: 391 (64%) opposed;
216 approved.

Outside city: 243 opposed;
26 approved.

Inside city: 148 opposed;
190 approve.

2. Borough's voters approved planning, platting and zoning.

Total vote: 382 approve;
255 opposed.

Inside city: 193 approve;
172 opposed.

Outside city: 189 approve
53 opposed

3. Favored form of government.

Total vote: 284 - Third Class Borough
217 - Unified Government
52 - Second Class Borough

December 5, 1983 - Division of Legal Services memo in response to request for comments as to how citizen input into annexation decisions can be guaranteed within the limits of existing constitutional restraints:

- advisory vote best way to insure residents feelings being heard.

- Local Boundary Commission would be advised of majority's feeling.

- if after negative vote, Local Boundary Commission still approves annexation, the unpopularity of the decision would be immediately clear to the legislature. Legislature would undoubtly take that into consideration.

- as a vocal minority can predominate at public hearings it is easier for any agency to ignore public input than to ignore a vote that reflects majority opinion.

Dec. 7, 1983 - letter from City of Haines to Representative Goll stating agreement with Borough to request Local Boundary Commission to forestall effective date until Borough has opportunity to conduct elections on unification.

December 29, 1983 - Borough letter to Local Boundary Commission requests reconsideration of annexation proposal and two year delay to allow the community to work together to solve its problems.

January 7, 1984 - Local Boundary Commission approves two year extension.

January 9, 1984 - Special meeting of Borough Assembly called at 4:03 p.m.to approve the two year extension. One of the Borough members opposing annexation arrived late, the 40 mile member was never called. Motion to accept LBC's decision passed.

Jan. 17, 1984 - Local Boundary Commission's Report of 1983. Recommends annexation to become effective in two years if the City and Borough have not unified during that period. Different from agreement reached between City and Borough according to Borough.

Jan 17, 1984 - Memo from Attorney General to Local Boundary Commission concludes that the LBC has the power to delay the effective date for two years.

Jan 31, 1983 - Division of Legal Services Memo concludes that the Commission does not have the authority to itself unify local governments, although by annexation it can eliminate the Borough. But the result would not be that reached by unification.

Note: no Borough wide annexation was

recommended.

Expresses the opinion that the delayed effective date is clearly invalid. The change becomes effective at the time stated in the constitution. Local Boundary Commission is not empowered to vary the Constitution by providing a different effective date for the change.

Jan 31, 1984 - Senator Eliason and Representative Goll hold special teleconference with Haines sites to hear public opinion. Over 50 residents were in attendance. Of the thirty people testifying, 26 were in opposition to annexation.

Feb. 2, 1984 - Division of Legal Services opinion on validity of LBC's final recommendation with delayed effective date.

Indication that the LBC's primary intent was to recommend annexation rather than to recommend the delayed effective date.

Feb. 6, 1984 - Matching resolutions filed in the Senate and the House to <u>disapprove</u> the Local Boundary Commission's recommendation of Haines annexation.

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

EXCERPTS FROM PUBLIC TESTIMONY GIVEN AT LOCAL BOUNDARY COMMISSION MEETING IN HAINES FEB. 19, 1983

From the LYNN CANAL NEWS Feb. 24,1983

Residents say to city: 'No trespassing please'

Pete LaRoque: "I was all for progress in Anchorage" years ago "and today I've yet to apologize to a lot of old timers for it. I'm sure we all like progress, but now that I'm older I'd like to see it come a little slower."

John Koehler: "We're being railroaded ... why they keep trying to push this down our throats I don't know."

David Menaker: "I've got about all the government I can handle right now. I don't need anymore."

Tim June: "These are real people who bought property outside the city because they wanted to go their own way. There's no sense in making them part of the city when they originally chose not to live in it."

Paul Nelson: "After all my daily dealings with the city I'd say they'd be well advised to get their act together before they take on any more."

Joey Hinman: "People in the city go clear out the highway to get their water" because they can't drink the city's water. "Now, they want to give us city water too—no thanks."

Pete LaRoque: "I can flush my toilet at home (and it's clean), but when I come to the city and flush my toilet it looks like I just used it."

Marge Matthews: "Sewage isn't the issue here, it's our way of life."

City Mayor Jon Halliwill: "We do have differences of opinion" on annexation here.

Borough Mayor Bob Henderson: "It shouldn't be the boundary commission's intent to push one municipality against another in order to make one strong and one weak."

Gordon Sandy: "People in the city don't understand my problems. I'd rather deal with my neighbors who do."

Diane Benson: "People are getting tired. You guys won't leave them alone. It shouldn't be this way. The people voted it (annexation) down once and it should stay that way. What we want to know is why our vote doesn't count."

Bruce Gilbert: "My dog killed my neighbors chicken and their pig comes down and makes doo-doos in my garage. It's an even exchange. We all get along. It's the city we don't get along with."

Buster Benson: "If my sawmill is annexed it'll probably put me out of business. I'm agin' annexation."

Ray Menaker: "I hope people who want to be annexed have an opportunity to be annexed and that those who don't want to be annexed aren't."

Borough Mayor Bob Henderson: "If the borough and the city spent as much time cooperating as they do fighting we'd be a much better place."

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

January 19, 1984

Dear Representative Goll:

Hopefully the question of annexation of Haines Borough lands by the City of Haines will come before the legislature this coming session. Please vote AGAINST this annexation.

As you are probably aware, the state Boundary Commission voted to allow the Haines City to annex many square miles of Haines Borough lands last year. This is wrong and strange, as the majority of the people in the Haines Borough are against annexation. In a recent vote 64.4% of the population voted against annexation. At a Boundary Commission hearing in Haines an overwhelming number of citizens spoke out against annexation (approximately 45 to 4).

The City of Haines cannot supply all of its present residents with basic services like sewer, water, and roads. So we can't expect them to properly service newly annexed areas. Notwithstanding its inability to render such services, the city would be happy to collect more tax money from newly annexed areas. This would be wrong!

Haines Borough residents have a different lifestyle and values than City residents. Please respect our wishes and vote against the Boundary Commission's recommendation to the legislature to annex Haines Borough lands into the City of Haines.

Thank you,

Katya Kirsch

Katya Kirsch

Box 521
Haines, AK 99827

12/15/83
P.O. Box 124
Haines 99827

Rep. Peter Goll
Pouch V
Juneau 99811

Dear Peter –

I'm sure you are aware of the events relating to annexation in Haines.

A significant majority of our voting citizens — 64.4% — are against the proposed annexation, as we indicated at the polls last October.

Please vote against the Boundary Commission's recommendation to the legislature for annexation to the City of Haines.

Thank you!

Yours truly,
Carol R Gilliam
Carol R Gilliam

November 27-1983
Box 602
Haines, Alaska 99827

Representative Peter Goll
Pouch V.
State Capital
Juneau, Alaska.

Dear Representative Goll:

It has been brought to our attention, that the Boundry Commission is still considering annexation of areas outside Haines City Limits, as you are aware we do not wish to be annexed, as we will not benefit in any ways. and it will only bring about an increase in property taxes.

Representative Goll, please vote against the Boundry Commission's recommendation which is to annex the out lying area of Haines.

Thank you.

Sincerely
Georgene Koehler.
John M. Koehler

December 1, 1983
B.&D. Lumber Co.
P.O. Box 441
Haines, Alaska
99827

Representative Peter Goll
Pouch V
State Capital
Juneau Alaska

Sir,

Please vote against the Boundry Comissions recomendation to the Legislature of lands for Annexation to the city of Haines Alaska.

The Annexation will take in my Sawmill that I have operated ln this area since 1977. I beleive this will create a hardship on me and the people I sell Lumber.

This proposal has been voted down by the people twice but they keep pushing it on us. Thank you very much.

Yours Truly
LeRay Buster Benson

LeRoy (Buster) Benson
B.& D. Lumber Co.
P.O. Box 441
Haines, Alaska
99827
766-2236

P.O. Box 297
Haines, AK 99827
December 16, 1983

The Honorable Peter Goll
Representative, State of Alaska
P.O. Box 581
Haines, Alaska 99827

Subject: ANNEXATION OF LANDS BY THE CITY OF HAINES, ALASKA

Dear Representative Goll:

In 1977 the City of Haines and the State of Alaska negotiated a purchase for the City of Haines of the Lutak Dock. Later the City of Haines claimed that they asked the State of Alaska Attorney General for a dicision on this dock to see if it was legal to operate. The decision was handed down that it was illegal in that it was not adjacent to the City of Haines.

The City of Haines also owns another dock at about five mile on Mud Bay Road. This dock brings in revenue for the City, and the State or the City does not claim that this dock is illegal.

In October, 1979, the City of Haines attempted to annex an area about three times the size that it is now, and an area-wide vote was taken which shows 63% were against annexation. The voters protested to the City, and the annexation proposal was withdrawn.

In September, 1981, the City again passed a resolution asking the Department of Regional Affairs to let them annex an area to Lutak Dock.

Regional Affairs again in 1982 proposed that the City annex an area about seven times its size as they did in 1979. The Boundary Commission promised two hearings, and they came the first time in early January of 1983 and the City officials and one local real estate company asked to have the proposed area annexed.

Another hearing was held in Haines,and there were the same few that stood up and asked to have the annexation go through. Many, many people stood up and asked for the annexation NOT to go through.

It is quite apparent that this did not make any impression on the Boundary Commission, as on March 26, 1983, they had a meeting in Anchorage to decide on the annexation. (They had promised to do it in Haines after the last meeting.)

The Boundary Commission allowed two people from Haines to be at the final decision meeting. These two people were for annexation as they had some acreage to sell that was located near the City of Haines, and the annexation would bring it into the City limits and therefore make it more valuable to sell.

These two people not doubt put pressure on the Boundary Commission to pass on full annexation. If the Commission allowed this, which they did, they should have invited people against the annexation also from Haines. This was

very unfair, unwise, and it has caused much distrust of the Boundary Commission by the people of the Haines Valley.

IN OCTOBER, 1983, AN AREA-WIDE VOTE WAS TAKEN BY THE BOROUGH, AND 64.4% OF THE VOTERS VOTED AGAINST THE PROPOSED ANNEXATION.

These proposed areas for annexation have fire protection, and this past October 4, the people of the Haines Valley voted in by majority to have planning, platting, and zoning in any service area that wishes to have another vote, etc., so most of these people have or can have all the services they wish without the extra taxes that would be imposed if they are annexed.

At the present time, there are many families living in the city limits of Haines who have lived here for several years. Many do not have any sewers, one has no road to their property, nor sewer, nor water.

If the City cannot deliver the services these many families are paying maximum city taxes for, how can the City of Haines give the people they propose to annex any more services?

It is quite clear that this annexation is strictly a scheme to get more taxes for the City of Haines without any concern for most of the residents outside of the present City limits.

Most of the people that would be annexed by the present proposal have water, sewer, electricity, etc. The annexation would give them absolutely no benefits. Their taxes would go up, and rules and regulations would be imposed that they do not need or want.

The few people that do need or want sewers outside of the present City limits can get those services by a Local Improvement District (L.I.D.).

The Boundary Commission in their March 26, 1983, report states on Page 3 the following:

> 5. The residents and property owners within the Greater Haines Area receive direct and indirect benefits of City government without commensurate tax contributions.

THE FACTS ARE: In 1982 the City of Haines mill rate was 6.0. The total city property tax was $150,756.00. The area to be annexed paid into the City for fire service 2.6 mills outside of the City of Haines, totaling $27,366.00. Each user of city water pays for it.

Sales tax collected on everything sold within the City of Haines is 4%, totaling $471,455.57. This tax is paid by everyone in the valley.

Beyond this, the Borough completely supports the Haines Library, museum, swimming pool, Chilkat Center for the Arts, and the Haines Public Schools, all of which are within the City of Haines.

The Haines museum, library, and arts center are financed by funds from municipal assistance and revenue sharing. The funding depends upon the number of citizens

who live outside the City of Haines. In other words, City of Haines citizens do not contribute to any of these facilities.

We ask you , as an understanding representative, to vote NO on this annexation proposal. We believe in a democratic system, and if this annexation goes through, these people will be forced into rules and regulations they do not want nor need.

May the holiday season be pleasant and peaceful for you and yours.

Sincerely yours,

HAINES BOROUGH CITIZENS AGAINST ANNEXATION

Louis O. Nelson, President

P.S. FOR FURTHER INFORMATION AND OUR ATTORNEY'S BRIEF, PLEASE FEEL FREE TO WRITE R.E. HENDERSON, P.O. BOX 105, HAINES, AK 99827.

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

When the Local Boundary Commission held public hearings in Haines, an overwhelming majority of the citizens testifying, opposed annexation. This opposition was further emphasized when sixty four percent (64%) of the entire borough (including the City of Haines), voted against annexation on the advisory ballot question in the October 4, 1983 Municipal election. Eighty percent (80%) of the borough residents residing outside the City of Haines voted against annexation in the same election.

The Local Boundary Commission is recommending that the city annex an area about three times the city's present size. This includes far removed areas such as the Haines Cannery and the airport. The city cannot possibly provide services such as water and sewer to many of these areas, however, they would raise taxes from the present 1.6 mills to 7.6 mills. There are already many residents in the present city boundaries who do not receive these services, but still pay the higher tax rate.

The Local Boundary Commission cited the lack of planning and zoning powers by the borough as one of the reasons for the city to annex such a large area. In the October 4, 1983 Municipal Election, the citizens of the Haines Borough voted in favor of planning, platting and zoning by service area, which enables each service area to make its own decisions on these matters, if the people of that area vote to enact such powers. All of the service areas in the proposed annexation currently have fire protection, which was voted on by each service area, and are taxed an additional rate of 1.0 to 2.2 mills, depending on the area.

Most of us who live outside the city made the choice to live beyond the services and higher taxes. I urge you to consider the above concerns and vote AGAINST the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

Sincerely,

Florence Jemmie

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

When the Local Boundary Commission held public hearings in Haines, an overwhelming majority of the citizens testifying, opposed annexation. This opposition was further emphasized when sixty four percent (64%) of the entire borough (including the City of Haines), voted against annexation on the advisory ballot question in the October 4, 1983 Municipal election. Eighty percent (80%) of the borough residents residing outside the City of Haines voted against annexation in the same election.

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Most of us who live outside the city made the choice to live beyond the services and higher taxes. I urge you to consider the above concerns and vote <u>AGAINST</u> the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

Sincerely,

You Can Count on us can we
Please Count on You

Mrs Diana M. Benson
Cache Inn Lodge
P.O. Box 401

LODGE

Located on
beautiful Chilkat Inlet

- ★ Individual Cabins
- ★ Fishing & Beachcombing
- ★ Cooking Facilities
- ★ Maid Service
- ★ Quiet, Peaceful, Out-of-town
- ★ Prices You Can Afford

P.O. BOX 441
HAINES, ALASKA 99827
(907) 766-2236

OPEN MARCH – NOVEMBER
(or upon request)

We have 4-more calling us to Bird City will stop & Bird City will call there, Thank you

Dear Pete, I had all day working but I could take all day working but I can now so to the point that what we want Doesn't count. I have all the info. on this for the last 5 yrs. If you're interested I can call and give it to you. Please stop by & review we will sell out if ten and the city get there way.

Thank you
Duane M. Benson

Judy K. Bolander
P.O. Box 509
Haines, Alaska
99827-0509

November 28, 2983

Representative Peter Goll
Pouch V
State Capital
Juneau, Ak. 99811

Dear Representative Goll,

I'm sure you have heard many versions of the annexation proposal for the Haines area.

At present the Borough and City are trying to come to some kind of an agreement but it is difficult. It remains unclear where the annexation issue now is, even though the City has agreed to give the Borough two years before they go for the annexation, that is now proposed. At this point the City is using the annexation issue to force the Haines Borough into a unified municipality. They refer to the annexation as a hammer to get unification.

This is typical of the operation of the Haines City Government. The entire annexation issue came up over trying to operate their new dock. They did annex it into the City and may now operate it legally. In the mean time, the Boundary Commission suggested they annex an area three times the size of Haines. Haines City Council agreed and that is how we got started. There is little to be known other than the Boundary Commission has chosen to listen to City officals only. There were residents of the City of Haines who testified about the services they do not receive and pay taxes for, questions were asked about how Haines could provide services for the new residents, no answers were given.

There is a definite break in the Borough, City relations. The City is quick to reply that they are stepping in because the Borough is a third class Borough. They continually become involved in issues stiring people up and creating an atmosphere of division. Reguardless of the people's desires.

Please vote against the Boundary Commissions recommendation for annexation to the City of Haines. As the votes of the people have clearly shown their opposition to annexation and also to unification.

Sincerely

Judy K. Bolander
Borough Assembly Member

P.S. I have delayed sending the pending the outcome of any tangible results between the City & Borough. To date there have been no formal actions.
Judy Bolander 12/2/84

George Figdor
Box 612
Haines, Alaska 99827

Rep. Peter Goll
Alaska State Legislature
Juneau, Alaska

Dear Representative Goll,

I am opposed to the proposed annexation of lands outside city limits by the city of Haines.

Please vote <u>against</u> the Boundary Comission recommendations and urge your colledgues to do likewise.

Sincerely,

George Figdor

James O. + Edith A. Mack
Box 435
Haines, Alaska 99827

Dec. 29, 83

Rep. Peter Goll:
District 2
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

This is to urge you to introduce a bill against annexation of additional area at Haines, Alaska, for the following reasons.

1. Much of the proposed annexed area is in five acre parcels. If these parcels were taxed at the same rate (city area) as the present city rate, the taxes would be so high that many people would be forced to either sell part of their land or sell all & relocate.

2. To sell part means to subdivide & the cost is enormous. Also there are State laws concerning on-lot water & sewer on parcels smaller than 5 acres.

3. Those on fixed incomes, as we are, (we are retired) can not meet the added expense of more taxes.

4. By vote the people have shown that they do not want to be annexed.

5. Many of those living in the area to be annexed built the home with their own hands. It is a way of life to live on a larger parcel instead of a smaller city lot. In Alaska acre

(over)

such right should be preserved.

6. The people presently outside the city already pay the same sales tax and the same salaries. All of the stores are in the city limits. Also the fire districts are paying towards fire protection.

7. More Police services would be required, at city expense. Therefore we might be in jeopardy of losing our State Patrolman.

There are other reasons as well, but sure you are aware of.

Think upon.

Sincerely,

Edna F. Hatch

James I Hatch

MRS. A. W. JURGELEIT

BOX 292
HAINES, ALASKA 99827
December 21, 1983

Representative Peter Goll
P. O. Box 581
Haines, Alaska 99827

Dear Peter -

This letter is to ask you to vote <u>against</u> the Local Boundary Commission's recommendation to the Legislature concerning the annexation of lands to the City of Haines.

There are many reasons why the annexation should not take place but uppermost in my opinion is that the people involved have spoken, written, and voted against it repeatedly. At the last hearing held here at least thirty spoke against the annexation and four were in favor of it. The results of a straw vote showed 80% of the voters living outside the city limits voting against annexation. The total area-wide vote showed 64.4% of the voters as being against the annexation.

As I understand it, the Boundary Commission felt planning and zoning were necessary in the area affected and would come with the annexation. However, at the last election, held October 4, 1983, residents of the Borough voted in favor of the powers by service areas. So - that need is no longer existent.

Those of us who live outside the city limits do so by choice. We can see no benefit to be derived from living inside the city limits except the questionable one of paying higher taxes. At the present time the City of Haines cannot - or does not - furnish the usual city services to many residents already within their limits. I can see no way they could take on greater responsibilities and honor them.

Again, I urge you to please vote <u>against</u> the Local Boundary Commission recommendation to the Legislature for annexation of lands to the City of Haines.

Yours truly,

Harriett L. Jurgeleit (Mrs. A. W.)

December 27, 1983
Box 447
Haines, Ak. 99827

The Honorable Peter Goll
Representative, State of Alaska
Pouch V
Juneau, Ak. 99811

SUBJECT: ANNEXATION OF LANDS BY THE CITY OF HAINES, ALASKA

Dear Representative Goll:

We have been living on Small Tract Road for many years and things in general have been good to us.

We voted against the advisory vote this past fall regarding annexation.

The vote for the area was 64.4% of the voters against annexation.

We hope that you might help stop this annexation as it will impose more taxes upon us, and the services the city promises we do not need, nor want.

We have fire protection and we pay for that.

Most of the people on Small Tract Road and Mud Bay Road that we know are against this annexation proposal.

Thank you for your cooperation on this matter and may the year of 1984 be good for you and your peers.

Respectfully yours,

Mr. and Mrs. Fritz Katzenmeyer

Alberta Katzenmeyer
Fritz Katzenmeyer

Sir:

We the under-signed do not wish any land near Haines annexated. We wish to remain a therd-class borough.

Sincerly

LeEtta Roth

Helen Edwards.

Jules Bates

Janet Kurz
P.O. Box 778
Haines, Alaska 99827

Representative Peter Goll
Pouch "V"
State Capital
Juneau, Alaska 99811

Honorable Peter Goll:

Dear Sir,

I am writting in regards of the annexation of lands near Haines by the City of Haines.

I strongly object the annexation or change of our government. I feel we should be left to the 3rd Class Borough.

I sure would appreciate any and all help that you can be to stop the City of Haines and the Department of Community and Regional Affairs from doing something that we do not want.

Sincerely,
Janet M. Kurz

Box 86 Haines Alaska
99827

1-16-84

Re: Annexation of
lands by city
of Haines

The Honorable Peter Goll
Pouch V Juneau Alaska 99827

Dear Peter Goll,

I am opposed to the annexation of lands by the city of Haines because the majority of the people do not wish to be annexed. In a Democracy the will of the people should be ~~heeded~~ what decides this type of issue, not members of an appointed Commission or a Vociferous minority.

Please do anything you can to prevent our Third Class Borough being destroyed by this forcing of a choice of annexation or a unified government, neither of which is wanted.

Sincerely,
Jerry Potter

P.O. Box 86
Haines, Alaska 99827

Mrs. Laura Hamstad
Box 87
Haines, Ak. 99827
1/14/89

Rep. Peter Hall
Room N Alt Capitol
Juneau, Ak. 99811

Dear Rep. Peter Hall,

Regarding the proposed annexation to the City of Haines, Lutak Road, the Borough Commission passed it because the Borough did not have Planning + Zoning -- which they do now have, since last fall + outside City folk voted in that election for powers of Planning, Platting + Zoning for the Borough -- so now there is no need for the annexation.

The City thought these outside areas were not paying their share of taxes for benefits received. Well, we pay 2½ mills property tax for Fire Protection. Also, the Borough maintains the Library, the Museum + the Chilkat Arts Center, which are all most beneficial to the City.

Lutak inside the city, but if sewer only, sewer is not what is needed.

It is an unhappy situation which is not necessary at this time. It is a parking ticket just + endangers the rural lifestyle.

Please vote against the proposed annexation to Haines.

Respectfully,
Laura Hamstad

Haines, Alaska
99827
January 16, 1984

The Honorable Peter Goll
Representative, District 2
Pouch V, Juneau Alaska, 99811

Dear Peter Goll,

I am opposed to the proposed annexation of lands by the City of Haines because it is too large an area for the city to provide services to, inside a reasonable time frame. The voters clearly made their wishes known on this annexation on October 1983 vote, by voting against annexation.

The 2 year delay granted by the Boundary Commission before annexation takes place if

a Unified government is not in force, is nothing but a ploy to blackmail the people of the Haines Borough into accepting a form of government we do not want. Please do not allow our Third Class Borough to be destroyed by this strategy. Alaska may wish to have this form of government for remote and/or rural areas, so they can tax for the support of their schools, so should protect it for future use.

Best wishes,

Bonnie Bottles
P.O. Box 86
Haines, Alaska
99827

1-12-84

The Honorable Peter Goll
Pouch V
Juneau, Ak. 99811

Dear Representative Goll

I ask you as an understanding Representative to vote No on the annexation proposal.

I believe in a Democratic system and if this annexation goes through we will be forced into taxes we do not want or need.

In the City of Haines we have a few power-hungry people that wish to dominate the people in the proposed annexed area. It's against all principles of democracy.

Please vote against the Boundary-Commission recommendation to the legislature of land for annexation to the City of Haines.

Yours truly
Julie Myers

Julie Mye
Box 544
Haines, Ak
99827

REPRESENTATIVE PETER GOLL
POUCH V
JUNEAU, AK 99811

DEAR REPRESENTATIVE GOLL

AS A REPRESENTATIVE OF THE PEOPLE OF HAINES, AND OTHER TOWNS AROUND, YOU MUST HAVE SOME INPUT ON THE HAINES ANNEXATION PROPOSAL BY THE BOUNDRY COMMISSION.

I DONT THINK WE WERE FAIRLY HEARD AND UNDERSTOOD IN THE PAST MEETINGS. THE ONLY INPUT THE BOUNDARY COMMISSION IS EXCEPTING IS FROM CERTAIN PEOPLE WITH OTHER REASONS, LIKE PROPERTY, THEY WANT TO BE IN CITY LIMITS SO VALUE WILL GREATLY INCREASE FOR RESALE.

I FEEL ALL THE PEOPLE THAT LIVE HERE SHOULD BE ABLE TO HAVE INPUT IN THIS MATTER.

I AM ASKING YOU TO GIVE THIS SOMETHOUGHT AND TO VOTE NO ON THE ANNEXATION PROPOSAL

I FEEL IT WILL HAVE ILL EFFECTS ON THE PEOPLE IN THE HAINES VALLEY. ALL WE ARE ASKING IS LETS CONSIDER MORE ABOUT THIS THAN JUST SOME PERSONEL PROPERTY INVESTMENT INTERESTS.

THANK YOU FOR YOUR HELP

Jim Myers

Jim Myers
Box 544
Haines, Alaska
99827

1/9/84

Representative Peter Goll
Pouch V
State Capital
Juneau, Alaska 99811

Dear Representative Goll;

As a life long Alaskan, I am appalled at the powers of the Boundry Commission or Regional Affairs, and how they listen to the Special Interest Groups and not the majority who voted down annexation time and again.

People living outside the City of Haines only get fire protection and ambulance service (which is in limbo now) for which we pay taxes.

My husband, Niles, feels the same as I do.

Please vote NO on annexation.

Sincerely,

Hazel Englund
Niles Englund

Hazel Englund
Niles Englund
P.O. BOX 15
Haines, Alaska 99827

I am writing to ask that you take the necessary steps to introduce a bill to reject the Local Boundary Commission's recommendation to the legislature for annexation of lands to the City of Haines.

As you know, Robbie and I have recently built a home outside the City of Haines in the Borough. It was our choice to live outside the City, beyond the utility serviced areas, and beyond the higher city taxes. If this annexation is allowed to go through, there will be only 300 of us left in the Borough who are not annexed into the City. Since we will then be only a mile and a half from the City limits, it will be just a matter of time until we too are annexed.

It seems to me that this process of annexing people into the City who have repeatedly said they don't want to be annexed goes against our whole form of government.

I don't favor any compromises with the City on two year waiting periods or similar "deals". I feel the Borough residents outside the City made their feelings known at the Boundary Commission's Public Hearings and in the Oct. 4, 1983 Election (80% opposed).

I ask that you consider my concerns.

Thank you.

Sincerely,

Ed Hays

January 4, 1984

Box 247 Haines, Alaska 99827

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

When the Local Boundary Commission held public hearings in Haines, an overwhelming majority of the citizens testifying, opposed annexation. This opposition was further emphasized when sixty four percent (64%) of the entire borough (including the City of Haines), voted against annexation on the advisory ballot question in the October 4, 1983 Municipal election. Eighty percent (80%) of the borough residents residing outside the City of Haines voted against annexation in the same election.

The Local Boundary Commission is recommending that the city annex an area about three times the city's present size. This includes far removed areas such as the Haines Cannery and the airport. The city cannot possibly provide services such as water and sewer to many of these areas, however, they would raise taxes from the present 1.6 mills to 7.6 mills. There are already many residents in the present city boundaries who do not receive these services, but still pay the higher tax rate.

The Local Boundary Commission cited the lack of planning and zoning powers by the borough as one of the reasons for the city to annex such a large area. In the October 4, 1983 Municipal Election, the citizens of the Haines Borough voted in favor of planning, platting and zoning by service area, which enables each service area to make its own decisions on these matters, if the people of that area vote to enact such powers. All of the service areas in the proposed annexation currently have fire protection, which was voted on by each service area, and are taxed an additional rate of 1.0 to 2.2 mills, depending on the area.

Most of us who live outside the city made the choice to live beyond the services and higher taxes. I urge you to consider the above concerns and vote AGAINST the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

Sincerely,

Gary D. Matthews

Gary D. Matthews

REPRESENTATIVE
PETER GOLL

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4925

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

January 26, 1984

Mr. Gene Kennedy
Haines, Alaska 99827

Dear Mr. Kennedy:

Thank you for calling with questions about the annexation issue in Haines.

Senator Eliason and I have requested the Attorney General and the Legislative Affairs Agency to provide us with a legal analysis of the Local Boundary Commission's report on the Haines annexation. There are several legal questions to be answered. It is possible that the annexation language is itself illegal.

On Tuesday, January 31, between 7 p.m. and 9 p.m., Senator Eliason and I are sponsoring a teleconference to hear the concerns of the people on this question. I am working on getting teleconference facilities set up at the Mosquito Lake School in order for the Borough residents to testify without having to drive into town.

I will advise you of whatever final action is planned.

Best regards,

WHILE YOU WERE AWAY

FOR P DATE 1/16 TIME A.M. P.M.

M Gene Kennedy

OF Haines

PHONE AREA CODE NUMBER EXTENSION

MESSAGE annexation — will there be another Board hearing? Seems to feel so I'll explain this one

SIGNED

TELEPHONED
RETURNED YOUR CALL
PLEASE CALL
WILL CALL AGAIN
CAME TO SEE YOU
WANTS TO SEE YOU

TOPS FORM 4002

Dear Peter Goll,

We urge you to support Senator Ellason in his opposition to this annexation. We are terribly discouraged by the representation at the borough level and their refusal to follow the mandate given them by their constituents in the 64% opposition to this annexation.

If they will not listen to this what will they listen to - ? the answer is, of course, big business that have plans for this area. You must help to stop these individuals or this beautiful country will be at their mercy. And the salmon, eagles and quality of life here will be gone forever -

Yours sincerely
Ellen + Scott Carey

Dear Peter Goll,

Although we are newcomers here we do own land and pay taxes, and we are opposed to annexation. We have listened via KHNS to the latest developments regarding the question of constitutionality on the 2 year delay.

We have followed recent borough meetings and attended the latest one where the borough voted to go along with the 2 year delay. Very few people attended and we feel that there has been a feeling of discouragment because of the disregarding of the people's vote. Please take this vote into consideration and introduce a resolution to stop this annexation this session if the Boundary Commission does not withdraw it. Thank you for your work + concern

Sincerely, Scott+Ellen Cox

Box 405
Haines, Alaska
99827

Representative Peter Goll
Touch V
State Capital
Juneau, Ak. 99811

Dear Representative Goll,

I am very much against the annexation of any land by the city of Haines. I am also against a unified government for Haines.

I can see no way that the city can provide the "city services" that should go with annexation or a unified government. The only thing I can see is higher taxes, which no one needs.

Please vote against the Boundary Commission recommendation to the Legislature of lands for annexation to the city of Haines, Alaska.

Yours truly
Dorothy McLaughlin

Haines, Alaska
Jan. 13, 1984

Dear Peter Goll:

We are residents of the Burrough living on Small Tract Rd. We wish to express our opposistion to any annexation with the City of Haines. The people of the Burrough have already expressed this opposistion and we say it one more time that we are against annexation. We know there are powerful forces in the city to force this upon us yet we stand against it. There would be absolutely no benefit to us whatsoever to annex.

Sincerely
Richard Fredricks
Susan Fredricks
Richard & Susan Fredricks

P.S. I am sure you are aware of this but we are enclosing it just to make sure!

Borough accepts commission's decision

Juneau Empire Jan 12 1984

In a special five minute meeting Monday, the Haines Borough Assembly voted unanimously to accept the local Boundary Commission's two year extension on annexation, and not to have Haines Representative Peter Goll pursue the matter in this year's legislative session.

Noting that the chance of defeating annexation in this year's legislative session would be "quite small," Borough Assembly Mayor Bob Henderson said that such a move at this time would "cause a lot of problems and create a lot of hard feelings."

If annexation was followed through with, continued Henderson, "It would definitely cripple the third class borough financially and in other ways as well. It would mean that the people of the valley would have little or no representation in the borough assembly."

The two year extension was given by Henderson as a major reason for this decision. "By accepting the boundary commission's findings, we could at least have a two year reprieve and conditions could change very greatly in two years," he said.

Henderson added that the only disadvantage of such a move would be that the "school board would be different from the borough assembly" and added that perhaps there was a way the borough charter could be worked out so it "would not be such a conflict in other areas."

Box 555
Juneau, Alaska 99827
Jan. 25, 1954

Dear Peter:

I understand that people are determined to destroy our 3rd class Borough either with a "Unified Government" or by "annexation." That the Boundary Commission can do that to us.

The Boundary Commission members are not elected representatives & it sounds very arbitrary to me. How I went through all this in the Juneau area.

I hope that we do not have our type of government forced upon us.

Thank-you for your consideration.

With sincere best wishes

Janet Woodruff

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

When the Local Boundary Commission held public hearings in Haines, an overwhelming majority of the citizens testifying, opposed annexation. This opposition was further emphasized when sixty four percent (64%) of the entire borough (including the City of Haines), voted against annexation on the advisory ballot question in the October 4, 1983 Municipal election. Eighty percent (80%) of the borough residents residing outside the City of Haines voted against annexation in the same election.

The Local Boundary Commission is recommending that the city annex an area about three times the city's present size. This includes far removed areas such as the Haines Cannery and the airport. The city cannot possibly provide services such as water and sewer to many of these areas, however, they would raise taxes from the present 1.6 mills to 7.6 mills. There are already many residents in the present city boundaries who do not receive these services, but still pay the higher tax rate.

The Local Boundary Commission cited the lack of planning and zoning powers by the borough as one of the reasons for the city to annex such a large area. In the October 4, 1983 Municipal Election, the citizens of the Haines Borough voted in favor of planning, platting and zoning by service area, which enables each service area to make its own decisions on these matters, if the people of that area vote to enact such powers. All of the service areas in the proposed annexation currently have fire protection, which was voted on by each service area, and are taxed an additional rate of 1.0 to 2.2 mills, depending on the area.

Most of us who live outside the city made the choice to live beyond the services and higher taxes. I urge you to consider the above concerns and vote AGAINST the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

Sincerely, Bridget Edwards

Box 749
Haines, Ak. 99827

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

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Sincerely,

Henry Clatterbuck
Box 683
Haines, AK 99827

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

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Sincerely,

Robert C Berg
Box 744 Haines
outside city

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

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Sincerely,

Lynda L. Mathews
B-4 247
Haines, Alaska 99827

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

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Sincerely,

Rebecca Redwine Monroe

Box 206

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

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Most of us who live outside the city made the choice to live beyond the services and higher taxes. I urge you to consider the above concerns and vote AGAINST the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

Sincerely,

Deborah A. Ingram
General Delivery
Haines, Alaska
99827

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

Dear Mr. Goll:

I am writing to urge you to vote against the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines. Please consider the following points.

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Most of us who live outside the city made the choice to live beyond the services and higher taxes. I urge you to consider the above concerns and vote <u>AGAINST</u> the Local Boundary Commission's recommendation to the Legislature for annexation of lands to the City of Haines.

Sincerely,

Irene Morris Shaw
Douglas Rick Shaw
PO 722 Lynn F.D.A.R.D.
HAINES AK. 99827

HJR

61

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

Date: 2-26-84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HJR 61

"Proposing an amendment to the Constitution of the State of Alaska authorizing the legislature to provide that cities be governed as direct democracies.

under consideration and recommends:

[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 [X] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

M.W. Miller

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

M.W. Miller

CHAIRMAN

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

March 23, 1984

POSITION PAPER

RE: HJR 61
SPONSOR: Representative Koponen

Program Effects:

HJR 61 proposes an amendment to the Alaska Constitution which would allow municipalities to govern themselves as direct democracies instead of by elected representative councils or assemblies.

If approved, this amendment would pave the way for legislative revisions to Title 29, the State Municipal Code, sanctioning the creation or reorganization of municipalities in Alaska along the lines of New England-type towns.

Comments:

There are about fourteen hundred such towns in New England; others are also found in the states of New York, Wisconsin, and Minnesota. The form of government of a New England-type town has been described as a pure or direct democracy as distinguished from a representative democracy. The powers of a town are exercised by the vote of all adult residents at a town meeting rather than by an elected council or assembly.

HB 615 would carry out the intent of the constitutional amendment, if adopted. This bill would amend statutes found in the State Municipal Code (Title 29) and elsewhere to authorize the incorporation of "town meeting home rule cities", set forth some standards for their organization and operation, and define their powers.

The Department finds both pieces of legislation intriguing, but cannot support either at this time without further study. It is not clear at this point whether the New England-type town model of local government can be adapted to Alaska's unique conditions or that the idea is attractive to municipalities or communities.

Town meetings work in New England because they have been enshrined in that region's political tradition since before the Declaration of Independence was signed in 1776. In Alaska and

most other states, this form of local government is unknown and might be confusing or difficult to manage. Also, it might not be adaptable to the political culture of Alaskan Native villages where there is a tradition of deference to tribal or village elders.

A town meeting-type government can only work if there is mass participation coupled with political maturity. People must obey basic rules of conduct and respect each others rights or else total anarchy can ensue at town meetings. Since Alaska is not familiar with town meetings, there might be a tendency for them to degenerate into chaos and confusion with a resulting deadlock in decision-making that now can be broken by an elected council or assembly.

There are some positive aspects of a town meeting government which are worth investigating in Alaska, possibly with some modifications. For example, there are many communities in Alaska which are not interested in or ready to incorporate as second or first class cities, but already have in place community associations which tend to act as de facto or informal town meetings, though they are not recognized by the State as such. Organizing these communities as New England-type towns rather than representative cities might be an acceptable and effective way of dealing with the need for some kind of organized and recognized decision-making in the absence of elected councils or assemblies. Timing of town meetings could be a crucial matter because many communities are subject to drastic seasonal changes in population, which means residents present at the summer meeting might undo what was approved at the winter meeting and vice versa.

However, the Department cannot now support either HJR 61 or its companion legislation - HB 615 - without further investigation to determine whether town meeting local governments are needed, desired or practical in Alaska. This would involve consultation with a wide range of affected parties including, among others, the Alaska Municipal League.

APPROVED: Emil Notti

Emil Notti, Commissioner

Alaska State Legislature

Representative Niilo Koponen

FAIRBANKS
Box 252
Fairbanks, Alaska 99707
479-6782

JUNEAU
Pouch V
Juneau, Alaska 99811
465-4992

MEMORANDUM

TO: Representative Koponen

FROM: Deborah Niedermeyer, Legislative Aide DMN

RE: HB 615 and HJR 61, Direct Democracies

DATE: March 24, 1984

HISTORY

Although most Alaskans may consider the Town Meeting a traditional form of government for New England, the Town Meeting also has deep roots in Alaskan history in the form of Miners' Meetings.

According to a 1898 special mining edition of the Alaska Morning Record, Alaska's first Miners' Meeting was held in Juneau in 1881 at the Flag of All Nations for the purpose of framing mining laws for the Juneau district. The laws which came out of this and similar Miners' Meetings in Juneau and the Interior were know as the Miners' Code. The code dealt not only with matters of claim staking and recording, but also with criminal law and sentencing, marriage and divorce and anything else of common concern to the diverse people living in Alaska's young and growing communities at the turn of the century.

Miners' Meetings were organized at each camp or diggings and had only one elected official, the recorder. They had certified legal jurisdiction, but in the days when law enforcement was essentially non-existent in the Territory, before Alaska even had a non-voting representative to Washington, the only official legal power over marriages, criminal activity, or mining laws was the U.S. Congress. In light of the impracticality of depending on Congress for what amounted to municipal ordinances, Miners' Meetings were the de facto government of Alaska's early white settlements.

THE PRESENT

Town meetings remain the de facto form of government in most of Alaska's unincorporated communities. The meetings may be organized by community residents simply to deal with community issues. In other cases, the Department of Community and Regional Affairs has required these communities to set up non-profit membership corporations in order to establish some legal body to accept state funds. The town meeting them becomes a shareholders' meeting. To some extent, town meetings take the place of municipal government in these communities, but, as was the case for the earlier Miners' Meetings, the decisions made do not

have the certified force of law. This has created problems in present day Alaska that did not occur for the earlier Miners' Meetings. Dissenters to a community decision sometimes threaten to sue.

Although there are various barriers to incorporation, a law providing the option for a town meeting style of government would maintain the existing decision-making system rather than requiring the election of a representative city council. This simplification might well help small communities to incorporate in order to solve the problem of no one but the State itself having any real legal jurisdiction.

PRACTICAL CONSIDERATIONS

The Town Meeting works best in communities of less than 6,000. It is altogether impractical if the population reaches 25,000. However, 92% of Alaska's incorporated municipalities do have populations of under 6,000. All of the many unincorporated communities are much smaller than that. A persistent problem for Town Meeting governments in New England has been lack of a quorum. Alaska's small communities, however, have consistently better voter turn-out than its cities. To the extent that voter turn-out is an indicator of willingness to be involved in community affairs, participation level could be expected to be a strength rather than a weekness in Alaskan Town Meetings.

HB 615 would not require small communities to use the Town Meeting form of Government, but it does provide it as one option. Both Alaska's history and its present situation indicate that Town Meetings would be a practical and, in many cases, highly desirable form of municipal government.

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

March 13, 1984

SUBJECT: Constitutional amendment authorizing the legislature to provide for direct democracies (HJR 61)

TO: Representative Mike W. Miller
Chairman, House Community and Regional Affairs

FROM: Tamara Brandt Cook TBC
Deputy Director
Division of Legal Services

Here is the section by section analysis that you requested of HJR 61.

Section 1 amends the state constitution so that the legislature may provide for a city to be governed as a direct democracy. Now a city is required to be governed by a representative body, the council. Under a direct democracy from of government the voters would not elect representatives, but, rather, would govern the city themselves through majority action.

Section 2 requires that the amendment be placed before the voters at the next general election.

TBC:ojb
J4/078

FYI

YOUR MASSACHUSETTS GOVERNMENT

Seventh Edition

BY

ELWYN E. MARINER, M.E., M.P.A.

Former Research Director
Massachusetts Taxpayers Foundation, Inc.

MARINER BOOKS
Box 22, Arlington Heights
Massachusetts 02175

TOWN MEETINGS

. . . Each qualified inhabitant of the town has an indisputable right to vote upon every question presented, as well as to discuss it, or there is no town meeting. This is universally understood as the vital feature of the town system of government as practiced from a long time before the Declaration of Independence until the present.

— Opinion of the Justices, 229 Mass. 601, 1918

Although today there are more people living in cities than in towns, the form that still sets local government in Massachusetts apart from that in all other sections of the country outside New England is the *Town Meeting*. The following is primarily a description of the traditional town meeting, but most of the details apply equally to representative town meetings.

What is a Town Meeting?

A *town meeting* is a gathering of all the people in the town who are eligible to vote. Of course they don't all come, but those who stay away must abide by the decisions of those who attend.

It isn't just an ordinary meeting but a very special kind of meeting. Since its decisions affect the lives and the pocketbooks of all the citizens, there are very special requirements which must be followed in calling and conducting the meeting. Any failure to meet the requirements may invalidate the action of the meeting.

Here is a brief list of the most important items of business of the town meeting which come up from year to year.

1. The town meeting decides what officers the town shall have, what salary it will pay for each office, and in some cases the length of term.
2. The town meeting elects citizens to fill certain town offices.
3. The town meeting decides for what purposes the town will spend money and how much may be spent for each purpose.
4. The town meeting adopts and changes by-laws to govern the conduct of the inhabitants of the town in local affairs.

The Common Pattern

No matter how large or small, in *every* town* the town meeting follows the *same* pattern, and is conducted under the *same* laws. But within that common pattern there are allowances for variations. There is flexibility. That is why it is sometimes hard to realize that the all-day community get-together in the small farm town has anything in common with the protracted evening meetings in some of the large metropolitan towns near Boston. Let us see what some of the common factors are.

The Day. With but few exceptions, annual town meetings are held in February or March, but they may be held as late as May.

In most towns, the election of officers is held on a different day than the meeting for the conduct of other business. There is a decided preference for holding the election first and the business meeting a week or more later.

In a few towns, the election of officers is held in November, December, or January under the provisions of special Acts.

Special meetings may be called by the selectmen at any time, and must be called by them upon receipt of a request signed by 200 voters. If there

Danvers Town Seal

*Agawam and Methuen, still retaining the name of *Town*, have abandoned the town meeting and have created *town councils* of 15 and 21 members respectively. The councils have all the legislative power of a town meeting and are required to meet at least once a month.

are less than 1000 voters, only 20 percent of them need sign.

The Hour for calling the town meeting may be established in the by-laws.

The Warrant. Every town meeting is called by the issuing of a warrant. This is usually done by the selectmen, but the law authorizes other officers to do it if there are no selectmen remaining in office or if the selectmen refuse. The *warrant* is a document which states (1) the time of the meeting, (2) the place of the meeting, and (3) the business to be taken up at the meeting.

Traditionally, the warrant is addressed to the constables, who are required thereby to give notice of the meeting to the inhabitants. The law specifies only that the warrant is to be issued at least seven days before the meeting. It does not say how the constables shall notify the people. That is left to the town to prescribe in a by-law or by vote. In some towns the warrant is merely posted in a few public places. In others, a copy of the warrant is published in the local paper. In still others, a copy is delivered to every residence.

The warrant for the annual meeting usually states that the first item of business, *Article 1*, is to elect officers for the year. Then it lists every office to be filled.

Article 2 may be to hear the reports of town officers. Then follow other articles, each one naming a single subject to come before the meeting. Sometimes there are seventy or more. Different towns have different customs. In some towns there may be a separate article for the appropriation for each town department. In other towns there is a single article such as to "appropriate money for all necessary town expenses or act in any matter relating thereto."

The preparation and the wording of the warrant are important because a town meeting cannot take valid action on any subject unless it is contained in the warrant.

Any voter who gets the signatures of nine others may have any subject included in the warrant for the annual meeting by filing his request with the selectmen. To require the selectmen to include a subject in the warrant for a special meeting is more difficult. Such a request must have 100 signatures. If there are less than 1000 voters, the signatures of only ten percent of them are needed.

The Moderator is the person who presides over the town meeting. His is one of the most important positions in the town because he has great authority to direct and regulate the conduct of the meeting. In some of the smaller towns, each meeting is called to order by the town clerk. The selection of a moderator for that meeting is then the first item of business, and the clerk presides until a moderator is selected. Years ago this was the usual practice. Today, however, most towns elect a moderator to preside at all town meetings during his term of office. The term is either one or three years.

The Conduct of the Meeting is largely under the control of the moderator. He is governed by a few basic provisions in the law, and there may be by-laws regulating some aspects of the meeting. Some of the most common rules established in town by-laws regulate admission to the meeting and fix the number of voters which will constitute a *quorum*, i.e., the minimum number of voters who may legally conduct business. Some towns, including the larger ones and particularly the towns with representative town meetings, have fairly detailed rules of procedure, while the majority of small towns leave details of parliamentary procedure to the moderator.

The Town Clerk serves as clerk of the town meeting, takes the minutes, records the votes, and assists the moderator.

Voting. Although most matters are settled with simple voice votes, there are times when a voice vote is not sufficient. If the vote is questioned, the moderator may appoint tellers and then ask for a rising vote or a show of hands to be counted by the tellers. On matters which require an unusual majority — such as a two-thirds vote to borrow money — the vote must be counted unless it is unanimous.

Some towns — like Marblehead — have in their by-laws a provision that upon request of a specified number of voters the vote shall be taken by ballots collected by the tellers. Other towns — like Provincetown — go one step further and provide a formal balloting if 25 percent of the voters present and voting so request. The voting list is used and and each voter is checked as he casts his ballot.

In towns with representative town meetings the procedure is similar to that in the open town meetings. The Watertown by-law section quoted here describes the general pattern.

> *When a question is put, the sense of the meeting shall be determined by the voices of the Town Meeting members and the Moderator shall declare the vote as it appears to him. If the Moderator is unable to decide the vote by the sound of the voices, or if his decision is immediately questioned by seven or more Town meeting members rising in their places for that purpose, he shall determine the vote by ordering a show of hands or standing vote and he may appoint tellers to make and return the count. A roll call of the Town meeting members shall be ordered by the Moderator if thirty members shall by a showing of hands favor such motion.*

A few of the towns with representative town meetings — Amherst, Fairhaven, and Swampscott for example — have provisions for the use of

secret ballots. In other towns, as in Stoughton, the use of secret ballots is prohibited.

The Legislature has prohibited the use of a secret ballot in any representative town meeting "unless two-thirds of the town meeting members present and voting thereon" vote for it.

Variations and Adaptations

The separation of the elections from other business is but one of several variations or adaptations which have been developed to meet changing conditions and the problems of larger populations. The most striking variation has been the development of the *Representative Town Meeting*. The most recent, made possible by modern electronics, is the conduct of the same meeting in two or more separate halls in some large towns still holding open town meetings. This is done by using a public address system and having an assistant moderator appointed by the moderator to preside in each meeting place where the moderator is not present.

Brewster is authorized by special legislation to hold town meetings in a regional school building in neighboring Orleans for all business except elections. Elections must still be held within the town.

Separation of Elections and Other Business. In these days, when most towns hold their elections separate from the annual business meeting, it is easy to lose sight of the fact that they are both parts of the annual town meeting.

Instead of an annual town meeting, some towns have now provided in their by-laws or charters for two regular business meetings each year. The meeting held at the usual time in the early part of the year is devoted primarily to financial matters. The second meeting, in October, is devoted primarily to zoning, subdivision control, and other by-laws. Any urgent matter can of course be included in the warrant for either meeting.

Representative Town Meetings

Towns have a way of outgrowing the old-fashioned town meeting. As population increases, the number of voters increases, and it is no longer possible for them all to get into the largest hall in town. For many years the only alternative was to give up the town meeting and organize as a city. To change to a city meant that citizens would elect a few men to a city council to exercise most of the power which the town meeting had held. It has been with great reluctance that townspeople have made this major change.

The idea of keeping the town form of government and having a representative town meeting was discussed in the years when the Town of Boston was considering a change prior to 1820. It was first tried in Newport, Rhode Island, in 1906, but it was not until 1915 that Brookline became the first town to adopt it in Massachusetts. Methuen followed in 1916.

The first representative town meetings were created by the Legislature utilizing the authority of the Amendment of 1820 which authorized the creation of "municipal or city governments" in any towns with 12,000 or more inhabitants. In 1926 the voters adopted an amendment of the 1820 Article to authorize the Legislature to establish a representative town meeting in any town with a population over 6,000. The 1966 Home Rule Amendment repealed the earlier language but retained the same population minimum to prohibit the establishment of a representative town meeting by a town with a population of less than 6,000.

There is only one major difference between the government in a town with the town meeting open to every voter and the government in a town with a representative (or limited) town meeting. The difference is just what the name implies. In the towns with representative town meetings the only people who may vote on town business other than the election of officers are the members of the town meeting who have been elected by the inhabitants to represent them.

The men and women who vote in the representative town meeting are elected by their fellow voters in the precincts where they live. Each plan creating a town meeting sets up a procedure for establishing and changing the geographical areas, called *precincts*, and each fixes the number of town meeting members to be elected by each precinct. The number of precincts depends on the area of the town, geographic features, and population. There may be as few as three, but some towns are divided into ten or more.

The number of elected town meeting members varies from 45 to more than 250. The number, 240, which is the number of members in the Massachusetts House of Representatives, is a popular one. In all towns the members are elected for three-year terms, and the terms are arranged so that one-third of the members are elected each year. In addition, most of the plans name certain town officials to be members-at-large.

In setting up representative town meetings, townspeople have been careful not to vote away all their rights to have the final say on important items of town business. In every case they have stipulated that the representative town meeting will have no power to "commit the town to any measure affecting its municipal existence or substantially changing its form of government" without giving all the voters an opportunity to vote on it with ballots. In all these towns, there is also a provision for the voters to override the representative town meeting. If a specified number of voters sign and file a petition, there must be a

special election and a ballot vote on certain actions to see whether the town will support the action of the town meeting members. Such an election is called a *referendum.*

Business of the Town Meeting

We have already listed the most important types of business that come before town meetings. Some of them are treated in detail in later chapters on elections, organization for town administration, and budgeting. We need to discuss here mainly the *law-making* power of the town meeting and its broad *policy-making* function.

By-laws. The Legislature has enumerated about seventy different subjects upon which towns may adopt by-laws. These cover a wide range. At one extreme there is the simple provision specifying how the notice of town meetings shall be given. At the other extreme there are zoning by-laws often published as separate books. As a result of the Home Rule Amendment of our State Constitution, it appears that towns have more latitude in enacting by-laws and are not limited to the subjects specifically authorized by the Legislature.

The different kinds of by-laws may be arranged in five groups according to subject as follows:

1. Regulating the government of the town, i.e., the conduct of town meetings
2. Regulating the organization and procedures for administration of town business
3. Regulating the conduct of citizens
4. Regulating the use of land.
5. Regulating certain occupations.

Most by-laws must be submitted to the Attorney-General of the state for his approval but take effect after 90 days if he has not disapproved them. By-laws are also required to be published, but several alternative means of meeting the publication requirement are provided.

Town Votes. Should the chief of police be under civil service? Should the police have one day off in eight? or seven? or should they work a forty-hour week? Should the town treasurer act as tax collector? Should the town accept an established private way as a public way? Should town offices be closed on Saturdays? These are just a few of the many questions which the Legislature has authorized town meetings to decide. Sometimes all that is needed is a simple vote. In other cases, such as the acceptance of a street, a detailed and carefully written description is required in the motion and vote.

Town Committees. "Let's have a special committee to study the matter and report back to the next meeting." Just as a small neighborhood club sets up *special committees,* so do town meetings when some special problem arises which cannot be settled in the meeting. It may be to select the location for a new school, or to draft a special by-law on a new subject, or to revise an old by-law, or to study whether the town should have centralized purchasing, or a public works department, or an aerial map or to consider any one of the hundreds of questions with which town meetings are faced at one time or another. Voters realize that they cannot decide some of these questions when first brought up, so they do the sensible thing: authorize the moderator to appoint a committee.

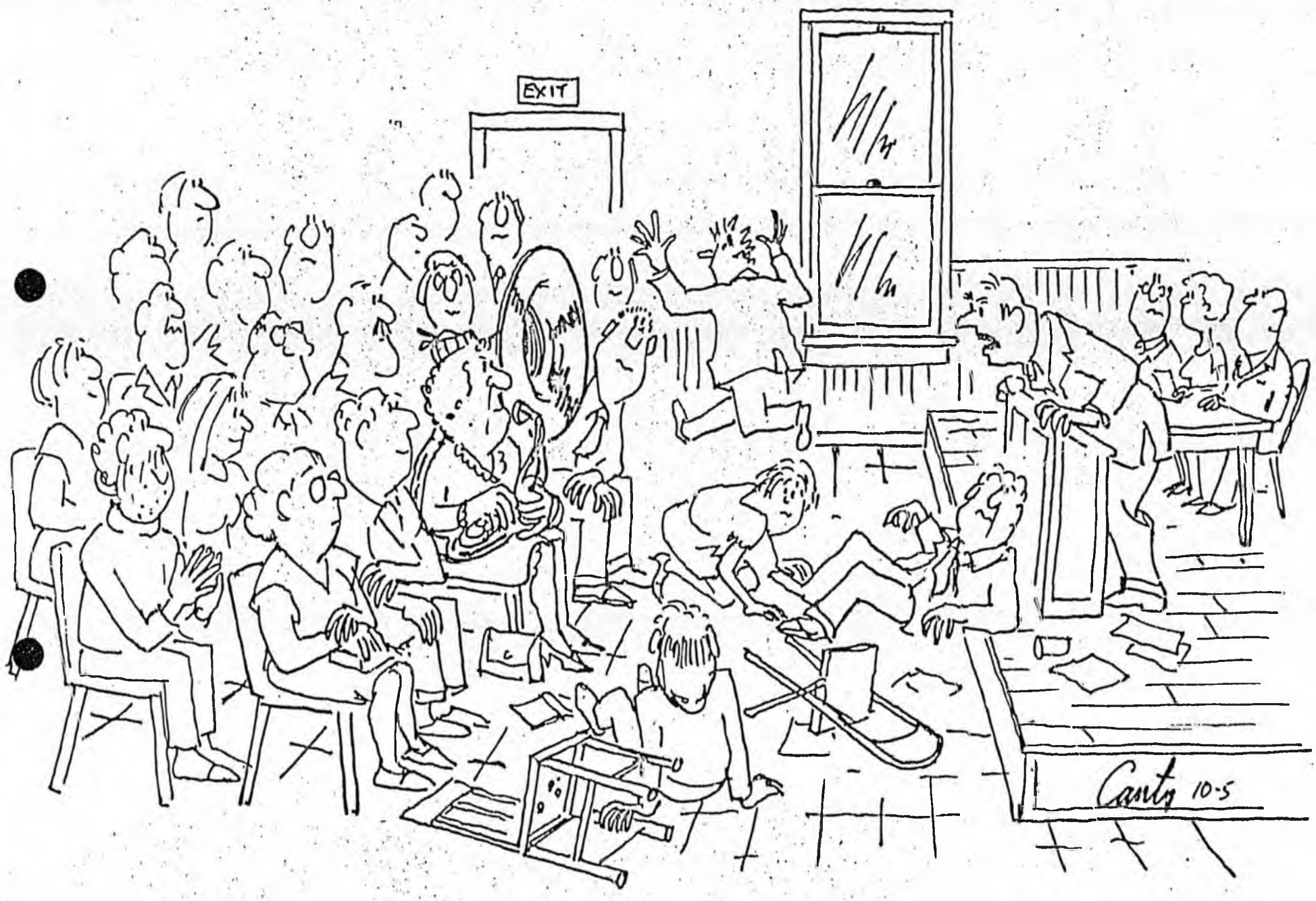
Standing Committees. To improve its functioning, the representative town meeting in Framingham has adopted a practice common among legislative bodies. It has created standing committees. There are five: public works, planning and zoning, recreation, personnel, and ways and means. Each committee is composed of ten members, each representing one of the ten precincts. Each member is elected by a majority vote of the representative town meeting members in his precinct.

The Town Finance Committee

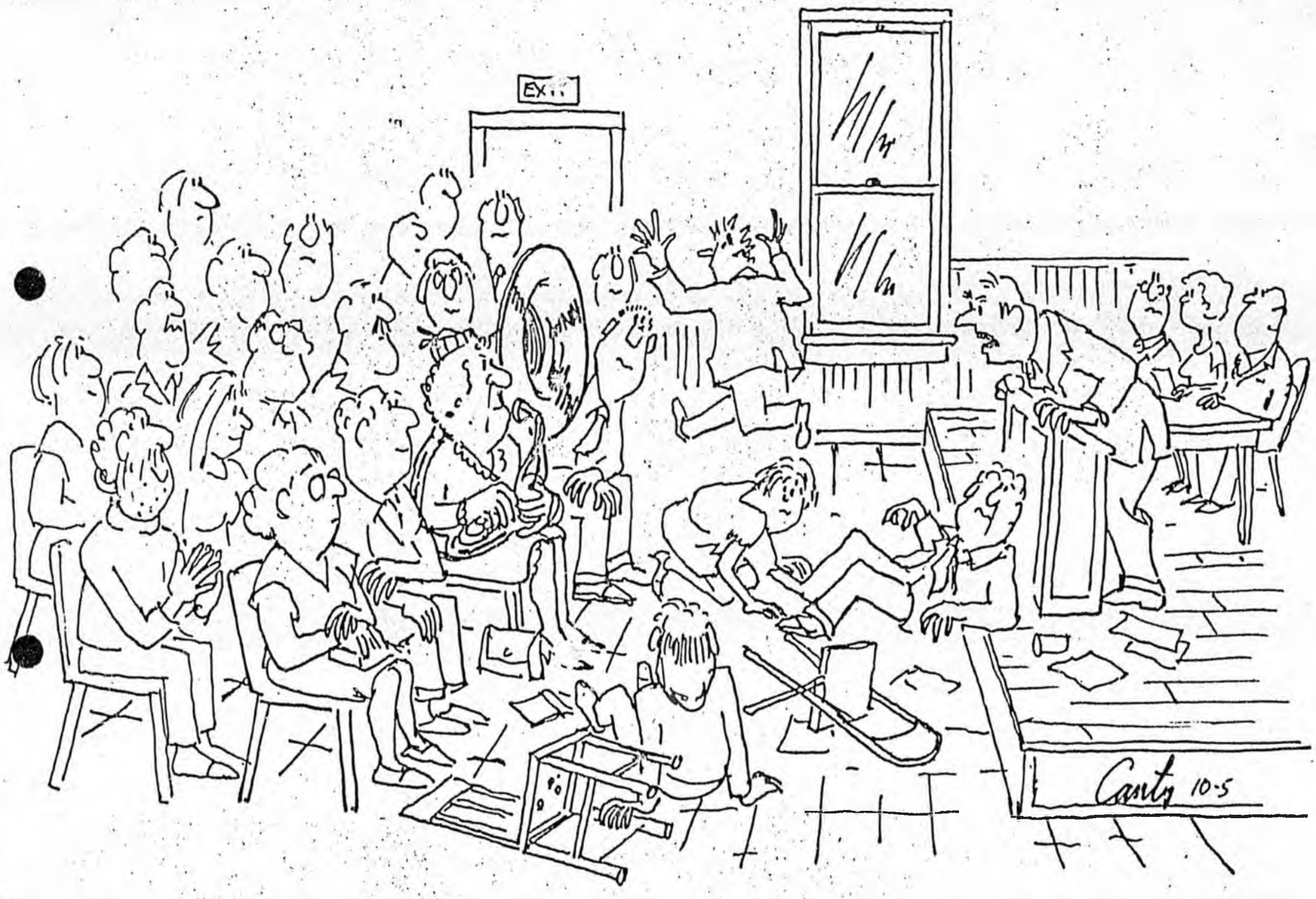
The one move which has contributed more than any other to make the town form of government practicable in the present day is the development of the town finance (or advisory, or warrant) committee as a budgeting agency. All but the smallest towns are required by law to have such a committee, and many of the small ones do. All that the law says is that some towns shall and others may have a by-law which provides for the appointment or election and sets forth the duties of such a committee, that such committees shall study any or all municipal questions and make reports and recommendations to the town.

Because the law leaves the way open for towns to experiment, the finance committees vary in size and composition. Most by-laws provide for appointment by the moderator.

Except in those towns with by-laws or special Acts giving responsibility for preparation of the annual budget to the selectmen, the primary job of the finance committee in all towns today is the preparation of the town budget. This is described in some detail in the chapter on budgeting. Citizens in Massachusetts towns owe more than they know to the public-spirited men who give most of their spare time for three or four months in the winter to a study of the financial needs and problems of their towns.



"Mrs. Bakerman, at Town Meeting we can tolerate an occasional 'boo' or 'hiss' but one more blast from your damn tuba will warrant your dismissal!"



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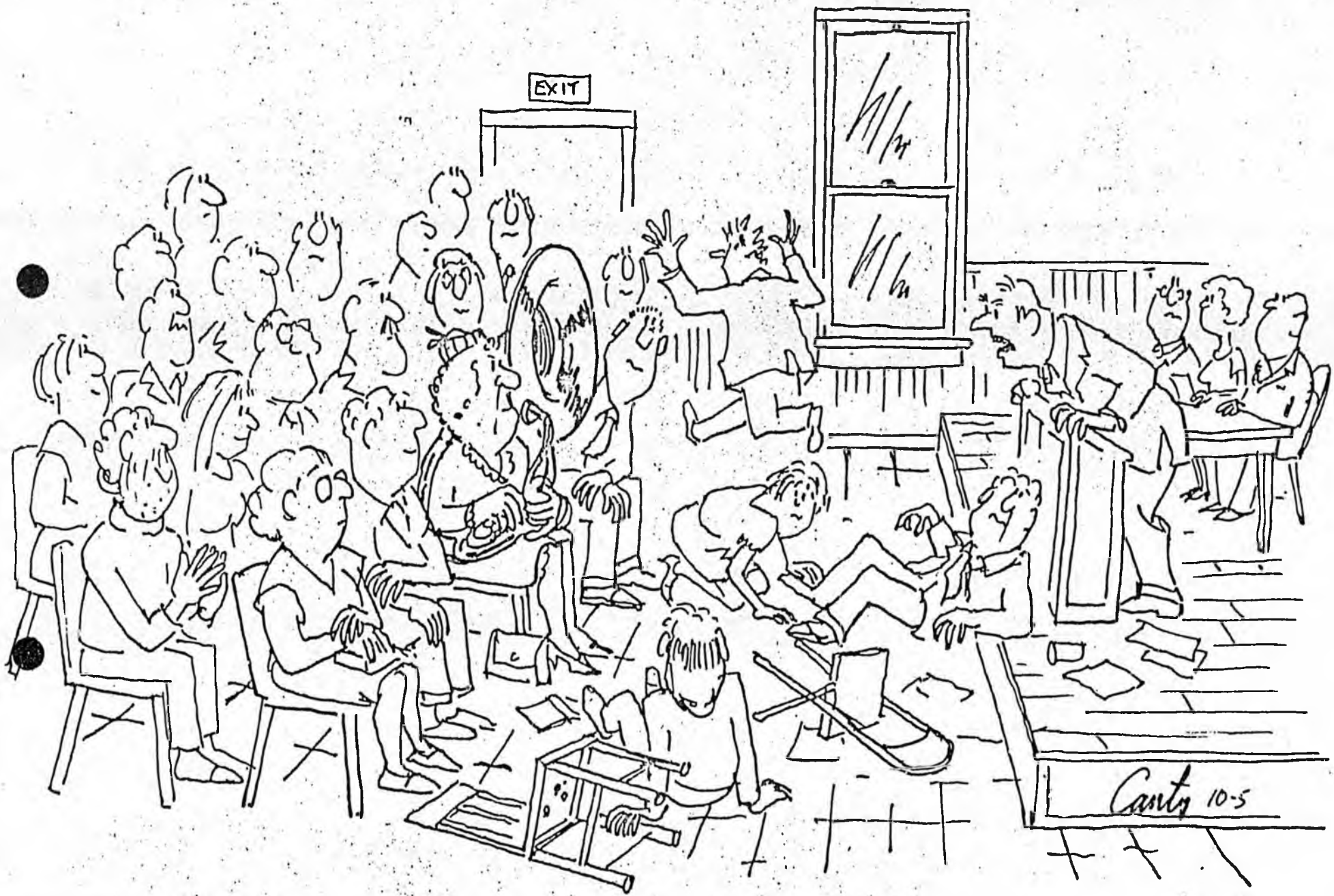

"Mrs. Bakerman, at Town Meeting we can tolerate an occasional 'boo' or 'hiss' but one more blast from your damn tuba will warrant your dismissal!"

'The way I look at it, a quorum's a quorum.'

Punchlines

Do not ask for whom the bell tolls ... and you'll only have to pay station-to-station. —Atlanta Journal.

Our society is becoming almost totally electronic. Soon you'll have to use a computer to count on your fingers.

When push comes to shove, be sure you're not leaning out a window.

It's good to have healthy teeth, they'll fill you with content. If you don't realize it now, you will when they have went.

Now that TV is very much a part of our information system, we throw in one caveat: "One picture may be more misunderstood than a thousand words."

Another view of the election is that it's really heartless to deprive Billy Carter of his means of livelihood.

Don't get stuck with a new form of group insurance. You can't collect until the entire group gets sick.

Are there too many bowl games? Of course there are — but science hasn't come up with a workable vaccine.

Limrix

By LES MOORE

LOVELY SIGHT

Of course, our quadrennial crux
Brought some disappointment, but shucks!
New hope fairly blooms
As the newest of brooms
Intermingle with lamest of ducks!

"I think it's perfectly legal. There's no mention of huddles in the open-meeting law."

"We appreciate your concern, Miss Anson, but we must remind you that the town dump is supposed to be full of garbage."

Opinion

"Since the town sees fit to cut the library funds in half, I therefore, as head librarian, am obliged to make public the names of certain town officials who are in possession of overdue books."

In Our View

The secrecy bill

...the Legislature's Judiciary Committee ...rs' financial statements in secre...

'I still say it's no place to bring a girl on a first date!'

March 7, 1984

House Committee on Community
and Regional Affairs
Pouch V, Capitol Building
Juneau, Alaska 99811

Dear Committee Members:

I am particularly interested in House Bill HJR61, introduced by Representative Niilo Koponen. As I understand it, this bill would put before the Alaska voters a constitutional amendment that would allow each municipality to consider an alternative form of government that might allow for increased public participation in the democratic process.

Kindly send me a copy of this bill for review and consider me a supporter of placing this issue before voters of our state.

Sincerely,

Betsy Pitzman

Betsy Pitzman
Box 1188
Homer, Alaska 99603

From: "New Hampshire Town & City" February 1984

What is Town Meeting all about?

Functions — The annual town meeting is the yearly meeting of the inhabitants of a town to elect the town's officers and to conduct the town's business. It is important to remember the two distinct functions of the annual meeting: 1) to elect town officers; and, 2) to conduct the town's business.

Although some of the town's business may be conducted by ballot during the election of officers, the two functions are distinct.

The town meeting is the legal body for conducting a town's legislative affairs unless a different form of government has been adopted under the Home Rule statute (RSA 49-B). A town meeting may be held whenever necessary to conduct the affairs of the town, but the annual meeting is held to adopt annual operating and capital budgets, enact ordinances and take other actions required or authorized by law.

When and Where — The annual meeting is held on the second Tuesday of March; this year the date is March 8. Some towns operating on the optional July-June fiscal year hold their annual meeting on the second Tuesday of May.

The town meeting ought to be held in a reasonably central and accessible place in the town. (RSA 39:1-b, though, allows a town belonging to a cooperative school district to hold its meeting outside the boundaries of the town in a building owned by the district. If there is voting on prepared, preprinted ballots, that portion of the meeting must be held at the usual polling place in the town and only that business which does not involve use of these ballots can be conducted outside the town.) The place in which town meeting is held should comply with any applicable fire or safety codes. RSA 155:47 requires designation of a non-smoking area in public buildings. In places where it is not possible to effectively segregate smoking, smoking must be totally prohibited. If food will be served for consumption on the premises where town meeting will be held, a poster depicting an anti-choking maneuver, such as the "Heimlich" maneuver, must be posted.

Officers elected — Selectmen, moderator, treasurer, town clerk, supervisors of the checklist and trustees of trust funds are elected at the annual meeting. One selectman is elected each year unless the town has a 5-member board. The moderator is elected every even-numbered year and holds office from the close of the meeting at which elected until the close of the meeting at which a successor is chosen. Town clerks and treasurers are elected annually unless the town has adopted 3-year terms for these positions. One checklist supervisor is elected every even-numbered year to a 6-year term. One trustee is elected each year to a 3-year term, but a town may also choose to annually elect a single trustee or to increase its board of trustees to 5.

Towns have the option of establishing a number of other elective positions including: tax collector, combined town clerk-tax collector, police officers, sewer commissioner, board of auditors, library trustees, highway agents, overseers of welfare, planning board members and fire wards or engineers. In fact, towns can choose such officers as they deem necessary for managing their affairs.

What takes place at Town Meeting?

Moderator's role — The Moderator is the presiding officer at town meeting. RSA 40:4 requires the moderator to "preside in the town meetings, regulate the business thereof, decide questions of order, and make a public declaration of every vote passed." Although there are few general statutory requirements for specific procedures, a town meeting may adopt rules of procedure governing its operation. If formal rules have not been adopted by the town meeting, it would be wise for the moderator to have standards by which to operate. In fact, RSA 40:4 states that a moderator may prescribe rules of procedures, which may be altered by the town.

Regardless of whether formal rules are adopted or not, it is imperative to remember that neither the town nor the moderator may act contrary to state law. For example, if state law requires that an action be taken by specified officers or in a particular manner, town meeting votes inconsistent with those requirements will likely be invalid. Failure to follow state law may lead to court challenges and possible invalidation of town meeting action.

If rules of procedure have been adopted by the moderator or town meeting, motions should conform to these rules. If the town meeting has not adopted rules of procedure, the following procedure could serve as a guide to take action on an article:

(1) Read the article in full as printed in warrant;

(2) Always try to secure a main motion and a second on the article;

(3) Recognize the selectman or person responsible for giving the town meeting the necessary background on the article under consideration;

(4) Open general discussion from the floor;

(5) After the conclusion of discussion, the motion should be restated as printed or amended (it is wise to reduce all motions and subsequent amendments to writing before taking action);

(6) The vote should be taken and the outcome announced. If the vote is to be challenged, this is the appropriate time for action.

Recognition of a motion to "pass over" a warrant article can create confusion and may raise procedural questions. If no governing rules are applicable, the moderator may require motions to be stated in an unambiguous manner so that the intent of the motion is clear. For example, compare these 2 motions: "I move town meeting pass over article X"; "I move town meet-

ing postpone consideration of article X until after consideration of article Y". The exact intent of the latter motion is obviously clearer. If the intent of a motion is to postpone action on the article indefinitely, the motion should be so stated: "I move that consideration of article X be postponed indefinitely".

Actions by the moderator under his extensive traditional and statutory powers may not be reversed except by vote at the town meeting at which the ruling is made. Any qualified voter may appeal to the meeting to overrule the moderator's ruling. The voter should clearly state his objection. The moderator is then obliged to call for a vote of the meeting to see whether his ruling is sustained.

Voting — RSA 654:1 defines a legal voter as an "inhabitant of the state, having a fixed and permanent established domicile, being a citizen of the United States, of the age (of 18)..." Domicile is a "question of factual physical presence incorporating an intention to reside for an indefinite period" and is the "voter's residence" and the "place in which he dwells on a continuing basis for a significant portion of each year." Any person domiciled in the town and on the voter checklist may vote in town elections.

Methods — Most articles are adopted by a majority vote of those voters present and voting. State law may require more than a majority to pass an article, so the laws concerned with each article should be consulted to determine the required vote. Those requiring a ⅔ vote include: (1) to approve all bond and note issues except tax anticipation notes; (2) to accept and expend federal or state grants of aid in connection with any project for which the municipality will incur indebtedness in accordance with RSA 33:7-b; (3) to alter town lines; (4) to acquire or establish a municipal utility plant or ratify a contract of the selectmen for an electric utility; (5) to change the purpose of a capital reserve fund; (6) to approve amendment to a zoning ordinance if a protest petition signed by the required number of affected property owners is filed under RSA 31:64.

There are five usual methods of voting utilized by the town meeting: (1) Voice Vote; (2) Show of Hands; (3) Standing Vote; (4) Division of the House; (5) Written Ballot.

Ballot Votes — Some statutes require or authorize certain types of town business to be decided by ballot votes. If the town uses the official ballot, the procedures for such balloting are employed and the voting is conducted at the same time the election is held. Ballot questions can be placed on the same ballot as that used for the election of officers or may be put on separate ballots. Examples of items which are voted by ballot include zoning, local-option tax exemptions, and alteration in the term or composition of some local boards or officials. The official ballot cannot be used for submitting questions to voters unless use of the official ballot for that article or type of article is specifically required or authorized by law. Any other articles may be taken up only at the business session, although secret balloting is allowed at that time.

Unofficial Ballots — When secrecy of the ballot is desired and the official ballot is not used, a written ballot may be taken. This type of balloting is done when tellers pass out slips of paper on which the voter indicates his decision in writing. The votes are then delivered to the moderator and counted. This type of balloting can be used with the checklist to guarantee that only eligible voters will participate, but can be time consuming.

The moderator must conduct a secret "yes-no" ballot when five voters (three voters in a town of a population of 500 or less) make a written request prior to a voice or division vote on the article. (RSA 40:4-a). If seven or more voters question in writing or orally any non-ballot vote, immediately and before any other business is begun, the moderator must retake the vote by a secret "yes-no" ballot. (RSA 40:40b).

Whether the moderator votes or not is subject to local traditions and personal preference. If it is local tradition that the moderator does not customarily vote, two instances in which he might choose to vote are to break a tie or, if a motion he opposes would otherwise pass by one vote, to cast his vote against it, which would mean defeat of the motion.

Absentee Voting — If the town has adopted the official ballot for town elections, opportunity for absentee voting on all items which will be included on the official ballot must be provided for any registered voter who: 1) will be absent from the town on the day of the election; 2) cannot appear in public on election day due to religious commitment; or, 3) is unable to vote in person by reason of physical disability.

Election of Officers — Towns may elect officers by use of an official ballot, unofficial ballot or other means, such a voice vote, as determined by the town meeting. The official ballot is used when adopted by a previous meeting and is either partisan (Australian) or nonpartisan (RSA 669:11-13). All officers required to be elected at the annual meeting must be elected by use of the official ballot if it is used in the town, otherwise by use of the unofficial ballot. Ballot votes must also be used for election of the following optional officers: town clerk-tax collector, full-time police officers, sewer commissioners, tax collectors with 3-year terms, boards of auditors, and library trustees. Other officers which a town may choose to create and fill by election can be voted for by ballot or by other means as the voters determine. When optional officers are first created, initial officers can be elected at the same meeting by any appropriate means or interim appointments can be authorized. (RSA 669:16 and 17).

Requirements of Office — RSA 669:6 states that unless otherwise provided by law, an elective town office can be filled only by a person who has a domicile in the town. A number of town offices are incompatible under RSA 669:7: (1) No one may at the same time serve as selectman, treasurer, moderator, trustee of trust funds, tax collector, auditor or highway agent; (2) nor may one person simultaneously hold the office of treasurer, moderator, trustee of trust funds, selectman or head of a police department of full-time duty; (3) the same person could not be both treasurer and town clerk; (4) no person handling town funds may also be auditor;

(Continued on next page)

(5) no selectman, moderator, town clerk or election inspector can simultaneously serve as supervisor of the checklist; and (6) no selectman, town manager, school board member, village district commissioner or full time employee of the town, village district, school district or other associated agency may also be an at-large budget committee member under RSA 31:95 and 32. Under RSA 669:8, a town manager may also be manager of a district or precinct wholly or mainly within the town and may be elected or appointed to municipal offices under his supervision, but can hold no other public office except notary public or justice of the peace or tax collector when authorized under RSA 37:16.

Disqualifications — Under RSA 658:24 (which governs state elections but also applies to local elections conducted by official ballot), an election official whose name is on the ballot for a position other than election official is disqualified from performing the duties of election officials for that election. Likewise, RSA 659:58 prohibits an election official, other than the moderator, who is also a candidate from remaining within the guardrail during the counting of votes for the office for which he is a candidate.

The moderator oversees the counting of official ballots by other election officials, including the selectmen and the town clerk (RSA 659:60). Unofficial ballots are counted by the moderator with the assistance of the selectmen and town clerk (RSA 669:58). Officers chosen by unofficial ballot must receive a majority of votes cast to be elected. For offices filled by election by one of the official ballot systems, a plurality vote is sufficient to elect.

Two part town meetings — Some towns elect offices on one day, and complete town business on another day. This can be accomplished in one of two ways: (1) adopting a motion to recess the town meeting and to set another time, date and place to resume the meeting; (2) adopting RSA 39:2-a, which authorizes 2 sessions for the annual town meeting: the first to elect offices and transact other business by official ballot, the second to transact all other town business on a day and time chosen by the selectmen. Such a "bifurcated" town meeting takes effect at the next town meeting, with selectmen required to set the place, day and hour of the second session on the town warrant.

Tape recording — There is no prohibition against recording town meeting procedures. It may even prove useful for town officials to tape town meetings to precisely recall proceedings, such as how amendments were made to warrant items or the exact wording of amendments. Officials who utilize tape recording report that it is particularly useful for bond articles. Bond attorneys may ask about the precise wording of how a bond issue article was presented to voters or how amendments were worded. In general, a tape recording is valuable aid to the town clerk who must report on the proceedings of the meeting.

Reconsideration — A town meeting may reconsider actions previously taken in the same manner as other parliamentary bodies. Procedurally, reconsideration will be governed by the procedural rules adopted by the moderator or town meeting itself. Procedurally, reconsideration will be governed by the procedural rules adopted by the moderator or town meeting itself. A fairly uniform procedure requires that the person proposing reconsideration must have voted with the prevailing side. Sometimes, procedural rules require that reconsideration be made immediately or within a specified period of time. At any rate, reconsideration would be questionable if it were undertaken a substantial length of time after the original action was taken and if the subsequent action was inconsistent with actions taken by others who relied on the original vote and acted reasonably.

Some special considerations are also involved because of the nature of town meeting and the statutes governing town meeting conduct. While no specific statutes govern reconsideration, the distinction between "official ballot" and "deliberative session" actions envisioned by RSA 39 probably means that items required to be voted by official ballot could not be reconsidered at the deliberative session. For example, votes on zoning questions taken by officials ballot could not be revoted at the town meeting after the results of the ballot vote were announced. (In addition, special statutory procedures are called for under RSA 31:74 if someone wishes to obtain a rehearing on a zoning matter decided by town meeting.)

Related to the issue of reconsideration is the matter of attempting to regulate or mandate future town meetings procedures. It is a general rule that rules of procedure adopted by a town meeting expire at the adjournment of that meeting unless readopted at a subsequent meeting, and, in the absence of specific statutory authority, a town may not adopt procedural rules for the governing of future town meetings. That rule, coupled with the doctrine that a town may exercise only those powers granted to it by law, means, for example, that a town meeting could not adopt an ordinance and try to require a ⅔ vote of a future town meeting to repeal or amend that ordinance.

This limitation upon town meeting powers extends only to the power to bind other town meetings and does not necessarily limit a town meeting's power over the exercise of authority by town officials. Recent court decisions, though, have made it clear that a town meeting's authority over other local officials and bodies is limited by state law: if the law vests authority in an official or board other than the town meeting, it is quite possible that town meeting cannot override or alter that delegation of authority.

Recounts — Different statutes govern recounts for elections for town officials and for questions voted on at town meeting. The former are covered by RSA 669:30-35 which allow a recount if a person for whom a vote was cast applies within 15 days after the election to the town clerk and submits a fee of $10. The moderator, town clerk and selectmen constitute a board to recount the votes not less than 7 nor more than 10 days after the recount application is received.

RSA 40:4-c allows 10 or more voters to apply to the town clerk within 7 days after a meeting for a recount

of ballots cast on any question appearing on the official ballot. An application fee of $10 is required. Ballots are recounted in the same manner as an election.

Warrant — Calling a town meeting

Town meetings must be preceded by a warrant, or document, addressed to the voters, which gives notice of, or "warns", the meeting. The warrant must describe the place, day and hour of the town meeting, and specific "articles" or subjects on which the town has the power to act. Articles may be included on the warrant at the initiative of the selectmen. The warrant must include articles presented to the selectmen at least 35 days before the meeting by written petition of 10 or more voters (RSA 39:13).

The selectmen prepare and sign the warrant, and must post an attested copy at the place of meeting and an attested copy in one other public place at least 14 days before town meeting. Under statutory rules for counting, the warrant must be posted this year by February 21 (RSA 39:5). The selectmen would be well advised to have the town counsel check the legality of the warrant articles for form and content. Recent court decisions indicate it is necessary to review enabling legislation to: (1) determine the exact source of authority for town action; and, (2) see what special procedures might be required.

In a town which uses official ballots, the warrant must clearly specify those articles to be voted on by ballot at the election and those which will be considered at the business meeting. The town's annual report, including the proposed budget, must be made available 7 days before the town meeting. (For more information about annual reports, see the November 1980 issue of N.H. Town and City.) Although some warrants contain an article at the end, "To transact any other business which may legally come before the meeting", action taken under this general provision is limited in scope because of the requirement that subjects on which the meeting will act must be specifically included in the warrant.

Reminders

Many statutes were amended by the 1983 legislature. While it is not possible to address the details of all of these changes here, it is appropriate to remind municipalities of new procedures or statutory authorizations which may require consideration by the town meeting.

Deputy Tax Collectors

All towns must now have a deputy tax collector, RSA 41:38, or deputy town clerk/tax collector, RSA 41:45-c. The town should remember this when formulating its budget.

Central Business Service Districts

Municipalities are now authorized to establish central business service districts in high density areas of predominantly commercial uses. The costs of providing special services, exclusive of capital expenditures, may be an additional charge within the district. RSA 31:120-:125.

Incompatible Offices

Selectmen may not be full time employees of the town. RSA 669:7.

Bonds

RSA 33:7-b, :8 and :8-a are amended to make clear that a *ballot* vote of ⅗ of those present is necessary when issuing bonds.

Fines

RSA 31:39 was amended to increase the maximum fine which may be imposed by a municipality for violation of a local ordinance to $1,000. A town may wish to increase its fines accordingly.

Libraries

Towns may authorize their library to retain money received from its income generating equipment to be used for general repairs and upgrading and for the purchase of books, supplies and equipment. RSA 202-A:11-a and :11-b.

Road Agents

A town may elect a road agent for a term of up to three years by following the procedures contained in RSA 231:62-a and :62-b.

Town records got you down?

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HJR

69

COMMITTEE REPORT

HOUSE

(7) FURTHER:

2/15/84 Date: 2-22-84

The Committee on COMMUNITY & REGIONAL AFFAIR has had HJR 69

Disapproving the Local Boundary Commission recommendation for annexation of territory to the City of Hoonah.

under consideration and recommends:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

H. Metcalfe

M. Finkelstein

M.W. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.W. Miller
CHAIRMAN

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

February 15, 1984

P.S.A.

THE HOUSE AND SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEES WILL BE HOLDING A PUBLIC HEARING VIA TELECONFERENCE ON HJR 69 AND SJR 41; WEDNESDAY, FEBRUARY 22, AT 3:15 P.M. IN ROOM 110 OF THE BEHRENDS BUILDING. THE TWO BILLS WOULD DISAPPROVE THE LOCAL BOUNDARY COMMISSION RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF HOONAH. FOR INFORMATION REGARDING HJR 69 AND SJR 41, CONTACT SHIRLEY DREAS WITH HOUSE COMMUNITY & REGIONAL AFFAIRS AT 465-3870. FOR MORE INFORMATION REGARDING THE TELECONFERENCE, CONTACT YOUR LOCAL LEGISLATIVE INFORMATION OFFICE OR TELECONFERENCE CENTER.

CITY of HOONAH

P.O. Box 360
HOONAH, ALASKA 99829

Senator Richard Eliason
Pouch V
Juneau, Ak. 99811

February 15, 1984

Re: City of Hoonah Annexation Petition and Brief

Dear Senator Eliason,

You are hereby requested to proceed with having the Petition for Annexation rejected by both Houses of the Legislature in its present form.

Please be informed by myself that the purpose of the request is to allow for a meaningful dialogue and exchange of ideas between the City Council of Hoonah and the affected property owners during the forthcoming year so that a future annexation request is one arrived at through a consensus of the various parties.

If you have any questions, please feel free to contact me.

Sincerely,

Michael J. Tavoliero
Hoonah City Manager

CITY of HOONAH

P.O. Box 360

HOONAH, ALASKA 99829

RESOLUTION NO: CC-84-14-02-02

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HOONAH, ALASKA, RESCINGING RESOLUTION NO. 83-09-22-01 IN ORDER THAT THE ANNEXATION ISSUE MAY BE REVIEWED FOR A PERIOD OF ONE YEAR AND REEVALUATED WITH INPUT FROM ALL AFFECTED PROPERTY OWNERS.

WHEREAS, The City of Hoonah previously passed a resolution directing the City Manager to submit a petition for annexation to the State Local Boundary Commission; and,

WHEREAS, The City Manager submitted such a petition; and,

WHEREAS, There is a legitimate concern among several of the affected property owners that there was an insufficient dialogue and exchange of ideas prior to the submission of the Petition for Annexation; and,

WHEREAS, It would be beneficial to the City of Hoonah and to the affected property owners to have such a period of dialogue with the exchange of ideas and concepts.

NOW THEREFORE BE IT RESOLVED by the Hoonah City Council that the City Manager is hereby directed to prepare and submit a letter to Senator Richard Eliason and Representative Ben Grussendorf requesting that the Petition for Annexation be rejected by both Houses of the Legislature in its present form.

FURTHER, that Senator Eliason and Representative Ben Grussendorf be informed by the City Manager that the purpose of the request is to allow for a meaningful dialogue and exchange of ideas between the City Council of Hoonah and the affected property owners during the forthcoming year so that a future annexation request is one arrived at through a consensus of the various parties.

ADOPTED this 14th day of February, 1984, by a duly constituted quorum of the City Council, Hoonah, Alaska.

Miles N. Murphy

Miles N. Murphy, Mayor

ATTEST:

Bertina Jack

Bertina Jack, City Clerk

H[redacted] TOTEM CORPORATION RESOLUTION [redacted]3
RESOLUTION OF THE HUNA TOTEM CORPORATION BOARD OF DIRECTORS
RE: RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF HOONAH

WHEREAS, Huna Totem Corporation is the major property owner in the area sought to be annexed; and

WHEREAS, Huna Totem Corporation has eight hundred seventy five (875) shareholders registered to Hoonah, Alaska; and

WHEREAS, Huna Totem Corporation Board of Directors is concerned that the annexation as proposed is not in the best interest of either the residents of the City of Hoonah or the shareholders of Huna Totem Corporation; and

WHEREAS, there are certain factual inaccuracies contained in the Recommendation for the Annexation of Territory to the City of Hoonah prepared by the Local Boundary Commission; and

WHEREAS, there has been a failure by the City of Hoonah to adhere to statutory and regulatory requirements for the processing of its Petition for Annexation;

NOW THEREFORE, BE IT HEREBY RESOLVED that the Huna Totem Corporation Board of Directors oppose the recommendation for the annexation of territory to the City of Hoonah in its present form; and

FURTHER, that the Board of Directors propose to the Alaska State Legislature that the annexation issue be reevaluated during the coming year; and

FURTHER, that the Huna Totem Corporation Board of Directors actively seek legislative rejection in both the Senate and House of the recommendation for annexation in its present form.

BE IT SO RESOLVED this 29th day of January 1984.

HUNA TOTEM CORPORATION

BY: Frank O. Williams Jr
CHAIRMAN OF THE BOARD

SEAL:

BY: Marlene A. Johnson
CORPORATE SECRETARY

(276)

PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
OF TERRITORY TO THE CITY OF HOONAH AS PROPOSED BY
THE LOCAL BOUNDARY COMMISSION TO THE SECOND SESSION
OF THE THIRTEENTH LEGISLATURE

We the undersigned Shareholders of Huna Totem Corporation request that the Alaska State Legislature, both Senate and House, reject the recommendation of the Local Boundary Commission for the annexation of territory to the City of Hoonah. Namely, we are opposed to the annexation in the present form containing 9.68 square miles, more or less. We are opposed to the requested annexation because it is not in the best interest of either the City of Hoonah or the property owners of the area sought to be annexed.

NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Richard G Dalton Sr	Richard G Dalton Sr	second st Box 154	Hoonah AK 99829
Richard G. Dalton Jr.	Richard G. Dalton Jr.	2nd St. Box 467	Hoonah AK. 99829
Deborah A. Dalton	Deborah A. Dalton	2nd St	Box 154 Hoonah, AK. 99829
Allen J. Johnson	Allen J Johnson	2nd St	P.O. Box 171; Hoonah, AK 99829
JOHN N MARVIN SR	John N Marvin Sr		P.O. Box 336 HOONAH AK 99829
WILFRED J JOHNSON SR	Wilfred J Johnson Sr.	2nd St	PO Box 357 HNH AK 99829
RAYMOND C. PRATT SR.	Ray C. Pratt Sr.	Hemlock	12 Dangeon Dr. Box 154 Hoonah AK.
Wilbur Skeek	Wilbur Skeek	Box 174	Kake AK 99829
Leona Marie Lindoff	Leona Marie Lindoff	#2 Hemlock	Box 325 Hoonah, AK. 99829
FRANKLIN DOLF	Frank Lindoff	#2 Hemlock	Box 325 HOONAH, AK. 99829
GEORGE A LINDOFF	George Lindoff	605 Grant St.	Box 325 Hoonah, Ak 99829
RUTH LINDOFF	Ruth Lindoff	605 Grant St.	Bx 325 Hoonah 99829
NINA M. DICK	Nina M. Dick	Hemlock St.	Box 362 Hoonah 99829
LARRY R. SANDERS JR	Larry R. Sanders Jr.	Salmon Loop	Box 273 Hoonah AK 99829
HARLENA E. SANDERS	Harlena E. Sanders	Salmon Loop	Box 273 Hoonah AK 99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
STOHAN A DYRDAHL	Johan A Dyrdahl	Space 43, Switzerville Haga	6590 GLACIER HWY SP 43 JUNEAU, ALASKA 99801
Marilyn Williams	Marilyn Williams	PO Box 278 606 dayle drive	Box 278 Hoonah AK 99829
CATHY M. LINDOFF	Cathy M. Lindoff	Gen. Del.	Hoonah, AK 99829
LoreHa A. WILLIAMS	Loretta A. Williams	See St	Box 335 Hoonah, AK 99829
Leslie Nick Hillman	Leslie N. Hillman	#16 See St	Box 377 Hoonah, AK 99829
MARLENE A. WHITE	Marlene A. White	Box 201 Douglas Drive - House # 17	Hoonah AK 99829
Darlene A White	Darlene A. White	Box 201 Douglas Drive - House #17	Hoonah AK 99829
Frank C White Jr.	Frank C White Jr.	box 201 douglas drive House #17	Hoonah AK 99829
JOHN S. SHOTTER JR.	John S. Shotter Jr.	634 Douglas Drive	Box 186 HOONAH AK 99829
Charles O. Bennett	Charles O. Bennett	634 Douglas Drive	Box 255 Hoonah, Alaska 99828
EVERETT J. GLOVER SR	Everett J. Glover Sr.	624 Douglas Drive	Box 355 Hoonah Alaska 99829
Eunice M. Glover	Eunice M. Glover	624 Douglas Drive.	Box 355 Hoonah Alaska 99829
Dennis H. Gray	Dennis H. Gray	#11 See ST	Box 415 Hoonah, Alaska 99829
Jacob White Sr.	Jacob White Sr	~~Box 320~~ 2nd St Hill St.	Box 322 Hoonah Alaska
Gerard C White	Gerard C White		Box 155 Hoonah Alaska 99829.

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
John Hinchman Jr.	John Hinchman Jr.	#3 Douglas Drive	Box 203 Hoonah AK
Jacob White JR.	Jacob White Jr	Carteenie street	Box 474 Hoonah, AK.
Joseph J White sr	Joseph J White Sr	Carteenie Street	Box 264 Hoonah, AK.
Sandra Gonzalez	Sandra Gonzalez	Second Street	Box 284 Hoonah, AK.
James L. Dybdahl	James L. Dybdahl	Cannery Road	Box 247 Hoonah, Ak. 99829
Johanna K. Hinchman	Johanna K Hinchman	Cannery Road	Box 203 Hoonah, AK. 99829
JAMES A White	James A White	Second Street	Box 305 Hoonah, AK 99829
James M. LINDOFF JR.	James M Lindoff Jr	Douglas Drive	Box 016 Hoonah, Alaska 99829
Geraldine A Gray	Geraldine A Gray	Douglas Drive.	PO Box 476 Hoonah Alaska 99829
Frederick G. Lee	Frederick G Lee	See St	PO Box 213 Hoonah Alaska 9982
George Johnson Sr	George Johnson Sr	St Garnet	PO Box 324 Hoonah AK 9982
George Johnson Jr	George Johnson Jr	Martoni St	PO. Box 324 Hoonah ak 99824
George W Obert Jr	George W Obert Jr	#5 Carteenie Ave	PO Box 313 Hoonah, Ak 99829
MAUREEN E OBERT	Maureen E. Obert	#8 Carteenie Ave.	PO Box 313 Hoonah, Ak 99829
Paul Wright	Paul N Wright	See St	PO Box 131 " " 9982

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Eli SHARclAE	Eli Shoreline	Douglas Drive #4	Box 224 Hoonah Alaska
GARY M. BROWN Sr.	Gary M. Brown Sr.	Grant St.	Box 381 Hoonah Alaska
JOHN A WOLFE	John A Wolfe	611 Douglas Drive	Box 319 Hoonah Alaska
Gertrude Wolfe	Gertrude Wolfe	611 Douglas Drive	Box 319 Hoonah Alaska
Ray Howard Jr	Ray Howard Jr.	Douglas Drive	Box 187 Hoonah, Alaska
Earl K Austin	Earl K austin	one way street	Box 335 Hoonah, Alaska
Dave T Howard	Dave T Howard	Douglas DRive	Box 187 Hoonah Alaska
Ray Howard Jr	Ray Howard Jr	Douglas Drive	Box 187 Hoonah Alaska
JERRY WHITE Sr.	Jerry White Sr	Douglas Drive	Box 334 Hoonah, Alaska
Phillip Shoreland	P Phillip Shoreland	See 5	Box 227 Hoonah, Alaska
William W. James Jr	William James Jr.	80 Front St	P.O. Box 338 Hoonah, Alaska
Marie E. Howard	Marie E. Howard	Douglas Drive	Box 187 Hoonah Alaska
Daniel R. Shoreland	DANIEL R SHORELAND	Route 5	Box 22 Hoonah Alaska
Elizabeth A. PRATT	Elizabeth A. Pratt	Douglas Drive	Box 354 Hoonah, Alaska
Rachel C. Madden	Rachel C Madden	Douglas Drive	Box 232 Hoonah

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Agnes Lindoff	Agnes Lindoff	#11 Front	Box 285 Hoonah Alaska
Kenneth F. Austin	[illegible]	Hemlock Drive	Box 342, Hoonah, AK 99829
Daniel P. Brown	Daniel P. Brown	6590 Glacier Hwy. #136	Juneau, Alaska 99801 (789-7023)
FREDRICK L STEVENSON	Fredrick L Stevenson	See ST 263	Hoonah Alaska 99829
Gerald Lindoff	Gerald Lindoff	Douglas Dr. 325	Hoonah, Alaska
BERNICE A. EASTERLY	Bernice A. Easterly	CANNERY Row House #4	Box 197 HOONAH ALASKA 99829
Marlene A. Johnson	Marlene A. Johnson	#1 Hill St.	P.O. Box 218 Hoonah, Ak. 99829
Polly J St Clair	Polly J St Clair	Front St #11	PO 246 Hoonah AK.
Calvin St. Clair	Calvin St. Clair	Front St #11	Box 246 Hnh AK 99829
Dale St Clair	Dale St Clair	Front St #11	Box 246 Hnh AK 99829
Thomas L. Mills	Thomas L Mills	#6 Ft St.	POBox 259 HOONAH AK 99829
James Austin	James Austin	13 Salmon Loop Dr.	Hoonah AK 99829
George Martin Sr.	George Martin Jr.	Hill St	Hoonah Alaska 99829 Box 363
Libby E. White	Libby E White		Hoonah Alaska 99829 Box 323
Harold Dick Sr.	HAROLD DICK	Douglas Dr.	HOONAH, ALASKA Box 326

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PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
OF TERRITORY TO THE CITY OF HOONAH AS PROPOSED BY
THE LOCAL BOUNDARY COMMISSION TO THE SECOND SESSION
OF THE THIRTEENTH LEGISLATURE

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Paul Smith Sr	Paul Smith Sr	See St.	Hoonah, Alaska. Box 213
HENRY KATASSE Sr.	Henry Katasse Sr.	#23 2ND ST.	Hoonah Alaska Box 315
Jeffrey P Mills	Jeffrey P Mills	2nd St	Hoonah Alaska 99829
John M Sharclane	John M Sharclane	NO. 66 ROOSEVELT ST. P.O Box 122	Hoonah, Alaska 99829
Charlie G Sharclane	Charlie G Sharclane	#66 ROOSEVELT ST. P.O. BOX 122.	Hoonah, Alaska 99829
Myrna R. Sharclane	Myrna R. Sharclane	#66 Roosevelt St.	Hoonah, Alaska 99829 - P.O. Box. 122
Leroy W. Williams	Leroy W. Williams	#62 Roosevelt st.	Hoonah, Alaska 99827 P.O Box 427
Geraldine R Williams	Geraldine R Williams	62 Roosevelt St.	Hoonah Alaska 99829 P.O Box 427
Mary Wilson	Mary Wilson	62 Roosevelt	Hoonah Alaska 99829 Box 282
Leonard Gray	Leonard Gray	Hemlock st	Box 426 Hoonah alaska 99829
Hubert Brown	Hubert Brown	DOUGLAS DRIVE P.O. Box 396	HOONAH AK.
Lilly Ann James	Lilly Ann James	Grant Street P/O BOX 456	Hoonah AK 99829
Isaac Koenig	Isaac Koenig	Garteen St.	Box 216 Hoonah, Alaska 99829
Jacob Wright	Jacob Wright	Alee Street	BOX 131 Hoonah alaska 99829
MARTHA B Wright	Martha Wright	2ND ST. 48.	BOX 151 HOONAH. ALASKA 99829

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PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Gregory O. Brown	Gregory O. Brown	Gartteni St.	P.O. Box 314 Hoonah, AK 99829
William R. Cook Jr.	William R Cook Jr.	Douglas Drive #613	PO Box 233 Hoonah AK 99829
Genevieve Cook	Genevieve Cook	" "	P.O. Box 233 Hoonah, AK. 99829
Ida Jean Sheakley	Ida J. Sheakley	Douglas Drive 633	P.O. Box 486 Hoonah ak 99829
Beverly E Sheakley	Beverly E. Sheakley	Douglas Drive 633	Box 486 Hoonah, AK 99829
KENNETH R. BEAM	Kenneth Beam	gartteni st	Box 271 Hoonah, AK 99829
ROGER W. KOENIG	Roger W. Koenig	DOUGLAS DRIVE "	P.O. Box 351 " " "
Ernest Jack	Ernest Jack	Gartteni St	Box 94 Hoonah AK
Mildred Jack	Mildred Jack	Gartteni St	Box 94 Hoonah Alaska
Rosie Stevenson	Rosie Stevenson	Gartteni St	Box 92 Hoonah Alaska
Marlene Greenewald	Marlene Greenewald	Gartteni St.	Box 143 Hoonah, Ak 99829
David R. Neal	David R. Neal	Douglas D.	P.O. BOX 414 HOONAH, AK 99829
DEAN C SHARCLANE	Dean C Sharclane	Roicivelt st.	P.O Box 122 99829 Hoonah AK 99829
PATRICK G. MILLS	Patrick G. Mills	#60 2nd Street	P.O BOX 343 Hoonah, Ak 99829
Barbara Katasse	Barbara Katasse	#23 2nd Street	Box 315 Hoonah, Alaska 99829

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PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Charlie Wright	Charlie Wright	See St	Box 203 Hoonah, Alaska
Mildred Wright	Mildred Wright	See St	Box 203 Hoonah, Alaska
William Lee Sr	William Lee Sr	Lee St	X Hoonah Alaska
Thomas Jack Jr	Thomas Jack Jr	Douglas Dr	Box 359 Hoonah Alaska
Christine H Jack	Christine H Jack	Douglas Dr.	Box 359 Hoonah Ak
Archie J. Brown Sr.	Archie J. Brown Sr.	Douglas Dr.	Box 383 Hoonah, Alaska 99829
Howard H. Knudson	Howard H. Knudson	City Dock	Box 737 Hoonah, Ak 99829
Jerry White JR.	Jerry White Jr.	Chartthi St.	Box 94 Hoonah AK 99829
Wilbur H. JAMES Sr.	Wilbur H. James Sr.	Grant St.	Box 338 Hoonah Alaska
Ladonna Fay Dybdahl	Ladonna Fay Dybdahl	Cannery Rd	P.O. Box 247 Hoonah, Ak 99829
Norman Smith	Norman Smith	See St.	P.O. Box 213 Hoonah AK 99829
Rowan Smith	Rowan Smith	See St	P.O. Box 21[illegible] Hoonah AK [illegible]
Mike J. Lindoff	Mike J. Lindoff	Douglas Dr	P.O. Box 325 Hoonah, AK 99829
Jack M. Lee	Jack M. Lee	Front St.	P.O. Box 261 Hoonah, Alaska 99829
Frank G Wright Sr	Frank G Wright Sr	Front Street	Gen Del Hoonah Alaska 99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Anthony G. Wells	Anthony G. Wells	3rd St. House #30	Box 291, Hoonah, Alaska 99829
Ralph Austin Sr.	Ralph Austin Sr.	2nd St. House #39	Box 342 Hoonah AK. 99829
[illegible]	[illegible]	resident st	[illegible]
Lonnie L. Wilkinson	Lonnie L. Wilkinson	Hemlock St	General Hoonah AK
Josephine Lindoff	Josephine Lindoff	Hemlock St	325 HNH AK
Walter Lindoff	Walter Lindoff	Stall 4	302 HNH AK
Juliana C. Jackson	Juliana C. Jackson	Hill St. #49	P.O. Box 113 Hoonah, AK 99829
Joe G Brown	Joe G. Brown	Hill St. #49	P.O. Box 113 Hoonah AK. 99829
Robert A Guay	Robert A Guay	Box 317 HNH	P.O. Box 317 Hoonah 99829
Harold G. McKinley Sr.	Harold G. McKinley Sr.	Douglas Dr.	P.O. Box 364 - Hoonah, AK. 99829
Gloria McKinley	Gloria McKinley	Douglas Dr.	P.O. Box 364 Hoonah Alaska
Harold G. McKinley Jr.		Douglas Dr.	P.O. Box 364 Hoonah, AK. 99829
Fay L. Gallagher	Fay L. Gallagher	Cannery Road	P.O. Box 133 Hoonah, AK. 99829
Darrel A. Austin	DARRELA. AUSTIN	(611 W. 7th #2, Juneau, AK. 99801)	
Marilyn E. Bean	Marilyn E. Bean	Gartfield Road	P.O. B 226 Hoonah, AK. 99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
GERALD P. GRAY SR.	Gerald P. Gray Sr.	Hoonah Alaska	P.O. Box 294
Geri Perrin	Geri Perrin	Juneau Alaska	P.O. Box 951
~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~
Doris M Wright	Doris M. Wright	Hoonah Alaska Dropped Pingley See st.	Box 341
William J Lee Jr.	William J Lee Jr.	Box 213	Hoonah, Alaska

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PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Edalie Sturman	Edalie Sturman	Huna Totem Lodge Gartteeni St.	Box 473 Hoonah. AK. 99829
Lynn DeCelles	Lynn DeCelles	Whitestone Log Camp #1	Box 389 Hoonah, AK 99829
~~Jeff~~ Martha Alec	Martha A. Lee	~~[redacted]~~ Grant St.	Box 211 Hoonah AK 99829
JACQUELINE S. CROPLEY	Jacqueline S. Cropley	Sea. St.	Gen. Del: Hoonah, AK 99829
Bill Bivin	W Bivin	22 SECOND St.	Box 462, Hoonah 99829
Raia Meltzer	Raia Meltzer	White Alice Site	Box 290 Hoonah, AK 99829
~~Jim~~ Richard L. Meyer	[illegible]	Garteeni St.	Box 463, Hoonah AK 99829
KEITH J. WALKER	Keith J Walker	Salmon Loop	Box 423 Hoonah AK 99829
Richard J. Keown	Richard Keown	Douglas Dr.	Box 225 Hoonah AK 99829
Karen L Mills	Karen L. Mills	#60 Second St.	P.O. Box 343, Hoonah, AK 99829
KATHLEEN J. MILLS	Kathleen J. Mills	, SECOND St.	P.O. Box 265 Hoonah, AK 99829
Frederick J. Stevens, Jr.	Frederick J. Stevens Jr.	109 Grant St.	General Del.
Wanda J. Culp	Wanda J. Culp	Roosevelt St.	P.O BOX 259, Hoonah, AK 99829
ROBERT E. COOK	Robert E Cook	CANCELCOW	P.O Box 252, HOONAH AK
WALTER P. PRATT	Walter P. Pratt	#46 2nd St.	GENERAL DELIVERY. HOONAH AK.

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
[illegible]	[illegible]	Box 284 Hoonah	
Kathleen E. White	Kathleen E. White	Box 365 Hoonah	same
Paul M. Smith Jr	Paul M. Smith Jr.	P.O. Box 213 Hoonah	
[illegible]	[illegible]	Box 254 HOONAH	
[illegible]	[illegible]	Box 254 HOONAH	
ARVID PUUSTINEN	Arvid Puustinen	Gen Del Hoonah	
RICHARD L. MEYER	[illegible]	PO Box 463 Hoonah	Same
WINSTON H. DARKOW	[illegible]	PO Box 320 HOONAH	Same
Barbara A Darkow	[illegible]	PO Box 320 Hoonah	—
Charlene White	Charlene White	Box 474 Hoonah	SAME
[illegible]	[illegible]	Box 322 Hoonah	Same
Martha Alee	Martha A. Lee	Box 261 Hoonah AK	Same
Carlie Ann Brown	Carlie Ann Brown	Box 383 Hoonah	
TENA WALKER	Tena E. Walker	BOX 432 HOONAH	SAME

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
EDWARD STEWART	Edward Stewart	Whitestone Log	Box 389 Hoonah, AK, 99829
SHIRLEY STEWART	Shirley Stewart	Whitestone Logging Camp	Box 389 Hoonah, AK 99829
Clarence Dodge	Clarence A Dodge	"	" Hoonah AK 99829
Phyllis Dodge	Phyllis Dodge	Whitestone Logging Camp	Box 389 Hoonah Ak 99829
HOWELL, DOUGLAS	Douglas Howell	Whitestone Logging Camp	Box 389 Hoonah ak 99829
HOWELL, JACQUELINE	Jacqueline Howell	Whitestone Logging Camp	Box 389 Hoonah ak 99829
PERRY, BOECHER	Perry Boecher	whitestone Logging Camp	Box 389 Hoonah ak 99829
CHERYL BOECHER	CHERYL BOECHER	Whitestone Logging Camp	Box 389 Hoonah ak 99829
CLEMUS Stafford	Clem H Stafford	Whitestone Camp	Box 472 Hoonah Ak 99829
PEGGY M STAFFORD	Peggy M Stafford	Whitestone Camp	Box 472 Hoonah Ak 99829
Gordon Garlock	Gordon G. Garlock	" "	Box 389 " "
Dalia C Garlock	Dalia Garlock	" "	Box 389 " "
Barbara C. Wiltse	Barbara C. Wiltse	" "	" " "
JEFFREY MILLER	Jeffrey Miller	Whitestone Camp	Box 389 Hoonah ak 99829
Layne Miller	Layne E Miller	Whitestone Camp	Box 389 Hoonah ak 99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
JAY E. BEATTIE	Jay E. Beattie	Whitestone Log Camp	Box 389 Hoonah AK 99829
LaDonna I. Stafford	LaDonna I. Stafford	Whitestone Log Camp	Box 389 Hoonah, AK 99829
Lee W. Stafford	Lee W. Stafford	Whitestone Log Camp	Box 389 Hoonah, AK 99829
Frank R. Moore	Frank R. Moore	Whitestone Log Camp	Box 389 Hoonah, AK 99829
Tonya V. moore	Tonya V. Moore	Whitestone Log Camp	Box 389 Hoonah, AK 99829
Leslie o Hthe	Leslie o Hthe	white stone Log Camp	Box 389 Hoonah, AK 99829
William C Ely	William C Ely	White stone Log Camp	Box 288 Hoonah, AK 99829
CRAIG TEMANSON	Craig Temanson	WHITESTONE Log CAMP	Box 288 HOONAH, AK. 99829
Pamela A. Ely	Pamela A. Ely	Whitestone Log Camp	Box 288 HOONAH, AK, 99829
DAVID JONES	David Jones	Whitestone Log Camp	Box 389 Hoonah Ak.
Dotty Jones	Dotty Jones	White Stone Log Camp	Box 389 - Hoonah Alaska
Connie Beattie	Connie Beattie	WhiteStone Log Camp	Box 389 - Hoonah Ak 99829
Kathy Carroll	Kathy Carroll	Whitestone Log	Box 426 Hoonah AK 99829
Jim Carroll	Jim Carroll	Whitestone Log	Box 426 Hoonah AK 99829
Diana Owens	Diana Owens	Whitestone Log	Box 389 Hoonah, AK 99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Laura L. Meyer	Laura L. Meyer	Front St., Hoonah, AK	P.O. Box 463, Hoonah, AK 99829
Conchita A WALKER	Conchita A Walker	Samson Cove Rd, Hoonah, AK	P.O Box 433 Hoonah AK 99829
Tom Cobbell	[illegible]	Box 375 Hoonah, Ak.	Box 375 Hoonah, AK 99829
Terry Nikodym	[illegible]	PO Box 389 Hoonah, AK	
Jimmy R Martin		PO Box 389 Hoonah	
Dee Nikodym	Dee Nikodym	P.O. Box 389 Hoonah	Same
Megan Garvey	MEGAN GARVEY	PO Box 405 Hoonah	Same
Tim Garvey	Tim Garvey	P.O. Box 405 Hoonah	Same
Ruth Martin	Ruth Martin	Box 389 Hoonah	99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Dave Owens	Dave Owens	Whitestone Log	Box 389 Hoonah, Ak 9982
Laurie Carroll	Laurie Carroll	Whitestone Log.	Box 421c Hoonah, Ak. 9982
Robert Southwell	Robert Southwell	Whitestone Log	Box 289 Hoonah AK. 99829
Judy Southwell	Judy Southwell	Whitestone Log	Box 289 Hoonah AK 99829

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
GRACE SHARCIANE	Grace Sharciane	Douglas Drive #4	Box 224 Hoonah
Browne (W.) Willard	Browne Willard	Grant St.	Gen. Del. Hoonah
RUTH WILLARD	Ruth Willard	grant St	Gen. Del Hoonah.
Julia Brown	Julia Brown	Douglas Drive	Box 396 Hoonah

PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
HARVEY B. MARVIN	Harvey B Marvin	222 7th Street	222 7th Street 99801
CAROLYN L. MARTIN	Carolyn L. Martin	236 SWITZER VILLAGE	P.O. Box 403, Juneau 99802
David MARVIN Sr.	David Marvin Sr.	Mob. Haven Trailer Court #17	P.O. Box 789 99802
ERNEST Hillman Sr.	Ernest Hillman Sr	1744 Glacier Ave.	1744 Glacier Ave. Juneau AK 99801
Janice MARVIN Garner	Janice Marvin Garner	222 7th Street	222 7th Street 99801
LeRoy MARVIN	LRay Marvin	222 7th street	222 7th Street 99801
Wm O. Shoakley	Wm O Shoakley	26 Valley cut Juneau	BX 288, Douglas 99824
John T. Hillman	John T Hillman	1744 Glacier Ave.	1744 Glacier Ave Juneau, AK 99801
VERONICA M. HILLMAN	Veronica M. Hillman	1744 Glacier Ave	1744 Glacier ave Juneau ak 99801
Valerie M. Hillman	Valerie M. Hillman	1744 Glacier Ave	1744 Glacier ave Juneau, AK. 99801
Sophie Frances M.	Sophie F Marvin	Box 789	Box 789 Juneau 99801
Violet J. James	Violet J. James V.J.J.	Lemon creek manor #7 P.O. Box 1051	P.O Box 1051 99802 Juneau, Ak.
Ralph Knudson Sr.	Ralph Knudson Sr.	6590 Glacier Hwy # 34	Juneau AK. 99801
Harriet J Knudson Sr.		6590 Glacier Hwy #34	Juneau, AK 99801
HARRIET J. KNUDSON SR.	Harriet J Knudson Sr.		

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Lillian MARVIN	Lillian Marvin	222 7th Street	222 7th Street 99801
Johanna MARVIN Dandoy	Johanna Marvin Dandoy	230 S. Franklin St	230 S. Franklin St. Apt. 803 99801
Edwina Dodson	Edwina Dodson	230 S Franklin St	Same 99801 (same as mailing address)
Kathleen M. Valentine	Kathleen M. Valentine	3-6500 S. Jct. #176	Juneau Alaska 99801
Victoria a. Watkins	Victoria a Watkins	323 Decker Way	Juneau Alaska 99801
Martha NASHOANAK	Martha Nashoanak	A-4 Cedar Park	A-4 Cedar Park Juneau AK 99801
Charles F. Fawcett Sr.	Charles F. Fawcett	2id. Mail	3-6500 - S. J. #175 Juneau Mail
Roberta Fawcett	Roberta Fawcett		
HAZEL A PAUL	Hazel A Paul	230. So. Franklin St Apt #706	230. So. Franklin St Apt #706
Donna M Hernandez	Donna Hernandez	157 S Franklin St.	Mobil JP #4. North Douglas.
Alfred McKinley, SR	Alfred McKinley, Sr.	816 Dixon	P.O Box 713, Juneau, AK 99802
Betty Houston	Betty Houston	1278 Franklin #204	(same) Juneau Alaska 99801
Irene L. Lampe	IRENE L. LAMPE	P.O. Box 1833, JNU, AK 99802	Same
Sharon A Schoonover	Sharon A Schoonover	1918 Lemon Ck. Rd.	1918 Lemon Ck Rd Juneau, AK 99801
Lucille Dundas	Lucille Dundas	525 W. 10th Juneau, AK 99801	525 W. 10th Juneau, Ak 99801

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NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Katherine Mills	Katherine Mills	503 (Seat 10th)	Juneau, Alaska 99801. (P.O. Box 318 - Hoonah, Alaska 99839) mailing address
Darlene M Church	Darlene Church	3612-93 Anadyr	Juneau Alaska 99801
Timothy P Lindoff	Timothy P Lindoff	431 Seward St.	Juneau, Alaska 99801
Ida Strathley	Ida F Strathley	P.O Box 486	Hoonah AK 99829
Laura Williams	Laura Williams	P.O. Box 8??	Juneau Ak 99802
Rita Marvin	Rita Marvin	8477-34 Thunder Mt	Juneau AK 99801.
Katherine M. Marvin	Katherine M. Marvin	P.O Box 789	Gun-D AK 99801
Dorothy Rhodes	Dorothy Rhodes	9½ Glac. Hwy	P.O. Box 1181 Juneau, ak 99802
Lillian Jessie Hillman	Lillian Jessie Hillman	1744 Glacier Ave	Juneau Ak 99801
Sue Becorde	Sue Becorde	503 W. 10th St	Juneau, Ak. 99801 (address same)
Emma Williams	Emma Williams	711 W. Willoughby	Juneau, AK 99802
Mabel Lawrence	Mabel Lawrence	324 Village	Juneau, AK 99801
Helen Peters	Helen Peters	230 S Franklin	Juneau AK 99801 (same)
Henry Peters	Henry Peters	230 S. Franklin	Juneau AK 9980? (same)
George Mayeda	George Mayeda	4035 Delta Dr	Juneau AK 99801 "

PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
OF TERRITORY TO THE CITY OF HOONAH AS PROPOSED BY
THE LOCAL BOUNDARY COMMISSION TO THE SECOND SESSION
OF THE THIRTEENTH LEGISLATURE

We the undersigned Shareholders of Huna Totem Corporation residing in Juneau, Alaska request that the Alaska State Legislature, both Senate and House, reject the recommendation of the Local Boundary Commission for the annexation of territory to the City of Hoonah. Namely, we are opposed to the annexation in the present form containing 9.68 square miles, more or less. We are opposed to the requested annexation because it is not in the best interest of either the City of Hoonah or the property owners of the area sought to be annexed.

NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Annabell Revels	Annabell Revels	Glacier View Tr. Ct #7	Box 756, Juneau, Ak. 99802
Willis D. Marvin	Willis D. Marvin	41 Mobile Haven	P.O Box 1668 Juneau AK 99802
Johanna Iverson	Johanna Iverson	#3 Cedar Park	P.O.B 1615 Juneau, AK 99802
Zenith Williams	Zenith Williams	228 Village St.	~~228 Village St Juneau Ak~~ same 99801
Elizabeth McKinley	Elizabeth McKinley	228 Village St	Same
DONNA PERRIN	Donna Perrin	Channel Apt #18	P.O. Box 251 Juneau
Karen Karlson	Karen Karlson Mayeda	Kodzoff Acres TL #30	P.O. Box 250 Douglas
Nick E Lindoff	Nick E Lindoff	Coho Park	c/o 230 S. Franklin 99801
Roger Sheakley	Roger Sheakley	1-4 cedar park JNU ak	Same
Robert FAWcett	Robert K Fawcett	222 7th Street	Same

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PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
OF TERRITORY TO THE CITY OF HOONAH AS PROPOSED BY
THE LOCAL BOUNDARY COMMISSION TO THE SECOND SESSION
OF THE THIRTEENTH LEGISLATURE

We the undersigned Shareholders of Huna Totem Corporation residing in Juneau, Alaska request that the Alaska State Legislature, both Senate and House, reject the recommendation of the Local Boundary Commission for the annexation of territory to the City of Hoonah. Namely, we are opposed to the annexation in the present form containing 9.68 square miles, more or less. We are opposed to the requested annexation because it is not in the best interest of either the City of Hoonah or the property owners of the area sought to be annexed.

NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
JOHAN A. OYBDAHL	Johan A Oybdahl	Space 43 Switzer Village	6590 GLACIER HWY SP 43 JUNEAU ALASKA 99801
JAMES KNUDSEN	James Knudsen	8281 Garnet Lp.	P.O. BOX 484 JUNEAU ALASKA 99802
LEVI McKINLEY	Levi McKinley	9061 MINORS CT	P.O. BOX 1593 JUNEAU, ALASKA 99802
SOPHIE McKINLEY	Sophie McKinley	9061 MINORS CT	P.O. BOX 1593 JUNEAU ALASKA 99802

5

PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
OF TERRITORY TO THE CITY OF HOONAH AS PROPOSED BY
THE LOCAL BOUNDARY COMMISSION TO THE SECOND SESSION
OF THE THIRTEENTH LEGISLATURE

We the undersigned Shareholders of Huna Totem Corporation residing in Sitka, Alaska request that the Alaska State Legislature, both Senate and House, reject the recommendation of the Local Boundary Commission for the annexation of territory to the City of Hoonah. Namely, we are opposed to the annexation in the present form containing 9.68 square miles, more or less. We are opposed to the requested annexation because it is not in the best interest of either the City of Hoonah or the property owners of the area sought to be annexed.

NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
Juliana M. Williams	Juliana M. Williams	220 FAA	P.O. Box 1232 Mt. Edgecumbe, AK
Ida M. Williams	Ida M Williams	220 FAA	PO. Box #232 Mt. Edgecumbe, AK
Frank O Williams III	Frank O. Williams III	220 FAA	P.O. Box 1232 Mt Edgecumbe, AK
Norman Williams	Norman Williams	119 Erler	Box 862 SITKA, Alaska 99835
Leona Williams	Leona Williams	119 Erler	Box 862 Sitka, Alaska 9983
Willie D. Williams	Willie D. Williams	119 Baler St	Box 862 Sitka Alaska 9983
August E. Williams	Leona Williams cust. August E. Williams	119 Erler St.	Box 862 Sitka, Alaska 99835
Dale N. Williams	Leona Williams cust. Dale N. Williams	119 Erler St	Box 862 Sitka, Alaska 99835

PETITION REQUESTING THAT THE LEGISLATURE REJECT ANNEXATION
OF TERRITORY TO THE CITY OF HOONAH AS PROPOSED BY
THE LOCAL BOUNDARY COMMISSION TO THE SECOND SESSION
OF THE THIRTEENTH LEGISLATURE

We the undersigned Shareholders of Huna Totem Corporation residing in Sitka, Alaska request that the Alaska State Legislature, both Senate and House, reject the recommendation of the Local Boundary Commission for the annexation of territory to the City of Hoonah. Namely, we are opposed to the annexation in the present form containing 9.68 square miles, more or less. We are opposed to the requested annexation because it is not in the best interest of either the City of Hoonah or the property owners of the area sought to be annexed.

NAME - PRINTED	SIGNATURE	RESIDENCE ADDRESS	MAILING ADDRESS
FRANK O. WILLIAMS, JR.	Frank O. Williams	Box 4232 220 FAA	Box 4232 Mt. Edgecumbe, AK 99835
MARLENE M. SEYMOUR	Marlene M Seymour	#17 Arrowhead, Sitka	Box 4249 Mt. Edgecumbe AK 99835
Richard D Marvin JR	Richard D Marvin Jr	621 Merrill	Box 2592 Sitka ak 99835
Dwayne G Marvin	Dwayne G Marvin	621 Merrill	Box 2592 Sitka ak 99835
~~Wayne D Marvin~~ Wayne D. Marvin	Wayne D. Marvin	621 Merrill	P.O. Box 2592 Sitka, Alaska 99835
RICHARD D. MARVIN SR.	Richard D Marvin Sr.	621 Merrill	Box 2592 Sitka ak. 99835
Vera L. Marvin	Vera L Marvin	621 Merrill	Box 2592 Sitka Alaska 99835
Martha M. Moses.	Martha M. Moses.	2501-23 NPR Schafer 3 #21, Sitka	Box 2747 Sitka, Alaska - 99835
DONNA MAE MARVIN	Donna Mae Marvin	621 Merrill	Box 2592 Sitka, Alaska 99835

BILL SHEFFIELD, GOVERNOR

REPLY TO: 225 Cordova. Bldg.
Anchorage, AK 995C

LOCAL BOUNDARY COMMISSION

January 17, 1984

The Honorable Joe L. Hayes
Speaker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Hayes:

Attached hereto is the REPORT OF CALENDAR YEAR 1983 ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION AND RECOMMENDATIONS TO THE SECOND SESSION OF THE THIRTEENTH LEGISLATURE FOR CERTAIN MUNICIPAL BOUNDARY CHANGES.

The report contains recommendations for changes to the boundaries of five municipalities which, pursuant to Article X, Section 12 of the State Constitution and AS 29.68.010, are to be presented to the Legislature. These recommended boundary changes 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 Local Boundary Commission is hoping to meet with the House and Senate Community and Regional Affairs Committees in early February to discuss its report and recommendations.

Sincerely,

Sheila Gallagher
Chairman
Local Boundary Commission

BILL SHEFFIELD, GOVERNOR

REPLY TO:

LOCAL BOUNDARY COMMISSION

March 3rd

REPORT OF CALENDAR YEAR 1983 ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION AND RECOMMENDATIONS TO THE SECOND SESSION OF THE THIRTEENTH LEGISLATURE FOR CERTAIN MUNICIPAL BOUNDARY CHANGES

Submitted by: Sheila Gallagher

Sheila Gallagher
Chairman

January 17, 1984

INTRODUCTION

This document contains a report of the activities of the State Local Boundary Commission during 1983. More importantly, it contains recommendations to the Second Session of the Thirteenth Legislature for changes to the boundaries of five municipalities, pursuant to Article X, Section 12 of the State Constitution and AS 29.68.010. These recommended boundary changes 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 Local Boundary Commission consists of five members, one from each of the four Judicial Districts of the State, plus one member at large. The Commission members serve without compensation at the pleasure of the Governor. The current members of the Commission are:

SHEILA GALLAGHER, Chairman, serving at large until January 31, 1987;
JOSEPHINE ANDERSON, serving from the First Judicial District until January 31, 1986;
BERT GREIST, serving from the Second Judicial District until January 31, 1984;
Position Vacant, member from the Third Judicial District; and
CHARLES BETTISWORTH, serving from the Fourth Judicial District until January 31, 1985.

Staff support for the Local Boundary Commission is provided by the Department of Community and Regional Affairs, Municipal and Regional Assistance Division.

The Local Boundary Commission was established pursuant to Article X Section 12 of the State Constitution and Section 44.47.565 of the Alaska Statutes for the purposes of considering municipal incorporations, boundary changes and dissolutions.

Municipal incorporations are effected under the provisions of State laws and administrative regulations. It is the responsibility of the Local Boundary Commission to review and act on all petitions for municipal incorporations in accordance with AS 29.18.011-150, 19 AAC 10.010-030, 19 AAC 10.160-180 and 19 AAC 10.325-440. Unlike municipal boundary changes and dissolutions, the Legislature plays no role in municipal incorporations.

MUNICIPAL BOUNDARY CHANGES: Annexations and detachments may be effected by Local Boundary Commission action through either of two general procedures:

A. Legislative Review - The legislative review boundary change procedure assures an objective examination of the merits of a proposed municipal boundary change. In that the decision on such matters rests with the Local Boundary Commission and the Legislature, this process assures that decisions will be made with the greatest consideration given to the application of regulatory standards concerning such matters.

This process is typically initiated by municipalities in situations where there is a compelling need for the proposed boundary change, but where a majority of the residents in the territory involved in the proposed boundary change oppose it.

Under this process the Local Boundary Commission may accept and review any proposed local government boundary change. Once the Local Boundary Commission has accepted a petition proposing a local government boundary change, the Commission conducts a public hearing in the municipality proposing the boundary change. If, after the public hearing is completed, the proposed boundary change is approved by the Local Boundary Commission, the Commission presents a recommendation for the change to the Legislature during the first 10 days of any regular session. The recommended change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution receiving concurrent approval from a majority of the members of each house.

B Local Action - Municipal boundary changes subjected to this process gain final approval at the local level. The following discussion examines the three types of local action boundary change procedures:

1. An area adjoining a municipality may be annexed or detached by municipal ordinance without an election, provided all property owners and voters within the area petition the assembly or council. The annexation becomes effective with the consent of a majority of the Local Boundary Commission members.

2. Municipally owned property adjoining the municipality may be annexed by ordinance without voter approval. The annexation becomes effective with the consent of a majority of the Local Boundary Commission members.

3. A proposition for the annexation or detachment of territory may be submitted to the voters residing within the area of the proposed boundary change. To become effective the proposed boundary change must be approved by a majority of such voters. Before the proposition is submitted to the voters, the Local Boundary Commission must approve a petition for the proposed boundary change.

DISSOLUTIONS: Current activities related to the issue of sovereignty of Alaska Native villages has alerted the Commission to the need to prepare for a potentially significant number of rural city governments which might seek dissolution.

In August of 1983, the second class city of Akiachak notified the Department of Community and Regional Affairs that it wanted to consider dissolution of its municipal government. Department staff met with representatives of the City Council and the IRA Council to discuss the dissolution process.

Subsequently, but contrary to the Department's explanation of the dissolution process, the Akiachak City Council resigned and the IRA Council passed a resolution notifying the Department that the IRA Council had become the representative government for the community of Akiachak. The Department notified the IRA Council that the dissolution of the City government has not been accomplished, as the City had not followed the statutory procedures for dissolution. The Department notified the IRA Council that the Department was willing to assist the City with the preparation of a correct dissolution petition. The IRA council indicated that it did not recognize the State's authority in the dissolution process and considered the City government dissolved. To date, there has been no resolution to this issue.

The following explanation reviews the procedures for the dissolution of a municipality. The dissolution of a municipal government, in accordance with Sec. 29.68.500-580, can be effected by Local Boundary Commission action through either of two procedures:

A. Legislative Review -- The legislative review procedure assures an objective examination of the merits of a proposed dissolution. The decision for a dissolution rests with the Local Boundary Commission and the Legislature, which ensures that decisions will be made with the greatest consideration given to the application of regulatory standards concerning such matters.

This process is typically initiated through a petition by the community where the municipal government has ceased to function or by the Commissioner of the Department of Community and Regional Affairs.

Once the Department has received and approved a petition for the dissolution of a municipal government, the petition is forwarded to the Local Boundary Commission which must then hold a public hearing in the community proposing the dissolution.

In reviewing the dissolution action, the Commission will apply the standards for dissolution of cities.

These standards require that: 1.) the city has ceased, for two or more consecutive years, to exercise any of the municipal powers set forth in AS 29.48.030 - 29.48.035; 2.) the city has failed to conduct two or more consecutive regular elections in the manner provided by law; and 3.) the city no longer meets the standards for incorporation as provided by law and regulation.

If, after the public hearing is completed, the proposed dissolution is approved by the Local Boundary Commission, the Commission presents a recommendation for the action to the Legislature during the first 10 days of any regular session. The recommended dissolution becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution receiving concurrent approval from a majority of the members of each house.

B Local Action - A municipal dissolution subjected to this process gains final approval at the local level. The process is initiated by municipal residents filing a dissolution petition. The petition must by signed by at least 25 percent of the number of voters who voted in the last regular municipal election.

Once the Department has received and accepted the petition, it is forward to the Local Boundary Commission. The Commission would then conduct a public hearing in the community proposing the action to determine if the standards for a local action dissolution have been met.

The standards for a local action dissolution require that: 1.) the municipality to be free of debt, or if in debt, that each of its creditors is satisfied with a method of repayment, and 2.) either it no longer meets the minimum standards prescribed for incorporation by AS. 29.18.011, or it ceases to use each and every one of its mandatory powers.

If the Commission finds that the dissolution petition meets the standards it will accept the petition and immediately notify the lieutenant governor. Within 30 days after notification, the lieutenant governor will order and election with the municipality to determine whether the voters desire dissolution.

SUMMARY OF ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION DURING 1983

During 1983 the Local Boundary Commission dealt with petitions concerning the following proposed municipal incorporations and boundary changes:

1) CITY OF HAINES - The Commission approved the petition for the annexation of territory, comprising approximately 8.11 square miles. The proposed annexation is subject to Legislative review of the recommendation submitted on pages 9 through 12 of this document.

2) CITY OF KETCHIKAN - The Commission approved the two petitions for annexation of approximately 6.82 acres and 0.3 square miles. The proposed annexations are subject to Legislative review of the recommendations submitted on pages 13 through 17 of this document.

3) CITY OF POINT HOPE - The Commission approved the petition for annexation of approximately 3.03 square miles. The proposed annexation is subject to Legislative review of the recommendation submitted on pages through 18 of 21 this document.

4) CITY OF HOONAH - The Commission approved the petition for annexation of approximately 9.68 square miles. The proposed annexation is subject to Legislative review of the recommendation submitted on pages 22 through 25 of this document.

5) CITY OF KODIAK - The Commission approved the petition for annexation of approximately 10.92 acres. The proposed annexation is subject to Legislative review of the recommendation submitted on pages 26 through 33 of this document.

6) CITY OF CHIGNIK - The Commission approved the petition for the incorporation of Chignik as a city of the second class, pursuant to AS. 29.18. The voters subsequently approved the proposed incorporation. The Lieutenant Governor's office certified the election results on May 16, 1983.

7) CITY OF SAINT GEORGE - The Commission approved the petition for the incorporation of Saint George as a city of the second class, pursuant to AS. 29.18. The voters subsequently approved the proposed incorporation. The Lieutenant Governor's office certified the election results on September 13, 1983.

8) CITY OF FAIRBANKS - The Commission approved the City's local action petition authorized by City Ordinance 4241 to annex 26.86 acres.

9) CITY OF FAIRBANKS - The Commission approved the City's local action petition authorized by City Ordinance 4242 to annex 40 acres.

10) CITY OF FAIRBANKS - The Commission approved the City's local action petition authorized by City Ordinance 4244 to annex 6,810 square feet.

11) CITY OF FAIRBANKS - The Commission approved the City's local action petition authorized by City Ordinance 4265 to annex 26.86 acres.

12) CITY OF NORTH POLE - The Commission approved the City's local action petition authorized by City Ordinance 82-20 to annex 37.03 acres.

13) CITY OF NORTH POLE - The Commission reviewed the City's local action election petition authorized by City Ordinance 83-10 to annex 116.07 acres. Final action on the petition by the Commission will follow a public hearing to be held in early 1984.

14) CITY OF NORTH POLE - The Commission reviewed the City's local action election petition authorized by City Ordinance 83-14 to annex 0.3 square miles. Final action on the petition by the Commission will follow a public hearing to be held in early 1984.

15) CITY OF KETCHIKAN - The Commission approved the City's local action petition authorized by City Ordinance 999 for the annexation of 8.95 acres.

16) CITY OF KETCHIKAN - The Commission approved the City's local action petition authorized by City Ordinance 1001 for the annexation of 2.37 acres.

17) CITY OF KETCHIKAN - The Commission approved the City's local action petition authorized by City Ordinance 1002 for the annexation of 10.79 acres.

18) CITY OF KETCHIKAN - The Commission approved the City's local action petition authorized by City Ordinance 1003 for the annexation of 85.16 acres.

19) CITY OF KETCHIKAN - The Commission approved the City's local action petition authorized by City Ordinance 1004 for the annexation of 9.67 acres.

20) CITY OF PELICAN - The Commission approved the City's local action petition authorized by City Ordinance 1983-7 for the annexation of 11.43 acres.

21) CITY OF WASILLA - The Commission approved the City's local action petition authorized by City Ordinance 83-32 for the annexation of 92.77 acres.

22) CITY OF KODIAK - The Commission approved the City's local action petition authorized by City Ordinance 656 for the annexation of 12.87 acres.

23) CITY OF KODIAK - The Commission approved the City's local action petition authorized by City Ordinance 673 for the annexation of 8.54 acres.

24) CITY OF KODIAK - The Commission approved the City's local action petition authorized by City Ordinance 708 for the annexation of 8.8 acres.

The incorporation of the Cities of Chignik and Saint George brought the total number of municipal corporations in the State to 156.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER FOUR TO THE SECOND
SESSION OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF HOONAH

On September 22, 1983, the Hoonah City Council passed resolution number 83-09-22-01 authorizing the petition for the annexation of twenty-four square miles of territory. The City of Hoonah submitted its petition and supporting documentation to the Department on September 30, 1983.

The petition was determined to be sufficient as to form and content and was accepted by the Department November 2, 1983. The requirement that the petitioner give public notice of the filing of the petition was fulfilled by the posting of such notice in three public places (the City Hall, the U.S. Post Office, and the B.M. Behrends Bank).

Pursuant to proper notice, the Local Boundary Commission held a public hearing on the petition for the proposed annexation on December 18, 1983. The hearing began at 1 p.m. (local time) in the Hoonah City Council Chambers. Local Boundary Commission members present were: Charles Bettisworth and Bert Greist. Answering briefs were submitted by the Sealaska Corporation and Huna Totem Corporation. The City of Hoonah subsequently submitted a reply brief during the hearing.

Pursuant to proper notice, the Local Boundary Commission held a decisional meeting on the petition for the proposed annexation on January 7, 1984. Local Boundary Commission members present were: Sheila Gallagher (Chairman), Charles Bettisworth, Joe Anderson, and Bert Greist.

Upon consideration of the petition to annex twenty-four square miles to the City of Hoonah, the December 12, 1983 report of the Department, the answering briefs submitted by Huna Totem Corporation and Sealaska, the reply brief submitted by the City of Hoonah and the testimony presented at the public hearing, the Local Boundary Commission made the following findings of fact:

1. There are no other municipalities in the immediate area of the City of Hoonah to provide services to the approximately 200 residents of the territory proposed for annexation. As there are no other municipalities in the immediate area of the City of Hoonah, the territory is in need of municipal services which the City can provide more effectively than any other municipality.

Currently, the City of Hoonah is providing municipal services outside of the City. The City of Hoonah airport, the City landfill, and the City maintained recreational trails are all located outside of the City. The City is providing on request, police protection, emergency medical treatment, library, and health clinic services to persons residing outside of the City. With the continued expansion of the timber industry in the Hoonah area, the need for municipal services will continue to expand. It will be necessary for the City to provide for education, planning and zoning, public safety, emergency medical services in that territory proposed for annexation.

2. Given the current level of timber harvesting and plans for expansion of the timber harvesting activities in the Hoonah area, it is likely that future growth and development will occur within the territory and that annexation of the territory will enable the City to plan for and control that development.

3. Residents of Hoonah residing outside of the municipal boundaries may not participate in the democratic process which guides the municipality's direction and growth. So long as these individuals reside outside of the municipality's boundaries, they are precluded from holding office on the City Council. Further, those residents may not vote on members of the City Council and may not vote on City referenda or initiative.

4. The watershed territory proposed for annexation in the City of Hoonah's petition has been excluded from the Commission's recommendation. The Commission feels that there was not sufficient justification given for the annexation for this territory.

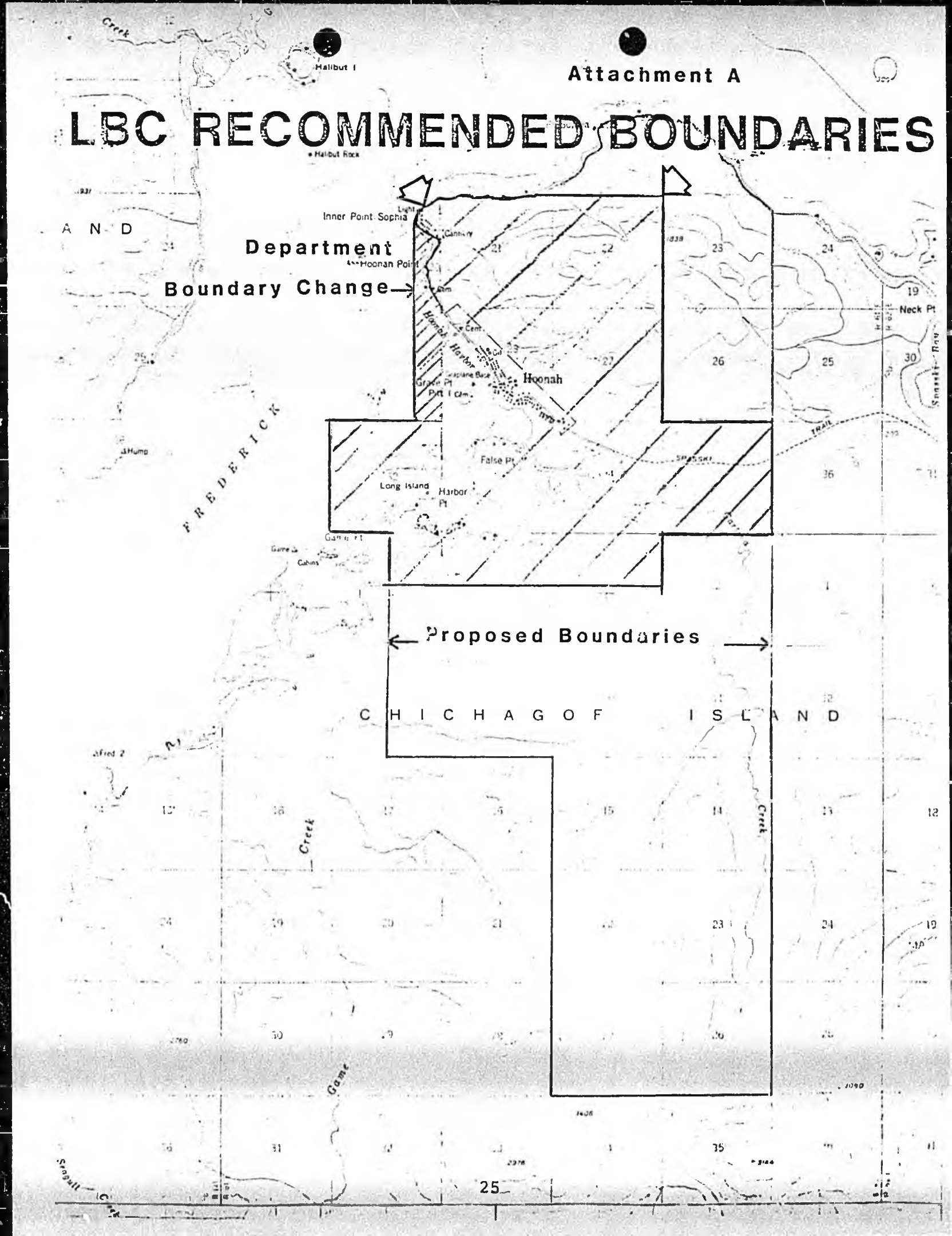
THEREFORE, the Commission hereby recommends to the Second Session of the Thirteen Legislature of the State of Alaska, annexation of territory to the City of Hoonah, resulting in the following legal description for the City of Hoonah:

Beginning at the NE corner of protracted Section 22, T43S, R61E, Copper River meridian (C.R.M.); thence, south to the NE corner of protracted Section 34, T43S, R61E, C.R.M.; thence east to the NE corner of protracted Section 35, T43S, R61E, C.R.M.; thence south to the SE corner of protracted Section 35, T43S, R61E, C.R.M.; thence west to the SE corner of protracted Section 34, T43S, R61E, C.R.M.; thence south to the SE corner of the North 1/2 of protracted Section 3, T44S, R61E, C.R.M.; thence west to the SW corner of the NE 1/4th of protracted Section 5, T44S, R61E, C.R.M.; thence north to the NW corner of the NE 1/4th of protracted Section 5, T44S, R61E, C.R.M.; thence west to the SW corner of protracted Section 32, T43S, R61E, C.R.M.; thence north to the NW corner of protracted Section 32, T43S, R61E, C.R.M.; thence east to the NW corner of the NE 1/4th of the NE 1/4th of

protracted Section 32, T43S, R61E, C.R.M.; thence north to a point that intersects with the line of mean high water off Inner Point Sophia; thence meandering in a generally easterly direction along the mean high tide water line of Icy Strait to a point which intersects with the northern boundary of protracted Section 21, T43S, R61E, C.R.M.; thence east to the NE corner of protracted Section 22, T43S, R61E, C.R.M., the true point of beginning, containing 9.68 square miles, more or less, all in the First Judicial District, State of Alaska.

Attachment A

LBC RECOMMENDED BOUNDARIES



December 20, 1983

RECEIVED

DEC 30 1983

DEPT. OF COMM. & REG. AFFAIRS
DIV. OF MUNICIPAL & REG. ASST.

Local Boundary Commission
C/O Jim Sanders
Department of Community & Regional
Affairs, Local Government Assistance
225 Cordova St., Bldg. B
Anchorage, AK. 99501

Gentlemen:

Since the City has been afforded the opportunity of written rebuttal and since I limited my final remarks at the annexation hearing on 12/18/83 at the request of the acting Chairman of the Local Boundary Commission, the Huna Totem Corporation feels that a brief reply is in order. We will generally follow the order of the City's reply.

It is still our contention that the notice of the annexation was not sufficient to meet the intent of the Alaska Administrative Code even if it can be demonstrated that the City met the letter of the code, which we doubt.

In a workshop on December 9th, and 10th, 1983 the Huna Totem Corporation Board of Directors unanimously directed me as the Corporate Chief Executive Officer to oppose all annexation except the 1130 acres. I was stretching my authority when I recognized there might be some validity to annexing U.S. Survey 2414. The Board is not accustomed to passing resolutions each time they give the Chief Executive Officer a directive.

The Huna Totem Corporation brief was mailed to the address given in the public notice and hand delivered to the petitioner. (See Affidavit)

The fact that a Huna Totem Corporation Board member and an employee of the Corporation are/were councilmen and/or on the Planning & Zoning Commission is immaterial. An individual Board member does not represent the Corporation. Only the Chairman and Chief Executive Officer can commit the Corporation as individuals and then with limitations. Certainly the Board member/City Councilman is not considered as being able to speak for or commit the City in a Corporate Board meeting.

The Coastal Zone Management Plan was cited in testimony at the hearing in several instances as being the document from which many of the "Facts" were drawn. It should be noted that the Coastal Zone Management Plan has not been adopted. Additionally, the Huna Totem Corporation is on record as questioning the accuracy and completeness of the draft Coastal Zone Management Plan. The use of one inaccurate and incomplete document to validate a second document is not acceptable. Neither the City's brief nor the State's report cited the Coastal Zone Management Plan as the authority, therefore, it should come as little surprise that we ignored

the Coastal Zone Management Plan in our original brief.

The petitioner claims we did not comply with 19 AAC 10.550. 19 AAC 10.500 states in part "... the brief ... shall demonstrate that the boundary change meets the applicable standards ..."

One of the difficulties in preparing our answering brief was the fact the petitioner did not address any of the standards. We were left to guess at which standards the petitioner was trying to substantially meet and the basis for their determination. Had each standard been addressed and factual information presented demonstrating the criteria were met then our analysis could have been more thorough. As it stands there was no testimony which indicated that any statement in our original brief was materially incorrect or uncomplete. We still stand behind our statement that the City's brief was incorrect and incomplete as further evidenced by their complete failure to address any of the standards as required by 19 AAC 10.550.

The petitioner uses the State's "Report..." as substantive proof that their brief is accurate. Please refer to our comments on the Coastal Zone Management Plan. One inaccurate document cannot validate another.

Subsistance became an issue at the public hearing. Except for one "Whereas" clause in one of the supporting documents the petitioner had not addressed subsistance as justification for annexation in the actual brief. It might be of interest to point out that Mr. Hill and Mr. Greenwald who testified about subsistance, specifically herring eggs and crab pots, both enjoy family incomes substantially in excess of $50,000 per year.

In the desire to limit and control development on Corporate lands the petitioner is ignoring the whole legislative intent behind ANCSA which established the native village corporations and gave them land. The lands were given to the corporations for the purpose of development in order to establish an economic base for the residents of the native villages and allow them to rise above the subsistance level if they so desired. If the issue of City boundaries is to be based on subsistance then it would be well to hear from those forced to live the subsistance life. We do not deny that development will impact subsistance fishing and hunting. But it can be demonstrated that the impacts are, in some cases, beneficial as well as the acknowledged negative impacts. As only one example of the benefits is the fact that more areas and streams have easier and better access. As a native village corporation with 100% native shareholders you can be sure that we are aware of the subsistance issue and subsistance is taken into account in <u>all</u> development plans.

Finally, the petitioner in their brief and in the public testimony spoke at length on the need to annex the watersheds in order to control and protect them. You heard testimony from the Hoonah District Ranger, Ms. Joy Berg, who stated that annexation will <u>not</u> effect management and control one way or the other. That sort of shoots a hole in the major arguement of the petitioner, doesn't it? The FACT is that Federal statutes and regulations will supersede any control or management measures the City will try to impose and the City will be ignored.

In addition, all other forest lands in state and private ownership are regulated by the Alaska Forest Practices Act which largely follows the federal regulations. Before we do anything with our lands we must demonstrate that we are in compliance with the State's Statutes. Again, State statutes will supersede City Ordinances.

We have pointed out that the petitioner's brief is factually incomplete and incorrect as required by 19 AAC 10.550, that the State's "Report to the Local Boundary Commission..." is inaccurate and incomplete and that public testimony failed to demonstrate any valid reasons for annexation.

We have demonstrated that the actual health, welfare and safety may well be endangered if this annexation is permitted. We therefore request that the Local Boundary Commission limit the City's annexation to the 1130 acres now owned by the City.

Yours truly,

HUNA TOTEM CORPORATION

William C. Bivin
Chief Executive Officer

WB/ld

cc: City of Hoonah
Mike Tavoliero - City Manager

Baxter, Douglas & Marks
Jim Douglas - HTC Attorney

Attachment:

AFFIDAVIT

I do hereby certify and swear that on December 15, 1983 at approximately 9:45 a.m. I hand delivered one copy of the Huna Totem Corporation's brief on the City of Hoonah's proposed annexation to the City Clerk and one copy to the City Manager.

Ladonna Dybdahl
Secretary for Huna Totem Corp.

HUNA TOTEM CORPORATION
P.O. BOX 290 HOONAH, ALASKA 99829 907-945-3330

Rec'd - 12c
19, 1983
Ofs.

Huna Totem Corporation Brief

My name is William C. Bivin and I am here today representing the Huna Totem Corporation, the village corporation of Hoonah, Alaska. Huna Totem Corporation has 953 shareholders and an estimated 80% of the population of Hoonah are shareholders.

In my following remarks it is important to remember that not only do I represent a corporation but that I also have close to 7 years in City management with my most recent City position being City Manager of Kodiak, Alaska ending June 1982. In my city management experience I have been personally responsible for two extremely controversial annexations and 1 - 3, non-controversial annexations. My battle scars entitle me to speak knowledgeably about annexations in general and this one in particular.

The Huna Totem Corporation wishes to actively support the City's annexation efforts as long as they are reasonable. The Corporation whole heartedly supports annexation of the 1130 acres recently conveyed to the City and would not oppose annexation of the Parcel U.S. Survey 2414 owned by Huna Totem Corporation. This property is immediately adjacent to the City and is presently being subdivided. The Corporation is of the opinion that this annexation meets the standards of 19 AAC 10.065 through 10.080.

With the exception of the above properties the City has not demonstrated that the rest of the properties adequately meet the "Standards for Annexation" as defined in 19 AAC 10.065 - .070. If it is held that the territory is contiguous to the City (which we don't necessarily agree with) and falls within the parameters of 19 AAC 10.070 then the City has failed to meet the following specific standards:

19 AAC 10.070 (a) (1) the contiguous territory is totally surrounded by the city's boundaries;

The fact that this standard is not met is evident.

(2) the land in the territory is wholly owned by the city;

The majority of the land is in private, state or federal ownership.

(3) the territory is urban in character;

19 AAC 10.070 (d) states that "in determining whether the territory is urban in character for the purposes of (a) (3) of this section the Commission will ... consider whether the property is platted or held for sale for residential or commercial purposes..." With the exceptions noted it is obvious the vast majority of the lands proposed for annexation are not now subdivided and will never be. With very minor exceptions these lands are totally unsuitable for commercial or residential use. Further, the Huna Totem Corporation has adopted a policy that they will not sell ANCSA lands as it is felt that this is the heritage of the shareholders and natives of this community.

This paragraph goes on to state, that the Commission will consider ... "whether the population density approximates that of the annexing city,..." The population density does not approximate that of the City and there is no possibility of that ever occuring. For the population density to approximate that of the existing city the population would have to be in the 100's of thousands.

In short, there is no justifiable way of arriving at the conclusion that the territory is urban in character.

(4) the territory is in need of municipal services which the city can provide more efficiently than another municipality;

What municipal services can the City efficiently provide to the territories in question? Just last Sunday I was the recipient of a house full of raw sewage. While solving the problem it was obvious that the lines had not received any maintenance for a long, long time. The water main near my house is leaking and has been for at least two weeks. In addition the City ran a deficit last year and actually passed a deficit budget this year. This is not meant to be sour

grapes but is simply used to illustrate the following paragraph. Other examples are readily available.

Given a deficit budget, a lack of a long term capital improvements plan, lack of an adopted comprehensive land use plan, a lack of any facilities maintenance programs, one has to question the ability of the City to even provide adequate municipal services within it's existing boundaries and to it's existing population let alone extending any sort of services to territories proposed for annexation.

I am aware that the Boundary Commission has held, in the past, that the inability of a City to provide services was not sufficient reason, by itself, to deny annexation. I am also aware of the use of service districts. However, from an ex-city manager's point of view I can tell you that service districts create additional problems for, and financial demands on, a City Council and it's administration. With the City's demonstrated inability to provide adequate municipal services and it's demonstrated lack of resouces to provide such services, where is it going to get the financial and human resources to monitor and administer service (non-service) districts when they can be eliminated by simply not annexing?

The City, in it's brief, has not demonstrated that there is a need for municipal services in the territory nor has the City demonstrated that it has the finances or competance to extend and maintain such services.

(5) there is a reasonable likelihood that future growth and development will occur within the territory and that annexation of the territory will enable the city to plan for and control that development;

One of the strongest arguments the City has for the annexation of the 1130 acres conveyed to the City and possibly the U.S. Survey 2414 property is that there is a reasonable likelihood that there will be future growth and development.

Indeed, Huna Totem Corporation supports the City in their argument, based on anticipated growth, that the developable lands should be annexed and are needed to alliviate the current shortage for residential property. But annexation of these lands would adequately supply the needs of the current and future residents through the year 2000 and beyond. This argument is valid only for the 1130 acres and U.S. Survey 2414.

The City in it's brief has not adequately demonstrated that there is a reasonable likelihood for growth and development in the other areas. Their factual information is both incomplete and incorrect. For example, they indicate that the Whitestone Logging camp should be included in the annexation because it requires services of the City. But yet it excludes Mount Bether Community stating it is self sufficient and does not rely on City services. This is factually incorrect. Mount Bether owns at least one house in Hoonah and there are several families from Mount Bether Community who reside full or part-time in Hoonah and even have children in school here. During the construction and fishing season Mt. Bether residents habitually work in Hoonah and regularly sell farm produce in the City. The Mount Bether Community probably utilizes the City's services to a greater extent than the logging camp.

Take a look at the map. What conceivable growth and development, which might affect the City, can your imagine in Sections 14, 15, E.½ of 21, 22, 23, 26, E.½ of 27, and 35 of Township 43 South, Range 61 East? Or sections 2, 3, 4 (except NE¼), E.½ 5, E.½ 8, 9, 10, 11, 14, 15, 22, 23, 26, and 27? The answer is "NONE" and because of the physiography of the territory there will be none in the forseeable future.

(6) the health, welfare or safety of city residents is endangered by conditions existing or developing in the territory and annexation will enable the city to remove or relieve these conditions;

This might conceivably have been one of the City's strongest arguments but no where in the City's brief or supporting documents have they demonstrated that the health, welfare, or safety of City residents is endangered if the territory is not annexed. In fact, annexation may actually jepordize the health, welfare and safety of the City residents and may actually reduce the City's control of, or ability to control, the annexed properties.

Territory does not have to be annexed, or even owned, to be controlled. The city manager actually has a more effective control of an extra-territorial watershed, especially if it is on state or federal lands. If something occurs in the extra-territorial watershed the city manager can have the responsible agencies, with the authority and resources on site in a matter of minutes to hours. If underlings aren't responsive, the City Manager can have the responsible State Commissioner on the phone in a couple of hours and if that Commissioner is unresponsive the City manager can have the Governor on the phone within 12 hours.

If the City has annexed territory to "Protect" it and passes ordinances to effectuate control then the City is expected to use it's resources to establish and administer that control. The City and City manager's effectiveness is limited and it is only after the City has exhausted it's resources that it becomes possible to call on outside agencies for help. My point is that it is not necessary to use scarce City resources to control land outside of the City limits which is vital to its health, welfare and safety. Let others who have more adequate resources do it.

There are many cities with watersheds outside of their corporate boundaries. Portland, Oregon immediately comes to mind as does the City of Kodiak, Alaska where I was City Manager. I preferred having the watershed (and garbage dump) outside of the City limits as I felt the City had more effective control and used less City resources to get that control.

While these comments cover all of the watersheds, it must be pointed out that the Agreement conveying the 1130 acres between the City and Huna Totem

Corporation dated Jan. 26, 1982 prohibits logging or any other activities in the watershed immediately behind Hoonah without City authorization. In addition, the water rights on this same area have been quit claim deeded to the City.

It is conceivable that the welfare of the City residents could be materially damaged by this annexation. As a simple example, and more can be given, the City has indicated it wants control over Huna Totem Corporation's log transfer facility. The Planning and Zoning Commission has already recommended that temporary water storage of logs and log ship loading be banned within the City boundaries. It is my understanding that this proposal still exists. If Long Island is annexed and this occurs, 35 stevedoring jobs with a payroll of over $350,000.00 will be lost; a $2½ million dollar investment will become worthless and additional employment opportunities will permanently be lost.

Leaving aside the subject of watershed control, the City has not demonstrated that the health, welfare and safety of the residents of the City will be improved by annexation.

(7) the extension into the territory of city services or facilities is necessary to enable the city to provide adequate service to city residents, and it is impossible or impractical for the city to extend the facilities or services unless the territory is within the city's boundaries;

Again we agree that the City can demonstrate it meets this standard for the 1130 acres and possibly for U.S. Survey 2414.

The City has not demonstrated that it is necessary to extend services into these territories to provide adequate services for City residents. Annexation will place additional demands on financial and human resources which are already demonstrably inadequate.

(8) residents or property owners within the

territory receive or may be reasonably expected to receive, directly or indirectly, the benefit of city government without commensurate property tax contributions, whether city services are rendered or received inside or outside the territory;

If the City resident was being unduly burdened by property taxes because of service demands originating from property owners and residents in the territory proposed for annexation then it is conceivable that there might be a more legitimate argument. However, there are no property taxes and the City resident is not being burdened. The fact is, with the exception of the enterprise funds, the City's revenues all come from the State and Federal governments.

The City's brief stated that annexation of these territories, "Will help offset the cost of providing certain municipal services,... such as police and fire protection..." The operative words are "help offset". The City has not demonstrated that it has the ability to provide adequate services to its existing population with its existing manpower and equipment. Are they going to stretch that manpower and equipment even thinner to extend services into the annexed territories? As a City resident I can personally state that I object to having the police at Long Island, or up at the White Alice Site leaving me, my daughter and about 800+ other City residents without protection.

This would indicate the need for additional manpower and equipment. I can tell you, again from my city management experience, that the increase in revenue sharing from 250 residents will not be adequate to pay the operating expenses for additional men and equipment.

19 AAC 10.070 (e) stipulates that alternative methods for offsetting the cost of providing services to individuals or property be considered. The City's brief does not address this issue and I suggest there are methods of offsetting the costs of services which the City has failed to adequately consider.

(9) the annexation is otherwise necessary to accomplish a valid public purpose.

We have read and re-read the City's brief and have attempted to what valid public purpose annexation might accomplish. Section V, "Rationale For The Boundaries Proposed" of the City's brief states it has three purposes for annexation:

1. "First, the area offers developable land for residential purposes..." In so far as this is applied to the 1130 acres and possibly to U.S. Survey 2414, we agree and support the City. However, to assume that any of the rest of the territory is developable for residential purposes is patently ludicrous.

2. "Third, the City has a justifiable desire to include the recently conveyed 1300 (sic) acres in its jurisdiction." We agree.

3. "Second, Since the proposed area is contiguous with existing City boundaries, the City Council feels that proper control over development of the area is best placed on the City's Management."

The operative word appears to be "Control". Control for what purpose? The City has failed to demonstrate that it has the requisite financial or human resources to adequately provide services to the existing community. A deficit budget and one man professional staff is going to take on the additional burden of "controlling development"? Ludicrous!

It has been my experience that cities greatest propensities are to obstruct and obfuscate. It is a rare city that can initiate. Unfortunately, the City's entire brief clearly indicates the intent to obstruct.

The City has stated they wanted to control development. This can only be read to mean logging, as logging is the only "development" which will occur on most of the land to be annexed. One then has to assume that all of our logging plans, roadbuilding plans, etc. would have to be submitted to the City for review and approval. The City staff, City Council and it's committees and com-

missions does not have the staff, resources or expertise to adequately evaluate this type of plans. The City could only obstruct and delay and drive up costs. One must then ask who benefits? Certainly not the City and its inadequate resources; not the resident of the City who is going to be faced with fewer job opportunities and higher City administrative costs, not the Huna Totem Corporation, or it's shareholders, who will be faced with greater costs.

Section V of the City's brief speaks to certain specific parcels of land proposed for annexation and we wish to comment on each parcel.

(1) Gartina Creek Drainage. The City has not demonstrated that it has the financial and human resources or the technical expertise to effectuate control over the watershed. Because much of the watershed is on federal land the U.S. Forest Service can be forced to develop, implement and administer an appropriate watershed management plan. They have the expertise and resources which are totally lacking in the City. Use the City's scarce resources to insure the U.S. Forest Service does it's job.

(2) Hoonah Airport. The Huna Totem Corporation sees no vaild reason for annexation of the airport. Speaking from a City manager's stand point, with experience in two cities with airports in the City limits, I can assure you that an airport in the City limits is not necessarily beneficial. The only justification is if the land immediately adjacent to the runways is private ownership, can be commercially developed, and taxed. There is little likelihood for that happening. Again, why use scarce city resources on an area better served by others?

(3) Whitestone Logging. We have made several comments previously and will not repeat them here. The Huna Totem Corporation supports Whitestone Logging in whatever they wish to do.

We would like to note that the brief is factually incorrect in this section. The camp does not have to be annexed to be in the Hoonah School District. School district boundaries do not have to coincide with municipal boundaries.

(4) Long Island. Why does the fact that Long Island is a Log Transfer Facility

make it appropriate for city control? At last count there are 8 state and federal regulatory agencies with jurisdiction over Long Island and surrounding waters. These agencies have the resources and expertise to exercise control. The City has neither.

Conversations with members of the City's Planning and Zoning Commission indicate that in their annexation discussions the impression was given that whatever was satisfactory to the regulatory agencies would be acceptable to the City. If this is so, why annex? Why add a layer of bureaucracy without the resources, expertise or competance to control? What benefit will accure to the City resident, remembering that 80% of the residents are corporate shareholders?

The only benefit to the City resident we can identify would be through taxation. Because of the City's inability to put their financial affairs in order, it is felt that the City is looking to the Huna Totem Corporation to bail them out. Besides taxation there are a whole series of financial mechanisms which the City could use to increase their revenues at the expense of the Huna Totem Corporation without benefitting the Corporation. In the short run revenues might increase but in the long run the welfare of the City residents will be harmed.

Many residents of Hoonah feel the Corporation should get out of logging and will do whatever they can to stop logging. Surprisingly, the Huna Totem Corporation has a goal of being out of logging within five years with the smallest possible depletion of the timber resource. However, because of existing financial commitments some logging will be requried for a period of time. The City can do nothing to reduce the time or volume of timber logged. However, it can and will materially increase both the time Huna Totem Corporation remains in the logging business and the volume of timber logged if this annexation takes place. The very fact that the City is incapable of recogn[illegible]ing the existance of this situation is evidence of their lack of compentance to exercise any

meaningful control over Long Island or other timber lands.

(5) Excursion Inlet Packing. Huna Totem Corporation will support Excursion Inlet Packing in the decision they make.

General Comments:

The Huna Totem Corporation doubts that the City has complied with the regulations governing annexation. It is certain that the City's brief and supporting documentation is factually incorrect. The City claims, in Resolution 83-09-22-01, that public hearings were held on the proposed annexation and cites Sept. 22, 1983 as the specific example. "Exhibit F" simply indicates a public meeting between the City Council and the Planning and Zoning Commission. It is doubtful that this was a public annexation hearing or that it complies with statatory requirements regarding annexations.

Even if the Commission finds that the City was procedurally correct we still question the process... It is the Huna Totem Corporation's position that the City did not adequately allow for public input into the process. As stated earlier, I have been involved in two very controversial annexations. In order to insure adequate public input several public hearings were held. In addition to the hearings, however, I personally contacted every landowner affected with copies of maps and the final annexation proposal. Informal meetings were held at the convenience of interested parties. I understand now that it comes as a surprise that Huna Totem Corporation opposes annexing the world, but up until after the Sept. 22 meeting we understood that the City's annexation proposal just included the 1130 acres, which we have never opposed.

The City has the responsibility of informing the public and insuring the public input. The City has been derelict and grossly negligent in carrying out it's obligations.

Summary:

1. Huna Totem Corporation supports the annexation of the 1130 acres of recently conveyed, City owned land. The City has demonstrated

that this territory meets the standards for annexation.

2. The City's brief presents information which is factually incorrect and incomplete regarding all territories except 1. above. Specifically this includes information regarding:

   (a) The Mount Bether Community;

   (b) The Whitestone Logging Camp;

   (c) Public hearings;

   (d) The ability of the City to prudently manage and protect the territories to be annexed.

   (e) The ability of the City to extend and maintain municipal services to the area proposed for annexation;

   (f) Benefits to existing City residents and residents of the territories to be annexed.

In conclusion, this is a poorly thought out annexation which has a very real potential of materially endangering the health, welfare and safety of the residents of Hoonah and territories to be annexed. This proposal is an irresponsible misuse of public funds which are demonstrably inadequate to meet existing needs. We have demonstrated that the territory in question does not meet the standards for annexation and that the information presented in the brief is factually incorrect and incomplete.

It is suggested that the City withdraw its annexation petition, reduce it's scope and return when it can demonstrate that it can even provide adequate services for the existing population.

Addendum

Huna Totem Corporation Brief In Opposition

After the Huna Totem Corporation brief was written a copy was received of the "Report to the Local Boundary Commission on the Proposed Annexation of 23.91 Square Miles to the City of Hoonah," written by the Department of Community and Regional Affairs. The material contained is so erroneous and misleading that a rebuttal is called for. In several places the document purports to detail Huna Totem Corporation plans as substantive justification for finding that a standard is met. To the best of my knowledge the Corporation was not contacted regarding its plans and takes exception to the Department of Community and Regional Affair's attributing such statements to the Corporation without verification.

Specific examples of fallacious information is:

1. Page 4, Standard (4), paragraph 3 and 5. The Corporation has a goal of being out of the logging business within 5 years. The 1983 and 1984 logging seasons have and will be the peak production years. The 1984 logging season will be the last season on the East side of Port Frederick Sound. The growth has occured and no additional growth is anticipated or needed. The "Report" is inaccurate in growth projections and Huna Totem Corporation's "anticipated market".
2. Page 5, Standard (5) all. The Report is factually inaccurate and misleading in it's entire treatment of standard (5).

151.5 Million board feet and 91.6 miles of road will <u>not</u> be harvested and built by 1986 in the Hoonah area. These figures are close to 3 times as much as planned or anticipated.

The statement is made, "It is anticipate(d) that several more logging camps and logging facilities will be constructed in the territory to be annexed." This statement is totally erroneous, factually inaccurate and grossly misleading.

The log transfer and storage facility was designed for a 15 year life span and not 50-100 years. Stretch the usable period to 300 years and the report would really show an impressive volume. This paragraph is inaccurate and

misleading.

3. Page 6, Standard (6) all. The Report finds that there are no conditions endangering City residents and that have adequate protection. But then, goes on to find the standard has been met. Incredible - just incredible. The spurious thinking responsible for this finding has to be one of the classic examples of bureaucratic ineptitude. The writer of this report just received my nomination for "State Bureaucrat of The Year".

4. Page 6, Standard (7). This statement is inaccurate, incomplete and misleading.

5. Page 7, Standard (9). I feel that there are a number of residents outside of the City who would not find this to be a "valid public purpose".

The "Report to the Local Boundary Commission ..." is spurious, specious and fallacious. It has been written so as to consciously mislead the Commissioners and general public. It has been written without any attempt to validate the statements or to include material which would give a balance appraisal of the situation. As such the writer of this document is grossly negligent in carrying out his duties and responsiblities to the State, the City and to the public.

This Report should be thrown out in its entirety and the Department of Community and Regional Affairs requested to prepare a balanced unbiased report.

Submitted December 15, 1983 at 9:45 a.m.

William C. Bivin
Huna Totem Corporation
Chief Executive Officer

SB

21

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

(7)

3/11/83

Return TO

Date: 25 MAR

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 21 (C&RA) am

An Act relating to grants for water supply, sewerage and solid waste facilities; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for CSSB 21 (C&RA) [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60

Cook
2/24/83 ✓

Original sponsors: Lacher and Szymanski

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 101 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to grants for water supply, sewerage and solid waste facilities; and providing for an effective date."

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

* 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 75 [50] percent of eligible costs not financed by the federal government, for public water supply, treatment and distribution systems and public sewage collection, treatment and discharge systems, and solid waste processing and disposal facilities [FACILITIES] for which construction or acquisition has not commenced on or before July 1, 1983 [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.

* Sec. 2. AS 46.03.030(d) is amended to read:

(d) The department shall, by regulation, identify those costs that [WHICH] are eligible costs for the purposes of this section. Eligible costs include the costs that [ESTABLISHED IN A CONSTRUCTION CONTRACT WHICH]

(1) that are necessary for construction of a project, but do not include the cost of interest and financing and right-of-way

acquisition, or costs related to operation, maintenance, repair or replacement of a project;

(2) of the initial acquisition of water delivery and sewage collection vehicles if the vehicles are determined by the department to be cost effective compared with conventional water supply and sewage collection systems;

(3) of facilities for the maintenance and storage of water delivery and sewage collection vehicles.

* Sec. 3. AS 46.03.030(e) is amended to read:

(e) The department may grant to a municipality not more than 75 [50] percent of the eligible costs that [, INCLUDING COSTS OF OBTAINING FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS, WHICH] are not paid for by the federal government for solid waste processing or disposal systems [FACILITIES] constructed or acquired after July 1, 1983 [1980]. However, the department may grant a municipality up to 85 [60] percent of the eligible costs not paid for by the federal government for a solid waste processing or disposal system [FACILITY] constructed or acquired after July 1, 1983 [1980], if the system [FACILITY] is used for resource recovery. The eligible costs of a solid waste processing or disposal system [FACILITY] are determined by the federal agency granting the most monetary assistance for construction or acquisition of the system [FACILITY]. For a solid waste processing or disposal system [FACILITY] for which federal money is not available, the department shall determine the eligible costs in accordance with (d) of this section. A municipality shall construct solid waste processing or disposal facilities financed by grants under this section according to plans and specifications approved by the department.

> Add Line 26, p. 2 of CSSB 21 (Fin) except change "heavy bucket" to "Sewage"

* Sec. 4. This Act takes effect July 1, 1983.

Offered: 1/28/83
Referred: Finance

Original sponsors: Kerttula, Ferguson and Josephson

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

IN THE SENATE

CS FOR SENATE BILL NO. 21 (C&RA) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to grants for water supply, sewerage and solid waste facilities; and providing for an effective date."

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* Sec. 2. AS 46.03.030(d) is amended to read:

(d) The department shall, by regulation, identify those costs that [WHICH] are eligible costs for the purposes of this section. Eligible costs include the costs that [ESTABLISHED IN A CONSTRUCTION CONTRACT WHICH] are necessary for construction of a project, but do not include the cost of interest and financing and right-of-way

acquisition, or costs related to operation, maintenance, repair or replacement of a and normal project. repairs. Eligible costs include the costs of the initial purchase of water delivery and [honey bucket] sewage collection vehicles if the vehicles are determined by the department to be cost effective compared with conventional water supply and sewage collection systems. Eligible costs also include the cost of facilities for the maintenance and storage of those vehicles [REPAIR OR REPLACEMENT OF A PROJECT].

* Sec. 3. AS 46.03.030(e) is amended to read:

(e) The department may grant to a municipality not more than 75 [50] percent of the eligible costs, [including DELETED IN HB 101 costs of obtaining federal waivers from the requirement for secondary treatment plants, that [WHICH] are not paid for by the federal government for solid waste processing or disposal facilities constructed or acquired after July 1, 1983 [1980]. However, the department may grant a municipality up to 85 [60] percent of the eligible costs not paid for by the federal government for a solid waste processing or disposal facility constructed or acquired after July 1, 1983 [1980], if the facility is used for resource recovery. The eligible costs of a solid waste processing or disposal facility are determined by the federal agency granting the most monetary assistance for construction or acquisition of the facility. For a solid waste processing or disposal facility for which federal money is not available, the department shall determine the eligible costs in accordance with (d) of this section. A municipality shall construct solid waste processing or disposal facilities financed by grants under this section according to plans and specifications approved by the department.

* Sec. 4. AS 46.03.900(19) is amended to read: (this portion not in CSHB 101, should be retained)

(19) "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 sewage,

industrial waste, or other wastes to a point of ultimate disposal and includes the original purchase of [honey bucket] Sewage collection vehicle and facilities for the maintenance and storage of those vehicles if the vehicles are determined by the department to be cost effective compared with conventional sewage collection systems;

* Sec. 5. This Act takes effect July 1, 1983.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST
Bill/Resolution No.: SB 021 HCS CS
Title: Grants/Water Supply, Sewer & Solid Waste Rec ID 805
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Whregar Phone: 465-4750
Division: Municipal and Regional Assistance Date: 12/29/83
Approved by Commissioner: Date: 12/24/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: SB 021 HCS CS
Title: Grants/Water Supply, Sewer & Solid Waste Rec ID 805

ANALYSIS:

Assumptions:

This bill revises the State share for local water and sewer construction from 50% to 75%. This is a Department of Environmental Conservation program and will result in no additional fiscal obligations for Community and Regional Affairs.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

POSITION PAPER ON SENATE BILL 21
by the
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Before the
HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
March 25, 1983

Senate Bill 21 amends existing statute AS 46.03.030. This statute authorizes the Department of Environmental Conservation to award grants up to 50 percent of the eligible costs for water, sewerage, and solid waste facilities. This amendment would increase the State's grant percentage from 50 to 75 percent. The bill also provides for an effective date.

This bill contains the same major provisions as SB 252 which passed the Legislature last year and was vetoed.

The Department supports this legislation for several reasons:

1) Small municipalities are often unable to raise the 50 percent local match required under the existing statute. The proposed amendment will allow many of these municipalities to improve their basic sanitation services.

2) Federal matching grants have been drastically reduced. Adoption of SB 21 with the accompanying fiscal note will help offset the impact of decreased federal revenues.

3) Alaska's residents will receive a nontaxable financial benefit. An increase in State funds will reduce LID and property assessments, thereby providing a financial benefit. Since there is no direct monetary gain for the taxpayer, there can be no increase in their federal income tax.

Adoption of SB 21 could result in construction of projects that would not have been built under the 50 percent funding program. As a practical matter, however, there is no means by which we can reliably predict which projects will be affected or their costs. The attached fiscal note estimates that if the base level of funding remains constant at $30.0 million per year, the effect of this bill will be approximately $19.5 million in FY-84.

Thank you for the opportunity to present these comments. I will be happy to address any questions you may have.

STATE OF ALASKA
FISCAL NOTE

Revision Date Mar 25 , 1983

I. REQUEST

Bill/Resolution No.: CSSB 21 (C&RA) Am
Title: Grants for Water, Sewer, Solid Waste Fac
Sponsor: Kertulla, Ferguson, Josephson
Requestor: Community & Regional Affairs Comm

II. FISCAL DETAIL

Agency Affected: Environmental Conservation
Program Category Affected: NRMEC
BRU, Program of Subprogram(s) Affected: Facility Construction & Operation

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	*Assumes an annual construction inflation rate					
400 COMMODITIES	of 10%					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		19.5	21.5	23.6	26.0	28.6
TOTAL OPERATING						
CAPITAL		19.5	21.5	23.6	26.0	28.6
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		19.5	21.5	23.6	26.0	28.6
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

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

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

General Funds

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Gary Hayden, Director
Phone: 465-2610
Division: Facility Construction & Operation
Date: March 25, 1983

Approved by Commissioner: _____ Date: _____
Department: _____

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(Continued on next page)

3/8/83

Department of Environmental Conservation
March 25, 1983

FISCAL NOTE

Bill CSSB 21 (C&RA) Am
Title: An act relating to grants for water supply, sewerage, and solid waste facilities, and providing for an effective date.

IV. Analysis

Estimating the fiscal impact of this bill requires that several assumptions be made:

1) that the base level of funding appropriated by the Legislature remains approximately $30.0 million per year;

2) that the Legislature wishes to increase the base level to fund the same number of projects at the higher level; and

3) increased funding would be provided to meet the demand created by smaller communities seeking 75% grants where they now are required to provided only a 25% match. The effect of these assumptions is an increase of approximately $19.5 million in FY-84, with a 10% annual increase thereafter.

$30.0 x 75/50 = $45.0
6.0 x .75 = 4.5
Total = $49.5

$49.5 million - $30.0 million = 19.5 million

The fiscal impact of this bill could be much larger if the Legislature attempts to appropriate funds sufficient to meet all the identified needs for water, sewerage, and solid waste facilities. A survey conducted by the Department in July of 1982 indicated a total grant demand exceeding $230 million for fiscal years 84 and 85. Assuming appropriations adequate to meet even 50 percent of this demand, the impact of increasing grants to 75 percent results in a $57.5 million impact for FY-84; therefore, it is obvious that the fiscal impact depends solely upon the size of the appropriation and can be limited to whatever the Legislature wishes.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 21, 1983

To: House Community and Regional Affairs Committee

From: Ginny Chitwood, AML Executive Director

Re: CSSB 21 (CRA) am - Grants for Water Supply, Sewerage, and Solid Waste Facilities

The Alaska Municipal League urges your favorable consideration of CSSB 21 (CRA) am, increasing the state share of construction grants for community water supply, sewerage, and solid waste facilities from 50% to 75% of the non-federal share.

Public Health Needs: Adequate and clean water, sanitary sewer, and solid waste disposal are basic public health issues that, for the most part, cannot be addressed on an individual basis. Because total costs of these projects are very large, it is hard for many areas to raise the 50% local match required by the current programs. Further compounding the problem is the decrease in the federal funding percentage from 75% to 55%.

Relief for Property Owners: The local share of water and sewer projects traditionally is paid by assessments on local property, not by general municipal taxation. Increasing the state share will provide direct relief to property owners and taxpayers by reducing local improvement district (LID) payments. Additionally, none of the state assistance dollars under this program will result in increased federal tax payments, as is the case with many of the other state revenue distribution plans. LID payments, as opposed to property and sales tax payments, are not eligible as federal income tax deductions, nor are monthly charges for water, sewer, and solid waste services.

Mandated Costs: Many of the municipal water, sewer, and solid waste projects have costly additional features, not because communities want them, but because they are mandated by federal and/or state laws and regulations. It seems only fair that a large portion of the mandated cost be borne by other than local residents.

Most areas of the state are way behind the rest of the country in having basic water supply, sewerage disposal, and solid waste facilities. Expanding the state's construction grants program is a means to accelerate the process of "catch-up". Because this is a matching grants program, an expenditure by the state will generate an increased amount of capital projects throughout the state. The new facilities will be maintained by the local governments and utility districts and will not require state operating assistance.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 21, 1983

POSITION PAPER

RE: CSSB 21

SPONSOR: Senate Community and Regional Affairs Committee

Program Effects of Bill

Increases from 50% to 75% the percentage of State matching funds for eligible construction costs for local water supply, treatment and discharge facilities and solid waste processing for disposal facilities constructed after July 1, 1983.

Comments

The Department supports this increase in aid to municipalities. The increase in State participation will allow a greater number of communities to afford water and sewer projects. Most local projects are partly financed through local improvement districts. At 50% State participation, many project balances could not be financed locally, due to lack of assets for bonding or high resident payback rates. The requirements that projects be pre-planned and engineered and that the local financing be arranged ensure that projects are genuine local priorities. This program has been one of most efficient capital assistance programs administered by the State.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSSB 21
Title: Grants for water supply
Sponsor: Senate C&RA
Requestor: House C&RA

II. FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING		-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-
CAPITAL		-0-	-0-	-0-	-0-	-0-
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 Rainery RR
Phone: 465-4703
Division: Commissioner's Office
Date: 3/21/83

Approved by Commissioner:
Date: 3/21/83
Department: Community & Regional Affairs

Distribution:
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Copy to Requestor (if different from Sponsor)

3/8/83

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

M E M O R A N D U M

TO: House C & R A Committee

FROM: Staff

SUBJECT: CSSB 21 (C & R A) am

DATE: March 19, 1983

Purpose of the legislation is to increase the portion of state grants for sewage, solid waste and water systems not financed by federal funding from 50 percent to 75 percent.

The other significant impact of CSSB 21 is to include the initial purchase of water delivery and honey bucket collection vehicles, as well as associated maintenance facilities, as eligible for grant funding provided the department finds them to be cost effective as compared to conventional systems.

A companion bill, CSHB 101 has been introduced by Representative Lacher. The companion bill is now in House Finance Committee. A comparison of the two bills is attached.

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

COMMPARISON OF CSSB 21 (C & R A) am to CSHB 101

pg. 1. line 15 CSSB 21 uses word "facilities; CSHB 101 uses word "systems".

pg. 1, line 16 after word "construction" CSHB 101 adds the words "or acquisition".

pg. 2, line 1 after word "maintenance," CSSB 21 uses words "and normal repairs." CSHB 101, after word "maintenance" uses words "repair or replacement of a project."

pg. 2, line 3 CSSB 21 uses words "honey bucket collection;" CSHB 101 uses words "sewage collection vehicles."

pg. 2, line 10 CSSB 21, after word "costs" and CSHB 101 deletes phrase "including costs of obtaining federal waivers from the requirement for secondary treatment plants." Reason: time period for applications for these waivers has expired and they are no longer available.

pg. 2, lines 16, 17, 19, 20, 21 CSSB 21 uses word "facility; CSHB 101 uses word "system."

pg. 2, line 20 following word "construction" CSHB 101 adds words "or acquisition."

pg. 2, line 26, CSHB 101 does not add the portion pertaining to honey bucket collection to "sewer system" or "sewerage system" as does CSSB 21. Recommend retaining the change in definition for clarity.

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

COMPARISON OF CSSB 21 (COMMUNITY AND REGIONAL AFFAIRS) to CSHB 101

pg. 1. line 15 CSSB 21 uses word "facilities"; CSHB 101 uses word "systems". Recommend change to CSSB 21, "systems" is a better definition. For description: See AS 46.03.900.

pg. 1. line 16 After word "construction" CSHB 101 adds the words "or acquisition". Recommend adding "or acquisition" to include projects which are now awaiting grant award and have not actually started construction.

pg. 2. line 1 After word "maintenance," CSSB 21 uses words "and normal repairs.' CSHB 101, after word "maintenance" uses words "repair or replacement of a project." Recommend change to wording in HB 101 to clarify intent. It is not legal nor proper for the state to pay for replacements or repairs thru grant programs.

pg. 2. line 3 CSSB 21, uses words "honey bucket collection;" CSHB 101 uses words "sewage collection vehicles." Recommend change to HB 101 verbage.

pg. 2. line 10 CSSB 21, after word "costs", CSHB 101 deletes the phrase "including costs of obtaining federal waivers from the requirement for secondary treatment plants." Recommend deleting the phrase "including costs of obtaining federal waivers from the requirement for secondary treatment plants," from CSSB 21. Reason: time period for applications for these waivers has expired and they are no longer available.

pg. 2. lines 16,17,19,20,21 CSSB 21 uses word "facility;" CSHB 101 uses word "system". Recommend to change to "system" to be consistent. VOID SEE: AS 46.03.900 (24)

pg. 2. line 20 Following word "construction" CSHB 101 adds words "or acquisition". Recommend adding words "or acquisition" to CSSB 21.

pg. 2. line 26 CSHB 101 does not include the definition pertaining to honey bucket collection to as does CSSB 21. Recommend retaining the change in definition for clarity, except change "honey bucket" to "sewage".

THIS ROW
LEFT BLANK

Alaska State Legislature

REPRESENTATIVE
BARBARA LACHER
P.O. BOX 478
PALMER, ALASKA 99645
(907) 376-4215

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4894

House of Representatives

TO: House C & R A Committee

FROM: Staff

SUBJECT: CSSB 21 (C & R A) am

The following definitions are from Websters New World Dictionary, 2nd college edition, 1982:

Facility: 1. ease of doing or making; absence of difficulty.

2. a ready ability; skill; dexterity; fluency.

3. the means by which something can be done (poor transportation facilities)

4. a building, special room, etc. that facilitates or makes possible some activity (a new facility for outpatient treatment)

System: 1. a set or arrangement of things so related or connected as to form a unity or organic whole.

2. a set of facts, principles, rules, etc. classified or arranged in a regular orderly form so as to show a logical plan linking the various parts.

3. a method or plan of classification or arrangement.

POSITION PAPER ON SENATE BILL 21
by the
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Before the
SENATE FINANCE COMMITTEE
March 1, 1983

Senate Bill No 21 amends existing statute AS 46.03.030. This statute authorizes the Department of Environmental Conservation to award grants up to 50 percent of the eligible costs for water, sewerage, and solid waste facilities. The primary purpose of the amendment is to increase the State's grant percentage from 50 to 75 percent. The bill also provides for an effective date.

This bill contains the same major provisions as SB 252 which passed the Legislature last year and was vetoed by Governor Hammond due to several minor provisions not found in SB 21. In his veto statement Governor Hammond stated his support for the basic legislation and his intent to recommend that the new administration reintroduce the bill this session. The Sheffield administration also supports the concept.

The Department supports this legislation for several reasons:

1) Small municipalities are often unable to raise the 50 percent local match required under the existing statute. The proposed amendment will allow many of these municipalities to improve their basic sanitation services.

2) Federal matching grants have been drastically reduced. Adoption of SB 21 with the accompanying fiscal note will help offset the impact of decreased federal revenues.

3) Alaska's residents will receive a nontaxable financial benefit. An increase in State funds will reduce LID and property assessments, thereby providing a financial benefit. Since there is no direct monetary gain for the taxpayer, there can be no increase in their federal income tax.

The Department respectfully recommends that the committee consider one amendment to SB 21, which will make the Bill consistent with the administration's proposal. We request that SB 21 be amended as follows.

Add a provision in Section 1, AS 46.03.030 after line 19, page 1. Total State funding, from all sources, shall not exceed 75 percent of eligible project costs not financed by the federal government. This provision prevents the municipal grants program from fully matching appropriations, which would result in 100 percent project financing by the State. Requiring a minimum of 25 percent local funding will provide for more local project management.

Adoption of SB 21 will result in construction of projects that would not have been built under the 50 percent funding program. As a practical matter, however, there is no means by which we can reliably predict which projects will be affected or their costs. The attached fiscal note estimates that if the base level of funding remains constant at $30.0 million per year, the effect of this bill will be approximately $19.5 million in FY-84.

Thank you for the opportunity to present these comments. I will be happy to address any questions you may have.

SENATE AMENDMENT

adopted 3/1/93

By Finance Committee

To: CS for SENATE BILL No. 21 (C&RA)

To: HOUSE BILL No.

PAGE: 1 LINE: 15, 27 & 28

SB-15 or SB-150 # bills

Line 15

Following the word "facilities" insert:

, and solid waste processing and disposal

Lines 27 & 82

Delete:

including the cost of replacing obsolete facilities,

MEMORANDUM State of Alaska

TO: Max Gifford
Senator Sackett's Office
Pouch V

DATE: February 10, 1983

FILE NO:

TELEPHONE NO:

FROM: Keith Kelton, Director
Facility Construction
and Operation
Department of Environmental
Conservation

SUBJECT: SB 21

Thank you for apprising me of the conflict that will be created by passage of SB 21 as amended. You are correct that the Department's administrative code 18 AAC 73.010 prohibits the financing of replacement projects. The committee substitute (page 1, line 28) would authorize the replacement of obsolete facilities as grant eligible and necessitate a change to the code.

I was unaware that this provision was included in Senator Sackett's amendment to finance water delivery and honey bucket collection vehicles. We strongly support the inclusion of the vehicles as grant eligible but have serious reservations on financing replacement of obsolete facilities.

The Administration's veto of SB 252 last year was partially due to the amendment in that bill, which would have authorized funding of obsolete facilities. It is the Administration's position that communities should be responsible for maintaining facilities once they are constructed and charge a user fee to cover the costs of maintenance and amortization. It is the Administration's desire not to replace facilities that have been allowed to deteriorate due to lack of maintenance by a municipality.

I have attached a copy of Governor Hammond's veto letter to Senate President Jalmar Kerttula, which includes his opposition to the replacement of obsolete facilities. As stated to you in our phone conversation, it was not my understanding that this provision was included in the committee substitute. I would be happy to work with you to clarify or modify SB 21 as necessasry to reflect everyone's concerns.

Attachment

DEPARTMENT OF ENVIRONMENTAL CONSERV

June 16, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Sec 2

Under the authority of art. II, sec. 15, of the Alaska Constitution, I have vetoed House Committee Substitute for Committee Substitute for Senate Bill 252 (Fin) am H, relating to grants for water supply, sewerage and solid waste facilities; and providing for an effective date. While I support the basic thrust of this bill - increasing the state's grant proportion of water, sewer and solid waste facilities - there are several provisions which are objectionable.

The bill would allow replacement of obsolete facilities to be grant eligible. In the past, the Department of Environmental Conservation has funded only new construction, expansion, and modification of facilities. Replacement of obsolete facilities should be funded by revenues accumulated from user charges. In this way, communities and users are encouraged to provide adequate operation and maintenance or they will foot the bill for costs to replace projects which have become "obsolete" through neglect.

The bill would also apparently allow funding of water delivery and honey bucket collection vehicles. The Attorney General has ruled that these vehicles cannot be eligible for funding through general obligation bond financing, as the Constitution restricts general obligation bonds to capital projects. General fund moneys could be used for vehicles; however, the principle source of funds for water and sewer projects has been general obligation bonds.

Finally, the bill would mandate that the Department of Environmental Conservation provide grants to communities with village safe water projects to assist in operation and maintenance of those projects. Presently, the authority to provide those grants is contained in the Village Safe Water Act and is discretionary. If the department determines that

[illegible] must have a state grant for the project to [illegible] and if the operation is sufficiently cost-efficient and funds are available, the department can fund grants to these villages. The proposed revisions would mandate these grants regardless of the community's ability to pay, the operating history of the project, or how well it is run. To the extent possible, these projects should pay their own way without relying on the state to subsidize them.

A veto of this bill would have little effect over the next year. No funds were appropriated by the legislature to implement the provisions of the bill; in fact, the Department of Environmental Conservation does not have sufficient funds to amend grants under the existing formula to the extent it has grant applications. There is also no funding available for operation and maintenance grants to communities with village safe water facilities.

I am requesting the Commissioner of Environmental Conservation to work on draft legislation addressing these issues for me to consider for submittal to the next legislature.

Sincerely,

Jay S. Hammond
Governor

February 15, 1983

The Honorable Mitchell E. Abood, Jr.
Chairman, House State Affairs Committee
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Chairman Abood:

Re: HB 101

As requested by the House State Affairs Committee, the Department of Environmental Conservation, Representative Barbara Lacher's staff, and the Alaska Municipal League met to discuss the amendments proposed for House Bill 101. The Department proposed four amendments to HB 101 in its testimony before the committee on February 11, 1983. Mr. Robert Harris, testifying for Representative Lacher, objected to three of these amendments. During our discussions we were successful in reconciling our differences on two of the three objections.

All parties now support amendments 1, 2, and 4 to HB 101, which, if adopted, will match similar changes made to SB 21.

AMENDMENT #1 - Add Section 3, AS 46.03.030(d) to read:

> The Department shall, by regulation, identify those costs which are eligible costs for the purposes of this section. Eligible costs include the costs [ESTABLISHED IN A CONSTRUCTION CONTRACT] which are necessary for the construction of a project, but do not include the cost of interest in financing and right-of-way acquisition, or costs related to operation, maintenance, repair or replacement of a project. Eligible costs include the costs of the initial purshase of water delivery and sewage collection vehicles if the water delivery and sewage collection vehicles are determined by the department to be cost effective compared with conventional water supply and sewage collection systems. Eligible costs also include the cost of facilities for the maintenance and storage of these vehicles.

AMENDMENT #2

> Delete the following clause in Section 2, AS 46.03.030(e) beginning on page 1, line 29; [INCLUDING COSTS OF OBTAINING FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS.] This provision is now obsolete since the time period for applying for these waivers has passed.

AMENDMENT #4

The addition to the statute contained on page 1 of the bill and beginning on line 16 with the word "If" is no longer relevant. It was originally included to provide a maximum State/federal funding ceiling of 87.5 percent when 75 percent federal grants were available from the U.S. Environmental Protection Agency. Since the EPA grants are being reduced to 55 percent in 1984 and other federal grants are scarce, this provision could probably be dropped. However, until the federal law change in 1984 it is possible for some communities to qualify for a combined State/federal grant of 92.5 percent. Deletion of the subject clause from the bill will make it possible for the higher participation.

AMENDMENT #3 - No agreement reached

Add a provision in Section 1, AS 46.03.030 after line 19, page 1. Total State funding, from all sources, shall not exceed 75 percent of eligible project costs not financed by the federal government. This provision prevents the municipal grants program from fully matching legislative appropriations, which would result in 100 percent project financing by the State. Requiring a minimum of 25 percent local funding will provide for more local project management.

We were unable to reach agreement on this proposed amendment. The Administration's philosophy to limit grant participation and extend the Department's resources does not match that of Representative Lacher. The committee's evaluation on the merits of this amendment will be required.

The undersigned agree that the above statements reflect their understanding of the agreement reached.

Representative Barbara Lacher
House of Representatives

Keith Kelton, Director
Facility Construction and Operation
Department of Environmental Conservation

bc: Jeremy Editorial

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

January 25, 1983

To: Senate Community and Regional Affairs Committee

From: Ginny Chitwood, AML Executive Director

Re: SB 21 - Grants for Water Supply, Sewerage, and Solid Waste Facilities

The Alaska Municipal League urges your favorable consideration of SB 21, increasing the state share of construction grants for community water supply, sewerage, and solid waste facilities from 50% to 75% of the non-federal share.

Public Health Needs: Adequate and clean water, sanitary sewer, and solid water disposal are basic public health issues that, for the most part, cannot be addressed on an individual basis. Because total costs of these projects are very large, it is hard for many areas to raise the 50% local match required by the current programs.

Relief for Property Owners: The local share of water and sewer projects traditionally is paid by assessments on local property, not by general municipal taxation. Increasing the state share will provide direct relief to property owners and taxpayers by reducing local improvement district (LID) payments. Additionally, none of the state assistance dollars under this program will result in increased federal tax payments, as is the case with many of the other state revenue distribution plans. LID payments, as opposed to property and sales tax payments, are not eligible as federal income tax deductions, nor are monthly charges for water, sewer, and solid waste services.

Mandated Costs: Many of the municipal water, sewer, and solid waste projects have costly additional features, not because communities want them, but because they are mandated by federal and/or state laws and regulations. It seems only fair that a large portion of the mandated cost be borne by other than local residents.

Most areas of the state are way behind the rest of the country in having basic water supply, sewerage disposal, and solid waste facilities. Expanding the state's construction grants program is a means to accelerate the process of "catch-up". Because this is a matching grants program, an expenditure by the state will generate an increased amount of capital projects throughout the state. The new facilities will be maintained by the local governments and utility districts and will not require state operating assistance.

POSITION PAPER ON SENATE BILL 21
by the
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Before the
SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
January 25, 1983

Senate Bill No 21 amends existing statute AS 46.03.030. This statute authorizes the Department of Environmental Conservation to award grants up to 50 percent of the eligible costs for water, sewerage, and solid waste facilities. The primary purpose of the amendment is to increase the State's grant percentage from 50 to 75 percent. The bill also provides for an effective date.

This bill contains the same major provisions as SB 252 which passed the Legislature last year and was vetoed by Governor Hammond due to several minor provisions not found in SB 21. In his veto statement Governor Hammond stated his support for the basic legislation and his intent to recommend that the new administration reintroduce the bill this session. The Sheffield administration also supports the concept and has directed the Department of Law to draft a bill raising the grant funding percentage. The administration's proposed bill differs slightly from SB 21 but both contain the same major provisions.

The Department supports this legislation for several reasons:

1) Small municipalities are often unable to raise the 50 percent local match required under the existing statute. The proposed amendment will allow many of these municipalities to improve their basic sanitation services.

2) Federal matching grants have been drastically reduced. Adoption of SB 21 with the accompanying fiscal note will help offset the impact of decreased federal revenues.

3) Alaska's residents will receive a nontaxable financial benefit. An increase in State funds will reduce LID and property assessments, thereby providing a financial benefit. Since there is no direct monetary gain for the taxpayer, there can be no increase in their federal income tax.

The Department respectfully recommends that the committee consider four amendments to SB 21, which will make the Bill consistent with the administration's proposal. We request that SB 21 be amended as follows.

1) Add Section 3, AS 46.03.030(d) to read:

The Department shall, by regulation, identify those costs which are eligible costs for the purposes of this section. Eligible costs include the costs [ESTABLISHED IN A CONSTRUCTION CONTRACT] which are necessary for the construction of a project, but do not include the cost of interest and financing and right-of-way <u>and land</u> acquisition, or costs related to operation, maintenance, repair or replacement of a project. <u>Eligible costs include the costs of the initial purchase of water delivery and sewage collection vehicles if the water delivery and sewage collection vehicles are determined by the department to be cost effective compared with conventional water supply and sewage collection systems. Eligible costs also include the cost of facilities for the maintenance and storage of these vehicles.</u>

2) Delete the following clause in Section 2, AS 46.03.030(e) beginning on page 1, line 29; [INCLUDING COSTS OF OBTAINING FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS.] This provision is now obsolete since the time period for applying for these waivers has passed.

3) Add a provision in Section 1, AS 46.03.030 after line 19, page 1. Total State funding, from all sources, shall not exceed 75 percent of eligible project costs not financed by the federal government. This provision prevents the municipal grants program from fully matching appropriations, which would result in 100 percent project financing by the State. Requiring a minimum of 25 percent local funding will provide for more local project management.

4) The addition to the statute contained on page 1 and beginning on line 16 with the word "If" is probably no longer relevant. It was originally included to provide a maximum State/federal funding ceiling when 75 percent federal grants were available from the U.S. Environmental Protection Agency. Since the EPA grants are being reduced to 55 percent in 1984 and other federal grants are scarce, this provision could probably be dropped.

Adoption of SB 21 will result in construction of projects that would not have been built under the 50 percent funding program. As a practical matter, however, there is no means by which we can reliably predict which projects

will be affected or their costs. The attached fiscal note estimates that if the base level of funding remains constant at $30.0 million per year, the effect of this bill will be approximately $19.5 million in FY-84.

Thank you for the opportunity to present these comments. I will be happy to address any questions you may have.

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 16, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. II, sec. 15, of the Alaska Constitution, I have vetoed House Committee Substitute for Committee Substitute for Senate Bill 252 (Fin) am H, relating to grants for water supply, sewerage and solid waste facilities; and providing for an effective date. While I support the basic thrust of this bill - increasing the state's grant proportion of water, sewer and solid waste facilities - there are several provisions which are objectionable.

The bill would allow replacement of obsolete facilities to be grant eligible. In the past, the Department of Environmental Conservation has funded only new construction, expansion, and modification of facilities. Replacement of obsolete facilities should be funded by revenues accumulated from user charges. In this way, communities and users are encouraged to provide adequate operation and maintenance or they will foot the bill for costs to replace projects which have become "obsolete" through neglect.

The bill would also apparently allow funding of water delivery and honey bucket collection vehicles. The Attorney General has ruled that these vehicles cannot be eligible for funding through general obligation bond financing, as the Constitution restricts general obligation bonds to capital projects. General fund moneys could be used for vehicles; however, the principle source of funds for water and sewer projects has been general obligation bonds.

Finally, the bill would mandate that the Department of Environmental Conservation provide grants to communities with village safe water projects to assist in operation and maintenance of those projects. Presently, the authority to provide those grants is contained in the Village Safe Water Act and is discretionary. If the department determines that

a community must have a state grant for the project to survive, and if the operation is sufficiently cost-efficient and funds are available, the department can fund grants to these villages. The proposed revisions would mandate these grants regardless of the community's ability to pay, the operating history of the project, or how well it is run. To the extent possible, these projects should pay their own way without relying on the state to subsidize them.

A veto of this bill would have little effect over the next year. No funds were appropriated by the legislature to implement the provisions of the bill; in fact, the Department of Environmental Conservation does not have sufficient funds to amend grants under the existing formula to the extent it has grant applications. There is also no funding available for operation and maintenance grants to communities with village safe water facilities.

I am requesting the Commissioner of Environmental Conservation to work on draft legislation addressing these issues for me to consider for submittal to the next legislature.

Sincerely,

Jay S. Hammond
Governor

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

January 25, 1983

To: Senate Community and Regional Affairs Committee

From: Ginny Chitwood, AML Executive Director

Re: SB 21 - Grants for Water Supply, Sewerage, and Solid Waste Facilities

The Alaska Municipal League urges your favorable consideration of SB 21, increasing the state share of construction grants for community water supply, sewerage, and solid waste facilities from 50% to 75% of the non-federal share.

Public Health Needs: Adequate and clean water, sanitary sewer, and solid water disposal are basic public health issues that, for the most part, cannot be addressed on an individual basis. Because total costs of these projects are very large, it is hard for many areas to raise the 50% local match required by the current programs.

Relief for Property Owners: The local share of water and sewer projects traditionally is paid by assessments on local property, not by general municipal taxation. Increasing the state share will provide direct relief to property owners and taxpayers by reducing local improvement district (LID) payments. Additionally, none of the state assistance dollars under this program will result in increased federal tax payments, as is the case with many of the other state revenue distribution plans. LID payments, as opposed to property and sales tax payments, are not eligible as federal income tax deductions, nor are monthly charges for water, sewer, and solid waste services.

Mandated Costs: Many of the municipal water, sewer, and solid waste projects have costly additional features, not because communities want them, but because they are mandated by federal and/or state laws and regulations. It seems only fair that a large portion of the mandated cost be borne by other than local residents.

Most areas of the state are way behind the rest of the country in having basic water supply, sewerage disposal, and solid waste facilities. Expanding the state's construction grants program is a means to accelerate the process of "catch-up". Because this is a matching grants program, an expenditure by the state will generate an increased amount of capital projects throughout the state. The new facilities will be maintained by the local governments and utility districts and will not require state operating assistance.

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
FACILITY CONSTRUCTION AND OPERATION DIVISION
STATUS REPORT
OF
MUNICIPAL GRANTS PROGRM

April 1982

MUNICIPAL GRANTS

The municipal Grants Program is authorized by AS 46.03.030. This program provides grants up to 50 percent of the nonfederally financed costs for water, sewerage, and solid waste improvements. These grants may be used to pay for engineering, construction, legal, administrative and equipment costs. Grants are available only to incorporated municipalities. The State does not provide any operation and maintenance support beyond technical asistance.

Project scope, scheduling, and funding are left to local determination. The Department does not attempt to second-guess the validity or local priority of requested grants. The Department is concerned with approval of construction plans and specifications, contract documents for engineering design and for construction. Progress payments and interim contruction inspections are made duirng the course of the project. Grantees' final project costs are audited by the Department. The emphasis of the program is to minimize grant requirements with the grantees responsible for the majority of project administration.

Funding for this program has been provided by general obligation bonds approved by the voters. Bonds totaling $112.5 million have been authorized in 1970, 72, 76, 78, and 80. Grants are awarded on a first-come, first-servie basis, subject to the availability of funds. No priority system is presently utilized in awarding these grants.

The program has currently obligated all but approximately $1.0 million of the bonds approved by the voters. This $1.0 million is being held in reserve to fund grant increases due to change orders for existing projects under construction. We are in receipt of approved grant applications totaling nearly $18.7 million, which we are unable to fund at this time. The projects will be funded in the order that applications were approved, subject to the availability of funds. A list of these projects is attached.

The Governor's capital budget request obtains $10.0 million in general funds that will be available this summer, subject to approval by the Legislature. An additional $40.0 million is proposed for voter approval in this fall's general election. As can be noted, general fund approval of $10.0 million by the Legislture will result in over $8.0 million of projects that cannot be constructed this summer. Delaying these projects by a year will result in approximately a 15 percent increase due to inflation.

It is our estimate that to fully meet the needs of grantees for the 1982 construction season, $25.0 million will be required and should be available no later than June 1. The balance of program funding requirements could then be met by voter approval of bonds in the 1982 general election. It is estimated that an additional $50.0 million will need to be approved for FY-83 & 84 if the grants program is to fully responds to the public's demand for sanitation improvements.

If funding is unavailable at the estimated levels of need, we propose to develop a priority system considering public health, benefiting population, and level of existing services. If this occurs, all grantees will be asked to submit their project applications by a specified date for the full calendar year. The projects would then be ranked in accordance with the priority system.

PENDING GRANTS

Project		Date Received	Grant Amount	Date Funded
Anchorage	- SD 81-1 Fire Hydrants	12-16-81	$ 425,520	
	W81-13 Dowling Rd Water	12-16-81	100,950	
	S81-20 Brown's LID	12-16-81	103,000	
	S81-21 AERO LID 112	12-16-81	272,550	
	S81-22 Stella LID 112	12-16-81	107,850	
Kotzebue	- Water Transmission	12-21-81	232,380	
	Water System Exp.	12-21-81	248,320	
	Sewer System Exp.	12-21-81	1,153,800	
Ketchikan	- Karlanna/Hawkins S/D	12-24-81	90,800	
Anchorage	- S81-26 Abbot Loop Manor LID 132	12-31-81	292,650	
	S81-18 Original LID 117	12-31-81	45,050	
Ketchikan	- Penstock Ktn Lakes	1-11-81	19,320	
> Seward	- Terminal Water & Sewer SW82-1	1-22-82	1,562,657	
Anchorage	- W82-3 Univ. Drive 16" Water	1-26-82	50,950	
	W82-4 Ship Avenue Water	1-26-82	20,900	
	S82-1 Shackleton LID Sewer	1-26-82	70,500	
	S82-2 Alpine Village LID Sewer	1-26-82	238,200	
	S82-3 Zodiac LID Sewer	1-26-82	60,250	
	S82-4 Fire Lk Int. Phase III	1-26-82	120,694	
	W82-2 Northern Lights Water	1-26-82	103,100	
> Houston	- Sanitary Landfill	2-11-82	30,000	
Anchorage	- W82-6 Ship Creek Water Plant Exp.	2-19-82	4,580,850	
	W82-5 Ingra St 16" Water 11th-15th	2-19-82	109,619	
Skagway	- Solid Waste	2-21-82	211,610	
	Water Storage Tank	2-21-82	269,000	
Sitka	- Water Storage Tank	2-22-82	1,192,500	
	Water Storage Tank	2-22-82	1,186,050	
> Valdez	- Solid Waste Landfill	2-22-82 (permit)	210,876	
Juneau	- Vanderbilt Hill Water	2-23-82	616,431	
	- Lemon Road Water	2-23-82	524,173	
Skagway	- Water System	2-24-82	628,000	
Juneau	- Bayview S/D	2-26-82	684,600	

PENDING GRANTS
Page 2

Project		Date Received	Grant Amount	Date Funded
Valdez	- Pioneer/Chitina Dr W & S	3-09-82	$ 233,973	
Sitka	- Car Smasher	3-12-82	11,160	
Sand Point	- Meadows S/D Phase I	3-24-82	1,867,800	
Soldotna	- Kobuk	3-25-82	383,906	
Kake	- Water Dist. Loop	3-30-82	122,305	
Nome	- Increase 82 Water & Sewer	4-01-82	504,236	
			$18,686,530	

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 26, 1981

to: Senate Community & Regional Affairs Committee

from: Ginny Chitwood

re: SB 252 - Grants for Water Supply, Sewerage, and Solid Waste Facilities (HB 101)

Alaska Municipal League urges your favorable consideration of SB 252, increasing the state share of construction grants for community water, sewer, and solid waste projects from 50% to 75% of the non-federal share. In looking at various ways to distribute the state's revenues, this proposal should rank high on the list for many reasons:

1.-Public Health Needs. Adequate and clean water, sanitary sewer, and solid waste disposal are basic public health issues that, for the most part, cannot be addressed on an individual basis. Because total costs of these projects are very large, it is hard for most areas to raise the current 50% local match.

2.-Relief for Property Owners. The local share of water and sewer projects traditionally is paid by assessments on local property, not by general municipal taxation. Increasing the state share will provide direct relief to property owners and tax payers by reducing local improvement district (LID) payments.

3.-Federal Income Tax. None of the state assistance dollars under this program will result in increased federal income tax payments, as is the case with many of the other distribution proposals. LID payments, as opposed to property and sales tax payments, are not deductible, nor are monthly charges for water, sewer, and solid waste services.

4.-Price of Land. A big issue for the last couple of years has been the high cost of land. One reason for these high prices in developable suburban areas is the high cost of installing necessary water and sewer systems. Increasing state participation in providing these systems will help to lower the cost of making land available for use. For example, it costs an average of $13,000 per lot in Ketchikan to provide sewerage under the current state construction grants program. In Juneau, the per lot assessment for a proposed water system would drop from $1,217.19 to $608.65 for the smallest lot in the project and from $8,318.70 to $4,159.35 for the largest lot if the state share is increased to 75%.

5.-Mandated Costs. Many of the municipal water, sewer, and solid waste projects are constructed not because communities

want them but because they are mandated by federal and/or state laws. It seems only fair that a large portion of the mandated costs be borne by other than the local residents.

At one time it was feared that an increase in the state share would be a disincentive for municipalities to seek federal funds, thus increasing even more the cost to the State. It has since been determined that in many cases, "jumping through the hoops" for federal funds increases project costs so high as to negate the benefits of those funds. In addition to the extras required by the feds, the inflationary increases in the two extra years required for federal processing add tremendously to the cost of a project. In contrast, the Alaska Department of Environmental Conservation has an excellent record of timely processing applications.

hibit and prevent unnecessary radiation."

The 1981 amendment added subparagraph (I) in paragraph (10).

Editor's notes. — 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 for water supply, sewerage and solid waste facilities. (a) Repealed by § 19 ch 220 SLA 1976.

(b) The department may grant to a municipality, as funds are available, up to 50 percent of eligible costs 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, sewerage and solid waste facilities fund created in the department to carry out the purposes of this section.

(d) The department shall, by regulation, identify those costs which are eligible costs for the purposes of this section. Eligible costs include the costs established in a construction contract which are necessary for construction of a project, but do not include the cost of interest and financing and right-of-way acquisition, or costs related to operation, maintenance, repair or replacement of a project.

(e) The department may grant to a municipality not more than 50 percent of the eligible costs, including costs of obtaining federal waivers from the requirement for secondary treatment plants, which are not paid for by the federal government for solid waste processing or disposal facilities constructed after July 1, 1980. However, the department may grant a municipality up to 60 percent of the eligible costs not paid for by the federal government for a solid waste processing or disposal facility constructed after July 1, 1980, if the facility is used for resource recovery. The eligible costs of a solid waste processing or disposal facility are determined by the federal agency granting the most monetary assistance for construction of the facility. For a solid waste processing or disposal facility for which federal money is not available, the department shall determine the eligible costs in accordance with (d) of this section. A municipality shall construct solid waste processing or disposal facilities financed by grants under this section according to plans and specifications approved by the department. (§ 3 ch 120 SLA 1971; am §§ 2, 19 ch 220 SLA 1976; am §§ 30, 31 ch 168 SLA 1978; am §§ 1-4 ch 163 SLA 1980)

SB
53

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

(7)

4/11/83

Date: MAY 13, 1983

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 53

An Act authorizing municipalities to exempt business inventories from taxation; and providing for an effective date.

under consideration and reports it back as follows:

[X] 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 [X] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

PROPOSED CS FOR SB 53

* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(3) business inventories held for resale.

* Sec. 2. AS 29.45.030(a) is amended by adding a new paragraph to read:

(8) business inventories held for resale.

Remaining sections of bill would remain unchanged.

PREPARED BY: GARY L. JENKINS, DIRECTOR/GOVERNMENTAL RELATIONS
NATIONAL FEDERATION OF INDEPENDENT BUSINESS

"LETTER OF INTENT OF HOUSE

SENATE BILL NO. 53

The bill broadens municipal discretion and requires no change in municipal taxation, but it is not the intention of the House to replace revenues which may be lost by the exemption by increased municipal assistance or state aid. Local officials exercising the authority to exempt business inventories from taxation under this bill would be well advised not to anticipate compensating revenues from the state to replace such lost local tax receipts."

Adopted in the House May 13, 1983.

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

TO: Committee on Community and Regional Affairs

FROM: STAFF

RE: SB 53

SB 53 provides municipalities with the option to exempt business inventories from municipal taxation.

AS 29.53.025 is specific as to what catagories of property a municipality may exempt from Taxation. Business inventories are not included as a optional item for exemption.

Municipalities that are allowed to exempt business inventories because of "grand father" rights.

From Sen. Mulcahy
Re. SB 53 SAME AS HB250

TABLE II
LOCAL ASSESSMENT POLICY

BOROUGHS	RESIDENTIAL AV	RESIDENTIAL EX	GENERAL PERSONAL PROPERTY AV	GENERAL PERSONAL PROPERTY EX	MOTOR VEHICLES AV	MOTOR VEHICLES EX	BOATS & VESSELS AV	BOATS & VESSELS EX	BUSINESS INVENTORY AV	BUSINESS INVENTORY EX	AIRCRAFT AV	AIRCRAFT EX
ANCHORAGE, MUNICIPALITY OF	X	-	X	-	2	-	X	-	X	-	X	-
BRISTOL BAY BOROUGH	1	-	X	-	X	-	X	-	X	-	X	-
FAIRBANKS NORTH STAR BOROUGH	1	-	-	X	-	X	-	X	-	X	-	X
HAINES BOROUGH	X	-	-	X	-	X	-	X	-	X	-	X
JUNEAU, CITY & BOROUGH	X	-	X	-	-	X	-	X	X	-	X	-
KENAI PENINSULA BOROUGH	1	-	X	-	X	-	X	-	-	X	X	-
KETCHIKAN GATEWAY BOROUGH	X	-	X	-	2	-	-	3	X	-	X	-
KODIAK ISLAND BOROUGH	X	-	X	-	2	-	X	-	X	-	X	-
MATANUSKA-SUSITNA BOROUGH	X	-	X	-	2	-	X	-	X	-	X	-
NORTH SLOPE BOROUGH	1	-	X	-	X	-	X	-	X	-	X	-
SITKA, CITY & BOROUGH	X	-	X	-	X	-	-	3	X	-	X	-
CITIES												
CORDOVA	X	-	-	X	-	X	-	X	-	X	-	X
CRAIG	X	-	-	X	-	X	-	X	-	X	-	X
DILLINGHAM	X	-	X	-	X	-	X	-	X	-	X	-
EAGLE	X	-	X	-	-	X	-	X	-	X	-	X
GALENA		NA		NA		NA		NA		NA		NA
HOONAH		NA		NA		NA		NA		NA		NA
HYDABURG		NA		NA		NA		NA		NA		NA
KAKE		NA		NA		NA		NA		NA		NA
KING COVE		NA		NA		NA		NA		NA		NA
KLAWOCK		NA		NA		NA		NA		NA		NA
NENANA	X	-	X	-	X	-	X	-	X	-	X	-
NOME	X	-	X	-	X	-	X	-	X	-		NA
PELICAN	X	-	X	-	-	X	-	3	X	-	X	-
PETERSBURG	X	-	X	-	2	-	-	X	X	-	X	-
ST. MARY'S		NA		NA		NA		NA		NA		NA
SKAGWAY	X	-	-	X	-	X	-	X	-	X	-	X
TANANA		NA		NA		NA		NA		NA		NA
UNALASKA	X	-	X	-	-	X	-	X	X	-	X	-
VALDEZ	1	-	-	X	-	X	-	X	-	X	-	X
WRANGELL	X	-	X	-	-	X	-	X	X	-	X	-
YAKUTAT	X	-	-	X	-	X	-	X	-	X	-	X

1. optional residential exemption up to $10,000 exercised (AS 29.53.025(a))
2. state collected, annual motor vehicle tax (AS 28.10.431)
3. option 5 & 15 dollar fee collected in lieu of property tax (AS 25.53.025(b)(1))

revenue lost to the municipality by reason of the exemption authorized in those provisions may be reimbursed to the municipality by the state."

The 1977 amendment, in subsection (e), deleted "up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs" from the end of the first sentence and deleted the former second sentence, which read "The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state."

The first 1980 amendment, added paragraph (7) of subsection (a) and subsection (j).

The second 1980 amendment, added paragraph (8) of subsection (a).

NOTES TO DECISIONS

Strict construction.

The courts must narrowly construe statutes granting tax exemptions. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Burden of showing eligibility for exemption. — A taxpayer claiming a tax exemption has the burden of showing that the property is eligible for the exemption. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Exclusive use for nonprofit religious, etc., purposes must be shown. In order to qualify for an exemption, the taxpayer must show not benefits, but exclusive use for nonprofit religious, charitable, cemetery, hospital or educational purposes. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

When the property in question is used even in part by nonexempt parties for their private business purposes, there can be no exemption. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Actual use rather than owner's use should be analyzed in determining eligibility for an exemption. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Office space rented to doctors engaged in private practice. — Office space in a building partially used exclusively for nonprofit hospital purposes, rented to doctors engaged in the private practice of medicine by a nonprofit charitable and religious corporation, was not exempt from taxation. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

While the use of office space by doctor-tenants in conducting their private practices does provide incidental benefits to the adjacent hospital, the office space is not used exclusively for hospital purposes. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Sec. 29.53.025. Optional exemptions and exclusions. (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed $10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed $5 a year for a boat or vessel of less than five net tons and shall not exceed $15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over $500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments;

(D) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c).

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting;

(3) a home rule or general law city within an organized borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

("Grandfather Clause")

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this Act.

(e) Municipalities may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of

NFIB® National Federation of Independent Business

3D 52

EFFECT OF EXEMPTING BUSINESS INVENTORIES FROM MUNICIPAL TAXATION

	Value of 1 mil	$ of Bus. Inv. Tax	Portion of 1 mil
Anchorage	$ 7,981,000	$ 2,441,200	.3059
Fairbanks		-0-	-0-
City/Borough of Juneau	839,000	233,654	.2785
Ketchikan-Borough	574,129	30,119	.0525
-City	289,426	112,248	.3878

Director, Governmental Relations/Alaska
P.O. Box 194, Auke Bay, Alaska 99821. Tel: 907/586-4100

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 17, 1983

to: Senate Finance Committee

from: Ginny Chitwood, AML Executive Director GC

re: SB 53 - Business Inventory Exemption

Alaska Municipal League supports passage of SB 53, authorizing municipalities to exempt business inventories from taxation.

Municipalities would like to see increased business activity in their areas. Local officials see eliminating the property tax on business inventories as one way of encouraging economic activity.

In many cases, the business inventory property tax is merely a "nuisance" tax - a hassle for both the business person and the local official withough enough money changing hands to be worth the effort.

This bill would assist municipalities in being able to design their local tax structure to fit th[illegible] local situation.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

February 8, 1983

POSITION PAPER

RE: SB 53

SPONSORS: Senators Mulcahy and Kelly

Program Effects of Bill

Provides for a local option for tax exemptions on business inventories.

Comments

The Department has supported maximizing local options as opposed to mandating such tax exemptions. This measure would allow a municipality to consider such exemptions, assuring that any decision is a local one. The Department believes that the position of the Alaska Municipal League (AML) on this bill should be an important guide post. The AML has supported such a local option for sometime now and continues to do so in their 1983 Policy Statement. One reason is that business inventory taxes often cost more to collect than they bring in; another impetus is the general encouragement of private enterprise by repealing taxes such as that on business inventories.

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 53 Date on Bill: 1/18/83
Title: Authorize Municipalities to exempt business inventories from taxation.
Sponsor: Mulcahy and Kelly
Requestor: SCRA

1. Estimated fiscal impacts on: Department of Community and Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

3. Assumptions: This bill allows municipal governments the option of excluding business inventories from taxation. This option will have no impact on the Department's operations. No fiscal impact.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It doe not represent the policy of the Sheffield Administration or the final estimate of fisc impact.

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's Office Date:

Approved by Commissioner: Date:
Department: Department of Community and Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

Alaska Retail Association

174 S. Franklin St. #205
Juneau, Alaska 99801
(907) 586-6706

Donald R. Magnusson

ALASKA'S INVENTORY TAX

The inventory tax is the most unfair and inequitable business tax in Alaska today. This tax has been condemned repeatedly by the Federal Advisory Commission on Intergovernmental Relations and by innumerable state level legislative and administrative studies. Many of their conclusions are well known and we think it is unnecessary to dwell on them at length, but we do think they should be stated briefly for the record. The inventory tax is unfair in that it bears no relation to profit or loss, placing a heavy burden on one segment of the business community which is not shared, either by private citizens or by other segments of the business and professional community. The business or profession that does not hold merchandise for resale, but who may deal with services, professional or otherwise, pays no similar tax. In fact, the merchant who attempts to compete efficiently by stocking more sizes to serve the hard-to-fit, who has more inventory and less turnover, ends up paying more inventory tax -- even if there is no profit with which to pay it.

Taxes on the same amount of inventory vary widely because of different local tax rates and different methods used by taxpayers in determining "fair market value", with some taxpayers paying a tax on maximum value while others pay on a much lower amount. Inventory taxes are, by universal admission, almost impossible to administer fairly, even by the most conscientious tax assessor.

Inventory taxes discourage the warehousing of goods within the State and can cause serious disruptions in the flow of goods, higher prices (such as freight) and more inconvenience to the consumer. In Alaska, this is a matter of critical concern.

When seeking to attract new industry, nontax states openly advertise that they have no inventory tax.

Attached is a list of the forty (40) states, plus the District of Columbia, that have acted to repeal or substantially reduce the inventory tax. Note that twenty-seven (27) states, plus the District, have completely repealed it or are in process of completely phasing it out. (Note also, in this connection, that on March 14, 1979 the Illinois Supreme Court declared the personal property tax abolished as of January 1, 1979 irrespective of whether or not the legislature acts to implement its prior constitutional mandate.)

Most of these actions have occurred during the past dozen years and there is every indication that the trend will continue. No state that has repealed its inventory tax has ever reimposed it. The evidence shows just the opposite. States that have abolished the tax are reporting increased business activity and more jobs created from improvement in the state's business climate. State and local tax revenues have increased due to improved sales tax and income tax collections. Increases in the number of jobs lowers welfare and unemployment insurance costs. The repealed inventory

tax increases the efficiency of city and town administration by permitting greater attention to appraisal of real property and other items of personal property that remain subject to tax. And, most importantly, a repealed inventory tax removes the pyramiding of inventory tax costs through the various trade levels which are reflected in the price of consumer goods.

In summary, the inventory tax is unfair, unwieldy and unworkable, and has been recognized as such by most states which seek to attract and retain a wide variety of business and industry. If a tax falls unfairly upon a limited few, and if its enforcement is irregular and compliance strained, then the tax should be abolished and a better system substituted in its place. The tax on inventories should be repealed.

TAXATION OF BUSINESS INVENTORIES

Alabama	Inventory tax repealed by constitutional amendment effective 10/1/78.
Arizona	State constitution exempts all inventories effective 1964.
California	Inventories taxed at .5% of value effective 7/1/78.
Colorado	95% exemption on inventories effective 1973.
Connecticut	Inventory tax phases out by 1982.
Delaware	Exempts all personal property, including inventories, effective 1953.
District of Columbia	Inventories exempt effective 1974.
Florida	90% exemption for inventories of finished goods, 99% exemption for goods in process and raw materials, effective 1978.
Hawaii	Exempts all personal property, including inventories, effective 1947.
Idaho	Inventories exempt effective 1971.
Illinois	An approved constitutional amendment to exempt all personal property, including inventories, effective 1/1/79, has yet to be implemented by the legislature.
Indiana	35% exemption on inventories plus 20% property tax credit.
Iowa	Annually increases personal property credits until total exemption is reached, probably in 1986.
Maine	Inventories exempt effective 1977.
Maryland	Local option phase-out of inventory tax is in progress, each county having different effective dates.
Massachusetts	All personal property, including inventories, is exempt unless taxpayer is subject to the corporate excise tax.
Michigan	Inventories exempt effective 1976.
Minnesota	Inventories exempt effective 1967.
Mississippi	Exempts manufactured products in hands of manufacturer. effective 1942.
Montana	93% exemption on inventories effective 1975.

Nebraska	Inventories exempt effective 1979.
Nevada	1978 constitutional amendment phases out the inventory tax over four years and authorizes the legislature to exempt all other personal property.
New Hampshire	Exempts all personal property, including inventories, effective 1970.
New Jersey	Inventories exempt effective 1966.
New Mexico	Inventories exempt effective 1974.
New York	Exempts all personal property, including inventories, effective 1917.
North Carolina	Partially exempts manufacturers' inventories effective 1/1/80.
North Dakota	Exempts all personal property, including inventories, effective 1970.
Ohio	Phasing in an inventory tax exemption of 65%.
Oregon	Inventories exempt effective 1980.
Pennsylvania	Exempts all personal property, including inventories, effective 1939.
Rhode Island	Exempts manufacturers' inventories effective 1966.
South Carolina	Exempts manufacturers' inventories effective 1962.
South Dakota	Inventories exempt effective 1979.
Tennessee	Inventories exempt effective 1972.
Utah	Inventories exempt effective 1973.
Vermont	Inventories exempt on local option basis.
Virginia	Inventories exempt in all counties that impose license tax.
Washington	Inventory tax phase-out, with full exemption in 1983.
Wisconsin	Inventory tax phase-out, with full exemption in 1981.
Wyoming	Inventories exempt effective 1972.

KODIAK ISLAND BOROUGH
RESOLUTION NO. 83-19-R

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY REAFFIRMING SUPPORT TO EXEMPT BUSINESS INVENTORIES FROM PERSONAL PROPERTY TAXES.

WHEREAS, it is the intent of the Kodiak Island Borough Assembly to to allow the exemption of business inventories from personal property taxation through the initiation of legislation to amend Alaska Statute 29, Chapter 53, Municipal Assessment and Taxation, and

WHEREAS, Senate Bill No. 53 introduced in the legislature of the State of Alaska, Thirteen Legislature, First Session, is a bill entitled "An Act Authorizing Municipalities to Exempt Business Inventories from Taxation; and Providing for an Effective Date.", and

WHEREAS, the Kodiak Island Borough did by Resolution No. 82-1-R pass a resolution seeking to change municipal assessment and taxation thereby exemtping all business inventories, and

WHEREAS, the Kodiak Retailers Association has requested the Borough to initiate through legislation by local representatives the exemption of all commercial and business inventories.

NOW, THEREFORE, BE IT RESOLVED by the Kodiak Island Borough Assembly that they again reaffirm their support to exempt business inventories from personal property taxes.

BE IT FURTHER RESOLVED that the Assembly does hereby express its support for Senate Bill No. 53 introduced by Senators Mulcahy and Kelly and further request that a companion House Bill be introduced thereby exempting business inventories from taxation.

PASSED AND APPROVED this 3rd day of February, 1983 by the Borough Assembly.

KODIAK ISLAND BOROUGH

By R. Dan Hennigan
Borough Mayor

ATTEST:

By Shirley Miller, CMC
Borough Clerk

CITY OF KODIAK
RESOLUTION NUMBER 06-83

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SEEKING A CHANGE IN THE ALASKA STATUTES TITLE 29, CHAPTER 53, MUNICIPAL ASSESSMENT AND TAXATION, SECTION 29.53.025 OPTIONAL EXEMPTIONS AND EXCLUSIONS

WHEREAS, it is the intent of the Kodiak City Council to seek to allow an exemption of commercial and business inventories from personal property taxation, through the initiation of legislation by local representatives, to amend Alaska Statutes Title 29, Chapter 53, Municipal Assessment and Taxation; and

WHEREAS, more specifically, the intended change would be an addition of the following words to Section 29.53.025 Optional exemptions and exclusions. (b)(2) "(E) All commercial and business inventories."

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Senator Mulcahy and Representative Zharoff are requested to initiate the appropriate legislative action, which, if approved, would exempt commercial and business inventories from personal property taxation.

BE IT FURTHER RESOLVED that this resolution be communicated to the following people:

The Honorable Bill Sheffield, Governor of Alaska

The Honorable Stephen McAlpine, Lieutenanct Governor of Alaska

The Honorable Bob Mulcahy, Alaska State Senator

The Honorable Fred Zharoff, Alaska Represntative

PASSED AND APPROVED this 27th day of January, 1983.

CITY OF KODIAK

Alan J. Boardsley
MAYOR

ATTEST:

Marcella Baker
CITY CLERK

CITY OF KODIAK
RESOLUTION 57-81

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SEEKING A CHANGE IN THE ALASKA STATUTES TITLE 29, CHAPTER 53. MUNICIPAL ASSESSMENT AND TAXATION, SECTION 29.53.025 OPTIONAL EXEMPTIONS AND EXCLUSIONS.

WHEREAS, it is the intent of the Kodiak City Council to seek to allow the exemption of commercial and business inventories from personal property taxation, through the initiation of legislation by local representatives, to Alaska Statutes Title 29, Chapter 53, Municipal Assessment and Taxation; and

WHEREAS, more specifically, the intended change would be an addition of the following words to Section 29.53.025 Optional exemptions and exclusions. (b)(2) "(E) all commercial and business inventories."

NOW, THEREFORE, BE IT RESOLVED by the Kodiak City Council as follows:

Section 1. Senator Mulcahy and Representative Zharoff initiate the appropriate legislative action, which, if approved, would exempt commercial and business inventories from personal prcperty taxation.

PASSED AND APPROVED this 28 day of December, 1981.

CITY OF KODIAK

Alan J Bradley
MAYOR

ATTEST:

for Nancy E. Gilbert
CITY CLERK

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

1983 POLICY STATEMENT

The Alaska Municipal League is a voluntary, non-profit, nonpartisan organization whose member cities, boroughs, and unified municipalities represent over 95% of Alaska's population. The League provides a forum through which local government officials may assist each other in the solution of municipal problems and may express their common concerns to state and federal officials. A major objective of the League is to advance the interests and well-being of the people residing within the state by promoting the betterment of every aspect of local government in Alaska.

This 1983 municipal statement was adopted November 13, 1982 by the delegates attending the Alaska Municipal League 32nd Annual Local Government Conference in Fairbanks. It represents the collective philosophy, goals, responsibilities, and ideals of Alaska's local government officials. Items included in the statement have been reviewed and debated for several months by municipal officials who are concerned on a day-to-day basis with the many complex problems facing local governments in Alaska. The statement is a guide to the priority concerns of AML member municipalities.

1982 & 1983 Alaska Municipal League statements supporting exemption

16. Population Determination and Impact: The League supports following federal census practices for determination of population based on residency and encourages the Legislature and Governor to recognize the need for a comprehensive policy to alleviate the social and economic impact of major development on municipalities by state funding from funds appropriated separately from revenue sharing and municipal assistance funding.

17. State Aid to Municipalities for Law Enforcement: Title 18 of the Alaska Statutes confers upon the state the responsibility for law enforcement powers within the state. Municipalities may assume law enforcement powers within their jurisdiction. With the increase in crime throughout Alaska, and the resulting public demand for increased police protection, the League encourages the state to assist municipalities in assuming law enforcement powers, expanding such powers to additional areas, or improving existing services through a program which partially reimburses municipalities for the costs of providing law enforcement services.

C. LOCAL TAXES

1. State-Mandated Exemptions: The League opposes the imposition of state-mandated exemption of certain classes of property, individuals, organizations, or commodities from the application of taxes unless adequate compensation is made by the state to reimburse local governments for revenues lost due to these exemptions.

2. Payments-in-Lieu: The League endorses the position whereby the state would pay to the local governments a payment-in-lieu of ad valorum taxes for the state-owned property as well as payments for its share of the cost of improvements and services which benefit such property.

3. Right To Tax: The League opposes any further effort on the part of the state to levy a property tax which would infringe upon the rights of local governments to levy the same rate of tax as levied on other property within the taxing jurisdiction.

4. Personal Property: The League supports legislation which would provide for the optional exemption or a partial exemption of personal property and for the classification and exemption or partial exemption of classes of personal property from property taxation.

5. Interest Rate Limit: The League supports legislation to remove the limits established in Title 29 on the penalty and interest rate for delinquent property and sales tax payments and allow municipalities to set their own rates.

6. Waiver of Tax Collection: The League endorses legislation to permit the waiver of collection of taxes when collection costs exceed taxes due.

D. FORMATION OF NEW MUNICIPALITIES

The League supports legislation to provide adequate funds to assist in the study of the feasibility of forming new municipalities and in the formation of newly organized municipalities.

E. PUBLIC EMPLOYEES RETIREMENT

The League urges that in any legislation passed which increases benefits under the Public Employees Retirement System and Teachers Retirement System, the increased cost 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 and TRS.

Alaska MUNICIPAL League

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586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

1982 POLICY STATEMENT

The Alaska Municipal League is a voluntary, non-profit, nonpartisan organization whose member cities, boroughs and unified municipalities represent over 90% of Alaska's population. The League provides a forum through which local government officials may assist each other in the solution of municipal problems and may express their common concerns to state and federal officials. A major objective of the League is to advance the interests and well-being of the people residing within the state by promoting the betterment of every aspect of local government in Alaska.

This 1982 municipal statement was adopted November 7, 1981 by the delegates attending the Alaska Municipal League 31st Annual Local Government Conference in Anchorage. It represents the collective philosophy, goals, responsibilities and ideals of Alaska's local government officials. Items included in the statement have been reviewed and debated for several months by municipal officials who are concerned on a day-to-day basis with the many complex problems facing local governments in Alaska. The statement is a guide to the priority concerns of AML member municipalities.

6. Permanent Endowment For Local Government: The League supports the concept of a permanent endowment for local governments. The income from this endowment would be made available for use by local governments for operating expenses and/or capital programs. Criteria for developing any permanent endowment and allocation of income approach should include equity, predictability and maximum local control.

7. State-Collected, Locally Shared Taxes: Municipalities in Alaska presently derive significant revenues from state-collected, locally shared taxes to help meet their basic operating expenses. The League, therefore, opposes reduction of such revenues through elimination of such taxes unless other equal sources of revenue are made available to local governments, or appropriations to compensate for lost revenues are made by the state.

8. Abandoned Motor Vehicle Fund: The League continues to urge adequate funding of the Abandoned Motor Vehicle Fund with special emphasis paid to the cost incurred in handling abandoned vehicles which have no value.

9. Basic Allocations: The League supports an increase in the state revenue sharing minimum allocation to $50,000 for each city or eligible unincorporated community.

10. Administration of Grants & Entitlements: The League supports legislation eliminating delay, administrative regulations, or complexity associated with administration of municipal entitlements and grants programs by state departments and agencies. Administration of grants and entitlements should, when possible, be consolidated in a single state department. The League further supports elimination of administration fees deducted by state departments administering the grants.

11. Pass-Through Funds: The League encourages the Legislature to adopt policies for pass-through funds to non-profit corporations that do not cause any present or future liabilities to the municipality.

12. Federal Block Grant Programs: The League requests the state to publish, without further delay, its plans for implementing the Federal Block Grant Programs.

13. Increase in State Revenue Sharing For Specific Recipients: In those cases where legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients.

C. LOCAL TAXES

1. State-Mandated Exemptions: The League opposes the imposition of state-mandated exemption of certain classes of property, individuals, organizations or commodities from the application of taxes unless adequate compensation is made by the state to reimburse local government for revenues lost due to these exemptions.

2. Payments-in-Lieu: The League endorses the position whereby the state would pay to the local governments a payment-in-lieu of ad valorem taxes for the state-owned property as well as payments for its share of the cost of improvements and services which benefit such property.

3. Right To Tax: The League opposes any further effort on the part of the state to levy a property tax which would infringe upon the rights of local governments to levy the same rate of tax as levied on other property within the taxing jurisdiction.

4. Business Inventories: The League supports legislation which would provide for the optional exemption of business inventories from property tax.

5. Interest Rate Limit: The League supports legislation to remove the limits established by AS 29.53.180 and AS 29.53.415(d) on the penalty and interest rate for delinquent property and sales tax payments.

D. FORMATION OF NEW MUNICIPALITIES

1. The League supports legislation to provide adequate funds to assist in the study of the feasibility of forming new municipalities and in the formation of newly organized municipalities.

E. PUBLIC EMPLOYEES RETIREMENT

1. The League urges that in any legislation passed which increases benefits under the Public Employees Retirement System and Teachers Retirement System, the increased cost 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 and TRS.

F. LOCAL HOSPITAL USE

1. Utilization of Local Health Facilities: The League 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 necessary services are not available.

2. Increased State Funding: The League strongly supports increased state funding of hospital construction costs and of special hospital and health facility construction and operating costs.

3. Separate Funding For Hospitals: The League strongly supports funding of hospital and health facility grants outside the municipal revenue sharing program.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 16, 1983

POSITION PAPER

RE: HB 250

SPONSOR: Representative Zharoff

Program Effects of Bill

Provides for a local option for tax exemptions on business inventories.

Comments

The Department has supported maximizing local options as opposed to mandating such tax exemptions. This measure would allow a municipality to consider such exemptions, assuring that any decision is a local one. The Department believes that the position of the Alaska Municipal League (AML) on this bill should be an important guide post. The AML has supported such a local option for sometime now and continues to do so in their 1983 Policy Statement. One reason is that business inventory taxes often cost more to collect than they bring in; another impetus is the general encouragement of private enterprise by repealing taxes such as that on business inventories.

Mark Lewis, Commisioner

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 250
Title: Optional Inventory Exemption
Sponsor: Representative Zharoff
Requestor: HCRA

II. FISCAL DETAIL

Agency Affected: Community & Regional Affa:
Program Category Affected: development
BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING		-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-		
CAPITAL		-0-	-0-	-0-		
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: Terry Earley
Division: Local Government Assistance
Phone: 465-4730
Date: 3/16/83

Approved by Commissioner:
Department: Community & Regional Affairs
Date: 3/21/83

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
Copy to Requestor (if different from Sponsor)

3/8/83

ANALYSIS

HB 250

This bill allows municipal governments the option of excluding business inventories from taxation. This option will have no impact on the Department's operations. No fiscal impact.

Introduced: 3/11/83
Referred: Community & Regional
Affairs and Finance

File

IN THE HOUSE

BY ZHAROFF

HOUSE BILL NO. 250

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing municipalities to exempt business inventories from taxation; and providing for an effective date."

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

* Section 1. AS 29.53.025(b) is amended by adding a new paragraph to read:

(3) exempt business inventories from taxation.

* Sec. 2. AS 29.45.050(b) is amended by adding a new paragraph to read:

(4) exempt business inventories from taxation.

* Sec. 3. Section 1 of this Act is repealed.

* Sec. 4. Sections 2 and 3 of this Act take effect on January 1 following the effective date of a version of an Act revising AS 29 passed by the Thirteenth Legislature and enacted into law.

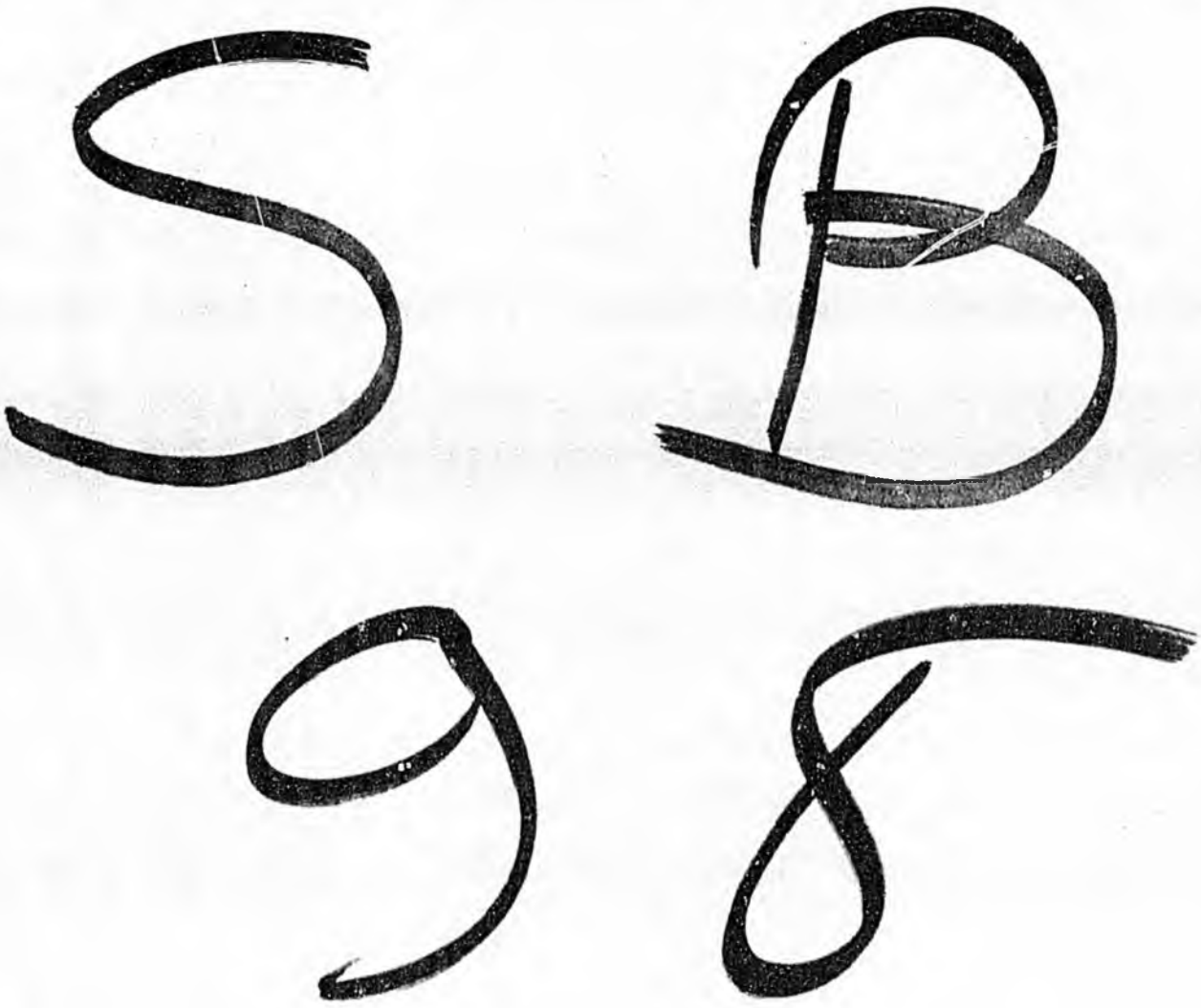
* Sec. 5. Section 1 of this Act takes effect immediately in accordance with AS 01.10.070(c). January 1, 1984

See attached page

If the effective date takes place when the Hon. signs off, then the municipalities would encounter an administrative burden because part of the business inventories for this year (1983) would be subject to tax and the other portion of the year (1983) business inventories would not be subject to the tax.

Final taxes are calculated from 9am. 1st to Dec 31st, taking policies and laws should also fall under the same dates, in order for laws to be administered and applied in the most cost effective and efficient manner.

January 1st 1984


SB
98

COMMITTEE REPORT

HOUSE

FINANCE

(7) FURTHER:

4/6/83 Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 98(Fin)

Anecact making supplemental appropriations for financial assistance to municipalities, unincorporated communities, and other recipients; and providing for an effective date.

under consideration and reports it back as follows:

[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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____ CHAIRMAN

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

TO: House Community and Regional Affairs Committee.

FROM: Staff

DATE: April 11, 1983

RE: CS SB 98

The committee has previously considered each of the appropriations contained in CS SB 98.

Sec. 1: Supplemental funding for Municipal Assistance in the amount of $25,100,000 was passed by the committee in HB 153 and again in CSHB 285.

Sec. 2: Funds in the amount of $2,500,000 for unincorporated community assistance previously considered in HB 285 and was deleted from CS HB 285 before passing the legislation out of committee.

Sec. 3: Supplemental funding for the revenue sharing shortfall in the amount of $2,938,000 was passed out of committee in HB 152 and in CS HB 285.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 11, 1983

POSITION PAPER

RE: CSSB 98 (Finance)

SPONSOR: Senator Sackett

Program Effects of Bill

Provides Fiscal Year 1983 supplemental appropriations in the following amounts to the following programs:

1) $25,000,000 to the Municipal Assistance Program in the Department of Revenue;

2) $2,500,000 to the Aid to Unincorporated Communities (SB 168) in the Department of Community & Regional Affairs;

3) $2,900,000 to Chapter 89, which provides assistance to municipalities for roads, ice roads, health facilities, and hospitals and annual grants to unincorporated communities and volunteer fire departments, under the State Revenue Sharing Program in the Department of Community & Regional Affairs.

Comments

This position paper will address only those sections of the bill that pertain to this Department.

There are presently 32 unincorporated communities under contract under the SB 168 program. The Department is contractually bound to "fully fund" these communities at the $1,000 per capita as provided for by law. However, due to a drastic cut in funding for this program last year, "new" applicants under the program will have to be prorated at about 50%. This creates a very unfair situation in which a majority of the recipients under the Aid to Unincorporated Communities Program will receive only one-half of the funding they are entitled to under this one-time only program.

The Department believes it is important to fully fund programs that allow municipalities and unincorporated communities to provide vital services to their residents. The current funding level for Chapter 89 requires that local allocations be prorated at about 80% of their fully funded entitlement. Chapter 89 provides funding for a wide range of recipients and services; therefore, this supplemental will benefit many Alaskans in both municipalities and unincorporated communities.

Mark Lewis, Commissioner

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSSB 98
Title: Supplementa- Approp. In Communities..
Sponsor: Senator Sackett
Requestor: HCRA

II. FISCAL DETAIL

Agency Affected: DCRA
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Local Government Assistance

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	30,400					
TOTAL OPERATING	30,400	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	30,400					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

None indicated by Sponsor.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Richard Rainery RR Phone: 465-4703
Division: Commissioner's office Date:

Approved by Commissioner: Date: 4/11/83
Department: Community & Regional Affairs

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
Copy to Requestor (if different from Sponsor)

3/8/83

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

TO: House Community and Regional Affairs Committee.

FROM: Staff

DATE: April 11, 1983

RE: CS SB 98

The committee has previously considered each of the appropriations contained in CS SB 98.

Sec. 1: Supplemental funding for Municipal Assistance in the amount of $25,100,000 was passed by the committee in HB 153 and again in CSHB 285.

Sec. 2: Funds in the amount of $2,500,000 for unincorporated community assistance previously considered in HB 285 and was deleted from CS HB 285 before passing the legislation out of committee.

Sec. 3: Supplemental funding for the revenue sharing shortfall in the amount of $2,938,000 was passed out of committee in HB 152 and in CS HB 285.

5/30

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

(3rd

3/23/83 Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 285

An Act making miscellaneous supplemental appropriations; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 285(CRA-H) [X] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Barbara Sykes

[illegible] D. Pace

Milo Alvord

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

[illegible] - no rec

Barbara Sykes
CHAIRMAN

H 60

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/2/83

Date: 2/16/83

Mr. Speaker:

The Committee on C & RA has had HB 152

An Act making a supplemental appropriation to the miscellaneous services account; and providing for an effective date.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 152 [ ] same title [ ] new title

and recommends DO Pass

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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MILO FRITZ

JACK McBRIDE

[illegible]

[illegible]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Motion to Do Pass Recommendation

CHAIRMAN

H 60

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

February 15, 1983

POSITION PAPER

RE: CSHB 152

SPONSOR: House Community & Regional Affairs Committee

Program Effects of Bill

The bill makes a $2.938 million supplemental appropriation to fully fund Chapter 89 State Revenue Sharing. This chapter funds road, ice roads, health facility and hospital operations, unincorporated communities and volunteer fire departments serving unincorporated areas in the unorganized borough.

Comments

The Department believes it is important to fully fund programs that allow municipalities and unincorporated communities to provide vital services to their residents. The current funding level for Chapter 89 requires that local allocations be prorated at about 81% of their fully funded level. The funding for this program must be weighed against other State needs to determine if its priority warrants full funding. The Department does not have funds available from within its FY'83 budget to reduce or offset this supplemental appropriation.

2/16/83

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 152 Date on Bill: Undated
Title: Supplemental appropriation to miscellaneous services account
Sponsor: House Community & Regional Affairs
Requestor: House Community & Regional Affairs

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:

The sponsor has not indicated the source of offset for the supplemental appropriation of $2,938,000.

3. Assumptions:

This supplemental appropriation would be administered through an existing Department program. No fiscal impact

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery Phone: 465-4703
Division: Commissioner's Office Date: 2/15/83

Approved by Commissioner: [signature] Date: 2/16/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/8/83

LAWS OF ALASKA

1981

Source

HCS CSSB 168(Fin)

Chapter No.

60

AN ACT

Relating to state assistance for municipalities and unincorporated communities; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

Approved by the Governor: July 10, 1981
Actual Effective Date: July 11, 1981

Chapter 60

AN ACT

Relating to state assistance for municipalities and unincorporated communities; and providing for an effective date.

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* Section 1. MUNICIPAL AID PROGRAM. (a) During the fiscal year ending June 30, 1982, the Department of Administration shall compute and pay an entitlement to each qualified municipality. An entitlement to a municipality with a population of at least 1,000 shall be used for social services and capital projects at the discretion of the municipality. An entitlement to a municipality with a population of less than 1,000 shall be used for social services, capital projects, or operating expenses of capital projects at the discretion of the municipality. The entitlement for each municipality shall be computed in accordance with (b) of this section, and is payable by the Department of Administration in accordance with AS 37.05.315 to the extent that the provisions of AS 37.05.315 are consistent with (c), (d), and (e) of this section.

(b) Within the limits of appropriations for the purpose, each municipality is entitled to receive $1,000 per person residing within the boundaries of the municipality.

(c) A municipality may grant money received under this section to a nonprofit corporation for

(1) any capital project of the nonprofit corporation that serves a public purpose;

(2) social services;

Chapter 60

(3) the operating expenses of a capital project of the nonprofit corporation if the project serves a public purpose and the municipality has a population of less than 1,000.

(d) Before money received under this section may be used for a capital project with a total cost of $1,000,000 or more, the project must be approved by the voters of the municipality at a regular state election or a general or special municipal election. However, money received under this section may be used without voter approval for improvement or rehabilitation to an existing public facility if the total cost of the improvement or rehabilitation is not more than $5,000,000.

(e) A municipality may not receive money as an entitlement under this section until it provides the Department of Administration a copy of an ordinance or resolution adopted by it that

(1) authorizes the municipality to receive and spend the money to be provided by the entitlement;

(2) identifies the social services, capital projects, and, if the municipality has a population of less than 1,000, the operating expenses of capital projects for which the money will be spent; and

(3) indicates the total amount of money that the municipality will receive, the amount of money that will be used by the municipality or a nonprofit corporation for social services, the amount of money that will be used for each capital project, and, if the municipality has a population of less than 1,000, the amount of money that will be used for operating expenses of capital projects.

* Sec. 2. AID TO UNINCORPORATED COMMUNITIES. (a) During the fiscal year ending June 30, 1982, the Department of Community and Regional Affairs shall compute and pay an entitlement to each unincorporated community in the unorganized borough. The entitlement for each community shall be computed in accordance with (b) of this section, and is payable by the Department of

munity and Regional Affairs in accor

(b) Within the limits of appropriat
porated community in the unorganized bor
er person residing within that community

(c) By August 15, 1981, the Depar
ffairs shall notify each unincorporated
available. The Department of Community
from the Department of Law shall determi
porated community, an incorporated entit
that does not possess sovereign immunity
the money received under the entitlement
munity more than one qualified incorp
the Department of Community and Regiona
the entitlement to the entity that the
receive and spend the money consistent
electing the recipient entity, the De
ffairs shall give preference to a non
nincorporated community for receipt of

(d) Money received as an entitle
for social services, capital projects,
rojects in the unincorporated communit

(e) An unincorporated community
not under this section until the reci
munity and Regional Affairs under (
ent of Community and Regional Affairs
that

(1) authorizes the recipie
provided by the entitlement;

(2) identifies the social s

munity and Regional Affairs in accordance with (c) of this section.

(b) Within the limits of appropriations for the purpose, each unincorporated community in the unorganized borough is entitled to receive $1,000 per person residing within that community.

(c) By August 15, 1981, the Department of Community and Regional Affairs shall notify each unincorporated community that its entitlement is available. The Department of Community and Regional Affairs with advice from the Department of Law shall determine whether there is, in the unincorporated community, an incorporated entity or a federally chartered entity that does not possess sovereign immunity and will agree to receive and spend the money received under the entitlement. If there is in the unincorporated community more than one qualified incorporated or federally chartered entity, the Department of Community and Regional Affairs shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money consistent with (d) and (e) of this section. In selecting the recipient entity, the Department of Community and Regional Affairs shall give preference to a nonprofit corporation organized by an unincorporated community for receipt of the entitlement.

(d) Money received as an entitlement under this section may be used for social services, capital projects, or operating expenses of capital projects in the unincorporated community.

(e) An unincorporated community may not receive money as an entitlement under this section until the recipient selected by the Department of Community and Regional Affairs under (c) of this section provides the Department of Community and Regional Affairs a copy of a resolution adopted by it that

(1) authorizes the recipient to receive and spend the money provided by the entitlement;

(2) identifies the social services, capital projects, and operat-

ing expenses of capital projects for which the money will be spent;

(3) indicates the total amount of money that the recipient may receive, the amount of money that will be used for social services, the amount of money that will be used for each capital project, and the amount of money that will be used for operating expenses of capital projects;

(4) identifies each party

(A) that owns or will own a capital project for which money is spent under this section; or

(B) that will be responsible for the maintenance and operation of a capital project for which money is spent under this section; and

(5) agrees that each capital project for which money is spent under this section will be operated on a nondiscriminatory basis for the benefit of the public.

(f) If there is no qualified incorporated entity or federally chartered entity willing to receive the money in an unincorporated community, the entitlement for that unincorporated community may not be paid.

* Sec. 3. DETERMINATION OF POPULATION. (a) For purposes of this Act, the population of a municipality and of an unincorporated community shall be determined from the latest figures of the United States Bureau of the Census.

(b) For purposes of determining the population of a home rule or general law borough, the population of each city located within the boundaries of the borough shall be subtracted from the population of the borough.

* Sec. 4. MUNICIPAL AID ACCOUNT. The municipal aid account is established in the Department of Administration. Money to carry out the provisions of sec. 1 of this Act shall be appropriated to the account and distributed by the Department of Administration as authorized in sec. 1 of this Act. If the amount appropriated to the account is not sufficient to finance all entitlements, the amount appropriated shall be distributed pro rata

eligible municipalities.

* Sec. 5. UNINCORPORATED COM
munity aid account is establi
egional Affairs. Money to carr
hall be appropriated to the acc
mmunity and Regional Affairs a
mount appropriated to the accoun
nts, the amount appropriated s
ecipients.

* Sec. 6. DEFINITIONS. In th

(1) "capital project"

(A) a public fac

(B) equipment th

or maintain a public facili

(2) "municipality" me
ncorporated under state law an
alities;

(3) "social services"
ervices for children and adults
are, services related to the m
are services for adults, trans
ervices, employment services,
ervices, the preparation and d
ull range of legal services,
esigned to meet the special n
entally disabled, the blind, t
nd alcoholics and drug addicts;

(4) "unincorporated
orough not incorporated as a m

among eligible municipalities.

* Sec. 5. UNINCORPORATED COMMUNITY AID ACCOUNT. The unincorporated community aid account is established in the Department of Community and Regional Affairs. Money to carry out the provisions of sec. 2 of this Act shall be appropriated to the account and distributed by the Department of Community and Regional Affairs as authorized in sec. 2 of this Act. If the amount appropriated to the account is not sufficient to finance all entitlements, the amount appropriated shall be distributed pro rata among eligible recipients.

* Sec. 6. DEFINITIONS. In this Act,

(1) "capital project" means

(A) a public facility; or

(B) equipment that may be necessary to construct, operate, or maintain a public facility or service;

(2) "municipality" means a city, borough, or unified municipality incorporated under state law and includes home rule and general law municipalities;

(3) "social services" means child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services, full range of legal services, and appropriate combinations of services designed to meet the special needs of children, the aged, the developmentally disabled, the blind, the mentally ill, the physically handicapped, and alcoholics and drug addicts;

(4) "unincorporated community" means a place in the unorganized borough not incorporated as a municipality and in which 25 or more persons

Chapter 60

reside as a social unit.

* Sec. 7. This Act takes effect July 1, 1981.

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Source

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Making a special ap
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BE IT ENACTED BY THE L

THE ACT

Approved by the Gc
Actual Effective I

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 11, 1983

POSITION PAPER

RE: CSSB 98 (Finance)

SPONSOR: Senator Sackett

Program Effects of Bill

Provides Fiscal Year 1983 supplemental appropriations in the following amounts to the following programs:

1) $25,000,000 to the Municipal Assistance Program in the Department of Revenue;

2) $2,500,000 to the Aid to Unincorporated Communities (SB 168) in the Department of Community & Regional Affairs;

3) $2,900,000 to Chapter 89, which provides assistance to municipalities for roads, ice roads, health facilities, and hospitals and annual grants to unincorporated communities and volunteer fire departments, under the State Revenue Sharing Program in the Department of Community & Regional Affairs.

Comments

This position paper will address only those sections of the bill that pertain to this Department.

There are presently 32 unincorporated communities under contract under the SB 168 program. The Department is contractually bound to "fully fund" these communities at the $1,000 per capita as provided for by law. However, due to a drastic cut in funding for this program last year, "new" applicants under the program will have to be prorated at about 50%. This creates a very unfair situation in which a majority of the recipients under the Aid to Unincorporated Communities Program will receive only one-half of the funding they are entitled to under this one-time only program.

The Department believes it is important to fully fund programs that allow municipalities and unincorporated communities to provide vital services to their residents. The current funding level for Chapter 89 requires that local allocations be prorated at about 80% of their fully funded entitlement. Chapter 89 provides funding for a wide range of recipients and services; therefore, this supplemental will benefit many Alaskans in both municipalities and unincorporated communities.

Mark Lewis, Commissioner

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSSB 98
Title: Supplementa- Approp. In Communities..
Sponsor: Senator Sackett
Requestor: HCRA

II. FISCAL DETAIL

Agency Affected: DCRA
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected:
Local Government Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
	-0-	-0-	-0-	-0-	-0-	-0-
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC	30,400					
TOTAL OPERATING	30,400	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	30,400					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

None indicated by Sponsor.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Richard Rainery Phone: 465-4703
Division: Commissioner's office Date:

Approved by Commissioner: Date: 4/11/83
Department: Community & Regional Affairs

Distribution:
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3/8/83

SB
150

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

(7)

4/11/83

Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 150(Fin)am

An Act making an appropriation to the Department of Environmental Conservation for water and sewer grants; special appropriations to an unincorporated community and municipalities for water, sewer or solid waste grants; to the Department of Education for a water grant; and to the Department of Environmental conservation for water and sewer studies.

under consideration and reports it back as follows:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

STATE OF ALASKA
FISCAL NOTE

Revision Date 05/25 , 1983

I. REQUEST

Bill/Resolution No.: HCSCSSB 151
Title: "An Act relating to RRDA's"
Sponsor: Fahrenkamp, Kerttula, Ferguson,
Requestor: Fischer House C. & R.A.

II. FISCAL DETAIL

Agency Affected: Office of the Governor
Program Category Affected: Exec. Operations
BRU, Program of Subprogram(s) Affected:
Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	20.6	10.4	11.0		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	20.6	10.4	11.0		
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: Linda Dupere, Administrative Assistant Phone: 586-6181
Division: Division of Elections Date: 5/25/83

Approved by Commissioner: [signature] Date: 5/25/83
Department: Office of the Lieutenant Governor

Distribution:
Original to Legislative Finance
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Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

STATE OF ALASKA
FISCAL NOTE

Revision Date 4/22 , 1983

I. REQUEST

Bill/Resolution No.: HCS CSSB 150 (C&RA)
Title: An Act making an appropriation to
Sponsor: Finance Committeee
Requestor: House C&RA Committee

II. FISCAL DETAIL

Agency Affected: Environmental Conservation
Program Category Affected: NRMEC
BRU, Program of Subprogram(s) Affected: Facility Construction and Operation

DEC, Uninc. communities & municipalities for water, sewer, or solid waste grants

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		103,283.65				
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		103,283.65				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

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

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

Funds appropriated from the General Fund, which are passed to the Department of Environmental Conservation, unincorporated communities, municipalities, and the Department of Education, are the only fiscal impact of this bill. (See attached page)

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Gary Hayden, Director Phone: 465-2610
Division: Facility Construction & Operation Date: April 22, 1983

Approved by Commissioner: Richard A. Neve Date: 4/22/83
Department: Environmental Conservation

Distribution:
Original to Legislative Finance
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3/8/83

1) $1,050,000 appropriation to the Department of Education;

2) $25,498,200 appropriation for grants to incorporated municipalities through the Department of Environmental Conservation;

3) $75,912,450 direct appropriation to specific municipalities;

4) $623,000 in grants to the unincorporated communities of Kenny Lake ($148,000), Igiugig ($250,000), and Dot Lake ($225,000);

5) $200,000 to the Department of Environmental Conservation for water and sewer feasibility studies.

4-18-83

POSITION STATEMENT ON SENATE BILL 150
by the
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Before the
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE BILL 150 PROVIDING FOR $67,175,300 FOR THE CONSTRUCTION OF WATER, SEWAGE, AND SOLID WASTE FACILITIES BEGAN AS A $28 MILLION SUPPLEMENTAL TO THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION. THE DEPARTMENT INI IATED THE REQUEST AFTER COMMUNITY OFFICIALS EXPRESSED A NEED FOR CONSTRUCTION GRANT MONIES FOR PROJECTS READY FOR CONSTRUCTION IN THE SUMMER OF 1983. AS PREVIOUSLY MENTIONED TO THIS COMMITTEE IN TESTIMONY ON SB 21, THE CONSTRUCTION GRANTS PROGRAM DID NOT RECEIVE AN APPROPRIATION LAST YEAR BECAUSE GOVERNOR HAMMOND VETOED THE BOND PROPOSITION.

THE APPROPRIATION AND PROJECTS TO BE FUNDED IN THIS BILL HAS CHANGED FROM A SUPPLEMENTAL IN FISCAL YEAR 83 TO AN APPROPRIATION FOR FISCAL YEAR 84. THE DEPARTMENT HAS PERFORMED A TECHNICAL ANALYSIS OF THE PROJECTS IN THIS BILL AND CAN IDENTIFY MANY PROJECTS THAT WILL MEET THE PRESSING COMMUNITY SANITATION NEEDS, AND WE SUPPORT THESE PROJECTS. BECAUSE OF DECREASING REVENUES, THE TOTAL REVENUES AVAILABLE WEIGHED WITH THE STATE'S NEEDS WILL HAVE TO BE CONSIDERED BEFORE THE ADMINISTRATION FORMS A POSITION ON TOTAL FUNDING FOR THIS BILL. I AM PREPARED TO DISCUSS FROM A TECHNICAL STANDPOINT THESE PROJECTS AND THE FUNDING MECHANISMS.

THIS BILL APPROPRIATES $25.7 MILLION TO THE DEPARTMENT. THESE FUNDS WILL BE ADMINISTERED THROUGH THE CONSTRUCTION GRANTS PROGRAM, WHICH REQUIRES 50% MATCH BY INCORPORATED MUNICIPALITIES. THE DEPARTMENT REQUESTED A SINGLE APPROPRIATION VERSUS PROJECT SPECIFIC APPROPRIATION. THIS METHOD WILL ALLOW UNUSED FUNDS TO BE MOVED TO OTHER PROJECTS. IN ADDITION, IT HAS BEEN OUR

EXPERIENCE THAT AFTER A GRANT HAS BEEN AWARDED, 8 TO 10% MAY BE NEEDED AS A CONTINGENCY FOR UNANTICIPATED COST INCREASES. WE HAVE AN ATTORNEY GENERAL'S OPINION WHICH INDICATES THAT MONIES CAN BE MOVED BETWEEN PROJECTS USING THE "ALLOCATIONS" METHOD USED IN SB 150.

THE PROJECTS THAT ARE LISTED FOR FUNDING BY THE DEPARTMENT WERE COMPILED FROM 213 RESPONSES FROM 52 COMMUNITIES. THESE WERE SCORED AND RANKED USING A CRITERIA SYSTEM DEVELOPED BY THE DEPARTMENT. THE CRITERIA SYSTEM IS ATTACHED FOR YOUR USE. WE WILL BE WORKING THROUGH THE MUNICIPAL LEAGUE TO REFINE THE CRITERIA SYSTEM IN THE FUTURE.

THIS BILL ALSO PROVIDED FUNDING FOR PROJECTS BY APPROPRIATIONS TO THE DEPARTMENT OF EDUCATION, TO UNINCORPORATED COMMUNITIES, AND TO MUNICIPALITIES. THESE PROJECTS WERE IDENTIFIED BY THE SENATE. I HAVE GIVEN EACH OF YOU AN ANALYSIS OF SB 150 AND SB 162. ONLY FOUR PROJECTS APPEAR TO RECEIVE FUNDING THROUGH BOTH BILLS. THESE ARE:

DELTA JUNCTION LANDFILL	$ 500,000
KOTZEBUE WATER/SEWER EXPANSION	1,000,000
SAINT MICHAEL WATER AND SEWER	$1,900,000 OR $600,000
WASILLA SEPTIC TREATMENT	186,000

FROM THE INFORMATION I HAVE, THE DELTA JUNCTION AND WASILLA PROJECTS APPEAR TO BE RECEIVING 200 PERCENT FUNDING. I DO NOT HAVE BACK UP DATA ON THE KOTZEBUE PROJECT. OUR INFORMATION INDICATES THE $600,000 FOR ST. MICHAEL IS FOR A SOLID WASTE FACILITY, AND WE ARE UNCERTAIN OF THE INTENT OF THE $1.9 MILLION REQUEST.

IN THE SECTION OF THE BILL DEALING WITH GRANTS TO UNINCORPORATED COMMUNITIES, THE DEPARTMENT RECOMMENDS IGIUGIG BE DELETED AND INSTEAD BE INCLUDED FOR AN ADDITIONAL $50,000 IN SECTION 3 FOR A WATER & SEWER FEASIBILITY STUDY. THE DEPARTMENT RECOMMENDS THIS CHANGE BECAUSE THE SCOPE OF THE PROPOSED $838,000 PROJECT NEEDS TO BE BETTER DEFINED AND TECHNICAL QUESTIONS REGARDING WATER DEVELOPMENT NEED TO BE ANSWERED.

THE BILL ALSO PROVIDES $200,000 TO THE DEPARTMENT FOR PERFORMING FEASIBILITY STUDIES. THESE STUDIES WILL:

1) PRECISELY DEFINE THE PROBLEM AND NEED;
2) ANALYZE ALTERNATIVES AND THE ASSOCIATED CAPITAL, AS WELL AS OPERATION AND MAINTENANCE COSTS; AND
3) THE COMMUNITY WILL THEN SELECT THE SOLUTION IT WANTS AND BELIEVES IT CAN AFFORD.

THESE STUDIES WILL PROVIDE A BASIS FOR REQUEST FOR APPROPRIATIONS THROUGH THE 85 CAPITAL BUDGET.

THANK YOU FOR THE OPPORTUNITY TO COMMENT ON THIS BILL. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

STATE OF ALASKA
FISCAL NOTE

Revision Date 4/18 , 1983

I. REQUEST

Bill/Resolution No.: SB 150
Title: An Act making an appropriation to
Sponsor: Finance Committee
Requestor: House C&RA Committee

II. FISCAL DETAIL

Agency Affected: Dept. of Environ. Conserva.
Program Category Affected: NRMEC
BRU, Program of Subprogram(s) Affected: Facility Construction & Operation

DEC, uninc. communities and municipalities for water, sewer, or solid waste grants.

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		67,175.3				
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		67,175.3				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

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

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

Funds appropriated from the General Fund, which are passed to the Department of Environmental Conservation, an unincorporated community, municipalities, and the Department of Education, are the only fiscal impact of this bill. (see attached page)

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Gary Hayden, Director
Phone: 465-2610
Division: Facility Construction & Operation
Date: April 18, 1983

Approved by Commissioner: Richard A. Neve' by kt
Date: 4/18/83
Department: Environmental Conservation

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
Copy to Requestor (if different from Sponsor)

3/3/83

1) $1,050,000 appropriation to the Department of Education;
2) $25,659,800 appropriation for grants to incorporated municipalities through the Department of Environmental Conservation;
3) $39,279,500 direct appropriation to specific municipalities;
4) $986,000 in grants to the unincorporated communities of Kenny Lake (148,000) and Igiugig ($838,000);
5) $200,000 to the Department of Environmental Conservation for water and sewer feasibility studies.

Construction grants are for water, sewer, and solid waste facilities. The Construction Grants Program administered by the Department of Environmental Conservation was not funded for SFY 83 due to the veto of the proposed bond proposition by Governor Hammond. At the present time, there are a significant number of projects ready for construction for which no funding is available. This bill would enable construction to begin on these projects, avoiding additional cost increases due to inflation. The Department of Environmental Conservation cannot make a statement on whether the projects receiving funding through direct appropriations are ready for construction this year.

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 18, 1983

RE: CSSB 150 proposed committee substitute

CSSB 150 is the legislative appropriation for FY '84 for statewide sewer and water projects. Legislation introduced earlier that provided for various projects will not be acted upon. Included in the earlier bills (HB 102, HB 146, and SB 15) was the intent to provide the Department of Environmental Conservation (DEC) with matching funds for the Wasilla Sewer system and, to provide the necessary "up front" or non-grant eligible funding in the amount of $1,178,500.

CSSB 150 includes the $1,178,500 for non-grant eligible costs, but the DEC matching funds have not been included. Representative Lacher's intent is to combine the former DEC matching funds with the direct non-grant eligible funding appropriation for a total grant of $3,121,500.

DEC officials have stated that they will continue to process the grant applications and assist with the Federal Environmental Protection agency grant, estimated to be approximately $4 million. The City of Wasilla will issue bonding in the amount of about $2 million.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
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Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

TO: House C & R A Committee

FROM: Representative Barbara Lacher

SUBJECT: HB 146

DATE: March 7, 1983

The City of Wasilla has been working with the Department of Environmental Conservation and federal environmental protection agencies since 1978 in planning a city wastewater treatment facilities system. The preliminary planning is completed and public hearings have been conducted. Final design is to be completed by July 1983, and the project ready for bid by October, 1983.

Total project costs which are eligible for grant participation are $8,000,115. Funding sources are as follows:

	FEDERAL E.P.A.	STATE D.E.C.	CITY ASSESSMENTS	TOTALS
Laterals	0 (0%)	1,338,975 (50%)	1,338,975 (50%)	2,677,950 (100%)
Collector	3,078,080 (75%)	513,180 (12.5%)	513,180 (12.5%)	4,105,440 (100%)
Small Diam.	719,950 (85%)	63,525 (7.5%)	63,525 (7.5%)	847,000 (100%)
Sewage Treatment Plant	314,265 (85%)	27,730 (7.5%)	27,730 (7.5%)	369,725 (100%)
TOTALS	4,113,295 (51.6%)	1,943,410 (24.2%)	1,943,410 (24.2%)	8,000,115 (100%)

The cost to owners of property adjacent to the sewer system will be assessed, on the average, about $1,153,100 per 50 feet of property frontage and monthly service charges will be less then $20 per month.

In addition to project costs which are eligible for grant participation, the City of Wasilla is confronted with a requirement for $1,178,500 of non-grant- eligible cost, funding for which must be firmly identified prior to state and federal committment of grant funds. These non-grant eligible costs are as follows:

Purchase of treatment plant site	
Right-of-way for trunt and collector construction	
Construction across Parks Highway	
Engineering and Administration	
Topography mapping	$ 200.000
	$ 1,178,500

For the past four years, the City of Wasilla has committed a considerable amount of scarce resources to this project and public hearings have indicated strong public support; however, the requirement for $1,178,500 "up front" funding is beyond the capability of the City. For this reason, the City of Wasilla respectfully requests the assistance of the Alaska State Legislature.

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 18th, 1983

RE: Committee Substitute Senate Bill 150

In January 1983, SB 15 and HB 102 were introduced as companion bills, each appropriating $28,000,000 as supplemental appropriations to the Department of Environmental Conservation (DEC) for sewer and water projects. The projects to be funded were requested in 1982 and included in a proposed bond issue which was vetoed by the Governor.

House Bill 102 was passed out of State Affairs Committee and referred to House Finance on February 25, 1983. Senate Bill 15 was revised to CSSB 15 in the Senate Finance Committee, referred to Senate Rules Committee, and returned to Senate Finance where it remains.

In its place, CSSB 150 was introduced by the Senate Finance Committee. The supplemental appropriations originally in SB 15 were deleted; grants to DEC for matching funds for sewer and water projects were included as well as funds to the Department of Education for school water projects and grants to municipalities/unincorporated communities for sewer and water projects.

Amendment to CSSB 150 (Fin) am

by Cato

Page 7, Line 20

Insert "Seward - Lowell Creek Tunnel renovation
$1,800,000 (ED 6) "

NO. 3 LOWELL CREEK DIVERSION TUNNEL REHABILITATION - $1,770,000

HISTORY: Lowell Creek Diversion Tunnel is located in Lowell Creek, within the City limits of Seward. The tunnel diverts the streamflow from the old channel that ran through town, through Bear Mountain, and into Resurrection Bay at the end of Town. The diversion dam and tunnel, including surrounding land is owned by the City. In 1945, the U.S. Army Corps of Engineers designed the project and administered the construction contract. The tunnel was repaired by the Corps of Engineers in 1969 under a special congressional authorization and appropriation. Those repairs have significantly deteriorated. The tunnel is a concrete lined horseshoe, with its invert and side walls armored with railroad rails and concrete fill between the rails.

PROJECT DESCRIPTION: Lowell Creek discharges large quantities of bedload, with the size approaching rock three feet in diameter. The abrasive action of the bedload has eroded away much of the armor rails. Major damage has occured at the tunnel entrance, where the steep intake changes to a moderate slope, causing the stream bedload to bombard the armor rails grouted in the invert and side walls.

Annual inspection by the City and Corps of Engineers reveal very serious tunnel armor deterioration, with many rails completely dislodged. To prevent the rails from catching debris and creating a blockage in the tunnel, City crews must enter the tunnel several times a year with cutting torches and remove the loose rail sections. The most recent Corps inspections have shown that tunnel deterioration is very serious and could lead to the tunnel becoming blocked. The result would be Lowell Creek running through the center of Seward causing severe property loss and very likely loss of life. (See attached copy of the most recent Corp of Engineers Inspection Report)

In an effort to secure funds to repair and rehabilitate the tunnel, the City since 1977 has aproached the Corps of Engineers and U.S. Congress. These efforts have not been successful to date; however, since the Federal Act authorizing the tunnel placed all responsibility for operation and maintenance with the City.

Utilizing State of Alaska per capita grant money, the City on August 8, 1982, entered into a contract with CH2M Hill Engineers to prepare a study of the available tunnel rehabilitation alternatives, and once an alternative is selected by the City, prepare design specifications and contract documents to perform the rehabilitation. Phase I (Study of Alternatives) will be complete by April 1983. Phase II (Design Engineering) will be complete by August 1983. If sufficient funds are available, construction can commence in the fall of 1983 and be complete by the spring of 1984.

NO. 3 LOWELL CREEK DIVERSION TUNNEL REHABILITATION (Continued)

BUDGETARY NEEDS: At this time, we have estimated the rehabilitation cost at $1,770,000. A more refined cost estimate should be available by April 1983.

OPERATION AND MAINTENANCE: The design alternative selected is intended to be the one that will solve the problems occuring within the tunnel, and once this design is effected, it is anticipated that operation and maintenance will be well within the means and capabilities of the City.

COMMUNITY IMPACT: The Seward City Council has placed a very high priority on this project as it poses a serious threat to life and property. Failure of the Diversion Tunnel would cause a major disaster to Seward.

N½ of Sec 3 to 90 in

SP-67
HB 244

CSSB 150

1. ~~Line~~ page 2 Line 19 Delete [Fairview - Jackson Water] *
20 Delete [(ED 2) $161,600]

2. page 7, After Line 1 Add: Ketchikan - Jackson Utility / Fairview - Jackson water (ED-1) $354,950

3. page 7 ~~Line~~ After line 23 Add.
Anchorage - Eklutna water project (ED 7-15) $35,000,000

4. page 7 Line 25 Delete [Wasilla - Septic treatment (ED-16) $85,000]
Line 26 delete [$3,178,500] insert $3,121,500

~~5. Page 7~~

5. page 7 Line 29 Delete [Delta Junction - City Landfill]
page 8 Line 1 Delete [Improvements (ED 17) $480,000

6. page 9, after line 24 ADD. Dot Lake water system (ED 17) $225,000

7. page 9, Line 28: delete [$38,000] [$38,000], insert 250,000 & 250,000.

POSITION PAPER

CSSB15(FIN)

Fiscal propriety demands that the State maintain project monitoring capability to ensure that the grant funds are spent for the project, and are managed according to Borough or Municipal fiscal procedures. Accordingly, a minimal State operating budget impact will be felt with the passage of each special appropriation under AS 37.05.315-37.05.319, such as this specific bill proposes. I should point out at this time that local governments have recognized their similar responsibilities when awarding grants to local social service providers, etc. Municipalities charge an administrative overhead fee of one to three point eight percent per grant. The Department of Administration requests that the specific grant appropriation language acknowledge a State agency overhead factor of up to .5% (one half of one percent) as Department of Administration operating costs for all special appropriations awarded AS 37.05.315.

The Department questions the historical practice promoted under AS 37.05.315 and wonders if the Department of Community and Regional Affairs might be of better assistance to local governments through its Local Government Assistance program. Whereas the Department of Administration functions as a centralized control agency for all other Executive Branch agencies, the Department of Community and Regional Affairs is specifically charged with the responsibility of assisting local government in maximizing services to citizens.

Kenneth R Ryals 3/1/83

Kenneth R. Ryals

Lisa S Rudd 3/1/83

Lisa Rudd, Commissioner of Administration

1/0301-01/COMM

Galena — Phase I

RECOMMENDED SYSTEM IMPLEMENTATION APPROACH AND COST SUMMARY

The installation of a complete high level-of-service water and sewer utility should be a multi-step process and it is likely that all of the phases would not occur at the same time. It is recommended that a systematic approach be taken to the implementation of water and sewer system improvements. The steps are listed below in the order that they should be undertaken.

1. Perform an evaluation, modify, and repair the existing water treatment plant to increase production capacity, improve water quality, and determine the maximum production capacity of the plant. Evaluate the existing sewage treatment lagoon.

2. Design and construct a portion of the proposed water and sewer improvements in an area having the highest development density and greatest number of potential customers. This would allow a more accurate evaluation of actual equipment performance and O&M costs. This "pilot system" approach would also allow Galena to expand the system as customer demand increased and to eliminate underwriting the O&M cost of an entire system without adequate customer support. This approach might also promote development at th Alexander Lake site. People would see the advantage of having a high level-of-service water and wastewater facility.

3. Evaluate the performance of the pilot system and expand the system into other areas having an adequate number of potential customers. Water production, water storage, or sewage treatment facilities would probably have to be expanded at this time.

Table 5 is a summary of estimated construction costs for all aspects of a completely developed water and sewage collection system for all proposed distribution service areas at the Alexander Lake site. The future development density, potential customers, available funding, and other economic factors would determine which service areas would receive the water and sewer improvements first. The timing of construction for the areawide facility expansion (water plant, storage tank, waste treatment lagoon) would depend on the results of the evaluation of existing facility capacity. This evaluation could occur during the initial stages of Phase 1 water distribution and sewage collection system design. One or more service areas could be served if minor improvements were made to the existing facilities. An estimated cost for the evaluation and improvement stage of design has been included in Table 5.

This table should assist the City to plan and determine how to best utilize available funding. We believe that the phased approach would ensure that the people of Galena would receive the highest level-of-service at the lowest possible O&M costs. However, funding opportunities might dictate a more vigorous development.

TABLE 5

ALEXANDER LAKE
WATER AND SEWER UTILITY IMPROVEMENTS

SUGGESTED IMPLEMENTATION

	($ x 1000)	
Pre-Design Evaluation		
Pre-Phase 1		
Evaluation, Modification and Repair of existing water treatment plant and sewage lagoon	165	
Phase 1		
Service Area 1	1,762	4,700,000
Service Area 2	1,356	
Service Area 3	1,252	
Subtotal	4,535	
Phase 2A		
*Water Treatment Plant	990	
*Water Storage Tank	480	
*[illegible]	540	
Subtotal	[illegible]	
Phase 2B		
Service Area 1A	950	
Service Area 1B	522	
Service Area 4	1,912	
Service Area 5	1,363	
Subtotal	4,747	
TOTAL	11,292	

*Results of the preliminary evaluation may require that these improvements be completed prior to complete development of Phase 1 improvements.

SOURCE : CITY OF DELTA JUNCTION 1983 Capital Projects Request

NARRATIVE

The City of Delta Junction, owns 40 acres, where the existing sanitary landfill is utilized by the region of Delta Junction. Currently the City leases the property to a contractor who operates the facility on a part-time basis.

Open dumping is permitted, together with burning, which does not appear to affect the local residents, as the area around the landfill is sparsely populated. The facility now provides two functions which are, (1) one, the disposal of solid waste, and, (2) two, the disposal of sludge — from septic tanks, which is dumped in an open pit. An anaerobic lining has built up over the pond area which restricts the percolation of fluids into the ground. No fencing has been erected to keep out children and animals. Without monies to buy equipment for the operation of this landfill, it is not expected that conditions will not be improved.

It should be pointed out that the closest landfill to Delta Junction is near Fairbanks, 100 miles away, which, without improvements will have serious problems which may have long range implications.

A request of $500,000.00 is needed to implement the operation plan from concept to completion.

Following is a list of improvements that are planned for this project:

(A) One 32' x 72' metal shop containing but not limited to:

1. Electrical supply to the building for power tools.
2. Space heater for emergency heating.

(B) Equipment for maintenance of landfill:

1. Bulldozer
2. Backhoe or dragline
3. Truck dumpster

(C) Dumping platform

(D) Clearing of 10 acres

(E) Fencing 10 acres — 2640 L.F. + (2) gates

(F) Pilot project for sludge disposal

CITY OF DELTA JUNCTION

Capital Improvements

COST BREAKDOWN

1.	Landfill Facilities	
	a. Access Road	$ 10,000.00
	b. Well and Pump House	25,000.00
	c. Electrical Supply	25,000.00
2.	Sludge Disposal	
	a. Rid-Waste Tanks	40,000.00
	b. Paving	5,000.00
	c. Disposal Site Improvements	5,000.00
3.	Equipment for Landfill Operation	
	a. Bulldozed	50,000.00
	b. Backhoe	35,000.00
	c. Dumpster on site	65,000.00
4.	Dumping Platform	
	a. Steel Frame	15,000.00
	b. Road Paving	5,000.00
	c. Water Pipe and Bib	5,000.00
5.	Clearing	
	a. Five Acres	25,000.00
	b. Fencing	25,000.00
6.	Miscellaneous	
	a. Lighting	10,000.00
	b. Automatic Gates	15,000.00
	c. Small Shed Operations	25,000.00
	SUBTOTAL	385,000.00
Engineering 10%		38,500.00
Contingencies 10%		38,500.00
Contract Management		19,750.00
	PROJECT TOTAL	$481,750.00

* SEC. 2 THE FOLLOWING APPROPRIATION ITEMS ARE FOR CAPITAL PROJECTS FROM THE GENERAL FUND TO THE AGENCIES NAMED AND FOR THE PURPOSES EXPRESSED. (ED#__) MEANS THAT THE CAPITAL PROJECT IS LOCATED SOMEWHERE WITHIN THAT HOUSE OF REPRESENTATIVES ELECTION DISTRICT. THIS GEOGRAPHIC REFERENCE HAS BEEN INSERTED BY STAFF AND IS FOR INFORMATION PURPOSES ONLY.

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	APPROPRIATION FUND SOURCES OTHER FUNDS
* * * * * *	* * * * * *			
* * * * * DEPARTMENT OF EDUCATION	* * * * *			
* * * * * *	* * * * * *			
EDUCATION				
NORTHWEST ARCTIC SCHOOL DISTRICT				
WATER MAIN HOOKUP (ED 22)		50,000	50,000	
BERING STRAIGHTS SCHOOL DISTRICT				
WATER PROJECTS - TELLER, BREVIG MISSION, GOLOVIN AND SHISHMAREF (ED 23)		1,000,000	1,000,000	
* * * * * *	* * * * * *			
* * * * * DEPARTMENT OF ENVIRONMENTAL CONSERVATION	* * * * *			
* * * * * *	* * * * * *			
NATURAL RESOURCE MANAGEMENT				
WATER & SEWER FACILITIES CONSTRUCTION GRANTS		22,731,800	22,731,800	
KETCHIKAN - MEMTAL HEALTH WATER & SEWER (ED 1)	34,600			
KETCHIKAN - HAWKINS - CARLANNA (ED 1)	90,600			
KETCHIKAN - HEATH ADDITION (ED 1)	196,700			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS	
KETCHIKAN - WASHINGTON PARK ADDITION (ED 1)	303,500				
KETCHIKAN PUBLIC UTILITY/FAIRVIEW-JACKSON WATER (ED 1)	161,600				
PETERSBURG - WATER STORAGE FACILITY (ED 1)	338,500				
CORDOVA - MORPAC PARALLEL WATER LINE (ED 2)	60,000				
CORDOVA - POWER CREEK BOOSTER STATION (ED 2)	400,000				
CORDOVA - SMALL BOAT HARBOR WATER LINE (ED 2)	221,300				
KAKE - WATER SUPPLY TANK (ED 2)	125,000				1
SITKA - SOLID WASTE DISPOSAL SYSTEM (ED 3)	1,750,000				1
HOMER - COOPER SUBDIVISION WATER & SEWER (ED 5)	285,000				
HOMER - MATTOX WATER & SEWER (ED 5)	62,500				1
KENAI - CANDLELIGHT/LINWOOD/AURORA (ED 5)	535,000				1
KENAI - EVERGREEN/HALLER WATER & SEWER (ED 5)	700,000				1
KENAI PENINSULA BOROUGH - NINILCHIK LANDFILL (ED 5)	100,000				1
SOLDOTNA - REDOUBT AVENUE WATER & SEWER (ED 5)	187,600				1
SOLDOTNA - WATER RESERVIOR AND TRANSMISSION (ED 5)	750,000				1
SOLDOTNA - WILSON LANE WATER & SEWER (ED 5)	11,000				1
SOLDOTNA - BINKLEY STREET WATER & SEWER (ED 5)	74,000				2
SEWARD - TERMINAL ADDITIONAL WATER & SEWER (ED 6)	1,562,700				2
VALDEZ-N HARBOR/KENNICOT/S HARBOR DR WATER/SEWER (ED 6)	650,000				2
VALDEZ - LANDFILL IMPROVEMENTS (ED 6)	100,000				2
VALDEZ - OLD LANDFILL RECLAMATION (ED 6)	51,000				2

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	APPROPRIATION FUND SOURCES OTHER FUNDS
ANCHORAGE - BROWN LID (ED 7-15)	103,000			
ANCHORAGE - STELLA LID (ED 7-15)	107,900			
ANCHORAGE - LIBRARY LID (ED 7-15)	301,200			
ANCHORAGE - ABBOTT LOOP MANOR LID (ED 7-15)	292,700			
ANCHORAGE - SHACKELTON LID (ED 7-15)	70,500			
ANCHORAGE - ALPINE VILLAGE LID (ED 7-15)	238,200			
ANCHORAGE - ZODIAK LID (ED 7-15)	60,300			
ANCHORAGE - WINDERMERE UPGRADE (ED 7-15)	28,700			
ANCHORAGE - WEST 44TH SEWER EXTENSION (ED 7-15)	34,600			
ANCHORAGE - C-3 TRUNK-NORTH OF SAND LAKE (ED 7-15)	150,900			
ANCHORAGE - KNIK INTERCEPTOR CMP UPGRADE (ED 7-15)	569,600			
ANCHORAGE - ZURICK LID (ED 7-15)	117,900			
ANCHORAGE - ROSEWOOD LID (ED 7-15)	140,200			
ANCHORAGE - JUANITA LOOP/SANTA MARIA DRIVE (ED 7-15)	369,500			
ANCHORAGE - A/B STREET EAST 56TH EXTENSION (ED 7-15)	8,200			
ANCHORAGE-DOWLING ROAD/NEW SEWARD TO PETERSBURG (ED 7-15)	101,000			
ANCHORAGE - BROADMOOR ESTATES UPGRADE (ED 7-15)	14,000			
ANCHORAGE - BARBARA STREET EXTENSION (ED 7-15)	55,200			
ANCHORAGE - 10-11 ALLEY NORTH TO P STREET UPGRAD (ED 7-15)	22,000			
ANCHORAGE - MANOR STREET UPGRADE (ED 7-15)	28,400			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	APPROPRIATION FUND SOURCES OTHER FUNDS
ANCHORAGE - WEST 44TH PLACE EXTENSION (ED 7-15)	25,700			
ANCHORAGE - ABBOTT LOOP 30 TUDOR TO 68TH (ED 7-15)	537,300			
ANCHORAGE - JUANITA LOOP/SANTA MARIA DR (ED 7-15)	300,800			
ANCHORAGE - ATKINS WID (ED 7-15)	19,400			
ANCHORAGE - 10 MG RESERVIOR GRANT INCREASE (ED 7-15)	360,000			
ANCHORAGE - EAGLE RIVER SYSTEM INTER-TIES (ED 7-15)	220,000			
ANCHORAGE - C-5-2 TRUNK (ED 7-15)	264,000			
ANCHORAGE-SOUTHEAST INTERCEPTOR/ROY TO HUFFMAN (ED 7-15)	1,250,000			
ANCHORAGE - WEST INTERCEPTOR PHASE II (ED 7-15)	2,125,000			
ANCHORAGE - DISTRIBUTION RESERVIOR EAGLE RIVER (ED 7-15)	180,000			
ANCHORAGE - PRODUCTION WELL NUMBER 14 (ED 7-15)	180,000			
ANCHORAGE - CHUGACH WAY/ARCTIC TO SPENARD ROAD (ED 7-15)	136,000			
ANCHORAGE - 8TH AVENUE DIVERSION UPGRADE (ED 7-15)	37,500			
ANCHORAGE-SPRUCE STREET/LORE ROAD TO 68TH AVENUE (ED 7-15)	128,000			
ANCHORAGE - 80TH AVENUE EAST OF LAKE OTIS (ED 7-15)	40,000			
ANCHORAGE - E-4A TRUNK (ED 7-15)	240,000			
ANCHORAGE - E-4C TRUNK (ED 7-15)	216,000			
ANCHORAGE - SE INTERCEPTOR/HUFFMAN TO DEARMOUN (ED 7-15)	600,000			
HOUSTON - SANITARY LANDFILL (ED 16)	70,000			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	APPROPRIATION FUND SOURCES OTHER FUNDS
FAIRBANKS - SLUDGE DISPOSAL FACILITY PHASE II (ED 18-21)	187,500			
FAIRBANKS - NORTHEAST WATER TRANSMISSION (ED 18-21)	1,980,000			
NORTH POLE - WATER TREATMENT PLANT EXPANSION (ED 18-21)	1,500,000			
KODIAK - ISMAILOV STREET & 9TH AVENUE WATER (ED 27)	300,000			
KODIAK - 11TH AVENUE WATER LINE (ED 27)	250,000			
* * * * * *		* * * * * *		
* * * * * GRANTS TO MUNICIPALITIES (AS 37.05.315)		* * * * *		
* * * * * *		* * * * * *		
NATURAL RESOURCE MANAGEMENT				
ED 2 INSIDE PASSAGE - CORDOVA				
CRAIG - WATER & SEWER PHASE I COMPLETION (ED 2)		1,000,000	1,000,000	
HAINES - ALLEN ROAD TO SAWMILL ROAD WATERLINE (ED 2)		33,500	33,500	
KAKE-4TH AVE LOOP WATER & PORTAGE COVE EXTENSION (ED 2)		860,000	860,000	
KLAWOK - WATER & SEWER IMPROVEMENTS (ED 2)		500,000	500,000	
ED 3 BARANOF - CHICHAGOF				
SITKA - BLUE LAKE WATER SOURCE (ED 3)		3,000,000	3,000,000	
ED 4 JUNEAU				
JUNEAU - NEW RESERVIOR-WEST JUNEAU (ED 4)		525,000	525,000	
JUNEAU - WELL NUMBER 3 CONNECTION (ED 4)		37,500	37,500	
JUNEAU - DOUGLAS/LEMON CREEK DISTRIBUTION IMPROVEMENT (ED 4)		250,000	250,000	

GRANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
ED 7-15 ANCHORAGE DISTRICT				
ANCHORAGE - EAGLE RIVER/CHUGIAK WATER (ED 7-15)		3,700,000	3,700,000	
ANCHORAGE - SOLID WASTE FACILITY (ED 7-15)		2,315,000	2,315,000	
ED 16 MATANUSKA - SUSITNA				
WASILLA - SEPTIC TREATMENT (ED 16)		185,000	185,000	
WASILLA - WASTEWATER FACILITY (ED 16)		1,178,500	1,178,500	
PALMER - SEWAGE PLANT EXPANSION (ED 16)		2,370,000	2,370,000	
ED 17 INTERIOR HIGHWAYS				
DELTA JUNCTION - CITY LANDFILL IMPROVEMENTS (ED 17)		480,000	480,000	
ED 18-21 FAIRBANKS DISTRICT				
FAIRBANKS - SEWER/DRAINAGE UPGRADE (ED 18-21)		960,000	960,000	
FAIRBANKS - SLUDGE DISPOSAL FACILITY (ED 18-21)		850,000	850,000	
FAIRBANKS - VAN HORN INTERCEPTOR (ED 18-21)		360,000	360,000	
ED 22 NORTH SLOPE - KOTZEBUE				
KAKTOVIK - GREY WATER FACILITY (ED 22)		450,000	450,000	
NOORVIK - WATER & SEWER EXPANSION (ED 22)		600,000	600,000	
ED 23 NORTON SOUND				
CHEVAK - WATER & SEWER (ED 23)		798,000	798,000	
GAMBELL - WATER & SEWER (ED 23)		15,000	15,000	
KOTLIK - WATER & SEWER (ED 23)		22,000	22,000	
NOME - WATER & SEWER SYSTEM (ED 23)		1,800,000	1,800,000	
SAVOONGA/PUNIK ISLAND - WATER & SEWER (ED 23)		452,000	452,000	

GRANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
SCAMMON BAY - WATER & SEWER (ED 23)		350,000	350,000	
UNALAKLEET - WATER MAIN EXTENSION (ED 23)		500,000	500,000	
ED 24 INTERIOR RIVERS				
ANIAK - COMMUNITY SEWER SYSTEM (ED 24)		500,000	500,000	
FORT YUKON - WATER & SEWER SYSTEM (ED 24)		3,700,000	3,700,000	
GALENA - WATER & SEWER (ED 24)		2,500,000	2,500,000	
MCGRATH - WATER DELIVERY PHASE I (ED 24)		1,150,000	1,150,000	
MINTO - WATER & SEWER PHASE I (ED 24)		1,000,000	1,000,000	
NIKOLAI - WATER & SEWER ON SITE (ED 24)		400,000	400,000	
NULATO - WATER & SEWER (ED 24)		1,000,000	1,000,000	
ED 26 BRISTOL BAY - ALEUTIAN ISLANDS				
DILLINGHAM - AIRPORT HEIGHTS SUBDIVISION WATER (ED 26)		300,000	300,000	
NEWHALEN-ILIAMNA WATER DEVELOPMENT (ED 26)		340,000	340,000	
ED 27 KODIAK - EAST ALASKA PENINSULA				
AKHIOK - SANITARY LANDFILL DEVELOPMENT (ED 27)		460,000	460,000	
LARSEN BAY - WATER & SEWER DEVELOPMENT (ED 27)		370,000	370,000	
KODIAK - NEAR ISLAND WATER & SEWER DEVELOPMENT (ED 27)		350,000	350,000	
OLD HARBOR - SEWER RENOVATION (ED 27)		1,160,000	1,160,000	
PORT LIONS - BAYVIEW DRIVE SEWER PHASE I (ED 27)		132,000	132,000	
BRISTOL BAY BOROUGH				
SOUTH NAKNEK - VILLAGE WELL (ED 26)		87,000	87,000	

GRANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
FAIRBANKS NORTH STAR BOROUGH				
BALLAINE LAKE SEWER SERVICE (ED 18-21)		700,000	700,000	
* * * * * *		* * * * * *		
* * * * * UNINCORPORATED COMMUNITY GRANTS (AS 37.05.317)		* * * * *		
* * * * * *		* * * * * *		
NATURAL RESOURCE MANAGEMENT				
ED 17 INTERIOR HIGHWAYS				
KENNY LAKE - WATER, SEWER & PUBLIC BUILDINGS (ED 17)		148,000	148,000	
ED 26 BRISTOL BAY - ALEUTIAN ISLANDS				
IGIUGIG - WATER/SEWER/& SOLID WASTES (ED 26)		838,000	838,000	

* SEC. 3 THE FOLLOWING SETS OUT THE FUNDING OF THE
PROPRIATIONS MADE IN THE PRECEDING SECTION OF THIS
T.

CAPITAL PROJECTS	
GENERAL FUND	62,508,300
*** TOTAL FUNDING ***	62,508,300
* * * * * TOTAL BUDGET * * * * *	62,508,300

* SEC. 4 THIS ACT TAKES EFFECT IMMEDIATELY IN
CCORDANCE WITH AS 01.10.070(C).

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

October 1, 1982

Dear

On June 18, 1982, we sent a letter advising you that as a result of the 1982 legislative session, we must change our method of awarding sewer, water, or solid waste grants. We enclosed a questionnaire for you to complete for each project for which you wished construction grant assistance next fiscal year. We appreciate the fact that you took time to complete a questionnaire for each of your projects. In order to keep you informed of our progress in this effort, I am presenting the following information.

We have received a total of 213 valid questionnaires from 52 communities. After receiving the questionnaires, the Department evaluated each project (using the criteria system marked as enclosure 1). The resulting evaluation was placed on word processing equipment, scores were computed, and a numeral ranking established for each project. We are submitting to the Governor, for inclusion in his capital budget, a request for $231,400,000; $109,000,000 for expenditure in FY 84 and $122,400,000 for expenditure in FY 85.

The projects are being submitted in two formats. The first is a list of projects ranked using our criteria (enclosures 2 & 3). The second is a list of projects placed alphabetically by applicant, with each project listed in the priority designated by the applicant, when a priority was specified (enclosures 4 & 5). Two lists are presented in each format, one for each fiscal year.

Sufficient time was unavailable for us to solicit public comment on our criteria system this first year. We anticipate that in future years, priority lists will be developed using criteria similar to this. To refine our system and make it as responsive as possible to your needs, we would appreciate your comments concerning the criteria we used this year.

We realize that this priority-based system for ranking projects is a significant departure from the method used in the past. It has the potential to enable the Legislature to tailor our program's resources to specifically address your demand for grant assistance. Your efforts in advance planning

and projecting funding needs is very much appreciated. In order to retain maximum flexibility and to enable the grants program to respond to your needs most effectively, we have requested that the Legislature include certain language in our appropriation. These include contingency funds, (additional unencumbered funds beyond those specifically designated to individual projects), the ability to reallocate funds between projects, and to reprogram funds slated for projects which do not proceed within a year's time.

Your continued endorsement of our program and our funding request will be an important part of our success in obtaining sufficient resources from the Legislature. Thank you for your time and effort.

Sincerely,

Keith Kelton, Director
Facility Construction
and Operation

Enclosure

KK:DH:sk

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

CRITERIA SYSTEM

1. Public Health Benefit Received (Points will be scored from no more than one of the items listed under this criteria (1.A.1. - 1.D.)

   A. Health hazards alleviated (problem must be sufficiently reduced by this project to remove it from this category).

	POINTS
1. Existing hazard, documented by Department as capable of causing injury, serious illness, or death to humans.	200
2. Potential hazard which could result in injury, serious illness, or death to humans in the near future.	100

   B. Water quality problems alleviated.

1. Existing problem documented by Department as causing serious water quality violations adversely affecting health or welfare of humans or animals.	100
2. Existing problem, documented by Department as causing water quality violations not directly affecting health of humans or animals.	50

   C. Water supply problems alleviated.

1. Community water provided to supply good quality water, replace poor quality water, or to prevent interruption of supply.	100

   D. Other environmental problems alleviated (wind blown litter, obnoxious odors, etc.) 30

2. Local funding source

Percent Local Funding	Points
50% or greater	100
At least 25% but less than 50%	70
At least 10% but less than 25%	40
Less than 10%	10

3. Grant will be used to match federal funds 50

4. Population benefitted

	Points for projects benefitted	
	Existing Population	New Development
More than 10,000	150	50
3000-9999	120	40
1000-2999	90	30
Less than 1000	60	20

		Points
5.	This project involves both water supply and sewerage constructions.	50
6.	Grant funds requested	
	0--$500,000	70
	$500,000--$2,000,000	50
	More than $2,000,000	30
7.	This project is part of an overall project which is composed of more than one phase. At least one other phase has been completed, and the current project phase is necessary to complete the overall project.	50
8.	Part of system affected	
	Project will add an integral part which improves performance of system rather than extending a system to increase capacity.	50
9.	Segment of population benefitting	
	More than 90% of project directly benefits residential or commercial users (not industrial or fire flow).	100
	More than 60% (but less than 90%) of project directly benefits residential or commercial users.	50
	More than 30% (but less than 60%) of project directly benefits residential or commercial users.	30
10.	Project needs to be built in conjunction with other projects, such as road paving.	100
11.	Project is part of a comprehensive development plan.	30

Local priority will be used to differentiate between local projects having an equal number of total points. If relative rankings of local projects, based upon total points, differs from local priority ranking, the differences will be negotiated with the responsible local authorities.

Readiness to proceed will be used as a criteria for separating projects into two groups.

1) If the grantee will be ready to proceed with construction on the project by July 1, 1983, it will be placed on list 1.

2) If the grantee will be ready to proceed with construction on the project by July 1, 1984, it will be placed on list 2.

3) Otherwise, it will not be considered for inclusion in the FY-84 capital budget.

Each list of projects will be ranked separately by the criteria above and submitted with our capital budget request.

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
PROJECT CAPITAL BUDGET QUESTIONNAIRE

Please complete a copy of this questionnaire for each capital project for which you anticipate requesting water, sewerage, or solid waste grant assistance under AS 46.03.030. A questionnaire should be completed for all unfunded projects for which you are requesting assistance, even if you have previously submitted a grant application. Please answer all questions as completely as possible, since this will be the only source of data used in preparing the Department's capital budget request.

1) Your Name_____ Telephone_____ Date_____

2) Municipality Represented:_____

3) Name of Project:_____

4) Local priority of this project compared to other questionnaires submitted by the municipality #_____

5) Type of Project: Water_____ Sewage_____ Solid Waste_____

Detailed Description of Project (Include location, if known; scope of project; existence and/or condition of present water, sewerage, or solid waste services, as appropriate; or adequacy of existing facilities to handle increased demand as a result of this project):

_____

_____

_____

_____

_____

_____

_____

_____

6) Describe Need for Project_____

_____

_____

_____

7) List specific health benefits resulting from construction of this project.

_____

_____

_____

_____

8) Existing population directly benefiting from this project:

_____

9) Describe any improvements to the environment due to construction of this project:

a) Eliminate or Reduce Ground Water Contamination: _____

b) Improve Receiving Water Quality: _____

c) Reduce Wind Blown Litter: _____

d) Other: _____

10) Category of Beneficial Use: Percentage of User5s Benefitting

a) Residential/Commercial _____%

b) Industrial _____%

c) Fire Protection _____%

11) Project Schedule:

a) Date Design to be Initiated: _____

b) Date Design to be Completed: _____

c) Anticipated Date of Construction Start: _____

d) Anticipated Date of Construction Completion: _____

12) List proposed sources and amounts of funding: assume 50% state grants.

a) Local Contribution/Source: _____

b) Federal Grant: _____

c) State Revenues: (List) _____

_____

d) ADEC Grant: _____

e) Other: _____

13) Total Estimated Grant Request: _____

14) Total Estimated Project Cost: _____

15) List other projects, such as paving or other utility relocations, and their scheduled construction that impact on the scheduling for this project.

_____

_____

_____

_____

16) List any comprehensive planning document recommending this project.

_____

_____

17) Is this project necessary to complete an overall project for which earlier phases have already been constucted? _____Yes. _____No.

18) If yes, list earlier phases and explain their relationship to this project.

_____

_____

_____

_____

State Priority List
Data Entry Form

1. Applicant: _____
2. Official: _____
3. Title: _____
4. Telephone: _____
5. Address: _____
6. City: _____
7. State: _____
8. Zip Code: _____
9. Project: _____
10. Date Received: _____
11. Project Type: _____
12. Total Cost: _____
13. Grant Request: _____
14. Notice to Proceed Date: _____

		Score
	Public Health Benefit Received	
	Health Hazard Alleviated	
15.	Existing	_____
16.	Potential	_____
	Water Quality Problems Alleviated	
17.	Serious	_____
18.	Not so Serious	_____
19.	Water Supply Problems Alleviated	_____
20.	Other Problems Alleviated	_____
	Local Funding Source	
21.	> 50	_____
22.	25-49	_____
23.	10-24	_____
24.	< 10	_____
25.	Grant Used to Match Federal Funds	_____
	Population Benefitting	
	Existing Population	
26.	> 10,000	_____
27.	3,000-9,999	_____
28.	1,000-2,999	_____
29.	< 1,000	_____
	New Development	
30.	> 10,000	_____
31.	3,000-9,999	_____
32.	1,000-2,999	_____
33.	< 1,000	_____
34.	Combined Project	_____

		Score
	Grant Funds Requested	
35.	< 500,000	_____
36.	500,000-2,000,000	_____
37.	> 2,000,000	_____
38.	Part of Overall Project	_____
39.	Improve System Performance	_____
	Benefit Residential/Commercial Users	
40.	> 90%	_____
41.	60-90%	_____
42.	30-60%	_____
43.	Conjunction With Other Project	_____
44.	Part of Comprehensive Development	_____
45.	Local Priority -	_____
46.	Out of Total Projects	_____
47.	Total Score	_____

COMPARISON SB 150 AND SB 162
FY 83 SUPPLEMENTAL APPROPRIATION
April 11, 1983

City	Project	SB 15/150	Source	SB 162	Source
Akhiok	Sanitary Landfill Development	460,000	Direct		
Akolmiut	Sanitation Bunkers			22,000	Direct
Alakanuk	Water and Sewer			840,000	Direct
Ambler	Water and Sewer			150,000	Direct
Anchorage	A/B Street East 56th Ext.	8,200	ADEC		
	Abbott Loop Manor LID 132	292,700	ADEC		
	Abbott Loop 30" Tudor to 68th	537,300	ADEC		
	Alpine Village LID	238,200	ADEC		
	Atkins LID	19,400	ADEC		
	Barbara Street Extension	55,200	ADEC		
	Broadmoor Estates Upgrade	14,000	ADEC		
	Brown LID	103,000	ADEC		
	Chugach Way/Arctic to Spenard Road	136,000	ADEC		
	Eagle River Chugiak Water	3,700,000	ADEC		
	C-3 Trunk - North of Sand Lake	150,900	ADEC		
	C-5-2 Trunk	264,000	ADEC		
	Dowling Road/New Seward to Petersburg	101,000	ADEC		
	Distribution Reservoir Eagle River	180,000	ADEC		
	Eagle River System Inter-ties	220,000	ADEC		
	E-4A Trunk	240,000	ADEC		
	E-4C Trunk	216,000	ADEC		
	Juanita Loop/Santa Maria Drive	300,800	ADEC		
	Juanita Loop/Santa Maria Drive	369,500	ADEC		
	Knik Interceptor CMP Upgrade	589,600	ADEC		
	Lake Otis/Abbott Rd to O'Malley	375,000	ADEC		
	Library LID	301,200	ADEC		
	Manor Street Upgrade	28,400	ADEC		
	Point Woronzof Wastewater Plant			3,300,000	ADEC
	Production Well #14	180,000	ADEC		
	Rabbit Creek Force Main -E-7 Trunk	2,400,000	ADEC		
	Rosewood LID	140,200	ADEC		
	S.E. Interceptor, Huffman to DeArmoun	600,000	ADEC		
	Shackleton LID	70,500	ADEC		
	Solid Waste Facility	629,000	ADEC		
	S.E. Interceptor/Roy to Huffman	1,250,000	ADEC		

City	Project	SB 15/150	Source	SB 162	Source
Anchorage	Spruce Street/Lore Road to 68th Avenue	128,000	ADEC		
	Stella LID	107,900	ADEC		
	West Interceptor, Phase II	2,125,000	ADEC		
	W. 44th Place Extension	25,700	ADEC		
	W. 44th Sewer Extension	34,600	ADEC		
	Windemere Upgrade	28,700	ADEC		
	Woodstave Line Replacement	153,000	ADEC		
	Zodiak LID	60,300	ADEC		
	Zurick LID	117,900	ADEC		
	8th Avenue Diversion Upgrade	37,500	ADEC		
	10 MG Reservoir Grant Increase	360,000	ADEC		
	10-11 Alley North to "P" Street Upgrade	22,000	ADEC		
	80th Avenue East of Lake Otis	40,000	ADEC		
Aniak	Community Sewer System	500,000	Direct		
Bethel	Sewer Line Extension			400,000	ADEC
Bristol Bay Borough	Naknek Sewage Facility			675,000	ADEC
	South Naknek Village Well	87,000	Direct		
Buckland	Water & Sewer System			250,000	Direct
Chevak	Water & Sewer	798,000	Direct		
Cordova	Morpac Parallel Water Line	60,000	ADEC		
	Power Creek Project	400,000	ADEC		
	Small Boat Harbor Water Line	221,300	ADEC		
Craig	Water & Sewer Phase I Completion	1,000,000	Direct		
Delta Junction	Landfill	480,000	Direct	500,000	Direct
Dillingham	Water Improvements	300,000	Direct		
Emmonak	Water & Sewer			1,820,000	Direct

City	Project	SB 15/150	Source	SB 162	Source
Fairbanks, City of	NE Water Transmission	1,980,000	ADEC		
	Sewer/Drainage Upgrade	960,000	Direct		
	Sewer Lift Station, Phase II	425,000	Direct		
	Sludge Disposal Facility	850,000	Direct		
	Sludge Disposal Facility, Phase II	187,500	ADEC		
	Van Horn Interceptor	360,000	Direct		
Fairbanks, North Star Borough	Ballaine Lake Sewer Service	700,000	Direct		
Fort Yukon	Water & Sewer System	5,400,000	Direct		
Galena	Water & Sewer	2,500,000	Direct		
Gambell	Water & Sewer	15,000	Direct		
Haines	Allen Rd to Sawmill Rd Waterline	33,500	Direct		
	Mud Bay Road Water Line			35,000	ADEC
	Water & Sewer Line Replacement			125,000	Direct
	4th Avenue Water Line Improvements			40,000	ADEC
Homer	Cooper Subdivision Water and Sewer	285,000	ADEC		
	Mattox Water and Sewer	62,500	ADEC		
	Water & Sewer	200,000	Direct		
Hoonah	Landfill Capping and Access Road			200,000	Direct
Houston	Houston Sanitary Landfill	70,000	ADEC		
Hydaburg	Solid Waste Disposal Relocation			15,000	Direct
	Water and Sewer Upgrade	1,720,000	Direct		
	Water System Pumphouse Improvements			6,000	Direct
Igiugig	Water/Sewer/Solid Waste	838,000	Direct		
Juneau	Gold Creek Flume			600,000	ADEC
	Lemon Creek Distribution Improvements	250,000	Direct		
	Well #3 Connection	37,500	Direct		
	Salmon Creek Water Connection			1,050,000	ADEC
	Water Improvements			1,269,000	Direct
	12th St. to Douglas Bridge 12" Connect.	525,000	Direct		

City	Project	SB 15/150	Source	SB 162	Source
Kake	Water Supply Tank	125,000	ADEC		
Kaktovik	Grey Water Facility	450,000	Direct		
Kenai	Candlelight/Linwood/Aurora	535,000	ADEC		
	Evergreen/Haller Water and Sewer	700,000	ADEC		
Kenai Peninsula Borough	Ninilchik Landfill	100,000	ADEC		
Kenny Lake	Water, Sewer & Public Building	148,000	Direct		
Ketchikan	Hawkins - Carlanna	90,600	ADEC		
	Heath Addition	196,700	ADEC		
	Mental Health Water and Sewer	34,600	ADEC		
	Washington Park Addition	303,500	ADEC		
Ketchikan Pub Util.	Fairview-Jackson Water	161,600	ADEC		
Klawock	Half-Mile Water Line			385,250	ADEC
	Water & Sewer Improvements	500,000	Direct		
Kodiak	Ismailov Street and Ninth Avenue Water	300,000	ADEC		
	Near Island Water & Sewer Development	350,000	Direct		
	11th Avenue Water Line	250,000	ADEC		
Kodiak Island Borough	Kodiak Water & Sewer Phase II			2,125,000	Direct
Kotlik	Water & Sewer	22,000	Direct		
Kotzebue	Water/Sewer Expansion	1,100,000	Direct	1,000,000	Direct
Larsen Bay	Water & Sewer Development	370,000	Direct		
Metlakatla	Water & Sewer			222,000	ADEC
McGrath	Water Delivery Phase I	1,150,000	Direct		

City	Project	SB 15/150	Source	SB 162	Source
Minto	Water & Sewer Phase I	1,000,000	Direct		
Newhalen	Iliamna Water Development	340,000	Direct		
Nikolai	Water and Sewer on Site	400,000	Direct		
Nome	Belmont Point Water/ Sewer Phase II			308,000	Direct
	Water & Sewer System	1,000,000	Direct		
	Water Reservoir, Phase II			500,000	Direct
Noorvik	Water & Sewer Expansion	600,000	Direct		
North Pole	Water Treatment Plant Expansion	1,500,000	ADEC	235,000	Direct
Nulato	Water & Sewer Phase I	1,000,000	Direct		
Nunapitchik	Water Improvements			72,000	Direct
Old Harbor	Sewer Renovation	1,160,000	Direct		
Palmer	Sewage Plant Expansion	2,370,000	Direct		
Petersburg	Water Storage Facility	338,500	ADEC		
Port Alexander	Waterline Purchase & Installation			57,000	ADEC
Port Lions	Bayview Drive Sewer Phase I	132,000	Direct		
Saint Michael	Water & Sewer	600,000	Direct	1,900,000	Direct
Sand Point	Meadows Subdivision, Phase I W&S			1,868,000	ADEC
Savoonga/ Island	Water & Sewer	452,000	Direct		
Scammon Bay	Water & Sewer	350,000	Direct		
Seldovia	Water Sewer Extension			560,000	Direct

City	Project	SB 15/150	Source	SB 162	Source
Seward	Terminal Addition Water & Sewer	1,562,700	ADEC		
Shaktoolik	Water and Sewer			1,000,000	Direct
Shishmaref	Water and Sewer			1,000,000	Direct
Shungnak	Water and Sewer System			400,000	Direct
Sitka	Blue Lake Water Source	2,140,000	Direct		
	Blue Lake Water Source/Solid Waste			1,028,700	Direct
	Solid Waste Disposal System	1,750,000	ADEC		
Skagway	Water & Sewer Completion			761,000	Direct
Soldotna	Binkley Street Water and Sewer	74,500	ADEC		
	Redoubt Avenue Water and Sewer	187,600	ADEC		
	Water Reservoir and Transmission	750,000	ADEC		
	Wilson Lane Water and Sewer	11,000	ADEC		
Tatitlek	Water/Sewer/Electrical Extension			41,000	Direct
Tuntutuliak	Sanitary Waste Disposal Site			50,000	Direct
Unalakleet	Water Main Extension	500,000	Direct		
Valdez	Landfill Improvements	100,000	ADEC		
	N Harbor/Kennicot/S Harbor Dr W & S	650,000	ADEC		
	Old Landfill Reclamation	51,000	ADEC		
Wasilla	Septic Treatment	185,000	Direct	186,000	Direct
	Wastewater Facility	1,178,500	Direct		
	Water/Sewer Extension			121,200	ADEC
Wrangell	Evergreen Water and Sewer Extension			1,046,000	ADEC
Yakutat	Ocean Cape Rd Spur Water Extension			21,000	Direct
	Studies (Anvik, Eek, Goodnews Bay, Telida, Platinum)	200,000	ADEC		

Article 2. Department of Environmental Conservation.

Section

20. Powers of the department
30. Grants for water supply, sewerage and solid waste facilities
40. Alaska environmental plan

Collateral references. — 61A Am. Jur. 2d, Pollution Control, § 6.

39A C.J.S., Health and Environment, §§ 5, 9-15, 125-145.

Power of state to prohibit or restrict exportation of natural resources. 32 ALR 331.

Preservation or protection of animals or birds as subject of charitable trust. 66 ALR 465.

Constitutionality of reforestation or forest conservation legislation. 13 ALR2d 1095.

Right to maintain action to enjoin public nuisance as affected by existence of pollution control agency. 60 ALR3d 665.

Sec. 46.03.020. Powers of the department. The department may

(1) enter into contracts necessary or convenient to carry out the functions, powers and duties of the department;

(2) review and appraise programs and activities of state departments and agencies in light of the policy set out in AS 46.03.010 for the purpose of determining the extent to which the programs and activities are contributing to the achievement of that policy and to make recommendations to the departments and agencies, including but not limited to, environmental guidelines;

(3) consult with and cooperate with

(A) officials and representatives of any nonprofit corporation or organization in the state;

(B) persons, organizations and groups, public and private, using, served by, interested in or concerned with the environment of the state;

(4) appear and participate in proceedings before any state or federal regulatory agency involving or affecting the purposes of the department;

(5) undertake studies, inquiries, surveys or analyses it may consider essential to the accomplishment of the purposes of the department; these activities may be carried out by the personnel of the department or in cooperation with public or private agencies, including educational, civic and research organizations, colleges, universities, institutes and foundations;

(6) at reasonable times enter and inspect with the consent of the owner or occupier any property or premises to investigate either actual or suspected sources of pollution or contamination or to ascertain compliance or noncompliance with a regulation which may be promulgated under AS 46.03.020 — 46.03.040; information relating to secret processes or methods of manufacture discovered during investigation is confidential;

(7) conduct investigations and hold hearings and compel the attendance of witnesses and the production of accounts, books and documents by the issuance of a subpoena;

(8) advise and cooperate with municipal, regional and other local agencies and officials in the state, to carry out the purposes of this chapter;

(9) act as the official agency of the state in all matters affecting the purposes of the department under federal laws now or hereafter enacted;

(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 AS 46.03.010;

(I) handling, transportation, treatment, storage, and disposal of hazardous wastes;

(11) after consultation with other state agencies and local government officials, identify and propose for additional or deletion, by regulation, other licenses, permits or authorizations for which the provisions of AS 46.35 are applicable, and report annually to the legislature the permits which have been included or deleted. (§ 3 ch 120 SLA 1971; am § 1 ch 220 SLA 1976; am § 2 ch 60 SLA 1977; am § 12 ch 172 SLA 1978; am § 8 ch 93 SLA 1981)

Revisor's notes. — In ch. 120, SLA 1971, paragraph (6) of this section contained a reference to AS 46.03.030 — 46.03.040. The engrossed version of the bill (SB 75 am H) referred to "this article" which includes AS 46.03.020; therefore the provision has been corrected here to a reference to AS 46.03.020 — 46.03.040. In paragraph (11), a reference to AS 46.35 was substituted for a reference to 46.30 by the revisor of statutes under the authority of AS 01.05.031.

Cross references. — For status of enforcement and inspection employees of the Department of Environmental Conservation as peace officers, see AS 46.04.090(b). For provisions relating to environmental procedures coordination, see AS 46.35.010 et seq.

Effect of amendments. — The 1977 amendment added paragraph (11).

The 1978 amendment, in paragraph (10), repealed subparagraph (F), which read "control of radiation sources to pro-

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hibit and prevent unnecessary radiation."

The 1981 amendment added subparagraph (I) in paragraph (10).

Editor's notes. — 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 for water supply, sewerage and solid waste facilities. (a) Repealed by § 19 ch 220 SLA 1976.

(b) The department may grant to a municipality, as funds are available, up to 50 percent of eligible costs 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, sewerage and solid waste facilities fund created in the department to carry out the purposes of this section.

(d) The department shall, by regulation, identify those costs which are eligible costs for the purposes of this section. Eligible costs include the costs established in a construction contract which are necessary for construction of a project, but do not include the cost of interest and financing and right-of-way acquisition, or costs related to operation, maintenance, repair or replacement of a project.

(e) The department may grant to a municipality not more than 50 percent of the eligible costs, including costs of obtaining federal waivers from the requirement for secondary treatment plants, which are not paid for by the federal government for solid waste processing or disposal facilities constructed after July 1, 1980. However, the department may grant a municipality up to 60 percent of the eligible costs not paid for by the federal government for a solid waste processing or disposal facility constructed after July 1, 1980, if the facility is used for resource recovery. The eligible costs of a solid waste processing or disposal facility are determined by the federal agency granting the most monetary assistance for construction of the facility. For a solid waste processing or disposal facility for which federal money is not available, the department shall determine the eligible costs in accordance with (d) of this section. A municipality shall construct solid waste processing or disposal facilities financed by grants under this section according to plans and specifications approved by the department. (§ 3 ch 120 SLA 1971; am §§ 2, 19 ch 220 SLA 1976; am §§ 30, 31 ch 168 SLA 1978; am §§ 1-4 ch 163 SLA 1980)

Effect of amendments. — 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).

The 1980 amendment deleted "the lesser of" preceding "50 percent of" and "the" preceding "eligible costs", and substituted "costs" for "cost or 50 percent of the eligible cost," near the beginning of subsection (b), substituted a comma for "and" following "water supply," and "and solid waste facilities" for "systems" in subsection (c), rewrote subsection (d), and added subsection (e).

Sec. 46.03.040. Alaska environmental plan. (a) The department shall formulate and annually review and revise a statewide environmental plan for the management and protection of the quality of the environment and the natural resources of the state, in furtherance of the legislative policy and purposes expressed in this chapter.

(b) The department shall submit the first plan to the governor on or before January 1, 1972, and thereafter submit periodic revisions of the plan to the governor. The plan is effective upon approval by the governor and shall serve thereafter as a guide to the public, the state government and the political subdivisions of the state in the development of the environment and natural resources of the state.

(c) In formulating the plan and any revisions, the department may consult with persons, organizations and groups, public or private, interested in or concerned with the environment of the state, and with a department, division, board, commission or other agency of the state, with a political subdivision, or with any public authority as may be necessary to enable the department to carry out its responsibilities under this section. (§ 3 ch 120 SLA 1971)

Article 3. Water Pollution Control.

Section	Section
50. Authority	100. Waste disposal permit
60. Water pollution control plan	110. Waste disposal permit procedure
70. Pollution standards	120. Termination or modification of waste disposal permit
80. Quality and purity standards	130. [Repealed]
90. Plans for pollution disposal	

Collateral references. — 61A Am. Jur. 2d, Pollution Control, §§ 134, 135, 211.

39A C.J.S., Health and Environment, §§ 125-128, 131; 93 C.J.S., Waters, §§ 43-57.

Pollution of stream by mining operations. 39 ALR 891.

Injunction against pollution of stream by private persons or corporations. 46 ALR 8.

Wrongful pollution of stream by municipality as creating single cause of action or successive causes of action. 75 ALR 529.

When statute of limitations commences to run as to action against municipality for damages to riparian premises by pollution of stream by discharge of sewage. 122 ALR 1509.

Tenant's remedy against stranger for wrongful pollution of waters. 12 ALR2d 1234.

Measure and elements of damages for

Department of Transportation and Public Facilities. All bids with the names of the bidders and the amounts of the bids, together with all documents pertaining to the award of a contract, shall be made a part of a file or record and retained by the department for three years, unless reproduced by microfilming and these files or records are open to public inspection at all reasonable times. An aggrieved bidder may within five days after an award of contract appeal to the department for hearing, with notice to interested parties, for redetermination and final award in accordance with law.

(b) A contract for professional services shall be awarded in accordance with AS 24.23 or AS 36.98. (§ 4 art IV ch 82 SLA 1955; am § 1 ch 64 SLA 1976; am Executive Order No. 39, § 11 (1977); am § 9 ch 144 SLA 1982)

Effect of amendments. — The 1982 amendment, effective July 22, 1982, designated the former provisions of this section as subsection (a), and in that subsection, added "Except as otherwise provided in AS 37.05.230" to the beginning, deleted "taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids" from the end of the first sentence, and substituted the present second, third, and fourth sentences for those set out in the main pamphlet. The amendment also added subsection (b).

Article 5. General Provisions.

Section	Section
315. Grants to municipalities	318. Exemption from regulations
316. Grants to named recipients	319. Definitions
317. Grants to unincorporated communities	

Sec. 37.05.300. Interpretation of AS 37.05.010 — 37.05.330.

Opinions of attorney general. — As to applicability of the chapter to the University of Alaska, see notes under this catchline following chapter heading.

Sec. 37.05.315. Grants to municipalities. (a) When an amount is appropriated or allocated as a grant to a municipality, the Department of Administration shall promptly notify the municipality of the availability of the grant. When the Department of Administration receives an agreement executed by the municipality which provides that the municipality (1) will spend the grant for the purposes specified in the appropriation or allocation; (2) will allow, on request, an audit by the state of the uses made of the grant; and (3) assures that, to the extent consistent with the purpose of the appropriation or allocation, the facilities and services provided with the grant will be available for the use of the general public, the Department of Administration shall pay the grant directly to the municipality. The agreement executed by a municipality under this section shall be on a form furnished by the Department of Administration and shall be executed within 60 days after the effective date of the appropriation or allocation.

(b) An appropriation or allocation for a grant to a municipality for construction of a public facility lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

(c) In accepting a grant of money for construction of a public facility, a municipality covenants with the state that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the state to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant of money for repair or improvement of an existing facility operated or maintained by the state at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the state.

(d) Not less than 20 percent of a grant shall be paid to a municipality within 10 days of the effective date of the agreement under (a) of this section. The remainder of the grant shall be paid either in monthly installments equal to the amount of grant money the municipality expended in the previous month or in a lump sum as determined by the Department of Administration. (§ 1 ch 156 SLA 1980; am § 1 ch 4 SLA 1982)

Effect of amendments. — The 1982 amendment, effective January 16, 1982, in subsection (a), substituted "amount is appropriated or allocated" for "appropriation is made" in the first sentence, inserted "or allocation" in items (1) and (3) in the second sentence, and added "and shall be executed within 60 days after the effective date of the appropriation or allocation" to the end of the third sentence; redesignated the former fourth and fifth sentences of subsection (a) as subsection (d); inserted "or allocation" in two places in subsection (b); substituted "a" for "each" preceding "municipality covenants" and "the practical life of the facility and that the municipality" for "its practical life and that it" in subsection (c); added the second sentence of subsection (c); deleted the provisions of former subsections (d), (f), and (g), which may now be found in AS 37.05.316, 37.05.317, and 37.05.318, respectively; and in present subsection (d), added "under (a) of this section" to the end of the first sentence. The substance of the provisions of former subsection (e) may now be found at the end of the third sentence of subsection (a).

Sec. 37.05.316. Grants to named recipients. When an amount is appropriated or allocated to a department as a grant for a named recipient which is not a municipality, the department to which the appropriation or allocation is made shall promptly notify the named recipient of the availability of the grant and request the named recipient to submit a proposal to provide the goods or services specified in the appropriation act, or both, for which the appropriation or allocation is made. At the same time, the department may issue a request for proposals from other qualified persons to provide the same goods or services, or both, in the same area. The department shall contract with the named recipient unless the Office of the Governor, with due regard for any local expertise or experience among those making proposals, determines that an award of the contract to a different party would

SB
151

COMMITTEE REPORT

HOUSE

RESOURCES

FURTHER: FINANCE

(7)

5/5/83

Date: MAY 05 1983

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSE 151(Fin)

"An Act relating to Regional Resource Development Authorities; and providing for an effective date."

under consideration and reports it back as follows:

[ ] 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" [X] New Fiscal Note [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60

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 25, 1983

RE: CSSB 151 (C&RA)

During the last hearing on CSSB 151 the committee reviewed and approved a proposed committee substitute that contained two (2) amendments to CSSB 151.

The committee approved a third amendment as follows: page 7, line 29: after "and" add: able to produce revenue adequate to repay the bonds with which it is financed.

Following the above described actions, the committee failed to move the bill out of committee. A HCS CSSB 151 (C&RA) has been prepared and is ready for committee action.

HCS for CSSB 151 (C&RA) #2

Proposed Amendment:

page 7, line 29

after "and," add: able to produce revenue adequate to repay the bonds with which it is financed.

STATE OF ALASKA
FISCAL NOTE

Revision Date 5/25 , 1983

I. REQUEST

Bill/Resolution No.: CS SB 151 (Resources)
Title: Regional Resource Development
Sponsor: Senator Fahrenkamp
Requestor: House C & RA Committee

II. FISCAL DETAIL

Agency Affected: Community & Regional Affs.
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Local Government Assistance

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		29.0	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		29.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

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

Sponsor has not identified where funding will be obtained.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Doug Griffin Phone: 465-4707
Division: Local Government Assistance Date: 5/25/83

Approved by Commissioner: [signature] Date: 5/25/83
Department: Community & Regional Affairs

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
Copy to Requestor (if different from Sponsor)

3/8/83

STATE OF ALASKA
FISCAL NOTE

Revision Date 05/25 , 1983

I. REQUEST

Bill/Resolution No.: HCSCSSB 151
Title: "An Act relating to RRDA's"
Sponsor: Fahrenkamp, Kerttula, Ferguson,
Requestor: Fischer House C. & R.A.

II. FISCAL DETAIL

Agency Affected: Office of the Governor
Program Category Affected: Exec. Operations
BRU, Program of Subprogram(s) Affected:
Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	20.6	10.4	11.0		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	20.6	10.4	11.0		
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: Linda Dupere, Administrative Assistant Phone: 586-6181
Division: Division of Elections Date: 5/25/83

Approved by Commissioner: [signature] Date: 5/25/83
Department: Office of the Lieutenant Governor

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
Copy to Requestor (if different from Sponsor)

3/8/83

Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Committee on Community and Regional Affairs

FROM: Representative Lacher, Chairperson

DATE: May 9th, 1983

RE: House Bill 377

You will recall that CS SB 151 and HB 377 are companion bills relating to the establishment of Regional Resource Development Authorities.

It is my intention to pass a version of CS SB 151 and a CS HB 377 from committee.

Proposed changes to CS SB 151 are shown on attached memorandum. Following committee decision on the proposed changes, a Community and Regional Affairs substitute may be prepared.

The administration is preparing a final version of a proposed Committee Substitute for HB 377. The proposed change will be ready for committee review on Tuesday, May 10th, 1983.

Alaska Environmental Lobby, Inc.
419 6th Street, Suite 328 Juneau, Alaska 99801 907-586-2345

HB 377 -- Regional Resource Development Authorities

AMENDMENT #1

Page 6, line 27
After "person", delete ";" and add ", provided that state grants, appropriations, or other transfers from the state may ~~only be used for organization purposes and may~~ not be used to satisfy bond obligations or otherwise establish collateral or security for bonds issued by the authority."

Rational: ---
Bill proponents insist that authority revenue bonds will not obligate the state in any way even if the authority got into financial trouble. In addition, the letter of intent passed by the Senate (attached) states that to the "maximum extent possible" liability for the bonds rests with the regional authority. However, the current bill leaves open the possibility of state contributions towards bond payments. This amendment changes that, although the change is not absolute. A later Session could always remove the clause after an authority got into trouble. Still, the amendment makes the bill consistent with the legislative intent not to be obligated by regional authority revenue bonds.

LETTER OF INTENT

SENATE

CSSB 151 (Finance)

It is the intent of the Committee to authorize the establishment of regional authorities which will have the ability to issue tax-exempt revenue bonds for the purpose of enhancing the development of resource enterprises which would contribute to the economic growth of the State. It is the intent of the Committee that the authorities established pursuant to this legislation would not create any financial liability or obligation by the state for bonds issued for resource enterprises. Nor is it the intent that the issuance of any such bonds by authorities adversely affect the ability of the state or any of its political subdivisions to market their own bonds. Rather, to the maximum extent possible, liability for bonds issued rest exclusively with the regional authority and the specific resource enterprise involved, not the state, successor boroughs or other municipalities or other projects or citizens in the region or state.

Adopted by the Senate May 3, 1983

MATANUSKA-SUSITNA BOROUGH
Date Rcv'd: 5-3 83 Initial
Mail By

Matanuska-Susitna Borough
BOX B, PALMER, ALASKA 99645 • PHONE 745-4801
DEPARTMENT OF ADMINISTRATION

May 2, 1983

MEMORANDUM

To: Gary Thurlow, Borough Manager

From: Steven H. Morrissett, Borough Attorney

Subject: SB 151: RESOURCE AUTHORITY BILL

I talked with Ken Vassar of Wohlforth & Flint today, who was involved drafting SB 151. This bill would create regional resource development authorities. He had read my memorandum dated April 26, 1983, expressing concern about SB 151. Of the three questions I raised, I agree with him that the last two are based on my mis-reading of the bill.

The present bill assures that a regional development authority will not operate within organized boroughs, even if the borough is created after the authority is in existence. Proposed AS 30.13.150, which I overlooked, provides for integrating the authority into the borough within one year of incorporation of the borough. There would be no direct competition with borough responsibilities, since development authorities would exist only in the unorganized borough.

There would likely still be direct competition for the sale of bonds with cities in the unorganized boroughs and indirect competition with boroughs in other areas. There would also be an impact on cities within the jurisdiction of a development authority from the tax exempt status of any property of the authority within such a city.

I still believe a constitutional question exists by constituting the authorities as political subdivisions. Within the unorganized borough, the State Legislature remains the responsible body for performance of services. I believe the problem can be avoided only by either a state-established authority or by creating a borough government pursuant to Title 29.

Steven Morrissett

Steven H. Morrissett
Borough Attorney

er This is a correction of previous memo. Please send to anyone who got a copy of previous one.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

April 6, 1983

Memo

To: Senator Bennett, Co-Chairman Finance Committee
Senator Sackett, Co-Chairman Finance Committee

From: Senator Bettye Fahrenkamp

Subject: CSSB 151, Regional Resource Development Authorities

As you know, the Finance Committee has recently received the above bill for consideration from the Resources Committee. This bill would authorize the establishment of authorities in the unorganized borough for the purpose of developing infrastructures for resource development projects. Funding for the developments would primarily come from the issuance of tax-exempt revenue bonds by the authority to be repaid with user fees from the developments.

In testimony and discussion before the Resources Committee several criticisms of the bill as originally drafted surfaced: 1) lack of guarantees of equal access to facilities which may be developed; 2) the possibility of proliferation of authorities throughout the unorganized borough; 3) the encouragement of less-than-sound economic projects by authorities; 4) the possibility that bonds issued by authorities may in some way create a liability to the state or add to the state's overall bond indebtedness; and 5) the possibility that the issuance of bonds by authorities might in some way affect the ability of the state or its political subdivisions to market their revenue bonds.

In response to these criticisms the Resources Committee adopted several major changes and additions to the bill including:

1) Page 2, lines 19-29, the Governor must make a positive finding that an authority's goals and projects would be economically advantageous to the region and state and that the authority is an appropriate and desireable method of accomplishing the goals and projects prior to establishment of an authority.

2) Page 2, lines 8-11, the ability to petition for establishment of an authority expires on July 1, 1986.

3) Page 2, lines 13-14, a petition to call for an election to establish an authority must be signed by 100 persons of a district.

4) Page 4, lines 26-29, the Board of Governors of an authority shall consist of eight members, five elected locally and three Department heads appointed by the Governor.

5) Page 8, subsection (f), Prior to issuance of bonds an authority must submit an independent economic analysis of a project and its revenues to the state bond committee. The committee must find that project revenues are adequate for payment of the bonds and that the issuance of bonds would not adversely affect the ability of the state or localities to market their bonds.

6) Page 11, subsection (b), bonds issued by an authority do not constitute any liability or indebtedness to the state or political subdivision, nor can an authority pledge the faith or credit of the state or local government.

7) Page 13, subsection (a), ensures fair and equal access and fee assessements for users of facilities.

8) Page 13-14, subsection (b), an authority must find that prior to issuance of bonds that a project would be economically advantageous to the state and general public welfare and that the project is economically viable.

9) Page 14, section 30.13.150 provides that an authority would be integrated into a local government should it be established, but that an indebtedness of an authority does not constitute an obligation of the new government.

I think that these provisions adequately address the concerns that were raised. However, several other possible amendments were suggested that might further clarify the intent of this legislation which were suggested too late to be properly integrated into the committee substitute. I would urge the Finance Committeeto consider the following possible changes:

* 1) Changing the number of petitioners calling for an election to establish an authority from an absolute number of 100 to a percentage formula similar to other regional elections. (Attached is a possible formula suggested by the Division of Elections).

2) Any monies received by the state may not be used to satisfy bond obligations or collateral by an authority (attached are draft suggestions from the Department of Law).

3) Change a quorum of the Board from a majority to a majority plus one. (Suggested by the Alaska Environmental Lobby; see attached comments).

* 4) Ensure that proposed projects get fair and equal consideration within a district by an authority. (See attached language submitted by the Alaska Miners Association).

In addition, several technical changes should be made in the bill. The following should be made to correct changes which were made by the Legal Division in the CS:

* 1) On page 5, lines 12-13, delete the phrase "at a meeting at which a quorum is present". This simply clarifies that a quorum constitutes a majority of the members of the board of governors.

* 2) On page 6, lines 16-17, delete the phrase "in accordance with the Administrative Procedure Act (AS 44.62)". This phrase was not contained in the CS which passed out of the Resources Committee and could be construed as evidence that authorities are somehow to be viewed as quasi-agencies of the state.

* 3) On page 8, line 25 delete "AS 30.13.060(f)(1)" and insert in lieu thereof "this subsection". There is no subsection (f)(1).

* 4) On page 15, line 18, add a comma after the words "rolling stock".

Finally, I would call your attention to the Letter of Intent which was passed out with the bill. This further clarifies that it is the intent that the bonds issued by the authorities not constitute any liability to the state or local governments or taxpayers in a successor government.

I would be happy to appear before your Committee to further explain this legislation and the actions of the Resource Committee. In addition, I have asked my staff to provide whatever assistance you may need on the bill. I remain convinced that this legislation could be of tremenodus value in facilitating the development of resource projects in our state which would have tremendous economic and social benefits to regions as well as the state. I would hope the Finance Committee could expedite its consideration of this important legislation.

* Changes made in Finance Committee plus added "cultural, environmental" to findings #4 on page 2

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
ERAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

March 25, 1983

Memo

To: Senate Resources Committee Members

From: Senate Resources Committee Staff

Subject: Amendments to CS of SB 151, Regional Resource Authorities

The following amendments have been proposed by various interests since the CS was distributed. These four amendments would make only clarifying or technical changes to the CS:

1) On Page 2, add the following new subparagraph to the Legislative Findings and Policy:

"(4) A locally elected majority membership of an authority created under this chapter provides a method of assuring that the manner of development and the permanent features of a project will be consistent with the economic, sociological and political aspirations of the residents of the particular region."

2) On Page 7, make the following changes in subsection (9):

(9) accept gifts, loans, grants, including without limitation organizational grants, from, and enter into contracts or other transactions regarding them, with any federal, state, municipal or other agency or instrumentality, private organization, or other person;

3) On page 9, change subsection (f)(2) to read:

(2) The state bond committee shall find, based on the information submitted by the authority in AS 30.13.060(f)(1) and such other information that is reasonably available to it, that the project revenues can be reasonably expected to [ensure repayment] be adecuate for payment of the principal and

interest on [of] the bonds to be issued, and that the issuance of the bonds by the authority would not be expected to adversely affect the ability of the state or its political subdivisions to market bonds.

4) On page 15, in AS 30.13.130(a) change where it appears the word "section" to "subsection".

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

March 24, 1983

Memo

To: Senate Resources Committee Members

From: Senate Resources Committee Staff

Subject: Amendments to CS for SB 151

Attached is the CS for SB 151 which was adopted at the meeting of the Committee on March 18, 1983. Contained in this CS are underlined changes intended to meet the concerns of several Members which were raised at the meeting on the 18th. The proposed amendments to the CS address the following:

1) In section 1 the word "nonrenewable" was deleted to permit authorities to be formed for both nonrenewable and renewable resource enterprises;

2) In section 2 a statement was required to be submitted to the Governor in addition to the petition to the DC&RA to establish an authority. The Governor is required to issue a finding prior to the holding of an election to establish an authority that the authority would contribute to the economic growth of the region and the state, and that the authority is a desireable method of accomplishing the goals and projects.

3) The number of petitioners for an authority was raised from 50 to 100.

4) Elections are to be held coincidental to other regional elections when possible.

5) Section 30.13.020 (h) was added to sunset the ability to petition and hold elections for establishment of an authority on June 30, 1986.

6) Section 30.13.060 (f) was added to require an authority to submit economic information on a project to the State Bond Committee prior to the issuance of bonds. The committee must find that the project revenues can be expected to repay the bonds, and that the authority's bond issue will not adversely affect state and local bond issues.

7) Changes were made in Sec. 30.13.150 which clarify that when a borough or a home-rule municipality is created for a resource authority area or includes an authority's area, the authority shall be integrated

into the borough or home-rule municipality, that any indebtedness of an authority does not constitute an indebtedness to the municipality and that the municipality may not levy any taxes to pay for any such indebtedness.

8) References to an authority's "jurisdiction" have been replaced throughout the bill with references to the area within which an authority may exercise its powers, This change was to clarify the language to closely reflect the character of the authorities.

9) The words "ex officio" at the end of section 30.13.010(e) have been deleted as unnecessary and possible confusing.

10) Section 30.13.030 has been changed by adding "in connection with natural resource enterprises" after "transportation purposes" to clarify the purpose to be served by the authorities.

11) Section 30.13.040 has been changes by adding "set forth in AS 30. 13.030" after "corporate purposes" to clarify the purposes for which an authority may exercise its powers.

12) The reference in section 30.13.130(b)(2) to the project sponsor has been changed to a reference to the project itself believed to be the more important consideration.

The Committee will again consider this legislation at its meeting on Friday, March 25, at 3:00pm in the Beltz Room.

Senator Vic Fischer
Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954

March 22, 1983

TO: Senator Bettye Fahrenkamp
Chair, Senate Resources Committee

FROM: Senator Vic Fischer

Thank you for the opportunity to consider possible amendments to SB 151.

Amendment 1 does not entirely reflect my concerns about the possibility of a proliferation of authorities. The intent of my suggestion was that the Governor be required to find that the creation of a particular authority is necessary and desirable. This would seem to require a new subsection in Sec. 2 to require submittal of a statement to the Governor to include (1) purpose of the proposed authority, (2) the goals it would seek to meet, (3) analysis of the options other than an authority for obtaining the desired goals, and (4) justification for the choice of an authority over other options for meeting the stated goals. This step would logically come at the same time as petition to C&RA. The Governor would then be required to find that (1) meeting the proposed authority's goals would be advantageous to the state and the region's economic growth, and (2) the authority's creation would be necessary to obtain those goals.

In light of the attached article, which describes the problem of independent authorities and corporations incurring debt for which the state may become at least morally liable, I would like to suggest a further amendment. This would be a new section requiring the Commissioner of Revenue to approve the sale of revenue bonds by an authority. The authority would submit a statement detailing (1) the prospectus of the bond issue and (2) an economic feasibility analysis of the proposed development project and its expected revenues. The Commissioner of Revenue would then be required to find that (1) the project appeared to be capable of producing adequate revenues to repay the bonds and (2) bonds of the authority would not be expected to negatively affect the ability of the state or its subdivisions to market their own bonds and meet their financial obligations.

I'm sure that the legal people can put these suggested amendments into their proper form. Feel free to contact either me or my staff if you need further clarification.

SENATOR
ARLISS STURGULEWSKI

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99508
SENATE DISTRICT F, SEAT A

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3815

MAR 24 1983

Senate

M E M O R A N D U M

March 23, 1983

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: Senator Arliss Sturgulewski
Senate District F, Seat A

RE: Senate Bill 151 Regional Resource Development Authorities

I will not be able to attend the Friday Resources Committee meeting at which you will be considering SB 151. I raised a number of questions in earlier meetings and wanted to share a few additional thoughts with you. I feel the Red Dog development in the Nana Region is an exciting project that I would like to see go forward. The basic issue is, of course, the consideration of a financial structure that would be a positive benefit to the economic viability of the development.

Because of my interest in local government and delivery systems I wanted further clarification of the status of the proposed development authorities, so I have requested an opinion from the Attorney General as to the relationship of the authorities to Article X of the Alaska State Constitution. Case law dealing with limited purpose political subdivisions is sparse and yet it seems to me necessary to try to think ahead to determine what the impacts of the creation of limited political subdivisions might cause. I'm sending you a copy of a memorandum Tamara Cook issued to the Senate Advisory Council dealing with the state and regional educational attendance areas as an example of some of the concerns I see in establishing the new authorities.

I feel that we will see proposals in other areas of the unorganized borough that need assistance in development along the lines of those proposed for the nana region--that is the ability to sell bonds to finance infrastructure. It would seem to me that several approaches other than the regional resource development authorities merit consideration.

1. I think further consideration should be given to possible utilization of the Alaska Industrial Development Authority. Certain amendments would have to be made to the Authority to allow them to finance roads and possibly raise limits on single projects and total limits per year.

2. I think more work needs to be done to look at the possibility of a single statewide authority that might be able to operate in all the unorganized areas of the state. This might well prevent the proliferation of numerous authorities throughout the unorganized borough and might prevent some of the structural problems that could arise as areas where the authorities exist move to borough status.

3. The Department of Transportation and Public Facilities now has the authority to issue revenue bonds for airport construction. It seems to me that consideration should be given to looking at their ability to fast track projects such as proposed in NANA Region through the use of revenue bonds.

4. Alaska Industrial Development Authority assisted tax exempt financing for the private venture should be considered.

In the event the current legislation moves forward, I think that there should be a real strengthening of the legislation in the area of approval by the State Bond Committee of the sale of bonds, and the ability of the legislature and administration to audit the financial records of the authority. I'm sending copies to you of the Institute of Public Administration's (IPA) work regarding public corporations in Alaska. Although I feel the Attorney General may well consider these limited purpose political subdivisions, many of the questions raised by IPA seem very valid. As I have indicated to you, I want to be positive toward this development but have some major concerns in the area of financial and oversight relationships and proliferation of yet another kind of limited service district in the unorganized borough. I will be more than happy to work with you as this legislation progresses.

Enclosures

CHAPTER 52

AN ACT

Relating to the incorporation of organized boroughs and providing for certain grants to boroughs.

(C.S.H.B. 90)

Be it enacted by the Legislature of the State of Alaska:

Section 1. **Declaration of Intent.** It is the intention of the legislature to provide for maximum local self-government with a minimum number of local government units and tax-levying jurisdictions, and to provide for the orderly transition of special service districts into constitutional forms of government. The incorporation of organized boroughs by this Act does not necessarily relieve the state of present service burdens. No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation. With the exception of planning and zoning, education, and tax collection and assessment, all powers granted the first-class boroughs are exercised at the option of the borough assemblies.

Sec. 2. **First- and Second-Class Borough Incorporation.** In addition to the incorporation of organized boroughs by local option, first- and second-class organized boroughs are incorporated as provided by this Act.

Sec. 3. **Areas Incorporated.** (a) If an organized borough is not incorporated by local option as provided by AS 07.10.010 within areas designated in this section, each area designated becomes, on January 1, 1964, a first- or second-class organized borough as determined by local election and a municipal corporation, and possesses all the powers and privileges prescribed by AS 07. Areas designated are:

(1) Sitka Election District #3

(2) Juneau Election District #4

(3) Palmer-Wasilla-Talkeetna Election District #7

(4) Anchorage Election District #8

(5) Combined Seward Election District #9 and Kenai-Cook Inlet Election District #10

(6) Kodiak Election District #11

(7) Ketchikan Election District #2 as designated in Sec. 3, Art. XIV, of the State Constitution, except the Annette Island Indian Reservation created by Act of Congress dated March 3, 1961, 26 Stat. 1101.

(8) Fairbanks Election District #19 as designated in Sec. 3, Art. XIV, of the State Constitution.

(b) If a portion of any district designated above is incorporated by local option before October 1, 1963, and the remaining portion of the district meets the standards for incorporation as provided in AS 07.10.030, the Local Affairs Agency shall make a finding to that effect and notify the secretary of state to hold elections in the area. The area is incorporated as an organized borough on January 1, 1964.

(c) The borough assembly may select the borough seat and borough name in the boroughs designated by this section.

(d) So long as the following areas remain military reservations, they shall be excluded from any borough incorporated in accordance with this section; provided, however, that when an area shall no longer be subject to a military reservation, it shall become a part of the borough surrounding it. Areas excluded at this time are:

(1) Kodiak Naval Station (base proper)

(2) Ft. Richardson Army Base (base proper)

(3) Elmendorf Air Force Base (base proper)

(4) Ft. Wainwright Army Base (base proper)

(5) Eielson Air Force Base (base proper)

(6) Ft. Greely Army Base (base proper)

(7) Wildwood Station (base proper)

Sec. 4. **Election.** (a) On October 1,

1963, the Local Affairs Agency shall direct the secretary of state to hold elections for all borough officers and for determination of whether the borough shall be first-class or second-class in the boroughs incorporated by sec. 3 of this Act.

(b) Upon receipt of the notification, the secretary of state shall hold elections before December 15, 1963, for all borough officers as prescribed by AS 07.10.120.

Sec. 5. AS 07.05.030 is repealed and reenacted to read:

Sec. 07.05.030. **Transition of Special Service Districts.** Special service districts located in existing election districts Nos. 3, 4, 7, 8, 9, 10, and 11, and in districts Nos. 2 and 18 as designated in the State Constitution continue to exercise their powers and functions in accordance with AS 07.10.130 and 140. Other special districts continue to exercise their powers and functions under existing law until July 1, 1964.

Sec. 6. AS 07.10.010 is amended to read:

Sec. 07.10.010. **Incorporation Proposed by Petition.** The incorporation of a first- or second-class organized borough by local option is proposed by filing a petition with the Local Affairs Agency.

Sec. 7. AS 07.10 is amended by adding a new section to read:

Sec. 07.10.125. **Boundary Adjustments.** (a) The Local Boundary Commission may hold public hearings in each area incorporated as an organized borough to determine the necessity for boundary adjustments.

(b) Boundary adjustments may include expanding the boundaries, contracting the boundaries, dividing the areas into two or more areas, or combining two or more areas.

(c) Boundary adjustments made by the Local Boundary Commission shall be submitted to the legislature during the first 10 days of a regular session. The boundary adjustments 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.

Sec. 8. AS 07.10 is amended by adding new sections to read:

Article 2

Transitional Assistance

Sec. 07.10.150. **State Lands.** An organized borough may select 10 per cent of the vacant, unappropriated, unreserved state lands located within its boundaries within five years after the date of availability of state lands in the borough. Nothing in this section affects any 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 purpose, or affects the rights of any owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

Sec. 07.10.160. **Selection Procedure.** (a) All selections shall be made in reasonably compact tracts, taking into account the situation and potential uses of the lands involved. The authority to make selections may not be alienated or bargained away, in whole or in part, by the borough.

(b) If lands desired by the borough are unsurveyed at the time of their selection, the Department of Natural Resources shall survey the exterior boundaries of the area requested without any interior subdivision, and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of survey is borne by the borough. If lands desired by the borough have been surveyed at the time of their selection, the boundaries of the area requested shall conform to the public land subdivisions established by the approval of the survey. Lands selected by the borough in accordance with this chapter shall be patented to the borough by the Department of Natural Resources.

(c) After the selection of the lands by the borough but before the issuance of final patent, the borough may execute conditional leases and make conditional sales of selected lands.

Sec. 07.10.170. **Organizational Grants.** (a) For the purpose of defraying the cost of transition to borough government and in order to provide for development and interim governmental operations, each organized borough is entitled to an organizational grant equal to $10 for every qualified voter within the borough

who voted in the las
However, each borou
least $25,000.

(b) The Local Af
determine, within 60
of incorporation of an
the number of quali

Relating to the election

Be it enacted by the
State of Alaska:

Section 1. AS 07.10.
to read:

(b) Qualification c
son who is a qualifie
and is a resident of t
proposed organized b
to vote in the electio
tions have been estal
for by AS 07.30.100,
semblymen is governe
of that section.

Sec. 2. AS 07.30.100
read:

Sec. 07.30.100. Bo
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representing the are
class cities may estal
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men in order to pro
to separate and distir
borough. If the assem
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outside the first-class
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side. Qualified voter
first-class cities may

Relating to the pay of t

who voted in the last general election. However, each borough is entitled to at least $25,000.

(b) The Local Affairs Agency shall determine, within 60 days after the date of incorporation of an organized borough, the number of qualified voters in the borough who voted in the last election.

(c) Within 30 days after the completion of its findings, the Local Affairs Agency shall transmit to each organized borough from money appropriated to it the total amount of money to which the borough is entitled.

Approved April 12, 1963

CHAPTER 53

AN ACT

Relating to the election of members of the borough assembly.

(H.B. 214)

AN ACT

Be it enacted by the Legislature of the State of Alaska:

Section 1. AS 07.10.120(b) is amended to read:

(b) Qualification of voters. Any person who is a qualified voter in Alaska and is a resident of the area within the proposed organized borough is qualified to vote in the election. However, if sections have been established as provided for by AS 07.30.100, the election of assemblymen is governed by the provisions of that section.

Sec. 2. AS 07.30.100 is amended to read:

Sec. 07.30.100. Borough Sections. (a) The members of the borough assembly representing the area outside the first-class cities may establish, alter, or abolish sections for the election of assemblymen in order to provide representation to separate and distinct areas within the borough. If the assembly establishes sections, members representing the area outside the first-class cities shall be elected from the sections in which they reside. Qualified voters resident outside first-class cities may vote upon the candidacy of all the candidates, but candidates from each section run only against other candidates from the same section. The number of sections shall equal the number of assemblymen representing area outside the first-class cities. ection boundaries shall be established in such a way as to provide, insofar as possible, clarity of boundaries, compactness of area, equal voter representation among different sections, and homogeneity of interest within the section. No section may have a number of voters which is less than one-half that of any other section, as determined from the records of the last general election.

(b) If more than 40,000 people, as determined by the Local Affairs Agency on the basis of the best available information, reside in the area to be included in the proposed organized borough, the Local Affairs Agency shall, as soon as possible, and in no event later than 60 days before the initial election of borough officers, establish sections for the election of assemblymen, as provided in (a) of this section. The first election of assemblymen shall be from the sections established by this subsection.

Approved April 12, 1963

CHAPTER 54

AN ACT

Relating to the pay of teachers and school administrators; and providing for an effective

Alaska State Legislature

Senate

Official Business

Senator Bettye Fahrenkamp
Chairman

Pouch V
State Capitol
Juneau, Alaska 99811

March 25, 1983
3:10 p.m.

211 Beltz Room

MEMBERS PRESENT

Senator Fahrenkamp
Senator Ziegler
Senator Eliason
Senator Paul Fischer
Senator Mulcahy

SB 73 - An Act relating to commercial fishing
SB 136 - An Act relating to the operation of stationery fishing gear.
SB 151 - An Act relating to Regional Resource Development Authorities.
SB 156 - An Act relating to the sale or lease of state hatchery facilities.
SR 2 - Relating to the Cross Island Well.

SB 73 - Senator Mulcahy, chairman of the Fisheries Subcommittee, reported that the subcommittee had adopted a committee substitute. He then moved and asked unanimous consent that SB 73 be moved from committee with individual recommendations. There were no objections.

SB 136 - Senator Mulcahy asked that SB 136 be held until the next Resource Committee Meeting.

SB 156 - Senator Mulcahy stated the Fisheries Subcommittee had adopted a committee substitute. He then moved the committee substitute for Senate Bill 156 from committee with individual recommendations. There were no objections.

SB 151 - Pat Pourchot, Administrative Assistant to the Senate Resources Committee testified regarding changes in the committee substitute. He listed four provisions to provide safeguards to the State to protect against possible problems in creation of authorities and issuance of revenue bonds:

(1) the number of petitioners to initiate calling an election was raised from 50 to 100;

(2) a sunset provision barring establishment of authorities after June 30, 1986;

(3) A Governor's finding of an authority;

(4) A state bond committee finding prior to issuing revenue bonds.

A letter of intent was also presented which addressed liability by the state vis a vis regional authorities and tax-exempt revenue bonds.

Jay Nelson - representing the Alaskan Environmental Lobby testified that he does not support the bill as presently written. He feels it would lead o potentially unsound developments. In particular, he stated that it could result in the State obligation to bail out any project in order to keep the State's credit rating. He suggested altneratives and a list of amendments.

Mary Lou Meiners, Division of Elections presented a formula for consideration in the bill which would govern the number of signatures required for calling for an election to establish an authority.

Dan Casey, Department of Transportation testified that the Administration supports the concept, but needs more time to study the bill. He recommended that the bill not be held in the Committee.

Terry Elder, Department of Commerce and Economic Development voiced the same concerns as Dan Casey.

Senator Mulcahy moved and asked unanimous consent that committee substitute for SB 151, including proposed amendments, be passed from committee with individual recommendations. There were no objections. He then moved that the letter of intent be moved from committee. There were no objections.

Meeting adjourned 3:45 p.m.

Alaska State Legislature

Senate

Resources Committee

Official Business

Senator Bettye Fahrenkamp
Chairman

Pouch V
State Capitol
Juneau, Alaska 99811

March 18, 1983
3:10 p.m.

211 Beltz Room

MEMBERS PRESENT

Senator Fahrenkamp
Senator Ziegler
Senator Eliason
Senator Vic Fischer
Senator Mulcahy
Senator Sturgulewski

SB 151 - An Act relating to Regional Resource Development Authorities

SB 151 sets up a procedure for establishing a regional resource authority which could finance infrastructure such as roads, pipelines and ports for resource development projects. These resource development authorities would be created with approval of voters in the regional education attendance area, and be run by an 8-member board of elected and appointed members.

A draft committee substitute containing amendments worked out by the mineral companies involved in development in northwest Alaska who may be affected by this legislation was also discussed.

Terry Elder, State of Alaska, Department of Commerce testified that the Administration has not yet taken a position on the bill. He emphasized that all Departments should have input into this decision.

Don Argetsinger, NANA corporation, testified regarding the need for transportation in the area where the Red Dog Mine project is located. Other topics discussed were the development of local government, creating a much needed tax base, and the relationship between NANA and the Authority. He stated that NANA preferred the draft committee substitute.

Senator Fischer moved that CS 151 be placed before the committee. There were no objections.

Hank Giergerich, Manager of COMINCO discussed the Red Dog Mine project including financing, mining investment costs in contrast to oil investment cost, similarities to projects in Canada and the key role of transportation to project success.

Eric Wohlforth, attorney for COMINCO discussed the changes in draft committee substitute from the original bill including terms and number of members on the board, and access to facilities. He stressed that a government entity is not being formed. Discussion followed regarding indebtedness, bonding, powers of the authority, constitutionality, the legislature's ability to repeal, the effect on state obligations and bond rating and creation of different entities vis a vis local governments.

Harris Saxon, Ely, Guess and Rudd Law firm representing GCO Minerals testified that he was particularly interested in the guaranteed equal access to facilities. He further discussed support for the committee substitute to development of minerals in Northwest Alaska.

Russ Babcock, Bear Creek Mining Company, testified in general support of SB 151.

Mary Lou Meiners, State of Alaska, Division of Elections testified that two special elections would be necessary. The fiscal note submitted to the Resource Committee details cost of one special election in an REAA District. Should this legislation pass, she suggested that elections be consolidated if possible.

Senator Mulcahy voiced an interest in whether or not 50 signatures on a petition is overly lenient to call for a special election.

Senator Sturgulewski expressed her general opposition to the creation of new authorities that may duplicate or conflict with other state and local gobernment functions.

Senator Vic Fischer expressed concern over the possible proliferation of regional authorities and inquired as to the impacts on established authorities should the authoirizing legislation be sunsetted.

Meeting adjourned at 5:35 p.m.

Alaska Environmental Lobby, Inc.
419 6th Street, Suite 328 Juneau, Alaska 99801 907-586-2345

24 March 1983

REGIONAL RESOURCE DEVELOPMENT AUTHORITIES: ISSUES AND PROBLEMS

INTRODUCTION

Senate Bill 151 allows the creation of 21 Regional Resource Development Authorities in Alaska, with full powers to issue revenue bonds for mining roads and ports. This bill would immediately benefit the development of the proposed Red Dog mine in northwest Alaska. But the larger issue is whether the state needs to create a new form of government in the unorganized borough which can issue unlimited amounts of tax exempt revenue bonds.

TAX EXEMPT BONDS

Bonds are usually tax exempt when they are issued by a state or local government (or an agent of a state or local government) and are used for a public purpose. Because the interest on these bonds is exempt from federal taxes, they are popular with investors, and hence have lower interest rates. General Obligation Bonds require approval by the voters and are usually paid off by taxes or any other state revenues. Revenue bonds should pay for themselves, out of the revenues from the project that was financed by the bonds, in this case a "toll" on mining developments and roads. Since these bonds are supposed to be paid off through user fees, they do not require voter approval. 85% of Alaska's $8.5 billion debt was incurred by revenue bonds--in other words, without voter approval.

After RRDA's are established by local elections, they can issue tax exempt revenue bonds for roads and harbor development. The issuing of these bonds does not require either state approval or voter approval, according to the current committee bill. Because the interest rates on these bonds would be lower than the rates for bonds issued by private corporations, they could encourage mining development that might not otherwise be possible. The effect is marginal, as the current difference in interest rates is about 3%, but the mining companies insist that this advantage is essential for profitability.

PAYING OFF REVENUE BONDS

The tolls form the roads and port facilities normally would pay the interest and principle due on the bonds. If the mining company fails to pay the tolls and charges required to pay for the road, the authority will be able to take legal action against the mining company. If, however, there is a deep slump in mineral prices, the mining company may go bankrupt, and the authority will have no way to pay off the bonds--except by going back to the state of Alaska and asking for more money.

Under SB 151, the state of Alaska has no legal obligation to help authoriities in trouble. As a practical matter, however, the state must come to the rescue, or suffer the consequences of having the reputation of Alaska's bonds all being suspect. This is a problem common to all state authorities. An article in the Sunday, March 20, edition of the Anchorage Times, "'Separate' Agencies Rely on State Backup" investigated this problem. Harold Kuplesky, of the Bankers Trust Company, authorized a $50 million line of credit to the Alaska Power Authority. The Times reported:

> Harold Kuplesky isn't worried. Why? "As a backup, we have the state of Alaska standing behind the project." And if Tyee isn't finished and the state refuses to pay off the loan? "The market looks very dimly on people who do not honor their obligations," Kuplesky replied.
>
> Kuplesky then illustrated his point. "A good example is the New York Urban Development Authority," he said. "They defaulted, and we shut off the credit to the state of New York."
>
> "What happened? "The Legislature came up with the money, and fairly quickly, too."

THE BABY ELEPHANT PHENOMENON

A report to the Legislative Budget and Audit Committee, "Alaska's Public Corporations," by the Institute of Public Administration (Jan. 1982) described this situation in more vivid terms on page 48:

> History has shown very clearly that unless state governments become involved in any bail out arrangements for their corporate subsidiaries, state credit will be damaged if not cut off by bond market participants. Market analysts call this the 'baby elephant phenonmenon' The elephant (the indebted corporation in trouble) stumbles up on the state's front porch and says, "feed me or I'll fall down dead on your doorstep."

OTHER STATE SUBSIDIES

In Senate Bill 151, elections for Regional Resource Development Authorities will be paid for by the state. The operating expenses for the authorities are not specifically provided for. The door is left open for gifts, grants, loans, and payments for contracts from the state, as well as from individuals, private organizations, municipal governments and the federal government.

LOCAL CONTROL

One of the attractive points of SB 151 is that it provides for a measure of local control of road and port development. The RRDA's will be governed by a board of eight members. Five are elected by voters in the region (a region has the same boundaries as one of the regional educational attendance areas) and three are appointed by the governor. The authority has been likened to a single purpose local government. It is established to build roads and ports, but it does not have powers of land use planning, zoning, permitting, or taxation. The bond issues are approved by the Board, but are not voted on by the members of the region.

Adevelopment authority may be succeeded by a first or second class borough. If an authority fails and goes bankrupt, the subsequent formation of a borough may be complicated or prevented by the legal and financial wreckage of the authority.

ALTERNATIVES TO REGIONAL RESOURCE DEVELOPMENT AUTHORITIES

There are several alternatives to RRDA's which provide tax exempt bonding and local control, without risking the state's credit rating.

1. One alternative is to form a new borough in the area(s) that wants to develop roads and ports. The revenue bonds would be issued by the borough or an intramentality of the borough, as was done in Valdez. Because the borough has powers of planning, zoning, and permitting, greater local control is possible than with RRDA's.

2. Another alternative is to modify the Alaska Industrial Development Authority statutes so that they can fund larger projects, and fund roads projects. (Ports are already included.) Local control language is already in place for local governments; it could be extended to include rural areas.

3. Finally, tax free revenue bonds could be issued by the Department of Transportation. This technique is already used for airport construction. With this approach, areawide transportation planning is encouraged, and the chaos of 21 spearate transportation authorities is avoided. Additional statuatory provisions for local review of state projects would be needed.

The Anchorage Times

Editorials

Roads to resources

THE STATE could get itself into another hornet's nest if the legislature approves a measure to create regional resource-development authorities.

These authorities, which would issue revenue bonds for new roads, ports and other transportation facilities needed for resource development, smack too much of the rural education attendance areas.

A few of those education units are notorious for not spending their money within established guidelines.

Fortunately, the Senate Finance Committee has held off approving the bill to create the authorities.

THOSE RURAL education areas have enough autonomy that they can get away with all sorts of foolishness. Some of them have tended to spend massive amounts for travel that cannot be justified. A number of them have failed to carry out orders to spend at least 55 percent of their budgets for classroom instruction. Still others have had more dollars left over at the end of the year than the law allows.

The proposed regional resource development authorities would have the power to issue revenue bonds and to use bond income to construct roads. The engineering and building of roads is no small matter. Large amounts of money would be handled to effect the purchase of rights of way, the engineering and the actual construction.

Under the bill, as many as 21 addtional quasi-government units could be formed. Citizens of those rural education attendance areas would be able to vote whether or not to create one of the aurhorities.

THERE ARE a number of questions that need answers before the legislature gives this measure further serious consideration.

Controls are needed because the state likely would be left holding the bag if the authorities defaulted on paybacks. And there must be a firm plan for accountability, which has not been the case with the rural education districts.

There are areas of the state which do need roads and transportation facilities in order to facilitate the extraction the resources. These resources are the key to Alaska's future.

But the state already has established channels to build transportation facilities.

Alaska has learned the hard way that local autonomy is not always the best way to go.

Editorials

April 23 - Times

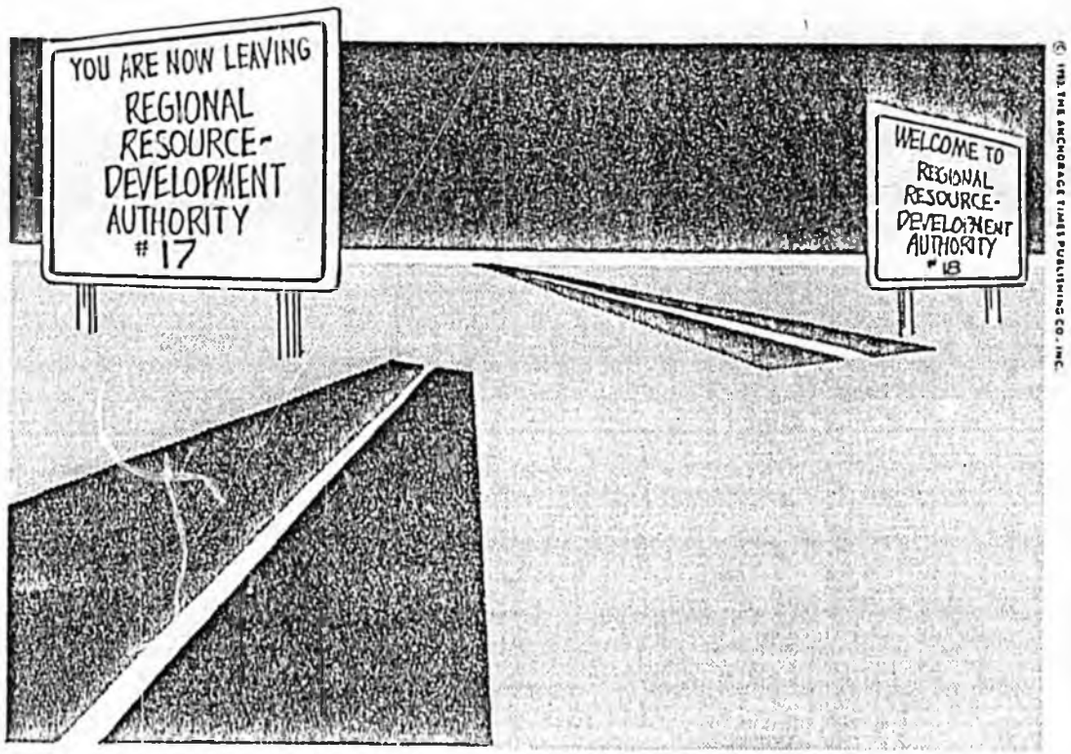
Robert B. Atwood
Editor-in-Chief
and Publisher

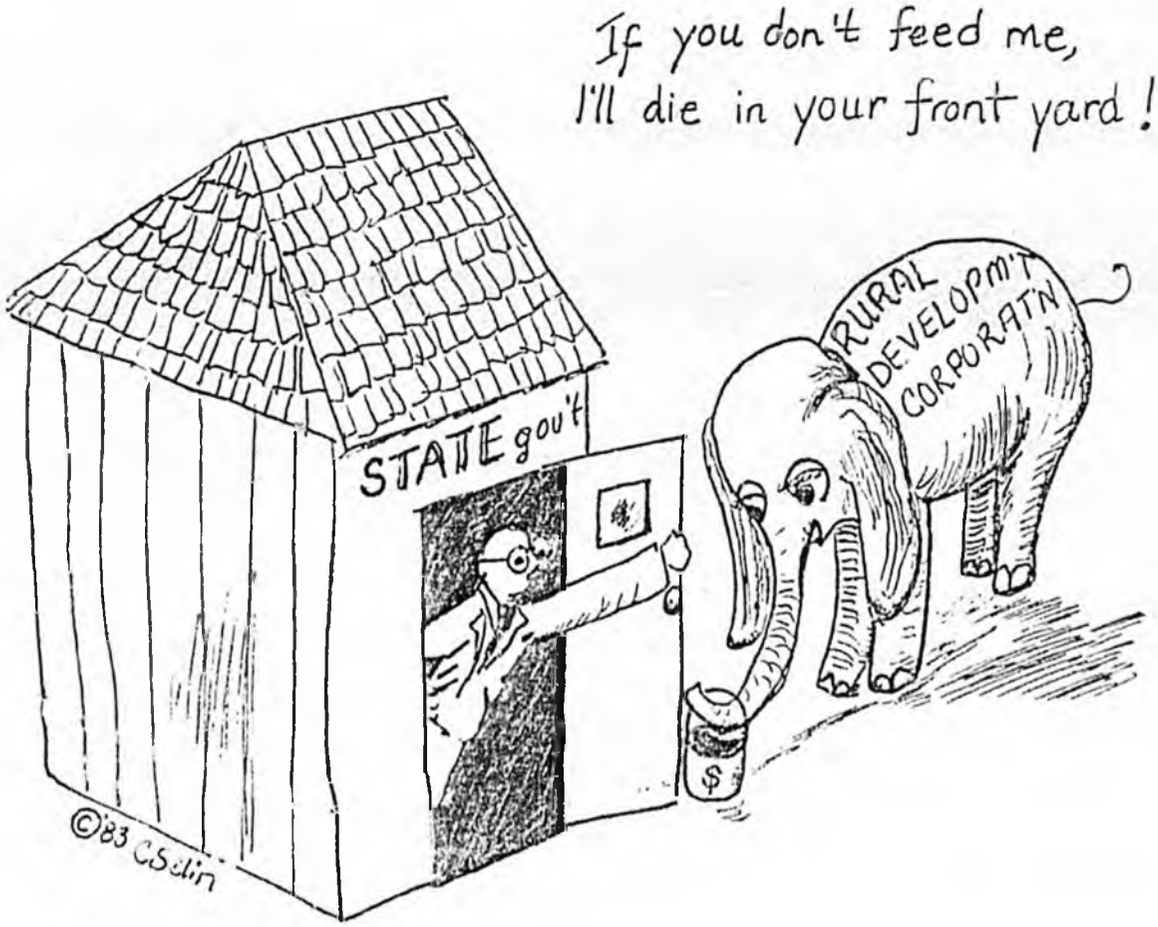
Lana Johnson
Managing Editor

William J. Tobin
Associate Editor
and General Manager

Clinton T. Andrews Jr.
Editorial Page Editor

ALASKA FEVER





THE BABY ELEPHANT PHENOMENON

ALASKA ENVIRONMENTAL LOBBY

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
POSITION PAPER

The economic development goal of SB 151 and of the Administration's alternative is the same. Both vehicles would create a financing structure for transportation facilities which would shift the bonded indebtedness from a private balance sheet to a public balance sheet. The reduced capital investment by the developer would increase its return on investment and enhance the economic feasibility of the project. It is clearly in any developer's interest to do this, and may be in the State's interest if that is what it takes to promote a specific project.

The implications of such a debt shift from a private to a public balance sheet require careful consideration. If a project can support the debt service, there is no problem. If the revenue stream is reduced or eliminated for some reason, then the location of the debt is important. There is no legal liability of the State to prevent default of bonds issued by the SB 151 authorities or by the AIDA alternative. If a capital reserve fund in AIDA is funded with State funds, then there is a moral obligation of the State. However, it is legitimate to ask whether the State could allow the default of either an authority or of AIDA. In that respect, there is little difference between the proposals. It is not a reason to oppose either proposal, but it is a reason to be certain that bonding decisions are made carefully.

While the development goals of the two proposals are similar, there are certain strengths in the AIDA approach. First, the need for transportation facilities is a statewide need and AIDA is a statewide authority. Second, AIDA is a recognized name in the investment community; it already exists, and has a professional staff, investment advisor, and bond counsel. Utilizing AIDA simply requires granting it the power to finance and own transportation facilities. Third, use of the six economic regions rather than regional education attendance areas reduces the potential coordination problems that could result when a project spans more than one REAA. Finally, there would be only one bonding authority to finance any project.

The AIDA alternative differs from SB 151 in the method of local involvement. The alternatives allow for local participation via six Regional Development Advisory Councils, appointed by the Governor. The six regions are recognized by the U.S. Department of Labor, and economic data have been collected according to these regions for several years. Local involvement is accomplished in several ways. First, AIDA must obtain the approval of an affected council prior to development of a project, and the council must hold public hearings at three locations in the region. Second, if the council approves the project, two members of the council may serve on the board of AIDA in connection with subsequent action by the authority concerning the transportation facility. Finally, the authority must solicit the advice and approval of the council prior to adopting or executing contracts, agreements, resolutions, or other matters concerning the operation and management of the facilities. These provisions provide substantial local participation in the projects.

Who is behind this legislation?

Cominco-Alaska, Inc. and NANA Corporation are partners in developing the Red Dog Mine near Kotzebue and requested this legislation. The Red Dog deposit is generally considered the richest lead and zinc find in the free world.

Cominco-Alaska's parent company, Cominco Limited of Vancouver B.C. is one of the world's largest lead and zinc producers. Cominco has vast experience in mining in the Arctic regions of Canada as well as in Greenland.

The Red Dog mine when operating will employ some 400 people directly. The mine will operate 24 hours a day, seven days a week for 50+ years. Current schedules call for completion of construction of both the mine facility and transportation systems by late 1986.

Other mining companies such as General Crude Oil Minerals and Kennecott have supported the legislation.

Why was the legislation proposed?

Given current law affecting the unorganized borough the proposed regional authority legislation was seen as the best way to achieve:

--tax exempt revenue bond financing (through lower interest rates and longer terms)

--Public ownership of a transportation system and port with equal access to any users (such as other mining projects which might come on line).

--Local input to decision making by the developer.

Why doesn't the NANA region simply form a borough?

The NANA corporation board of directors has set forming a borough government in their area as a priority. During the summer and fall of 1983 the process of beginning the process by formal discussions throughout the region will begin.

To keep the Red Dog project on schedule, the people in the region feel they cannot have the borough government in place soon enough.

HB 377 is seen as an interim neasure to keep the project on schedule until a borough is formed.

The Red Dog mine once operating will bring the regions valuation to a point where a sufficient tax base will exist for borough formation.

What State controls and oversight are contained in HB 377?

1. Authority Formation has to be approved by the Governor.
2. Three of the eight members of the Authority Board of Governors will be selected by the Governor from his cabinet.
3. Any bond sale must have advance approval of the State Bond Committee (the Commissioners of Commerce, Revenue, and Administration).
4. Financial records of the Authority are subject to audit by the Legislative Auditor; records must be established and maintained in a manner approved by the Legislative Auditor.

STATE OF ALASKA
FISCAL NOTE

Revision Date . 1983

I. REQUEST

Bill/Resolution No.: HB 377
Title: Relating to RRDA's
Sponsor: House C&RA
Requestor: House C&RA

II. FISCAL DETAIL

Agency Affected: Office of the Governc
Program Category Affected: Exec Operatic
BRU, Program of Subprogram(s) Affected:
Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	20.6	10.4	11.0	-0-	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	20.6	10.4	11.0	-0-	
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: Dana C. Coffman, Deputy Director Phone: 586-6181
Division: Division of Elections Date: May 3, 1983

Approved by Commissioner: [signature] Date: 5/4/83
Department:

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
Copy to Requestor (if different from Sponsor)

3/8/83

HOUSE BILL 377

ASSUMPTIONS:

1. An election will be held in one REAA area creating one Regional Resource Development Authority. If the election does not take place at the same time as a regularly scheduled REAA election, there will be a fiscal impact.

2. The above question passes and an election of the initial five member board take place not less than 60 nor more than 90 days after the order of election. There will be a fiscal impact.

3. Subsequent election of members, after the initial members' terms have expired, takes place at the same date as a regularly scheduled REAA election. Only the Contractual Services category will be affected and is figured at 6% inflation.

4. This analysis is computed for an election of an RRDA and board members for one REAA area. If there should be elections in all 21 REAA areas, multiply $20.6 x 21 to compute the fiscal impact. (432.6)

SB 151 - Regional Resource Development Authorities

PROPOSED AMENDMENT #1

Page 6, line 27

After "person", delete ";" and add ", provided that state grants, appropriations, or other transfers from the state may not be used to satisfy bond obligations or otherwise establish collateral or security for bonds issued by the authority."

Rational:

This would not alter the stated purpose of amendment #1 by the Alaska Environmental Lobby i.e. to preclude state contribution towards bond payments. The original amendment, however, proposed by the environmental group seeks to prevent the state from ever assisting directly in any way with the project.

LJH6

TELECONFERENCE PARTICIPATION

DATA SITES:	Testify	Observe	Expected
Anchorage			
Barrow			
Bethel			
Delta Jct.			1
Dillingham			
Fairbanks			
Juneau			
Kenai Peninsula (Soldotna)			
Ketchikan			
Kodiak MARY JO			
Kotzebue			2
Mat-Su (Masilla)			
Nome			1
Petersburg			
Sitka			
Valdez			
Wash., D.C.			
Fort Yukon LORRAINE			
Unalakleet			
Unalaska MARILYN			

Ø

NON-DATA SITES:

Ambler
Observe

Anaktuvuk Pass
Observe

Cordova HEATHER
Observe Ø

Galena MARIMOFF
Observe Ø EXPECTED

Garbell
Observe

Haines
Observe

Homer
Observe

Hoonah JERRY
Observe Ø 1 OBSERV.

Hooper Bay
Observe

Kaktovik /
Observe

Noorvik
Observe

Point Hope MAE 1 OBSV

Saint Paul HARRY
Observe Ø

Sand Point
Observe

Savoonga
Observe

Selawik HERMAN
Observe Ø

Seward
Observe

Shishmaref HELEN
Observe

Wainwright
Observe

Wrangell MARELLE
Observe

Yakutat
Observe

CRAIG BOB
Observe GLEN VERNON · CITY ADMIN
DAVE SMITH · CITY PLNR

KLUKWAN SHASHA
Observe

THORNE BAY KAREN
Observe EXPECTED
BRENDA KENDZ (ADMIN)
GILL MCCANNEL

Observe

Observe

SB
247

5/26

COMMITTEE REPORT

HOUSE

(7)

FURTHER: FINANCE

5/24/84

Date: _____

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 247(Rls)am

"An Act relating to child care centers in state buildings; and providing for an effective date."

under consideration and recommends:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Al Parise
Robert Rehm
M.D. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.D. Miller
CHAIRMAN

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

Date: May 9, 1983

Mr. President:

The Committee on HESS has had SB 247

Relating to child care centers in state buildings; eff. 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 Notes

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Do not pass without amendments & fiscal note

Paul Fisher

_____
CHAIRMAN

Committee Report - HESS

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 247
Title: Child Care Centers in State Buildings
Sponsor: Fahrenkamp, et. al,
Requestor: Senate HESS

II. FISCAL DETAIL

Agency Affected: Dept. of Community and Regional Affairs
Program Category Affected: Soc. Services
BRU, Program of Subprogram(s) Affected: Employment Opportunity Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
	-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 Rainery RR
Division: Commissioner's Office
Phone: 465-4703
Date: 5/5/83

Approved by Commissioner: Karen Perdue for M Lewis
Department: Community & Regional Affairs
Date: 5/5/83

Distribution:
Original to Legislat... Finance
Copy to Office of Ma ...roduced bills)
Copy to Department (Fiscal Note C+RA
Copy to Sponsor

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 247
Title: Child Care Centers
Sponsor: Fahrenkamp
Requestor:

II. FISCAL DETAIL

Agency Affected: H & SS
Program Category Affected:
BRU, Program or Subprogram(s) Affected

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						
LAND & STRUCTURES						
GRANTS, CLAIMS, ETC						
TAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

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

The source of funding was not identified by the sponsors.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Michael L. Price, Director Phone: 465-3170
Division: Family & Youth Services Date: 4/15/83

Approved by Commissioner: Robert Lamb Smith, PhD Date: 4/25/83
Department: Health & Social Services

Distribution:
Original to Legi
Copy to Office o

Fiscal Note HESS + Analysis re introduced bills)

IV. ANALYSIS

A. Assumptions:

Passage of this Bill would require licensing representatives to provide technical assistance during the planning stages, as well as to inspect the facilities and coordinate with the State Fire Marshal and Sanitation inspectors in order to issue a license. These functions would be performed by existing staff. Without knowing the number of buildings which would be constructed, expanded or renovated, the assumption is made that it would be no more than 10 buildings a year. Licensing staff in some parts of the State are already carrying a higher than acceptable caseload. If the estimated number of buildings falling under this Bill is higher than 10, the Department would need to consider submitting a revised fiscal note to address the additional work load.

B. Program Summary:

No new positions or other costs are anticipated at this time.

C. Computations:

None

D. Economic Impact:

Enactment of this Bill is expected to have positive fiscal impact. Mr. Seuffert's study of day care states that national economists accept that each dollar changes hands eight times in twelve months; so any dollars spent on day care will circulate within the State eight times. In addition, successful programs like this help in retaining employees who require child care services, and will help university students improve their skills for later employment.

E. Impact on Local Governments:

It is anticipated there will be no fiscal impact on local governments.

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE BILL NO. 247
PAGE 1

The Department of Health and Social Services supports Senate Bill No. 247 which provides that whenever construction, expansion or major renovation of a state building occurs, there shall be consideration of the need to include plans for a child care center. This Bill impacts a number of Departments within State government: the department which is planning the construction or renovation; the Department of Labor; the Department of Community and Regional Affairs; and the Department of Health and Social Services.

The Department of Health and Social Services is impacted in that it has the responsibility to license all child care facilities. It will be important that the Department be consulted early in the planning process to ensure that any child care center meets all applicable licensing requirements including fire safety, sanitation, staffing and program requirements. These requirements should be met before a center begins operation. The responsibility to provide technical assistance to new programs is already within the scope of the Department's responsibilities and activities.

A recent publication by the Senate Advisory Council Day Care in Alaska: A Status Report by Frank W. Seuffert, speaks to the need for day care services in Alaska. Mr. Seuffert quotes a federal study which reported that in 9, 52% of American women were working; and over six million children were in some form of full or part-time day care. By 1990, 66% of all two-parent families are projected to have both parents in the work force; and over half of all mothers with children under the age of six will be working regularly. Alaska Department of Labor statistics indicate that in 1980 there were 45,905 children under the age of six; and, of these, 7,684 children lived in single parent households. Mr. Seuffert concludes that young couples in Alaska usually require two incomes to achieve a moderate standard of living. Added to the single parent households, and the scarcity of extended family members to help with child care, he feels the need for day care services in Alaska is greater than it is nationally.

Since this Bill envisions that private child care providers would contract to operate the child care centers created as a result of this Bill, the Department assumes the cost for the programs would be covered through fees to parents as well as current funding sources for day care, through the Department of Community and Regional Affairs.

H2SS Position Paper

In conclusion, the Department of Health and Social Services supports Senate Bill No. 247. The Bill incorporates good planning requirements and will help fill the need for child care services for the many Alaskan families with young children who must find day care while they work.

RECOMMENDED: Michael L. Price

Michael L. Price, Director
Division of Family and
Youth Services

DATE: April 18, 1983

APPROVED BY: Robert London Smith

Robert London Smith, Ph.D.
Commissioner

DATE: 4/25/83

Alaska State Legislature

Advisory Council Members
Senator Kerttula, Chairman
Senator Bennett
Senator Vic Fischer
Senator Fahrenkamp

Pouch V
State Capital
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

MEMORANDUM

TO: Senator Fahrenkamp

FROM: Elizabeth J. Hickerson

RE: SB 247, An Act Relating To Child-Care Centers in State Buildings

DATE: May 25, 1983

SENATE BILL 247

SB 247 provides that space for child care centers shall be incorporated in the design of state office buildings under construction, expansion or major renovation, if the need for such service is determined. It is the intent of this legislation that a provider will lease the space and that the parent will pay for the child care services.

The Departments of Labor and Community and Regional Affairs are responsible for conducting a needs assessment based on the child care requirements of the employees working in the building and neighboring buildings, and the availability of licensed child care centers conveniently located. For buildings associated with state universities a needs assessment of the students attending classes or other activities on campus will also be conducted.

If it is determined that there is a need for child care facilities within the building under consideration, the person or agency responsible for assigning or leasing the space in the building, in consultation with the Department of Community and Regional Affairs, will contract with a private child care service provider for the operation of the center.

All state licensing requirements must be met by the provider. State child care subsidies will be available for eligible providers and parents. This legislation limits the number of children that may be accommodated in a center. Not less than 40 nor more than 60 children will be provided services in the center. According to Lari, Child Care Coordinator for the Division of Employment Oppurtunity, C&RA, 40

children is the minimum number necessary for a center to operate economically. It is her conclusion that more than 60 children in one facility is not manageable nor conducive to a quality environment for children.

The use of the child care center is to be made available for the public as well as the employees in the building and surrounding buildings. It will be necessary to establish certain priorities for the use of the facility since the purpose of on-site child care is to provide services for children with parents working in the same building.

While the plans of the center should incorporate the needs of the children and the provider, this space should be so designed as to be utilized for alternate purposes in the event that there is a decreased need. Outdoor playground facilities will also be needed. It would be economical to locate the center in close proximity to a public park or playground.

PRIVATE ON-SITE CHILD CARE CENTERS

On-site child care facilities in national corporations have increased productivity, reduced absentism and tardiness, and are an effective recruiting tool.

Intermedics, Inc., reported that during the first two years of its child care center's operation, turnover decreased 60% and several thousand of hours normally lost to absenteeism became productive.[1] According to Steve Neuville, Executive Vice President of Neuvill-Mobil-Sox, Inc., this benefit has been a very effective recriuting aid and a financial reward for the employer. The center at Neuvill-Mobile-Sox is credited with reducing employee turnover and absentism.[2]

Other reasons given for providing child care include the ability to remain competitive, attract and hold top quality people, and provide working conditions that foster high morale and productivity.[3]

Among the corporations outside of Alaska offering on-site child care for their employees are Zale Corporation, Wang Laboratories, Corning Industries, Neuvill-Mobil-Sox Inc., Texas Instruments, Playboy Resorts, Stride-Rite, Intermedics Inc., Connecticut General Life Insurance, Welch Foods, Whirlpool and Emperor Clock Company.[4]

Anchorage businesses are beginning to provide these facilities. Nerland's Furniture Store and Werner Travel presently provide this service. Providence Hospital plans to open a day care center for the use of its 1,400 employees in 1984. Nordstrom's Department Store is in the process of determining the need and feasibility for an on-site facility.

PUBLIC ON-SITE CHILD CARE: NEW YORK STATE

Public on-site child care has been equally successful in increasing productivity and reducing absenteeism. The state of New York opened its first on-site child care facility, The Children's Place, in 1979. Following the success of this first center the state opened eleven more on-site child care centers throughout New York for its employees.

According to its first director, Deborah Long-Miller, the Children's Place was the product of union negotiations begun more than ten years ago. The State made a pledge to provide child care for its employees. A nonprofit corporation was established to open and operate child care centers at state facilities.[5]

Space, renovation and maintenance was provided by the state. Start up funds came from a Federal Health, Education and Welfare Research and Development Grant. Parents pay for all operating cost based on a sliding scale fee. State employees receive priority for the center's space, but the public also has access to the center. The Children's Place utilizes public parks and playgrounds located near the center.

Welfare Research, Inc., evaluated The Children's Place and released the following information in June 1980:

> Seventy-three percent of parent's reporting reduced absenteeism were State employees.
>
> Forty-seven percent of respondents indicated improved work productivity.
>
> Forty-five percent of women responding said the center enabled them to keep working, take jobs or return to work sooner.
>
> Sixty-two percent would have child care problems without the Children's Place.
>
> Eighty-three percent worry less about their child.[6]

State employees and the State of New York agree that this service has been successful and a benefit to all.[7]

THE BENEFIT FOR ON-SITE CHILD CARE IN ALASKA STATE BUILDINGS

In FY83, the state of Alaska had 18,495.9 full-time equivalent employees.[8] As of March 1983, 44.7% of the Executive Branch, 58.9% of the Legislative Branch, and 75.2% of the Juditial Branch were female employees.[9] Forty-eight percent of the University of Alaska employees were women as of December 1982.[10] These percentages do not include part-time or temporary employees.

It is unknown at this time how many of these employees have children, however the 1980 census shows that:

In 1980 the median age of the state population was 26.1.[11]

70% of the state population was under 35 years of age.[12]

26.2% of the state's population were woman of childbearing age (15-44 years of age).[13]

Alaska ranked second in the national birth rate, with 22.5 births per 1,000 people. The national average was 15.6 births per 1,000 people.[14]

There were 65,038 households in Alaska with persons under 18 years of age. Of this number there were 11,766 single parent households.[15]

In Alaska the number of mothers in the work force with children under the age of 6 years totaled 14,815.[16]

It can be assumed chat female state employees share similar characteristics with the general population. It therefore can be expected that a high porportion of female state employees are young working mothers.

Since on-site child care has proven beneficial to employers and employees in the private and public sector, it would be constructive for the State of Alaska to investigate the feasibility for child care centers in future construction and renovation of state buildings.

FOOTNOTES

[1]"Who's Minding the Kids?" Working Women, May 1982, p.99

[2]Stanley D. Nollen, "Job and Family: The Walls Come Down," U.S. News and World Report, June 16, 1980, p. 57.

[3]Judith P. LaVorgna. "Schools in the Workplace," Phi Delta Kappan, October 1982, p. 128.

[4]See Beverly Jacobson, "Taking Baby to Work," McCalls, July 1982, p. 51; Judith P. LaVorgna, "Schools in the Workplace," Phi Delta Kappan, October 1982, p. 128; Stanley D. Nollen, "Job and Family: The Walls Come Down," U.S. News and World Report, June 16, 1980, p. 57; "Who's Minding the Kids?" Working Women, May 1982, p. 99.

[5]Telephone interview with Deborah Long-Miller, The Children's Place, Albany, New York, 13 May 1983.

[6]Empire State Day Care Services, Inc., "Fact Sheet," (Typewritten).

[7]"Day Care: A State Labor-Management Initiative," Quality of Working Life Review, Volume I, Number 2, pp. 5-6.

[8]Alaska, Office of Management and Budget, Executive Budget Book I Operating Budget for Fiscal Year 1984, p. 22.

[9]Telephone interview with Kaye Hogan, Deputy Director, Division of Equal Employment Opportunity Division, Department of Administration, Juneau, Alaska, 24 May 1983.

[10]Telephone interview with Sandy Ray, Director of Affirmative Action Program, University of Alaska, Fairbanks, Alaska, 24 May 1983.

[11]Alaska, Department of Health and Social Services, Division of Health Planning and Development, Proposed State Health Plan for Alaska, June 1982, p. 2-17.

[12]Ibid., p. 2-17.

[13]Ibid., p. 2-19.

[14]"Alaska Second in Birth Rate," Anchorage Times, 5 May 1983, Sec. J, p. 8.

[15]Telephone interview with Amy Van Domelen, Research Analyst, Municipality of Anchorage, Anchorage, Alaska, 13 May 1983.

[16]Loretta J. Seppanen, Families and Work: A Statistical Profile for Alaska (Anchorage: Office of Institutional Research, Anchorage Community College [1983]), p. 9.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

POUCH Z
JUNEAU, ALASKA 99811
PHONE: (907) 465-3900

STANDARDS AND STATEWIDE PROGRAMS

February 22, 1984

The Honorable Jan Faiks
Alasks State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Faiks:

The attached is in response to your request regarding day care facilities.

Sincerely,

Ed Cronick
Legislative Liaison
Statewide Programs

Attachment

smc

Loren Rasmussen
Chief, D, C & M Standards

February 21, 1984

4000

789-6247

Gary Tyndall
Highway Standards

Building Costs-
Office & Day Care

Donn Ketner called this afternoon with the cost info you requested, as follows:

Class A Office Space (certain code, access, finish, parking requirements)

1. Leasing

ANC $175 to $200/S.F.
FAI $200 to $225/S.F.
JNU $215 to $250/S.F.

2. New Construction

ANC $100 to $120/S.F.
FAI $106 to $127/S.F. (ANC + 6%)
JNU $102 to $122/S.F. (ANC + 2%)

Child care facilities, however, are in the "institutional" classification and must meet more stringent requirements than office space. These include first floor location, separation from office spaces, access and fire protection demands, and considerably different requirements for plumbing, mechanical equipment, etc. The conversion of existing office or other spaces to child care facilities is not readily accomplished, and it can involve tremendous costs. New Construction costs area estimated as follows:

Child Care Facility

1. New Construction under Davis-Bacon

ANC $170/S.F.
FAI $180/S.F. (ANC + 6%)
JNU $173/S.F. (ANC + 2%)

2. New Construction not under Davis-Bacon

ANC $150/S.F.
FAI $159/S.F.
JNU $153/S.F.

This does not include furnishings cost.

The above data is not valid for equating price differences to arrive at renovation costs, as discussed above. These figures are only for comparing new construction with new construction. For renovation costs, the specific facility would have to be evaluated.

If you have any further questions, call Donn at 266-1535.

cc: Donn Ketner

Staffing Requirements

(2) more than a total of 10 children under age 12, including children related to the caregiver.

(d) In a day care center, the ratios of caregivers to children must be maintained at all times as follows:

(1) no newborn children may receive care in a day care center;

(2) there must be one caregiver for every five children between the ages of six weeks and 24 months;

(3) there must be one caregiver for every 10 children between their second and sixth birthdays;

(4) for school children aged six to 10 years, there must be one caregiver for every 15 children;

(5) for school children aged 10 – 14 years, there must be one caregiver for every 20 children.

(e) In a day care center where there are more than 10 children present, there must be a minimum of two caregivers on the premises.

(f) In a day care center, only caregivers who spend at least 75 percent of their working time providing direct care for children will be counted in meeting staff-to-child ratios. (Eff. 4/4/62, Reg. 5; am 2/3/77, Reg. 61)

Authority: AS 47.35.030

7 AAC 50.220. PHYSICAL PLANT. Repealed. (Eff. 2/3/77, Reg. 61)

7 AAC 50.230. EQUIPMENT. Repealed. (Eff. 2/3/77, Reg. 61)

7 AAC 50.240. GENERAL PROGRAM. (a) The program conducted in a day care facility must provide planned experiences which promote the individual child's physical, emotional, social, and intellectual growth and a positive identity. Satisfactory compliance with this subsection requires that

(1) caregivers generally follow a written schedule of daily activities which provide a balance of [illegible] activities and [illegible] snacks, [illegible] individual [illegible] however, the [illegible] facilities need [illegible]

(2) opportunities [illegible] self-expression [illegible] and creative [illegible]

(3) opportunities [illegible] physical activities [illegible] and for [illegible] taking into [illegible]

(4) opportunities [illegible] to participate [illegible] putting away [illegible] clothing and [illegible]

(5) opportunities [illegible] and social development [illegible] of games, toys, [illegible] crayons, paint [illegible] materials;

(6) opportunities [illegible] activities as [illegible] weather permits; [illegible] awareness beyond [illegible]

(7) caregivers [illegible] punishment [illegible] by the parent of the [illegible] any other [illegible] shaming, [illegible] child;

(8) the amount [illegible] equipment available [illegible] use are appropriate [illegible] of the children [illegible]

(A) the [illegible] equipment [illegible] competition and [illegible] meet criteria [illegible] (3), and (5) of this [illegible]

(B) [illegible] to each child [illegible] belongings.

(C) furniture and equipment is durable and safe and that in day care centers it is of child size or appropriately adapted for children's use.

(b) Where newborns, infants, and toddlers are in care, compliance with the criteria in subsection (a) must be appropriate to their developmental stage. In addition

(1) separate sleeping space must be provided for infants and toddlers in day care centers; a play or crawl area exclusive of crib space must be provided for their use; and provisions must be made to ensure that they are not endangered by the active play of older children;

(2) these children may not be routinely left in a crib without direct adult contact for long periods of time while awake (e.g., typically not more than 45 minutes);

(3) infants and toddlers must be allowed, under supervision, some opportunities during the day when they can explore and learn on their own;

(4) there must be toys and materials available for their use which provide opportunities for the child to learn through seeing, feeling, hearing, smelling, and tasting;

(5) there must be frequent verbal communication between caregivers and these children; and

(6) there must be physical stimulation through being held and rocked and played with as well as through being dressed, bathed, and carried. (Eff. 4/4/62, Reg. 5; am 2/3/77, Reg. 61)

Authority: AS 47.35.030

7 AAC 50.242. ENVIRONMENT REQUIREMENTS. (a) Each day care center must have sufficient indoor and outdoor space in relation to the number and ages of children in care to accommodate the physical and other developmental needs of children served. Satisfactory compliance with this subsection requires that

(1) there be at least 35 square feet of indoor space per child capacity used for the care of children, exclusive of hallways. bathrooms; lockers, closets, laundry and furnace rooms, and the kitchen;

(2) there be at least 75 square feet per child of outdoor play space for the maximum number of children on the playground at any one time; where outdoor play space is not available at the facility, parks or other outdoor facilities that are easily accessible may be used.

(b) Each day care center must have appropriate storage and work space areas convenient to the area of use. (Eff. 2/3/77, Reg. 61)

Authority: AS 47.35.030

7 AAC 50.245. FIRE SAFETY. (a) The building housing a day care center must meet the standards for buildings and life safety contained in 13 AAC 50.010 – 13 AAC 50.030 and 13 AAC 55.010 – 13 AAC 55.150.

(b) When the division receives a license application from a day care center and when new construction or remodeling is completed, a fire inspection of the premises must be made by the fire marshal or his local designee to determine conformity with existing safety standards. Subsequent annual fire inspections might be required.

(c) Family day care homes must be free of fire hazards. They must have

(1) at least one five-pound ABC dry-chemical fire extinguisher or an AC primary power or monitored battery powered smoke-detection device;

(2) two exits remote from each other that are usable year round, one of which may be a window which can be opened;

(3) at least one usable exit directly to the outside at street level where a basement is utilized;

(4) a restriction limiting occupancy to the main floor, daylight basement, or second floor of the building, when more than two children under age five are in care;

(5) at least one exit leading directly to the

MEMORANDUM

TO: Senate Finance Committee

FROM: Senator Jan Faiks

RE: Senate Bill 247

DATE: February 20, 1984

Section 1. Establishing quality child care is a legitimate interest of the State. In order to facilitate this goal, facilities will be established near the workplace and on campuses of the University of Alaska and the community colleges. The Legislature would like to encourage private employers to do likewise.

Section 2. Plans for construction, expansion, or renovation of a state building shall include plans for a child care facility to accommodate 40-60 children. A needs assessment shall be made and shall include the child care needs of public and private employers in the building and in the neighboring area, child care needs of students, and the availability of other child care centers in the neighborhood. The child care center shall be operated by a private concern. The child care center shall be open to the public.

Section 3. Effective date.

FACTS AND ISSUES RELATING TO ON-SITE DAY CARE IN ALASKA STATE OFFICE BUILDINGS

On women in the labor force:

According to U.S. Census Bureau data from the 1980 census, the participation rate of Alaskan women in the work force has increased 100% since 1970.

---70% of all Alaskan women age 16 years and older are working.

---56% of all Alaskan women with children are working.

---47% of all Alaskan women with children under the age of 6 are working.

On current availability of licensed day care in Alaska:

House Research Agency Report 81-207, completed in February, 1982, contains these facts on the availability of licensed day care in Alaska:

---In 1982, licensed day care capacity statewide, including licensed day care homes, was 6,507.

---Of 33 centers surveyed in ten communities, 16 centers (48%) were filled to capacity, and 12 of these had waiting lists.

---Centers with the longest waiting lists were in Anchorage, Fairbanks, and Juneau. (Note that these are areas with large concentrations of state workers.)

---Infant care appeared to be less readily available than day care for children two years and older.

On current need for licensed day care in Alaska:

Alaska Dept. of Labor, Research and Analysis Section, estimates that in 1982:

---There were 51,000 children under the age of 6 living in the state.

---8,200 of these children live in single-parent households.

This means that licensed day care is available for only <u>one out of eight</u> Alaskan children under the age of six.

From these facts, several conclusions can be made:

---There is a critical need in Alaska for additional licensed day care facilities, and particularly for infant care.

---That the need for such facilities is most pressing in Anchorage, Fairbanks, and Juneau (in that order).

---That because there are large concentrations of state employees in these areas, the state—as employer--has an obligation to address the needs of its employees in the area of child care.

---In addition to its role as employer, the state also has an obligation to provide for the health, education, and welfare of its citizens and for the poor in particular.

All of us who live in this state have an interest in, and a responsibility to, the children of Alaska. Without them, Alaska <u>has</u> no future.

The advantages of on-site day care:

---Employees have greater peace of mind at work and are more productive, knowing that their children are nearby and that they could respond immediately in the event of emergency. This is particularly important for parents of infants and/or children with chronic health problems.

---Mothers who are breast-feeding can return to work from maternity leave sooner.

---The benefits to the state would be many. Employers with on-site day care consistently report increased ability to recruit and train skilled workers, alleviation of scheduling problems, and reduced job turnover rates.

A major study done by Control Data Corporation showed that in their on-site center, over a 24-month period, the average monthly turnover rate for mothers using the center was 1.70%, while for all other females in the same job classes, the average monthly turnover rate was 5.47%. The study also showed less absenteeism and improved job performance by mothers using the center.

The situation as it now exists:

---With present day care arrangements, families live under the strain of complicated schedules to pick up and drop off children. This situation becomes even more of a burden when there are children who go to day care and public school, or when parents work at different locations and there is a single family car. For parents who must rely on public transportation, it is even worse, particularly in harsh weather.

---In addition, with the present arrangements, children spend little time with their parents, with such time occurring only at the end of long, busy days when both children and parents are tired. Some parents counter this by spending all their weekend and holiday time with their children, rather than socializing with adults, participating in the civic affairs of the community, or engaging in other adult growth experiences.

---Such parents often have little or no time to themselves, an important factor in working out the domestic tensions that arise in even the healthiest of relationships. Marital tensions and, in the case of low-income families, economic pressure are known to contrribute to divorce, domestic violence, child abuse and neglect, alcoholism and substance abuse, and suicide.

* * * * * *

In the past, opponents of child care legislation have based their arguments largely on the premise that women should stay home and take care of their own children. This argument carries little weight in 1983, when most women have passed the point where they have a choice about working. The structure and lifestyle of the Alaskan family has changed dramatically, and much of that change has come out of economic necessity.

Testimony given at a Joint U.S. Senate Hearing in 1975 summarizes the situation eloquently:

"Women will go on working regardless of what actions are taken by this Congress. The lack of access to quality child care will not eliminate the economic necessity of supporting one's family. Rather, failure to provide quality child care to those who need it will simply force families to settle for custodial child care. And it will be the children who will suffer as the result of this ostrich-like approach. The problem will not go away by ignoring it. It is not a question of encouraging women to leave home. Rather, women working and leaving home are

facts which exist and will continue to exist in spite of rising unemployment and in spite of decreased family size."

Unless it becomes possible for Alaskan parents to manage work and family life without undue strain for themselves and their children, our state will suffer a significant productivity loss in the labor market and the economy, and perhaps even a more important loss in terms of the quality of family life experienced by current and future generations.

With this in mind, the legislature is asked to give favorable consideration to this bill, which provides for the construction of day care facilities in new state office buildings and major renovations of existing buildings where a demonstrated need for such facilities exists.

There is a national trend toward on-site day care, and there are many precedents for government participation in areas where there are high concentrations of government employees. A comprehensive report done in 1976 by the Nevada State Department of Human Resources discusses the successful on-site centers operated at the National Institute for Health; the Department of Health, Education, and Welfare; the Social Security Administration; the Department of Agriculture, and the N.A.S.A. Goddard Child Development Centers. This report also states that onsite centers are operating at hundreds of hospitals, colleges, and universities. In the private sector, the Stride Rite Corporation, Wang Laboratories, Control Data Corp., and Hewlett-Packard are just a few employers who provide this valuable service.

Historically, society has addressed problems only after severe damage has been done, at enormous social and economic costs. The need for additional day care facilities in Alaska has already passed the critical stage, and grows worse each year. The legislature is therefore asked to consider the well-being of Alaskan children a top priority for 1983.

Alaska State Legislature House of Representatives Research Agency. Day Care Assistance - Alternatives for Legislative Action. Report #80-50, done in 1980 for Rep. Duncan. 12 pages plus attachments. A comprehensive study providing alternatives for improving the long term financial stability of day care facilities in Alaska. (Note: see also Report #81-207 done in Feb. 1982 for update of statistics and issues) Available upon request from House Research Agency, Juneau.

_____. Review of the Day Care Funding Study. Report #81-76, done in April, 1981 for Reps. Duncan and Buchholdt (see also #81-78). 6 pages plus attachments. Summarizes Moebius Corporation study on cost of care and program eligibility. Attachments include cost-of-living indices, DCRA subsidy schedules, and proposed revised formula. Available upon request from House Research Agency, Juneau.

_____. Day Care. Report #81-207, done in February, 1982 for Rep. Rogers. 27 pages. Provides current information on availability and funding of day care in Alaska. Includes discussion of financial problems/conditions of centers and the Child Care Grant Program. Available upon request from House Research Agency, Juneau.

_____. Assistance for Parents of the Developmentally Disabled. Report #82-57, done in March, 1982 for Rep. Phillips. 2 pages. Identifies resources that can assist parents of developmentally disabled children. Available upon request from House Research Agency, Juneau.

Bane, Mary Jo, and others. Child Care Arrangements of Working Parents. Monthly Labor Review, Oct. 1979, pp. 50-56. A report on diverse child care arrangements in the U.S., extent of government involvement, costs-benefits, current and future policy issues. Available on microfilm at the Alaska State Library, Juneau.

Canon, Belle. Child Care Where You Work. Ms, Magazine, April 1978, pp. 83-86. A discussion on the advantages and history of on-site child care. Includes feminist issues related to child care and list of additional resources. Available on microfilm at the Alaska State Library, Juneau.

Day Care at Work Makes a Comeback. Nation's Business, July 1980, p.20. Brief report on trend toward on-site day care. Available on microfilm at the Alaska State Library, Juneau.

Kamerman, Sheila. Child Care and Family Benefits Policies of Six Industrialized Countries. Monthly Labor Review, Nov. 1980, pp. 23-28. A study of government policies in the U.S. and five European countries, comparing child care and family benefits. Available on microfilm at the Alaska State Library, Juneau.

Nevada State Department of Human Resources. Dollars and Sense: Employer-Sponsored Child Care. ERIC document # ED 129417, 359 pages. A comprehensive study of employer-sponsored day care (both on-site and in off-site centers) in the public and private sectors (Note: this study was done in 1976 and statistics need updating.) Available on microfiche at Alaska State Library, Juneau.

Perry, Kathryn Senn. Child Care Centers Sponsored by Employers and Labor Unions in the United States. U.S. Dept. of Labor, Women's Bureau, 1980. Not available at Alaska State Library, Juneau.

Reece, Carolyn. Bringing Children to Work. Children Today, July-Aug. 1982, pp. 16-21. A report of on-site day care, focusing on Mt. Vernon Hospital in Virginia. Available on microfilm at Alaska State Library in Juneau.

Stride Rite Children's Center. A corporate report on the successful functioning, funding, purposes and policies of the Center. Available on request from Stride-

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

May 5, 1983

POSITION PAPER

RE: SB 247

SPONSOR: Senator Fahrenkamp

Program Effects:

This bill would require that in the construction, renovation or expansion of State buildings that the needs for child care be assessed. Should a need exist, licensable space will be designed into the facility. The child care facility would be open to the public.

Comments:

The Department supports the concept of onsite child care centers in State facilities.

Child care is one of the fastest growing small service industries in the State. But, even with this rapid growth, supply has not kept pace with demand. The demand is caused by both economic and social needs. The Alaska Department of Labor revealed that in 1981, 66 percent of the women in Alaska over 16 years of age were active in the labor market. Of the mothers who have children under 6 years of age, 50 percent are employed outside the home. The availability of quality, convenient child care provides for entry of more women, especially single heads of households, into the work force.

Nationally and in Alaska, employer-sponsored onsite child care is becoming an increasingly popular employee benefit. New federal tax laws and IRS clarifications have also made this a more attractive option for employers. As one of the major employers in Alaska, the State would be joining some private employers and providing a model for others in the field of onsite child care.

The Department does have a few concerns with regard to procedures outlined in the bill. We are concerned that the needs assessment required from Department of Labor and DCRA not delay design or construction schedules. Through regulation, specific timelines and clear delineation of responsibilities must be outlined.

Specifically with regard to the needs assessment, DCRA will be responsible for satisfying in a timely manner the requirements for Section 35.10.021, b, 3, "determining the availability of licensed child care centers located within a convenient distance from the building."

With regard to subsection C, the Department will seek a child care consultant or Department employee knowledgeable in this area to work with the person or agency responsible for assigning or leasing space. Through regulation, criteria for a qualified contractor should be identified. We are particularly concerned that the lowest bidder not be the only criteria used in determining the contract award.

In conclusion, there is a growing need for child care in Alaska. The State of Alaska as a major employer, can act as a model for other employers in providing a service that will hold individuals, particularly women, in the work force. Senate Bill 247 can begin to address these multiple needs.

Dawn Purdue for Carm Lewis
Mark Lewis, Commissioner

Reprinted from

The magazine for motivated managers

MANAGEMENT REVIEW

Parents and employers: New partners in child care

RENEE Y. MAGID

amacom A DIVISION OF AMERICAN MANAGEMENT ASSOCIATIONS

Parents and employers: New partners in child care

RENEE Y. MAGID

MOTHERHOOD AND APPLE PIE still rate highly in contemporary society. For proof, visit the Fox Chase Medical Center in Philadelphia where both mothers and fathers may be seen snacking with young children at the newly established child care center.

The Fox Chase Medical Center is a multi-institutional campus, shared by closely cooperating institutions. The Medical Center consists of the Fox Chase Cancer Center, Institute for Cancer Research, American Oncologic Hospital, Jeanes Hospital, and Friends Hall. All the institutions are involved in one phase or another with health care delivery and biomedical research. Indeed, it may be that this cooperation among these institutions was among the significant factors which helped to foster accept-

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BOON TO WORKING PARENTS: *Fox Chase Day Care center (opposite page photo) provides worry-free convenience to parents employed at the Medical Center. At right, medical professional takes time to admire Christmas tree with her child.*

FOX CHASE DAY CARE CENTER

ance of the child care center at Fox Chase.

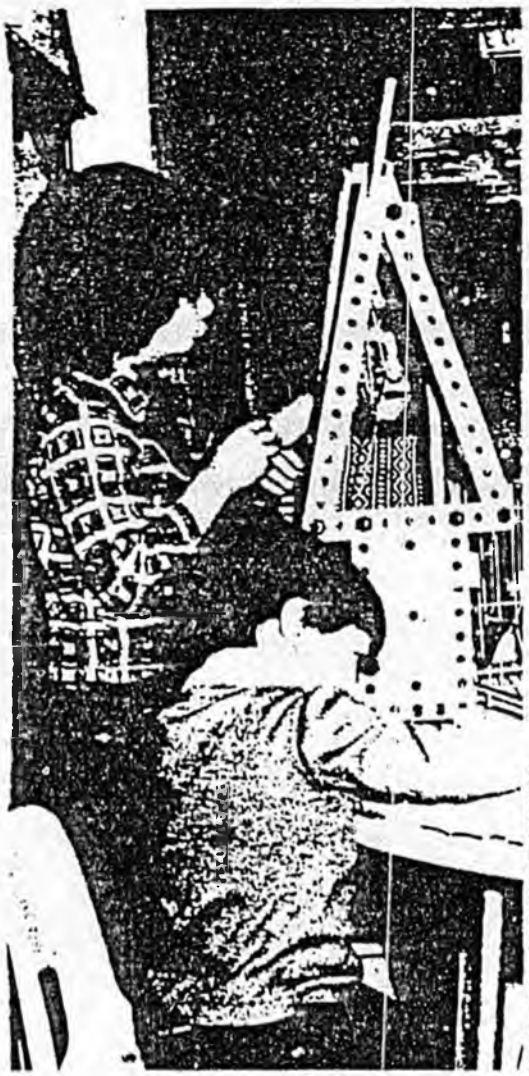
The concept of an employer-sponsored child care center for the children of all employees of the medical center was formulated over several years; a period which clearly marked a greater public awareness of the evolving roles of women at the workplace. According to Mary Dixon, director of personnel and employee relations at Fox Chase, requests to the administration for child care "trickled in" at first. However, soon requests greatly increased, voiced by nurses, physicians, scientists, and virtually all other health and support staff personnel.

Ms. Dixon recalls that one mother, a research scientist dedicated to her work and motherhood, felt that the best way to care for her new baby was to bring the child to work with her until satisfactory arrangements could be made. Because of the constraints of such an arrangement, the need for a child care center, on or near the Fox Chase Medical Center, crystallized.

F. J. McKay, a senior administrator at the Medical Center, summed up the Fox Chase philosophy: "The child care program was a marriage of important employee and institutional needs. In research and health care, the pursuit of excellence is crucial. By responding to employees' child care needs, institutions help themselves by enlarging the pool of available talent. In adminis-

---

Renée Y. Magid, *a professor at Beaver College, Glenside, Pennsylvania, teaches courses in administration and supervision of child development centers. She is co-author of the book,* Exploring Early Childhood—Theory and Practice *and serves as a consultant on child care center operations.*



ACTS CHILD DAY CARE AND HEALTH CENTER

WORKPLACE CHILD CARE: *Employers and unions offer 'family security' as a new benefit.*

tration, we can pursue excellence by supporting medical and scientific staff in every way possible."

Thomas Garvey, associate administrator of the medical center, in analyzing the institution and its needs, said that Fox Chase employs 1,800 people, 60 percent of whom are women, who work in all sectors of the center. This includes a large percentage of women who are of childbearing age, as well as single parents and dual career parents. Garvey explained some of the factors considered in analyzing the need for a child care center at Fox Chase.

- Improved ability to recruit high-caliber staff members. The day care program would serve as an attractive fringe benefit, but would also demonstrate the Center's commitment to quality programs and staff well-being.
- Reduced turnover and improved retention. The day care program would enable well-trained staff members, particularly professional women, to remain on the staff. This would in turn contribute to the enlarged pool of available talent, as well as demonstrate actual cost savings from reduced recruiting efforts.
- More effective training. By retaining well-trained staff members, institutions continue to receive the value of prior training, and build on that training to improve the value of staff members to the Center and to themselves.
- Migration of full-time homemakers to the workplace has greatly reduced an available pool of traditional, informal child care providers (neighbors, friends, relatives).
- Local and federal child care programs are losing funding.
- Growth of private child care programs has slowed due to economic factors.
- Competitive posture for nonprofit institutions (as far as direct compensation is concerned) has traditionally been lower than that of profit-making institutions.
- Good fringe benefits have typically been an asset in hiring personnel in the nonprofit sector.

When the idea for the child care project moved through executive management to board-level management, cost effectiveness emerged as a significant factor in validating its adoption. Retirement programs can cost from 8–10 percent of total direct payroll, and basic family dental plans will generally range from 1–1.5 percent of the same payroll base. In contrast, the child care program at Fox Chase is expected to draw .5 percent of direct payroll in first year operating costs, plus approximately .3 percent of payroll for initial seed money. If this program significantly decreases turnover, increases retention, and increases effectiveness of training,

Potential Cost Factors in Center Operation

Space: Capital costs for land and building, development, utility fees, taxes, rental fees, insurance.

Equipment: Classroom, outdoor playground, office furnishings, telephone, maintenance, kitchen equipment.

Staff: Administrator, teachers, aides, clerical, custodial, cook, driver, substitutes. In addition to salaries, related costs and benefits should be taken into account—social security taxes, workers' compensation, unemployment and medical insurance, holiday and vacation pay.

Consumable supplies: Teaching supplies, food, maintenance, office and clerical.

Transportation: Van or bus may be needed unless parents are required to provide transportation for children.

Communication: Printing, postage, telephone, publicity and advertising, parent education.

Staff development: In-service training, professional publications and association memberships, workshops and seminars.

Social services: Consultations with medical, social service, and psychological personnel.

Miscellaneous: Legal, accounting, public relations, liability insurance, emergency funds (equivalent to two months operating expenses).

then the cost-benefit ratio would be great indeed.

One of the many supportive board members at Fox Chase said it best: "Organized labor has long recognized the need for job security. If you read a collective bargaining agreement, you will find the job security clause to be most prominent. If we interpret this concept more broadly to mean 'family security,' we have what many industry observers consider the key to the successful Japanese model: attention to and provisions for the family security of their employees." The labor-intensive institutions at Fox Chase have taken a long step towards total employee-family security, and toward fulfillment of human potential —both male and female. Employee-employer support of child care has thus created a new partnership for industry today.

Company and family life merge

The scenario at Fox Chase is being played out nationwide, as radical changes in lifestyles are felt by individuals, families, and by employers. Dual career families, working mothers, and single parents have become part of the American way of life. Present societal factors indicate that little will occur in the near future to alter this pattern.

A significant trend emerging from the above factors is the merger of work and family life. Dr. Stanley Nollen of Georgetown University's School of Business Administration states that "no longer can work and family life be treated as separate entities." He cites a 1977 survey of workers that indicated that 25 percent of their problems involved conflict between work and family, as compared with only one percent cited in a 1969 survey. According to Nollen, "The new worker is bringing a new set of concerns to the workplace that may highlight tension between work and family." As a result, corporations may no longer be insulated from these problems.

The Department of Labor reports that women between the ages of 18–64 represent 67 percent of the full-time labor force in the United States. Of the 67 percent cited, 60 percent are in their prime middle years, ages 25–54, and for women college graduates in the same category, the total number is over 70 percent. Married women with children under the age of six represent 47 percent of the current labor force, as compared with 32 percent in 1970.

True, the number of children in the United States has been declining due to falling birth rates, but current statistics indicate that the number of children with working mothers is increasing rapidly. There are 7.5 million children under the age of six with mothers in the labor force and, by 1990, there will be an estimated 10.4 million children under age six with working mothers. In addition, studies substantiate what the administration at Fox Chase cited: As more women enter the workplace, the availability of informal child care arrangements, such as dependence on neighbors, relatives, or friends, will be greatly reduced.

Encouraging company response

Not only at Fox Chase Medical Center, but nationwide, many employers have responded enthusiastically to contemporary lifestyles. These employers have been resourceful and creative in meeting changing needs of individuals and families. A growing number of major

corporations have implemented programs for employees' children that may help reduce potential conflict between work and family, thereby creating more satisfied, productive employees.

In the last decade, nearly the same number of employer-sponsored child care centers were established as in the 20 years preceding. A survey conducted by the Child Care Alliance indicated that most centers are located on-site, either within the institution itself or on the grounds. Care is available for children ranging from infants to school age, and hours of operation correspond with the needs of employees.

Companies such as Zale Corporation in Dallas, Texas; Neuville-Mobil Sox in Hickory, North Carolina; Red Rope Industries in Bristol, Pennsylvania; ABT Associates in Cambridge, Massachusetts; Intermedics Inc. in Freeport, Texas; and Corning Glass Works in Corning, New York have established child care facilities within, adjoining, or near to their physical plants. Degree of support, which varies in each of the centers depending on operational design, may range from total subsidization to contribution of expertise, equipment, or operating funds.

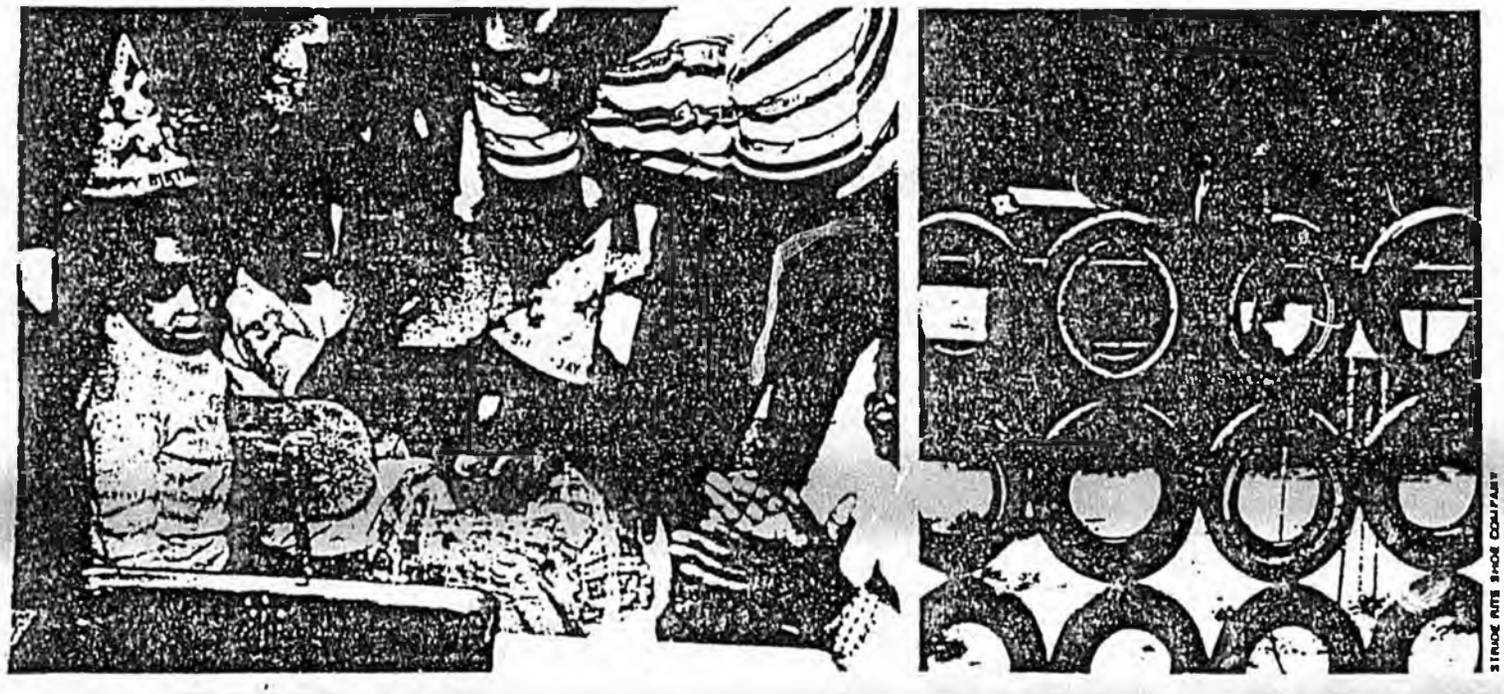
Polaroid Corporation in Cambridge, Massachusetts supports quality child care in a different way, by using an employer voucher system, which subsidizes a percentage of an employee's child care costs at any licensed family day care home or center.

Some companies have expanded their objectives to include the community at large. For example, Stride Rite Shoe Company of Boston opened the Stride Rite Children's Center in 1971 "in response to a growing need among large numbers of Stride Rite employees and the surrounding community." Stride Rite President Arnold Hiatt indicates that Stride Rite's center is working "due in large part to the decisions made at the onset of the program, company sponsorship, parent participation, careful staffing, and outside sources of funding."

The Northside Child Development Center in Minneapolis, like the Fox Chase Center, is a consortium formed by a group of companies to provide child care for company employees and the community. The consortium, including Control Data Corporation, Dayton's Department Store, Farmers and Mechanics Bank, Federal Reserve Bank, Lutheran Brotherhood Insurance Company, Northern States Power Company, Northwestern Bell Telephone Company, and the Pillsbury Company, shares tasks and costs associated with the center.

Funded by the above corporation, monies from Title IVA of the Social Security Act, and the U.S. Department of Agriculture, the

WORK AND FAMILY LIFE MERGE: *Companies are adapting to significant social and economic trends, such as the growing number of working mothers.*



STRIDE RITE SHOE COMPANY

center is a model of business, government, and community cooperation. Control Data's manager of public affairs, Gary Lohn, states, "Our company got involved and stayed involved in the center because of the benefits to the community and employees."

Merck Sharpe and Dohme in West Point, Pennsylvania found that contributing funds to an existing child care center has helped assure their employees priority at the center. However, Merck's Rahway, New Jersey plant is helping employees establish a parent-run child care facility, which will be in a church located a mile from the plant. Merck will donate "seed money" to cover renovation and other start-up costs and help the program become self-sustaining. In another approach, Illinois Bell Telephone hired personnel to assist employees in finding adequate child care services.

Unions, such as Amalgamated Clothing Workers of America (A.C.W.A.), are involved in the care of employees' children. Currently, A.C.W.A. child care centers in Virginia, Maryland, Pennsylvania, and Illinois are supported by a percentage of total gross payroll of area clothing manufacturers. Monies are paid to a joint health and welfare fund, and administered by seven representatives from labor and seven from management. The plan has worked successfully to date, and cares for more children than any other private American organization. All union members are eligible, and the large number of children served in the center indicates that many A.C.W.A. members enjoy the benefits of the program.

Planning: A priority

Obviously, there is no one best way for employers and employees to share in a partnership to support child care. The program model selected will certainly influence both start up and operating costs of a program. Employers are well-versed in the importance of careful planning before embarking on a new venture. Planning for employer support of child care requires the same consideration:

- Learn what the models are for employer-support of child care.

- Establish a task force, which should include management, labor representatives, knowledgeable employees/parents, and persons with skill in personnel, law, and public relations.
- Assess needs to determine suitability of a child care program and encourage feedback from interested employees. Needs assessment must elicit accurate information; it is crucial that needs assessments be designed for the specific population.
- Communicate results of needs assessment to employees through memos, posters, and group meetings. (This is the employer's chance to state clearly the institution's position. If communication is assumed rather than on-going, a well-intended program for child care may be doomed before it starts.)
- Evaluate existing community services.
- Support a particular model for child care at the work place, based on highest quality, best tax and financial advantage to those concerned, and least liability for the major contributor.
- Consider hiring an outside consultant to help analyze costs; assist in site selection; develop the program; store information concerning child care philosophy, goals, objectives, policy, and procedures; and evaluate the total proposed program. Consulting services may be cost effective, if those involved are not thoroughly familiar with child care programs.
- Evaluate the effectiveness of the planning process in establishing the program.

For the employer committed to the concept of quality child care at the work place, the accompanying list itemizes both start up and operating costs, as listed by the U.S. Department of Labor in a 1980 report. These items vary, depending on size, location, and decisions about type of program to be implemented.

STRIDE RITE SHOE COMPANY

NEW OPPORTUNITY TO SHARE: *Work-site day care enables parents and children to have lunch together, another way in which family relationships can be strengthened.*

Investment by employers may not be readily measurable in terms of the bottom line, but real benefits of child care to all involved may far outweigh expenditures.

At the employer–employee level, for example, operation of a child care unit helps reduce absenteeism, tardiness, and turnover; while serving to retain valuable employees, it also helps attract new applicants. It demonstrates that company management shares basic concerns of the workers, thus contributing to overall improvement in company–employee relations. In the community, the center is a highly visible charitable contribution and thus a plus for corporate public relations.

Parents (employees) are likely to adopt more positive attitudes toward their jobs; worries about separation from their children are eased by the center's proximity. The parent is available in case of an emergency, giving a better sense of security to the parents and the child.

Family relationships therefore benefit in a variety of ways. The child's day is more structured, and opportunities for child growth and development are improved.

Support of child care presents a challenge for the future. Solutions to meet the demands of contemporary lifestyles will not come easily. However, improving the quality of family and work life is necessary to keep pace with a changing workforce in a changing world. Amory Houghton, Jr., chairman of the board of Corning Glass Works noted, "We (at Corning) provide a working environment that is supportive for men and women. The Corning Children's Center helps provide that essential to all family life—the best possible care for children." •

MANAGEMENT REVIEW The magazine for motivated managers

American Association of University Women
Alaska State Division

Susan R. Clark, State Legislative Chair
1109 C Street, Juneau, Alaska 99801

May 1983

AAUW supports Senate Bill 247 which would include in the architectural plans of major state buildings the space for a child care center for employees, students and other parents who work in the vicinity.

Our society is at a point where economic conditions are forcing parents in greater and greater numbers to seek employment. Only 7 years ago for the first time nationally more women with children were employed than were working at home (a rise from 18% to 54% over the last thirty years). Now in Alaska almost 50% of all women with preschool children are employed. Women seek meaningful employment for the same reasons men do - but of economic necessity and out of a need to lead contributing, independent and challenging lives. Now that we have begun, in Alaska at least, to outlaw discrimination against women in education and employment, women have increased opportunity and are taking that opportunity to pursue professional goals - goals that must of necessity for many include less time spent exclusively parenting. Women who do choose parenting also realize that raising children usually occupies but one-third of their adult life, and that they must prepare themselves at least educationally for the economic security of that other two-thirds.

In addition to an increase in the need for two-parent incomes, we have a high percentage of single parents whose lack of alternatives for child care while they are earning a living or studying to earn one is often acute. I point out these facts to underscore the knowledge that the need for day care for infants, preschoolers, and before and after school is now a fact of life in our society as a whole and even more so in Alaska where almost one-half of all our families have pre-schoolers. But even though more parents are working outside the home, satisfactory child care arrangements are something to be envied, and in no way taken for granted. Given our need and self-interest as citizens to assure that the next generation is adequately nurtured as well as educated, we must as citizens concern ourselves with the availability of affordable, reliable, accessible quality child care for parents who must also earn a living.

The issues in the excellent proposal before you are 1) the quality of child care while parents are employed, and 2) support of families as they assume their responsibility in raising their children. That a benefit also exists to an employer in terms of lower absenteeism and reduced employee turnover, is but delightful fallout to the basic issues of quality child care in and outside the family.

On-site child care speaks to all of these issues. Picture the average employed family with young children. Depending on where parents can find a vacancy in adequate preschool care that they can afford; depending on the number of children in the family needing different kinds of care (a school child, for example, usually must receive care near the school); depending on the location of

each parent's job, the severity of rush hour traffic, and whether all this scheduling and transportation must be done in a single family car or even on public transportation, then the resulting daily logistics can easily add one hour or more to each end of the 8 hour day. For a pre-school child whose waking day is normally 12 hours, the result is the limitation of possible child-parent interaction to two hours that are traditionally ones where both parent and child are tired, hungry and rushed. Latest figures show that the average parent spends but 17 minutes a day actually interacting with his or her child - 14 minutes of which are spent in directing the child to do something. Fathers generally spend more time shaving than they do with their children!

On-site child care reduces drastically the transportation logistics giving parents the maximum time with their child before and after work, but also adds an important additional factor - parents whose children are accessible to their place of employment are provided with the important option of 1) spending additional time with their child during scheduled breaks in the work day or at lunch, and 2) being able to observe first hand and at various times during the day the adequacy or quality of the care program. For too many parents, the only knowledge they really have of their children's day care situation is what they see through the front door at drop-off and pick-up time, and given the lack of options many parents have, many just trust to luck that the arrangement is satisfactory.

These two points (time with the child and observation of the program), however, not only benefit the parent-child interaction, but also help at the same time to raise the quality of the program in general. Studies have conclusively proven that high parental involvement in any child-care program produces the highest quality of care. Not only do parents using on-site care know more fully what their chidren are doing during the day thereby exerting more control, but through visitation they also help to increase the staff-child ratio during parts of the day, which thus increases the amount of individual attention each child can receive.

Benefits to the employer or school result not only from parents' increased peace of mind, but from the consequent stable child care situation. Parents relying on sitters find that even the most reliable ones have sick days or other commitments and the turnover of family day care home providers is startlingly high. A substantial number of work days are consumed not in caring for a sick child, but in providing care when the regular provider can not or when that person abruptly seeks other employment or respite.

A national trend toward on-site or adjacent child care has begun. President Reagan even highlighted the need in his State of the Union message this year. Over the last decade the IRS has permitted businesses to deduct the expenses of providing a child care facility, but too few businesses have taken advantage of that provision which may have expired in 1982(and needs to be reinstated). One intent of this proposed legislation is to enable the state to take a leadership role in on-site child care, incouraging private employers to follow suit.

AAUW strongly supports this bill and urges prompt action

National Association
for the Education
of Young Children-
Southeast Alaska

My name is Lynn McKinnon. My husband and I are life-long Alaskans, Juneau residents for three and one-half years and the parents of two boys. I am a member of the Alaskan Association for the Education of Young Children and the volunteer legislative advocate for the Association. I am also the fund-raising chairperson of Capital School and Membership Vice-President for the Juneau Co-operative Preschool.

I am here today to urge you to support Senate Bill 247. I will tell you why I became involved, the steps that took place before this proposal became a bill and what the benefits are for on-site child care.

Quality child care means that children are in a life-safe developmentally healthy environment with caring, competent care-givers. I would like to share with you a quote from a report entitled "Child Welfare: Day Care of Children" by Theresa Lansburgh.

> "The fundamental issue in day care is how optimal nurturance of today's children can be provided at a time when both the American family and the society are undergoing vast changes.... This country primarily helps "damaged" children and broken families by providing for foster care or institutionalization. The cost of this policy -- social, financially, and in human terms -- is great. The early nurturance provided children can prevent much of the later trauma, dislocation, and disruption. Since children represent the future of the country, this policy also affects the quality of national life and the country's character and ability to meet the tests of leadership, purpose, and threats to survival. Too many children are now growing up without the opportunity to develop into contributing members of society. High-quality day care services can be an important resource for families and for enriching the development of children during their crucial formative years."

In January I read in the Empire that Governor Sheffield announced plans for new buildings to house state agencies.

National Association
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Southeast Alaska

It occurred to me that plans for child care facilities for the children of those employed ought to be included in those plans. I had read several articles about successful corporate on-site child care facilities and the advantages for employers as well as parents and children. I then discovered that bills proposing this idea had been introduced in past legislatures, but had not received the attention they deserved.

With the help of a number of people, successive meetings were held to discuss a freshly written proposal. At these meetings all who would eventually be involved should this legislation become law were able to critique and offer suggestions. Participants included representatives from the Departments of Administration, Community and Regional Affairs, Health and Social Services, Education, and Transportation as well as representatives from the Child Care Coalition. The bill was revised to better reflect the concerns expressed by each of these representatives. I feel strongly that because of the work done in advance by all the people involved that this legislation has an excellent chance of being implemented smoothly. I will volunteer any assistance necessary to help in the implementation of this legislation.

A recent status report on child care in Alaska pointed out, among other needs that:

1) Alaska has a greater than average need for child care services.

2) Day care is a sound investment for the State, at least in helping the disadvantaged. Day Care Assistance can reduce welfare and the need for other social programs. Young children reap long term benefits from quality programs.

On-site child care facilities would have many advantages to the State which would include:

1) Reduced costs due to improved ability to recruit highly skilled workers. An on-site child care facility would draw many professional people to the pool of available personnel.

2) Reduced turnover and improved retention of employees. The child care facility would enable well-trained staff members, particularly professional women, to remain on the staff.

3) More effective training. By retaining existing staff the State would build on prior training and improve the value of staff.

4) Happier employees who would likely be more productive employees.

Advantages for parents and children include:

1) Relief from the anxiety of separation during the workday. Parents' accessibility to the child and availability in case of emergency helps relieve this concern and contributes to peace of mind.

2) The convenience of on-site care reduces the inherent stress from scheduling problems and leaves more time for the relationship between parent and child.

3) Nearness to the workplace allows for more time during lunch for parent and child to be together.

4) Studies have shown that the greater the parent involvement the higher the quality of the child care. A center near the workplace would increase parental involvement.

5) Women could return to employment from maternity leave sooner, and if they chose, could continue to nurse their babies.

The structure and lifestyle of the Alaskan family has changed dramatically, economic necessity dictating that many women have passed the point where they have a choice about entering or continuing in the labor force. This legislation would affect all Alaskans by demonstrating a continued commitment from the State in supporting families, and the enrichment of social, physical and intellectual experiences for children. Yes, it will cost the State money initially for the space to be included in building plans. I would like to quote an article about the on-site child care facility at the Fox-Chase Medical Center in Philadelphia regarding cost-effectiveness:

> "Retirement programs can cost from 8% to 10% of total direct payroll, and basic family dental plans will generally range from 1% to 1.5% of the same payroll base. In contrast, the child care program at Fox-Chase is expected to draw .5% of direct payroll in the first year operating costs, plus approximately .3% of payroll for initial seed money. If this program significantly decreases turnover,

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of Young Children-
Southeast Alaska

increases retention and increases effectiveness of training, then the cost-benefit ratio would be great indeed."

Senate Bill 247 allows only for space to be provided for the facility. The expense of operating the facility would primarily be born by the private provider contracting for the service.

I question whether we can afford not to implement this valuable program, and will close with another quote by Arnold Hiatt, president of the Stride Rite Center on corporate premises:

"All of today's delinquents were three and four year olds a short time ago. Efforts to train hard-core unemployables have been largely futile. Our tax dollars provide merely custodial care. The cost of teaching a child to sing, to grow and to trust peers and adults in a positive environment is small in comparison."

Children are our most important renewable resource. The relationship between the workplace and child care has great significance to fostering optimal nurturance in the family.

Lynn McKinnon
502 West 10th
Juneau, Alaska 99801

BILL SHEFFIELD
GOVERNOR

PHONE
(907) 561-4227

STATE OF ALASKA
OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

Written Testimony Submitted on SB 247

The Alaska Women's Commission supports SB 247, the creation of privately run child care centers in state buildings. According to 1980 census data, 56% of all Alaskan women with children are working, and 47% of all Alaskan women with children under the age of six are working. The State of Alaska has the opportunity to assure that quality day care is provided for at least some of these children by providing day care in state buildings.

Although the role of an employer in providing a site for day care is a relatively new one, studies have shown that the benefits to the employer are as significant as the benefits to the employee. The benefits to the employee are obvious--greater peace of mind and less stress, reduction in complicated schedules in picking up and dropping off children, and more time spent with children.

But employers providing child care assistance find that there are also benefits to their business. The National Employer Supported Child Care Project completed a survey in 1982 of employers providing some type of child care programs to their employees. Of the 179 employers responding, the following were highlighted as major benefits gained by offering child care services:

1. Reduced turnover. Nearly 2/3 of the respondents attributed some reduction in employee turnover to their child care program.

2. Reduced absenteeism. More than half reported reduced absenteeism.

3. Recruitment. More than 80% reported gains in recruitment.

4. Productivity. About half indicated that offering child care services had a positive influence on productivity.

Additional benefits reported by employers were in the areas of morale, scheduling flexibility, reduced tardiness, need for less overtime, less use of temporary help, as well as in the areas of equal employment opportunity and affirmative action.

VIRTUALLY NO COMPANY SURVEYED REPORTED ADVERSE EFFECTS.

One company, Intermedics, reported that turnover decreased 60% in the first 2 years after they opened an on-site center, and there was a 15,000 hour decrease in absenteeism.

What the State would be doing in allowing a site for day care is similar to what it now does in allowing a space for a food concessionaire. In each instance, private enterprise is providing a service at little or no cost to the State.

The State of Alaska has a unique opportunity to set an example to other private employers in the state in assuring that quality day care is porvided as conveniently as possible. Therefore, the Alaska Women's Commission respectfully requests passage of SB 247.

Submitted by Betty Ramage, Commissioner, Alaska Women's Commission
February 28, 1984

TESTIMONY OF SENATOR BETTYE FAHRENKAMP
BEFORE THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE
ON SENATE BILL 247

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I WANT TO THANK YOU FOR PROVIDING ME WITH THIS OPPORTUNITY TO SPEAK IN SUPPORT OF SB 247. I AM JOINED IN MY SUPPORT BY THE DEPARTMENTS OF ADMINISTRATION, COMMUNITY AND REGIONAL AFFAIRS, AND HEALTH AND SOCIAL SERVICES AND MANY OF OUR COLLEAGUES.

THIS LEGISLATION CONTINUES TO EXPRESS THE STATE'S COMMITMENT TO THE CHILDREN AND PARENTS OF OUR STATE. IT ACKNOWLEDGES AND ACCEPTS THE EVOLVING ROLES OF WOMEN IN THE WORK PLACE AS EQUAL PARTNERS TO THEIR MALE COUNTERPARTS. ACCORDING TO THE OFFICE OF INSTITUTIONAL RESEARCH AT ANCHORAGE COMMUNITY COLLEGE, THERE WERE RECENTLY 14,815 WOMEN IN ALASKA OVER THE AGE OF 16 IN THE WORK FORCE, WITH CHILDREN UNDER THE AGE OF SIX. 47.4 PERCENT OF ALL MOTHERS IN ALASKA ARE IN THE WORK FORCE.

RECENTLY, THE U.S. CENSUS BUREAU RANKED ALASKA SECOND IN THE NATION IN NEW BIRTHS WITH 22.5 BIRTHS PER 1,000 PEOPLE PER YEAR, WITH THE NATIONAL AVERAGE AT 15.6.

ACCORDING TO A JANUARY SENATE ADVISORY COUNCIL REPORT PREPARED BY FRANK SEUFFERT, 22 OF 36 CHILD CARE CENTERS RESPONDING TO HIS SURVEY INDICATED THAT THEY HAD WAITING LISTS WITH AN AVERAGE NUMBER OF ABOUT 20 CHILDREN AND AN AVERAGE WAIT OF 3 MONTHS.

THE ANCHORAGE DAILY NEWS CARRIED AN ARTICLE REGARDING ON-SITE CHILD CARE RECENTLY. IN THE ARTICLE LARRY SNYDER, DIRECTOR OF PERSONNEL AT NERLANDS FURNITURE STORE, INDICATED THAT AS A RESULT OF THEIR ON-SITE PROGRAM "MANAGEMENT AND SUPERVISORS HAVE A MUCH BETTER LEVEL OF UNDERSTANDING OF THE ADDITIONAL RESPONSIBILITIES THIS EMPLOYEE HAS TAKEN ON." HE FURTHER NOTED THAT IN ALASKA "THERE

THE COMMITTEE SHOULD HAVE FISCAL NOTES AND POSITION PAPERS FROM THE DEPARTMENTS OF COMMUNITY AND REGIONAL AFFAIRS AND HEALTH AND SOCIAL SERVICES. THE FISCAL IMPACT IS ZERO AND BOTH DEPARTMENTS SUPPORT THE LEGISLATION.

I'VE ALSO ENCLOSED A SENATE ADVISORY COUNCIL REPORT WHICH DETAILS THE NEED AND THE RATIONALE FOR THE ADOPTION OF THIS LEGISLATION.

MR. CHAIRMAN, I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU OR THE OTHER MEMBERS OF THE COMMITTEE HAVE AT THIS TIME. THANK YOU.

IS NOT TYPICALLY A BROAD FAMILY SUPPORT SYSTEM HERE FOR THE YOUNG FAMILY, SO THE SUPPORT THEIR FELLOW EMPLOYEES GIVE, AS THEY TAKE THIS BIG STEP INTO PAPENTHOOD, BECOMES IMPORTANT AND A POSITIVE INFLUENCE." HE INDICATED THAT THIS OVERALL POSITIVE FEELING AT THE WORKPLACE WAS HAVING A VERY GOOD EFFECT ON THEIR BUSINESS.

ACCORDING TO IED KESSEL, DIRECTOR OF THE CENTER FOR EDUCATIONAL DEVELOPMENT AT PROVIDENCE HOSPITAL, THE HOSPITAL PLANS TO OPEN A QUALITY DAY CARE CENTER BY MAY 1, 1984. THE CENTER WILL OPERATE 24 HOURS A DAY, 7 DAYS A WEEK. THE CENTER WAS A DIRECT RESPONSE TO A NEEDS ASSESSMENT SURVEY OF THE HOSPITAL'S EMPLOYEES. WERNER TRAVEL, INC., IN ANCHORAGE PROVIDES ON PREMISES DAY CARE FOR THEIR 15 EMPLOYEES.

MR. CHAIRMAN, I MAKE THESE STATISTICAL POINTS AND REFERENCES TO ON-SITE FACILITIES BECAUSE I WANT TO REINFORCE OUR INTENT WHICH IS TO ACT AS A MODEL FOR PRIVATE INDUSTRY; TO PERPETUATE AND SUPPORT QUALITY CHILD CARE AND FOSTER MORE SATISFIED AND PRODUCTIVE EMPLOYEES AND STUDENTS.

NO ONE CAN ARGUE AGAINST ENCOURAGING QUALITY CHILD CARE AND FAMILY SERVICE WHICH CONTRIBUTES TO GREATER WORKER PRODUCTIVITY AND BENEFITS CHILDREN, PARENTS AND INDUSTRY OR, IN THIS CASE, GOVERNMENT.

SPECIFICALLY, IF ENACTED THIS BILL WOULD BECOME A PLANNING TOOL FOR ENSURING THAT AS WE BUILD NEW STATE FACILITIES WE INCLUDE SPACE WHICH WILL BE CONTRACTED OUT TO PRIVATE, LICENSED CHILD CARE PROVIDERS TO OPERATE CHILD CARE FACILITIES WHOSE SERVICE WILL BE PAID FOR BY THOSE PARENTS CHOOSING TO USE THE FACILITY. THERE IS NO INTENT TO SUBSIDIZE CHILD CARE TO STATE WORKERS OR ANYONE ELSE. THE PROVIDER WOULD PAY RENT ON THE SPACE AT A RATE SIMILAR TO THAT BEING PAID BY OTHER PROVIDERS IN THEIR AREA AND THE FACILITY WOULD NOT BE LIMITED TO USE BY STATE EMPLOYEES.

FILE APR25 '84

April 23, 1984

Dear Senators and Representatives:

It has come to our attention that(Rules) CSSB 247 sponsored by Fahrenkamp, V. Fischer, is due to come on the floor for vote soon.

Please DO NOT PASS This bill for the following reasons:

1. It is a step in the wrong direction: We see this bill as encouraging parents to go to work and abrogate their responsibilities. A state should encourage families to stay together, raise their children with their own set of standards and beliefs, give them their own love and understanding, and struggle together as a family.

2. Thus, it is not in the public interest to make life so easy for everyone, that no one has to endure those struggles that make for strong individual and collective character, even if one is a single-parent.

3. It is not in the public interest to create public buildings of such expense, to furtheer the burden on the taxpayer for collective costs in child raising.

4. It is not in the public interest to teach that licensed day care is quality day care. Licensing, through the years, has proven to be as valuable as the price of the paper on which the license is written. Licensing guarantees nothing and encourages false assumptions. The private, individual baby-sitter and the church-run nurseries are the most responsive to that person's needs, due to the individual one-to-oneness of the former, and the consensus of belief of the latter.

5. It is not in the public interest to put undue strain on private enterprise, as again the state puts itself in further competition with it. Already, workers prefer state hire, due to higher benefits, salaries, etc. Now, to have the state put pressure on that sector to supply expensive, licensed day care in their buildings, is an affront to them on the part of the state.

6. It is not in the public interest for the state to use taxpayer monies to provide facilities in competition with the private provider. Churches have already stepped into the gap to provide quality, loving day care to the worker. Most of them are not licensed, yet the quality of their care is unquestioned. This this bill would impact both servicers.

7. It would be an easy answer to support this bill. It looks and sounds as if it could be good. But ease and convenience has never been the answer to development of strong character, not to the encouragement of strong families, the backbone of America

Thank you for voting NO on CSSB 247
Sincerely,

Sue Miller

Sue Miller
President,

EAGLE FORUM
P. O. BOX 376
DOUGLAS, AK 99821

April 25, 1984

¥FN¥ ƒIf Not Empty,MIƒ¥MI¥ ƒEnd Ifƒ¥LN¥
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Dear ¥Salutation¥:

Thank you for expressing your support for Senate Bill 247 regarding Day Care Facilities in Public Buildings.

Like yourself, I believe that the availability of convenient, quality day care facilities would be a great advantage to working parents. With the number of families, with two working parents increasing, the demand for day care services will continue to grow. To ensure an adequate supply of quality facilities, it may be best for the state to play a more active role in their construction.

SB 247 has passed Senate Rules and is currently waiting to be put on the Senate calendar. I can assure you that I will keep your comments in mind when SB 247 comes before the House.

¥Salutation¥, thanks again for your support and for contacting my office.

Sincerely,

Michael W. Miller
Representative
District 18

4-20-84
(Date)

APR25 '84

Representative Mike W. Miller
Pouch V, Capitol Bldg. Room 104
Juneau, Alaska 99811

RE: Senate Bill 247

Dear Mike Miller:

I am a concerned student attending the University of Alaska in Fairbanks. I have become aware of the problem regarding the limited availability of child care here on campus. I am aware that there is a small facility for child care at this time, but according to studies I have seen, it is not large enough to meet the present need.

I understand that Senate Bill 247, which is an act that would provide for the creation of privately run child care centers in state buildings, is presently in the Senate Rules Committee and I encourage you to support this bill when it reaches the House of Representatives.

Sincerely,

Marilyn Dowding

Po. Box 56721
North Pole, AK
99705

4-23-84
(Date)

APR25 '84

Representative Mike W. Miller
Pouch V, Capitol Bldg. Room 104
Juneau, Alaska 99811

RE: Senate Bill 247

Dear Mike Miller:

I am a concerned student attending the University of Alaska in Fairbanks. I have become aware of the problem regarding the limited availability of child care here on campus. I am aware that there is a small facility for child care at this time, but according to studies I have seen, it is not large enough to meet the present need.

I understand that Senate Bill 247, which is an act that would provide for the creation of privately run child care centers in state buildings, is presently in the Senate Rules Committee and I encourage you to support this bill when it reaches the House of Representatives.

Sincerely,

Joanne McKenney

P.O. Box 1035
FBKS, Ak.
99707

9 ltrs

March 7, 1984

VFNV ≠If Not Empty MI≠VMIV ≠End If≠VLNV
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Dear VSalutationV:

Thank you for expressing your support for Senate Bill 247 regarding Day Care Facilities in Public Buildings.

Like yourself, I believe that the availability of convenient, quality day care facilities would be a great advantage to working parents. With the number of families with two working parents increasing, the demand for day care services will continue to grow. To ensure an adequate supply of quality facilities, it may be best for the state to play a more active role in their construction.

Since SB 247 has not cleared the Senate and passed to the House, I have not studied its provisions in depth. The bill is currently in the Senate Finance Committee and is not scheduled to be heard in the near future. I can assure you that I will keep your comments in mind if SB 247 comes before the House.

VSalutationV, thanks again for your support and for contacting my office.

Sincerely,

Michael W. Miller
Representative

MSG 84-00016429 PRTY 1 02/22/84 16:15:04 ORIG: LF00 IN= 0011 OUT= 0097
FROM: LIZ/FBX TO: JNU/INFO
TARGET: LJHK SUBJ: FOM 15

TO: SENS' BENNETT, SACKETT, FERGUSON, V. FISCHER, MULCAHY, FAIKS
JOSEPHSON, FAHRENKAMP, AND MOSS

REPS' DAVIS, BETTISWORTH, KOPONEN, RINGSTAD AND M.W. MILLER

check spelling
Last name
#157
against #135 list

FR: MARY ANN BORCHERT
ASSOC. FOR WOMEN IN SCIENCE
ALASKA CHAPTER
GEOPHYS INSTITUTE
FAIRBANKS, ALASKA 99701
(H) 479-2087 (W) 474-7613

FEB23 '84

RE: SB 247 DAY CARE CENTERS

MSG: AS PRESIDENT OF THE ALASKA CHAPTER OF THE ASSOC. FOR WOMEN IN SCIENCE , I BELIEVE I SPEAK FOR ALL OUR MEMBERS IN THE STATE WHEN I ASK YOU TO PLEASE SUPPORT SB 247. WORKING WOMEN/MEN NEED DAY CARE CENTERS AND THE STATE SHOULD TAKE THE LEAD IN PROVIDING SPACE.

----------EOM

MSG 84-00016436 PRTY 1 02/22/84 16:21:01 ORIG: LF00 IN= 0012 OUT= 0101
FROM: LIZ/FBX TO: JNU/ONFO
TARGET: LJHK SUBJ: POMS 15

TO: SENS' BENNETT, SACKETT, FERGUSON, V. FISCHER, MULCAHY, FAIKS, JOSEPHSON, FAHRENKAMP AND MOSS
REPS' DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER

FR: JADWIGA KASPRZAK
158 HAMILTON WAY
FAIRBANKS 99701
(H) 479-3321 (W) 474-7613

FEB23 '84

RE: SB 247 - DAY CARE

MSG: PLEASE SUPPORT SB 247 NOW UNDER CONSIDERATION - WORKING PEOPLE, WOMEN AND MEN NEED GOOD AND CONVENIENT DAY CARE FACILITIES FOR THEIR SMALL CHILDREN.

----------EOM

MSG 01-00019241 PRTY 1 02/27/01 17:04.06 ORIG. LF02 IN= 0007 OUT= 0172
FROM: PAULA/FK3 TO: JNU INFO
TARGET: LJUK SUBJ: POM 15

TO: SEN FINANCE
SENS BENNETT, SACKETT, FERGUSON, V. FISCHER, MULCAHY, FAIKS, JOSEPHSON

ALSO REPS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
SENS FAHRENKAMP & MOSS

FROM: JACQUELINE LAPERRIERE
P.O. BOX 81547
FAIRBANKS, AK, 99708

RE: SB 247, CHILD CARE CENTERS

MSG: I SUPPORT SB 247 TO PROVIDE DAY CARE CENTER SPACE FOR PUBLIC BUILDINGS. FOR EMPLOYEES AND CLIENTS.

----------EOM

MSG 84-00013778 PRTY 1 02/15/84 08:52:14 ORIG: LF21 IN= 0001 OUT= 0019
FROM: MAXINE/FBX TO: JUNO INFO
TARGET: LJHK SUBJ: POM 10

FEB16 '84

TO: SEN'S BENNETT, SACKETT, FERGUSON, V. FISCHER, MULCAHY FAIKS
SEN'S JOSEPHSON & SEN. FAHRENKAMP, SEN. MOSS

& REP'S BETTISWORTH, DAVIS, KOPONEN, RINGSTAD, MW MILLER

FR: LAUREL MC LAUGHLIN, BOX 19, FBX 99707 W) 474-7700 H) 452-5234

RE: SB247 DAYCARE FACILITY

MSG: I STRONGLY RECOMMEND THAT DAY CARE FACILITIES BE PROVIDED IN NEW PUBLIC BUILDINGS. FACILITIES WOULD BE OPERATED BY PRIVATE CONTRACTORS. THE EASY ACCESS WOULD BE A GREAT ADVANTAGE TO WORKING PARENTS FOR WHAT I BELIEVE TO BE OBVIOUS REASONS, WHICH I'LL BE GLAD TO ENUMERATE IF YOU NEED THEM.

SB 247

INTRODUCED: 4/8/83
CURRENTLY: S. FINANCE SINCE 5/16/83

ORIGINAL SPONSOR: FAHRENKAMP

CO-SPONSORS

MSG 84-00015788 PRTY 1 02/21/84 14:37:39 ORIG: LF00 IN= 0010 OUT= 0105
FROM: PAULA/FKS TO: JNU INFO
TARGET: LJHK SUBJ: POM

TO: REPS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
& SENS BENNETT, FAHRENKAMP, MOSS

ALSO: SENATE FINANCE
SENS BENNETT, SACKETT, FERGUSON, V. FISCHER, MULCAHY, FAIKS, JOSEPHSON

FEB 22 '84

FROM: JOANNA ROTH
INSTITUTE OF MARINE SCIENCE
UNIVERSITY OF ALASKA
FAIRBANKS, AK, 99701
474-7636-W

RE: SB 247, CHILD CARE FACILITIES IN STATE BUILDINGS

MSG: I SUPPORT RAPID PASSAGE OF SB 247. IF WOMEN ARE EVER TO GAIN A RIGHTFUL PLACE IN THE WORKFORCE, ADEQUATE CHILD CARE MUST BE AVAILABLE. HOPEFULLY, THE STATE WILL PROVIDE AN EXAMPLE FOR PRIVATE FIRMS THROUGH THIS BILL.

----------EOM

SB 247

C (S) FIN 5/10/83

SCHEDULED TO BE HEARD IN (S) FIN ON 3/03

MSG 84-00019710 PRT: 1 02/01/84 11:53:25 OPR: LF00 IN#: 2004 OUT: 7146
FROM: PAULA/FKS TO: JNU INFO
TARGET: LJNK SUBJ: FSM

TO: REPS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
SENS BENNETT, FAHRENKAMP, MOSS

FROM: LAURI SANDERS
409 CRAIG
FAIRBANKS, AK, 99701
474-6907-W

MAR 2 '84

RE: SB 247, CHILD CARE CENTERS

MSG: I SUPPORT SB 247 THAT WOULD ALLOCATE SPACE FOR CHILD CARE IN PUBLIC STATE BUILDINGS. I STRONGLY URGE YOUR SUPPORT OF THIS BILL.

-EOM

SENATE FINANCE
SENS BENNETT, SACKETT, FERGUSON, V. FISCHER, MULCAHY, FAIRS, JOSEPHSON

ALSO: REPS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
& SENS BENNETT, FAHRENKAMP & MOSS

FROM: MEREDITH TALLAS
INSTITUTE OF ARCTIC BIOLOGY
UNIVERSITY OF ALASKA
FAIRBANKS, AK, 99701
479-3593-H 474-7164-W

(?) wait until tomorrow

FEB 28 '84

RE: SB 247, DAY CARE FACILITIES

MSG 84-00015880 PRTY 1 02/21/84 16:26:52 ORIG: LF01 IN= 0009 OUT= 0133
FROM: ANNIE IN FAIRBANKS TO: JUNEAU INFO.
TARGET: LJHK SUBJ: POM 15

TO: SENATE FINANCE: SENATORS BENNETT, SACKETT, FERGUSON, V.FISCHER, MULCAHY, FAIKS, JOSEPHSON, AND MOSS AND FAHRENKAMP

AND REPRESENTATIVES BETTISWORTH, DAVIS, KOPONEN, M.W.MILLER, AND RINGSTAD

FROM: VALERIE THERRIEN
779 8TH AVE.
FAIRBANKS 99701
452-6194

FEB24 '84

RE: SB247 DAY CARE

I URGE YOUR SUPPORT OF SB 247 ON THURSDAY MORNING AND HOPE YOU WILL VOTE TO MOVE IT OUT OF COMMITTEE. DAY CARE FACILITIES WHERE NEED IS DEMONSTRATED AND NEW BUILDINGS WOULD HELP ALL PEOPLE IN FAIRBANKS. DAY CARE SERVICES ARE STRETCHED TO THE LIMIT AT THE PRESENT TIME AND THE LEGISLATORS' SUPPORT IS NEEDED.

****

SB
260

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 29, 1983

POSITION PAPER

RE: SB 260

SPONSOR: Senate Community & Regional Affairs

Program Effects of Bill:

Theoretically, there should be no program effects from the passage of this legislation. Since this bill is simply a clarification of 43 U.S.C. 1601,1620(d), any impact felt would necessarily be the result of the original federal language.

History:

In December 1971, Congress adopted the Alaska Native Claims Settlement Act (ANCSA). In December of 1980, the Alaska National Interest Lands Conservation Act (ANILCA) was passed into federal law amending certain sections of ANCSA.

Section 21(d) of the amended act provided for a property tax moratorium on ANCSA lands for a period of twenty years, subject to certain provisions within the act. That section reads as follows:

TAX MORATORIUM EXTENSION

Sec. 904. Subsection (d) of Section 21 of the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, 1620(d)), is amended to read:

"(d)(1) Real property interests conveyed, pursuant to this Act, to a Native individual, Native Group, Village or Regional Corporation or corporation established pursuant to section 14 (h)(3) which are not developed or leased to third parties or which are used solely for the purposes of exploration shall be exempt from State and local real property taxes for a period of twenty years from the vesting of title pursuant to the Alaska National Interest Lands Conservation Act or the date of issuance of an interim conveyance or patent, whichever is earlier, of those interests to such individual, group, or corporation: Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon any portion of such interest within the jurisdiction of any governmental unit under the laws of the State which

is leased or developed for purposes other than exploration for so long as such portion is leased or being developed: Provided further, That easements, rights-of-way, leaseholds, and similar interests in such real property may be taxed in accordance with State or local law. All rents, royalties, profits, and other revenues or proceeds derived from such property interest shall be taxable to the same extent as such revenues and proceed are taxable when received by a non-Native individual or corporation.

"(2) Any real property interest, not developed or leased to third parties, acquired by a Native individual, Native Group, Village or Regional Corporation, or corporation established pursuant to section 14(h)(3) in exchange for real property interests which are exempt from taxation pursuant to paragraph (1) of this subsection shall be deemed to be a property interest conveyed pursuant to this Act and shall be exempt from taxation as if conveyed pursuant to this Act, when such an exchange is made with the Federal Government, the State government, a municipal government, or another Native Corporation, or, if neither party to the exchange receives a cash value greater than 25 per centum of the value of the land exchanged, a private party. In the event that a Native Corporation simultaneously exchanges two or more tracts of land having different periods of tax exemption pursuant to subsection (d), the periods of tax exemption for the exchanged lands received by such Native Corporation shall be determined (A) by calculating the percentage that the acreage of each tract given up bears to the total acreage given up, and (B) by applying such percentages and the related periods of tax exemption to the acreage received in exchange."

A conspicuous lack of definitions for key terms along with certain ambiguities in Sec. 21(d) have caused some interpretation problems for parties impacted by the legislation. ANCSA Corporations have complained of unequal treatment from one taxing jurisdiction to the next, and local assessors have voiced their frustration in attempting to interpret and apply the language. The situation is further complicated by the fact that there is almost no legislative history available for guidance on that section.

Comments:

The language in SB 260 is intended to provide some clarification of the section and to furnish a means for the proper implementation of the moratorium. It has been drafted in an effort to more closely define those terms which have caused problems or created concerns, and in an attempt to provide some equity of application of Sec. 21 (d) statewide.

The Department is in full support of the adoption of language which would accomplish those goals. Unfortunately, the language in the bill has not been completely satisfactory to parties on either side of the issue.

We have been informed by the Alaska Association of Assessing Officers that, at the present time, meetings on this subject between their asoociation and ANCSA community are ongoing. They also informed us that they have reason to be optimistic on the two groups reaching an agreement on language which would resolve their differences on SB 260.

Considering these recent developments, the Department believes it premature to voice concerns or assume an official position at this time. If the Committee desires departmental commentary on any revised language the two groups might develop, we would be pleased to respond.

Mark Lewis, Commissioner

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 260
Title: Exemption from Municipal Prop. Tax
Sponsor: Senate Comm. and Regional Affairs
Requestor: Senate Comm. and Regional Affairs

II. FISCAL DETAIL

Agency Affected: Department of Community and Regional Affairs
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Local Government Assistance Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
	-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 Rainery
Division: Commissioner's Office
Phone: 465-4703
Date: 5/2/83

Approved by Commissioner: Walter Hickel per Richard Rainery
Department: Department of Community and Regional Affairs
Date: 5/2/83

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
Copy to Requestor (if different from Sponsor)

3/8/83

ALASKA ASSOCIATION OF ASSESSING OFFICERS

SENATE BILL NO. 260 (proposed substitute)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to exemption from municipal property

taxation of certain property exempt from taxation from federal law; and providing for 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:

(9) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended.

*Sec. 2. AS 20.53.020 is amended by adding new subsections to read:

(k) For the purpose of determining property exempt under (a)(9) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) unless superseded by applicable federal law:

(1) "developed" means a purposeful modification of the property from its original state that affectuates a condition of productive present use or makes the property marketable for use or development in accordance with local ordinances and state statutes without further subdivision or substantial modification. Developed property, in order to remove the exemption, must be developed for purposes other than exploration and be limited to the smallest practicable tract of the property actually used in the developed state;

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to the portion of the leased tract that is used solely for the purpose of exploration.

(4) If property or an interest in property that is determined not to be exempt under (a)(9) of this section reverts to an undeveloped state, or if the lease is terminated, the exemption shall be granted, subject to the provisions of (a)(9) and (k) of this section

*Sec. 3. AS 209.53.060 is amended by adding a new subsection (c) reading

(c) The assessment of property which has lost its exempt status under 43 U.S.C. 1620(d) because it is developed or leased shall be based on the full and true value of the improvements to the property and of so much of the property and/or natural resource as is used or useful in connection with the improvements.

*Sec. [3]4. This Act takes effect January 1, 1984

NOTE OF INTENTION

Attached is a proposed substitute for Senate Bill 260, which is an act relating to the exemption from municipal property taxation of certain property exempt from taxation under federal law; and providing for an effective date.

The proposal was drafted at a quarterly meeting of the Alaska Association of Assessing Officers held in Soldotna on May 23 and 24, 1983.

It was the opinion of the assessing officers that the original Senate Bill 260 was unfair, as it related to other persons in the State of Alaska who are involved in the subdividing and developing of property. The original bill allowed Native organizations to completely develop a subdivision, including survey, roads and utilities, and still not be obligated to pay local taxes until such time as the property was sold. We realized that it was probably the intent of the federal government in passing the Native Land Claim Settlement Act to allow a moratorium on local taxes so that the Native organizations could get their feet on the ground and not forfeit their property to taxes in the early years. We felt the original Senate Bill 260 allowed the corporations not only to get their feet on the ground, but to remain in a tax exempt status virtually in perpetuity, as far as purposeful modifications to their property are concerned.

Our proposed bill would allow a future subdivision in the state of being developed a tax exemption, but as such time as the subdivision is completed in conformance with the subdivision agreement, it would become taxable. This, in essence, gives the Native organizations developing subdivisions or natural resources a tax free period of time during the development process, but once the development criteria has been met it places the property on the tax roll of local taxing jurisdictions.

The proposal also provides in section 2(k)(1) for the taxation of only a small portion of a a larger tract, if only that portion has been developed. It eliminates taxation as does the original Senate Bill 260 of land being used for exploration. It allows, as did the original bill, for property that has been leased to be taxed, but deletes this property from the tax roll should the lease be terminated. If the lease is terminated, and due to the lease, a portion of the property was developed, that portion would remain taxable to the Native corporation.

Our proposed bill would bestow an additional benefit on the Native corporations over what most of them have at the present time. Most of the assessing jurisdictions within the State begin to assess the property at the time it is surveyed, and continue through the development stage. As mentioned above, the proposed bill by our association would allow the development to take place prior to beginning the assessment procedures.

Should you have any questions concerning our position, please contact the undersigned.

Glenn M. "Pat" McKee, CRA 264-6595
Chairman, Legislative Committee
Alaska Association of Assessing Officers
Pouch 6-650
Anchorage, Alaska 99502

SB 258 (cont'd)

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

Introduced April 15 and referred to Labor & Commerce.

Bd. of Fisheries (membership)

SENATE BILL NO. 259, by Senator V. Fischer. Would require that at least two of the members of Board of Fisheries represent the interest of sportfishers. Amends AS 16.05.221. Does not provide for an effective date (becomes law 90 days after Governor's signature).

Introduced April 15 and referred to Resources.

Native-Owned Lands (munic. property tax exemption)

SENATE BILL NO. 260, by the Community & Regional Affairs Committee. Defines "developed" for purposes the current tax exemption granted under federal law for Native-owned land acquired under the Native Claims Settlement Act (ANCSA) or the Alaska National Interest Lands Conservation Act (ANILCA). Under the federal laws, Native-owned land is exempt from state or municipal taxation unless it is developed or leased. However, the terms are not defined.

Amends AS 29.52.020 (exemptions from municipal property taxation) so that it specifically exempts Native land under the terms of the federal legislation and adds new subsection (k):

"For the purpose of determining property exempt under (a)(9) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) [of the ANCSA] unless superseded by applicable federal law:

"(1) 'developed' means a purposeful modification of the property from its original state that effectuates a condition of gainful or productive present use without further substantial modification; surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the condition described in this paragraph, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;

"(2) 'exploration' means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

"(3) 'lease' means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration."

SB 260 (cont'd)

Provides that if property or an interest in property that is determined not to be exempt under the new definitions reverts to an undeveloped state, or if the lease is terminated, the exemption shall be granted.

Provides Act takes effect January 1, 1984.

Introduced April 15 and referred to Community & Regional Affairs and Finance.

INTRODUCTION OF RESOLUTIONS (Senate)

Natural Gas Deregulation (Alaska exemption)

SENATE JOINT RESOLUTION NO. 24, by the Resources Committee. Requests Congress to exempt Alaska from any federal legislation allowing cancellation of existing natural gas contracts. Urges the Alaska delegation to actively support such an exemption from Sec. 316 of S615 or similar legislation.

S 615 is the proposed federal "Natural Gas Consumer Regulatory Reform Amendments of 1983" and it seeks to deregulate natural gas. The resolution suggests that such action would have a disasterous effect on many Alaskans who are dependent on electric energy generated from low-cost natural gas under existing, long-term contracts. The price increases brought about by deregulation and subsequent abrogation of existing contracts could, SJR 24 asserts, "have devastating impacts on the utility rates of most Alaska consumers already faced with high living costs."

Introduced April 12 and referred to Resources and Finance.

Knik Arm Crossing (project to start by 1984)

SENATE CONCURRENT RESOLUTION NO. 15, by Senator Ferguson. Requests the Governor to direct the Commissioner of Transportation and Public Facilities, the Commissioner of the Department of Revenue, and the Director of the Municipal Bond Bank to take all neccessary action to commence construction of the Knik Arm Crossing by 1984. Financing for construction would be from revenue bonds issued through the Municipal Bond Bank Authority and the revenue bonds would be satisfied by the use of toll charges for the vehicles using the crossing.

Introduced April 11 and referred to Transportation, Finance.

Middle Turn Lanes (construc. & use of)

SENATE CONCURRENT RESOLUTION NO. 16, by Senator V. Fischer. Requests the Governor to instruct the Dept. of Transportation & Public Facilities "to construct middle turning lanes only in areas where no other alternative is available, in a manner that precludes illegal use by designs that limit the traffic flow to appropriate lanes and mark them with traffic signaling devices that

OTHER ACTION IN THE SENATE

Physical Sciences Endowment (U of A/Fbks.)	SENATE BILL NO. 93, (see pages 107;451). On May 5, at the request of Sen. Bennett, the Finance referral was waived. To Rules.
Minors (unlawful conduct)	CS FOR SENATE BILL NO. 127 (JUDICIARY), (see page 168;682, this report). On May 6 the Judiciary substitute was adopted (see page 682), and the bill was then sent to the Finance Committee, at the request of Senator Sackett.
Attorney Fees (payment by municipalities)	SENATE BILL NO. 255, (see page 502). On May 3, at the request of Sen. Ferguson, the Community & Regional Affairs referral was waived. To Judiciary.
Native-Owned Lands (prop. tax exemption)	SENATE BILL NO. 260, (see page 503). On May 3, at the request of Senator Ferguson, the Community & Regional Affairs referral was waived. To Finance.
Cook Inlet Royalty Oil (sale to Tesoro)	SENATE BILL NO. 285, (see page 620). On May 2, at the request of Sen. Ferguson, the bill was given an additional referral to Community & Regional Affairs. To Resources, C&RA and Finance.

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ERRATA

State Land (discount program)	SENATE BILL NO. 280, (see page 615). In the report of May 2, the bill was incorrectly reported. The land discount program was eliminated based on the advice of the Attorney General following the state Supreme Court decision of Gilman v. Martin. That case involved a similar land discount program in the Kenai Borough. The court ruled against that program, and the Attorney General felt a similar discount for state land could not be legally used for the disposal of state land.

SB 120 (cont'd)

conservation the power to "(7) accept contributions in money, services, materials, or equipment from the United States or its agencies, from an agency of the state, and from any other source, for use in carrying out the purposes of this chapter."

Lobbying (public officials & employees)

SENATE BILL NO. 137, (see pages 194;460;566). Reported back to the Senate on May 17 by Finance with the committee recommending it be replaced with a Finance CS and a majority recommending it do pass. concurring: Bennett (Co-Chairman), Sackett, Mulcahy and Faiks. Josephson and Vic Fischer signed "no recommendation." To Rules.

The Finance CS expands the bill to require executive and legislative branch officers or employees who engage in lobbying to comply with the Regulation of Lobbying Act. The original bill would have applied only to officers or employees of the judicial branch, the University of Alaska, a municipality or a school district. The new law only applies if a substantial or regular portion of the activities for which the officer or employee receives compensation is for the purpose of influencing legislative action.

Grain Reserve Loan Program

SENATE BILL NO. 169, (see pages 273;511). Reported back to the Senate on May 17 by Finance with the comittee recommending the Resources CS (p. 511) be adopted and a majority do pass. Concurring: Bennett (Co-Chairman), Mulcahy, Josephson and Sackett. Faiks signed "do not pass." Vic Fischer and Ferguson signed "no recommendation." To Rules.

Local Hire (state & municipal contracts)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 174, (see pages 274;613;685). Reported back to the Senate on May 19 by Finance recommending that it do pass. Concurring: Bennett, Co-Chairman, Mulcahy, Josephson, V. Fischer, Ferguson and Sackett. Senator Faiks signed "no recommendation." To Rules.

Native-Owned Lands (property tax exemption)

SENATE BILL NO. 260, (see pages 503;692). Reported back to the Senate on May 17 by Finance with a majority recommending it do pass. Concurring: Bennett (Co-Chmn.), Josephson, Mulcahy, Vic Fischer, Ferguson and Sackett. Faiks signed "no recommendation, may need technical amendments." To Rules.

Cards, Dice & Number Wheels (permits for)

SENATE BILL NO. 265, (see pages 557;636). Reported back to the Senate on May 19 by Finance with the committee recommending the State Affairs Committee Substitute be adopted and that it do pass. Concurring: Bennett, Co-Chairman, Ferguson, Josephson, Mulcahy, Faiks, V. Fischer and Sackett. To Rules.

Prudhoe Bay Royalty Oil (sale to Tesoro)

SENATE BILL NO. 268, (see pages 558;641). Reported back to the Senate on May 19 by Resources recommending it do pass. Concurring: Fahrenkamp, Chairman, Sturgulewski, V. Fischer, Ziegler, and P. Fischer. Senator Mulcahy signed "no recommendation." To Community & Regional Affairs.

CSSB 255 (Rls) (cont'd)

A RESOLUTION OF THE ANCHORAGE ASSEMBLY URGING ALL MEMBERS OF THE LEGISLATURE TO REJECT THE PROVISIONS OF CSSB 255.

WHEREAS, in response to the needs of Anchorage residents for a higher level of public safety and in reliance on the Legislature's 1976 approval of a measure which apportioned court costs, including the costs of defending indigent offenders to be borne by the State of Alaska, the Municipality has undertaken to expand its police service areas, increase the effectiveness of its traffic and penal codes, and enlarge its police and prosecution staffs; and

WHEREAS, this endeavor has relieved various state agencies such as the Alaska State Troopers and the Anchorage office of the District Attorney, from responsibilities that would otherwise require significantly increased state funding; and

WHEREAS, in various areas, particularly those relating to alcohol and driving, Anchorage has led the way for the state and for other localities toward more effective and aggressive laws, law enforcement and prosecutions; and

WHEREAS, the cost of the increased level of public safety has been borne primarily by local property taxpayers; and

WHEREAS, the Assembly finds that the shifting of the burden of court costs contemplated in CSSB 255 would result either in a significant decrease in local public safety effort or an increase in mill rates borne by local property owners; and

WHEREAS, CSSB 255 would act to deter aggressive law enforcement and prosecution in areas where public safety is primarily provided by local government and would in other areas act to deter the assumption of such functions by local agencies.

NOW, THEREFORE, the Anchorage Assembly resolves that:

CSSB 255 is a measure which in effect is anti-local government and one that will deter aggressive law enforcement by local agencies. It is, therefore, respectfully urged that members of the legislature vote against the measure.

Passed and approved by the Anchorage Municipal Assembly this 24th day of May, 1983.

Paul Baer
Assembly Chairman

Jane Ferguson
Assembly Clerk

Native-Owned Lands (property tax exemption)

SENATE BILL NO. 260, (see pages 503;692;793;857). Passed the Senate May 24, 12-6-1-1. Nays: Faiks, P. Fischer, Halford, Pettyjohn, Ray, Rodey. Excused: Sturgulewski. Absent: Fahrenkamp. The effective date clause was adopted. Senator Ray gave notice of reconsideration, but it was not taken up and the bill was referred to the House for its consideration.

Cards, Dice & Number Wheels (permits for)

CS FOR SENATE BILL NO. 265 (STATE AFFAIRS), (see pages 557;636; 793;857). On May 25 the State Affairs substitute was adopted and the bill passed the Senate, 19-1. Nay: Kelly. Senator Kerttula changed his vote from "nay" to "yea".

State Retirement System (fireman/peace officer status)

CS FOR SS FOR SENATE BILL NO. 277 (L&C)(AMENDED), (see pages 614; 738;794;857). Reported back to the Senate May 23 by Rules recommending the Labor & Commerce substitute be adopted with a Rules Committee amendment. The report was signed by Senator Faiks, Chairman, and concurred in by Senators Bennett, Ray and

SENATE BILLS RECEIVED IN THE HOUSE

Alaska Statutes (corrective amendments)	CS FOR SENATE BILL NO. 133 (JUDICIARY)(AMENDED), (see pages 193;231;684;803;845). Received in the House on May 24 and referred to Judiciary.
Local Hire (state & munic. contracts)	SPONSOR SUBSTITUTE FOR SENATE BILL NO. 174 (see pages 274; 613;685;793;845). Received in the House on May 26 and referred to Labor & Commerce and Finance. On May 27 the Speaker added a State Affairs referral. To Labor & Commerce, State Affairs, then Finance.
Attorney Fees (payment by munic.)	CS FOR SENATE BILL NO. 255 (RULES), (see pages 502;692;734; 845). Received in the House on May 26 and referred to State Affairs, Judiciary and Finance.
Native-Owned Lands (property tax exemption)	SENATE BILL NO. 260, (see pages 503;692;793;849). Received in the House on May 26 and referred to Community & Regional Affairs and Finance.
Cards, Dice & Number Wheels (permits for)	CS FOR SENATE BILL NO. 265 (STATE AFFAIRS), (see pages 557; 636;793;849). Received in the House on May 26 and referred to Finance. On May 27 the Speaker added a State Affairs referral. Taken from Finance and sent to State Affairs, then to Finance.
State Retirement System (fireman/peace officer stat.)	CS FOR SS FOR SENATE BILL NO. 277 (L&C)(AMENDED), (see pages 614;738;794;849). Received in the House on May 24 with Senate Letter of Intent (see page 794) and referred to Finance.
Export Admin. Act (opposing extension of)	CS FOR SENATE JOINT RESOLUTION NO. 12 (RULES), (see pages 84;638;795;850). Received in the House on May 24 and referred to Resources and Judiciary.
Legislative Ethics (preamble-- Unif. Rules)	CS FOR SENATE CONCURRENT RESOLUTION NO. 21 (RULES)(AMENDED), (see pages 621;850). Received in the House on May 25 and referred to Judiciary.

COMMITTEE REPORTS (House)

Business Inventory Exemption (municipal)	SENATE BILL NO. 53, (see pages 19;207;364;458;538;754). Reported back to the House on May 25 by Finance with the committee recommending it do pass. The committee endorsed the Senate letter of intent and the House Community & Regional Affairs letter of intent. Concurring: Adams (Chairman), Pestinger, Duncan, Ward, Zharoff, Grussendorf and Martin. To Rules.

CALENDAR

SENATE BILL 260
An Act relating to exemption from municipal property taxation of certain property exempt from taxation under federal law

PASSED Senate May 24, 1983, 12-6-2

NAYS: Faiks, Fischer Paul, Halford, Pettyjohn, Ray, Rodey

EXCUSED: Sturgulewski

ABSENT: Fahrenkamp

(REF: Page 1097, Senate Journal)

4935 —

Section "developed"

18-333 Penny Valley

See mem

Amend —

gainful and productive use (neg. to be producing net income) not intent of 6.7L

re: SB 260

Barb,

There is no
AK. Municipal League
letter in the
Staff or Committee
members files on
HB 172 re: Amend.
#8 which proposes
to clarify the
definition of "developer"
in the bill. This
amendment was

proposed by Lee Sharp & Cape Fox Corporation. Genny requested the committee hold off until the assessors had a chance to address the amendment. It was so moved.)

Suspect Genny was waiting to vote one until these other

positive Statements
came in.

Attached are
copies of all
of the info. in
relation to this
amendment that
is in the file on
HB172. You
have in your
packet an assessors
Statement that
I requested

you yesterday afternoon. That is the only copy of that position. It is the document with no letterhead.

Sarah

P.S - 2 copies attached - 1 for Clocksin too.

LCE ICA KM 207

SB 260

SB 260

Terry Urley
State assessor
4783

Fees
passed through

not w/ intent of Federal law

Assessors 1158 of Native Corp.

Anch. Munic. — Colin Patt McKee Anch Assessor
will bring suit
Leg. does not have
authority to
interpret fed law

Forest land staff
sent up.
vetoed by Gov.

Cape Fox Corp.

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

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "developed" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substanative or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation. Delete materials Line 10 page 105 to Line 7, page 106

THIRTEENTH ALASKA LEGISLATURE

FIRST SESSION

HB172 Suggested Amendments - Cape Fox Corporation

Line 15, Page 105

(1) (m) (1) ... gainful and [or] productive present use...

Line 18-19, Page 105

(2) (m) (1) ... process even though income may be derived from related incidental timber harvesting, utility usage, or similar activities;

Line 3, Page 106 - Add New Subsection:

(3) (m) (4) "Gainful" means a condition resulting in net taxable income or when revenue derived from an activity taking place over the tax year of the property owner exceeds the expenses and deductions related to the activity.

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

April 6, 1983

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

Dear Barbara:

Subject: HB 172 "DEVELOPED" DEFINITION

The present version of HB 172 provides for a tax exemption as required by 43 U.S.C. 16.20(d) for certain Native lands. This exemption provides a definition of "developed" for implementing the federal law. I recommend that this matter be treated in a separate bill rather than in HB 172 or SB 1, the parallel bills intended as housekeeping measures to revamp Title 29.

During the last legislative session certain amendments were made to the Title 29 bill on the House floor which caused a great deal of controversy. In re-introducing the Title 29 in the present legislature, all of these amendments were removed except for the provisions for implementing the tax exemptions under 43 U.S.C. 16.20(d). This amendment was incorporated in AS 29.45.030 of the bill.

Pursuant to federal law, certain Native lands are not taxable until "developed". The intent of the proposed definition in AS 29.45.030 is to clarify what improvements of land will constitute "development" for tax exemption status.

I believe that the intent of this section is to assure that lands will not be taxed simply because an access road is constructed to the property or improvements are placed on the property in anticipation of future development. However, the language is sufficiently ambiguous to permit the interpretation that even a regular, residential or commercial subdivision development would not be taxable until the lots were sold. Once land is subdivided, roads are constructed and other improvements are put in place, the available lots become the sale inventory of the real estate developer. An exemption from taxation of these lots would give the exempted developer an unfair advantage over other developers with which it was in competition.

Because this provision is not in existing Title 29 and because there is potential controversy involved, I recommend that

it not be included in HB 172, a housekeeping bill. As a separate bill, I believe that the Borough would support a definition between a taxable subdivision development and tax exempt lands which have been surveyed and have constructed roads.

Sincerely,

Steven H. Morrissett
Borough Attorney

er

cc: Steve VanSant, Borough Assessor

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

February 24, 1983

TO: Stan Thompson, Mayor

FROM: Don Thomas, Assessor

SUBJECT: Native Lands, Title 29 Revisions – See M #1 Lines 28 + 29 Page 100 – 101

By the definition included in the work draft of Title 29 the Kenai Peninsula Borough would loose approximately 13.9 Million in assessed valuation. This would equal about $41,727 based on a 3 mill average.

This would also put the Native lands in a better position to develope and compete in the open market, if they wished. They could do all the preliminary work, such as roads, utilities, survey, and hold the property for the highest return, and still not pay taxes. – this would only affect the Native Lands which would probably be located in the Cook Inlet area as well as the Bay.
We currently have 13.9 million in assessed value that the different regions have been paying taxes on. We have had them on the tax rolls for 4 or 5 years and they paid their taxes without paying under protest.

Cook Inlet	7,281,205
Ninilchik	924,950
Seldovia Native	2,882,300
Slamatoff	589,500
English Bay	2,708,800
Port Graham	1,068,000
Total	15,454,755

Also when 20 years are up & Native Lands would come on the tax rolls – then they would be Exempt at a tremendous loss to the Boro – (taxed until sold)

SB
272

COMMITTEE REPORT

HOUSE

4/13

(7)

FURTHER: FINANCE

Date: 4/4/84

3/30/84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 272(Rules)am

An Act making special appropriations for payment as grants to the Municipality of Anchorage for the Eklutna Water Project and to the City of Kotzebue for drilling geothermal wells, to municipalities for fire protection, water and sewer projects, to school districts for school construction projects and to the Department of Education for payments as a grant to Yakutat School District; and providing for an effective date."

under consideration and recommends:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for CS SB 272 (Rls) [ ] same title [X] new title

and recommends do pass

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

[ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Mike Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mike Miller
CHAIRMAN

WORK DRAFT

Folta
4/9/84

Original sponsors: Faiks, V.Fischer,
Bennett and Josephson

Funding Information
General Fund $67,177,000
Other Funds -0-
$67,177,000

IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 272 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making special appropriations for payment as grants to the Municipality of Anchorage for the Eklutna Water Project and to the City of Kotzebue for drilling geothermal wells, to municipalities for fire protection, water and sewer projects, to school districts for school construction projects and to the Department of Education for payment as a grant to Yakutat School District; and providing for an effective date."

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

* Section 1. The sum of $34,000,000 is appropriated from the general fund for payment as a grant to the Municipality of Anchorage for phase III final design of the Eklutna Water Project, including design of the water treatment plant and lake intake structure; construction of pipeline segment p-2 from Eagle River to Peters Creek and pipeline segment p-3 from Peters Creek to the Eklutna River; and miscellaneous costs of permitting and right-of-way acquisition.

* Sec. 2. The sum of $7,956,000 is appropriated from the general fund for payment as a grant to the City of Kotzebue for drilling exploratory geothermal wells.

* Sec. 3. The sum of $400,000 is appropriated from the general fund for payment as a grant to the City of Akiak for construction of a water and sewer system.

* Sec. 4. The sum of $750,000 is appropriated from the general fund for

B.3 Jan metlakatla

payment as a grant to the City of Fortuna Ledge for phase II construction of a water and sewer system.

* Sec. 5. The sum of $1,500,000 is appropriated from the general fund for payment as a grant to the City of Fort Yukon for phase II construction of a water and sewer system.

* Sec. 6. The sum of $1,320,000 is appropriated from the general fund for payment as a grant to the City of Craig for completion of phase I water source development.

* Sec. 7. The sum of $150,000 is appropriated from the general fund for payment as a grant to the City of Pelican for completion of fire protection systems.

* Sec. 8. The sum of $1,480,000 is appropriated from the general fund for payment as a grant to the City of Hoonah for phase III of the water improvement project.

* Sec. 9. The sum of $350,000 is appropriated from the general fund for payment as a grant to the City of Thorne Bay for purchase and upgrade of sewer and water treatment plants.

* Sec. 10. The sum of $5,122,000 is appropriated from the general fund for payment as a grant to the City and Borough of Juneau for community wide water system construction and repair.

* Sec. 11. The sum of $1,500,000 is appropriated from the general fund for payment as a grant to the Galena City School District for construction of an elementary addition to Galena School.

* Sec. 12. The sum of $1,450,000 is appropriated from the general fund for payment as a grant to the Iditarod Area School District for construction of an elementary addition to Grayling School.

* Sec. 13. The sum of $2,500,000 is appropriated from the general fund for payment as a grant to the Lower Kuskokwim School District for construction of an elementary addition to Quinhagak School.

* Sec. 14. The sum of $1,000,000 is appropriated from the general fund for payment as a grant to the Yukon Flats School District for construction of a new school in Stevens Village.

* Sec. 15. The sum of $1,000,000 is appropriated from the general fund for payment as a grant to the Yukon/Koyukuk School District for construction of a secondary addition to Manley Hot Springs School.

* Sec. 16. The sum of $2,499,000 is appropriated from the general fund for payment as a grant to the Kodiak Island School District for deficiency repairs.

* Sec. 17. The sum of $2,500,000 is appropriated from the general fund for payment as a grant to the South West Region School District for construction of a K-12 school at Clark's Point.

* Sec. 18. The sum of $1,700,000 is appropriated from the general fund to the Department of Education for payment as a grant to the Yakutat School District for elementary school addition and remodeling.

* Sec. ~~19.~~ 21. The appropriations made by this Act shall be disbursed in accordance with AS 37.05.315 - 37.05.325.

* Sec. ~~20.~~ 22. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Sec 21

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM April 11, 1984

SUBJECT: Title of SB 272

TO: Representative Mike W. Miller
Chairman
House Community and Regional Affairs

FROM: Billy G. Berrier
Director
Division of Legal Services

When CSSB 272 (Rls) was before the Senate it was amended to add an appropriation of $3,300,000 to the Alaska Power Authority for Chester Lake Dam. This appropriation appears as sec. 19 of CSSB 272 (Rls) am. The amendment did not change the funding information or the title.

Section 13 of Article II of the Constitution of the State of Alaska requires that "The subject of each bill shall be reflected in the title." The purpose of the requirement has been held to give general notice of the content of the bill. In this instance the title is very specific and in our opinion the appropriation to the Alaska Power Authority does not fit within the title.

The Uniform Rules of the Alaska State Legislature contain stringent limitations of changes in a bill title in the second house.

The general statement of the limitation is contained in Rule 35 concerning amendments. The relevant part of that Rule provides:

> A motion or proposition on a subject that requires a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change, is not in order in the second house.

Specific application of the change is covered in other rules.

Rule 24 relating to committee referral and action provides in subsection (c):

> A committee of the second house may not report a committee substitute for a bill or an amendment to a bill that requires a change in the title of the bill, other than a clerical or technical change, as the title was enacted in the house of origin.

Rule 41 relating to amendments in the other house provides in subsection (b):

> (b) An amendment to a bill introduced in the other house is not in order if the amendment requires a change of the bill title other than a clerical or technical change.

Rule 42 relating to conference and free conference committees provides in subsection (e):

> (e) A Conference Committee, a Conference Committee with limited powers of free conference, or a Free Conference Committee may not adopt a report that requires a change in the title of a bill other than a clerical or technical change.

All these are identical in substance.

The prohibition is absolute except for the exception made in the rules. There is no provision for waiving this requirement.

The only exception in the second house is for clerical or technical change.

Clerical change is fairly clear. In my opinion, this refers to the type of changes that the enroller is authorized to make under Rule 43 or that the revisor of statutes is authorized to make under AS 01.05.031. Under Rule 43(a)

> The enrolling secretary is authorized to correct form and manifest errors which are clerical, typographical, or errors in spelling or errors by way of additions or omissions.

Under AS 01.05.031, the revisor is authorized to edit and revise the laws "without changing the meaning of any law".

The term "technical change" is more difficult to apply. In my opinion this is intended only to allow changes in the title of a bill which are necessary for technical reasons to conform the title to the subject matter in the bill as adopted in the first house without change in the scope of the bill.

In my opinion the title change here is a technical change as that term is used in the Uniform Rules since the only effect of the change is to conform the title to the bill as adopted in the Senate.

We have therefore corrected the title and the funding information.

As a procedural matter since this involves a title change in the second house I would suggest that the committee report on the bill specifically refer to the change and the reason for the change.

BGB:lmb
J6/023

WORK ORDER REQUEST FORM

N13- 2211

KEYWORDS: legislative procedure

ASSIGNED TO Berrier

REQUEST FOR: BILL ☐ RESOLUTION ☒ RESEARCH ☐ OTHER ☐

SUBJECT Title Change for SB 272

REQUESTED FOR H C&RA BY Shirley EXT.

* DELIVER TO Rep. M.W. Miller TAKEN BY Berrier

INSTRUCTIONS, EXPLANATIONS

House resolution waiving title change to SB 272.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED ☐

AUTHORIZED TO CONFER WITH

RETURN

TO REQUESTER

APPROVED: BGR Director, Legal Services

REVIEWED

IN 4/11/84 DUE

TYPED - Draft DATE

Final DATE

PROOFED DELIVERED

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT ☒ FINAL ☐

LA-L 10

AKIAK - WATER AND SEWER FACILITIES (VSW) 400.0

Village Safe Water has identified Akiak as having one of the most serious water problems in the State. Residential wells are producing water which exceeds water quality standards for iron by as much as 27,000%. USPHS began drilling wells for individual homes, and, while early test results showed relatively "good" water during the early stages of the drilling program, recent water analysis has shown many wells are producing unacceptable water.

FORTUNA LEDGE WATER/SEWER SYSTEM - PHASE II

Fortuna Ledge 1,000.0

The City of Fortuna Ledge proposes to construct 10,600 linear feet of water transmission line and 15,100 linear feet of sewer main to serve the 119 lots included in the new residential subdivision area. Water and sewer study plans also provide for a lift station and water works building modifications. The proposed water and sewer extention will utilize an existing system which appears capable of handling the additional load.

Cost estimates for the water and sewer system are based on 1984 dollars and using local labor and equipment.

r4/t

EXHIBIT A

MARSHAL MASTER PLAN

JUNE 1933

ESTIMATED WATER & SEWER COSTS

119 LOTS

LOCAL LABOR AND EQUIPMENT

WATER

10600 Lin. Ft. 4" Arctic Pipe Installed @ $50 =	$530,000
Modifications in Water Works Building	50,000
	580,000
20% Contingencies & Engineering	116,000
	$696,000

SEWER

15100 Lin. Ft. 6" Arctic Pipe Sewer Installed @ $70 =	$1,057,000
Lift Station	45,000
	1,102,000
20% Contingencies & Engineering	220,400
	$1,322,400
Total Estimated Installed Cost	$2,018,400

CITY OF FORT YUKON

CAPITAL BUDGET

FOR

WATER AND SEWER IMPROVEMENTS PHASE II
(ANGEL POND SUBDIVISION)

WATER SYSTEM:

Main Line 13,500 ft 6" insulated @ $69.00/lf	931,500
Hydrants 13 @ $3500	45,500
House Services to 66 lots @ $4000/lot	264,000
New booster pump and building	100,000
Construction Cost	1,341,000
Engineering	130,000
Adminstration and Legal	220,000
Contingency	250,000
Water Project Estimated cost	$ 1,941,000

SEWAGE DISPOSAL:

Subsurface Disposal 66 units @ $7500 ea	495,000
Engineering and layout	15,000
Administration and Legal	44,000
Contingency	40,000
Sewer Project Estimated Costs	$594,000

TOTAL REQUEST FOR FORT YUKON WATER AND SEWER PROGRAM PHASE II	$2,535,000

Galena Elementary School Program

CONCEPTUAL COST ESTIMATE

A cost estimate has been prepared based upon the information contained in the "Design Criteria" section of this document. This estimate is based upon the premise that the new building will be located as shown on the site plan (2-3), and that construction will begin in 1984.

Listed below is a summary of the construction furnishings and equipment costs for Galena Elementary School. The costs per square foot of the building average $213.

DIVISION	1	GENERAL CONDITIONS	$ 536,000
DIVISION	2	SITE WORK	$ 47,000
DIVISION	3	FOUNDATION WORK	$ 344,000
DIVISION	5	METALS	$ 10,000
DIVISION	6	CARPENTRY	$ 269,000
DIVISION	7	MOISTURE PROTECTION	$ 221,000
DIVISION	8	DOORS & WINDOWS	$ 82,000
DIVISION	9	FINISHES	$ 265,000
DIVISION	10	SPECIALTIES	$ 36,000
DIVISION	11	EQUIPMENT	$ 8,000
DIVISION	12	FURNISHINGS	$ 250,000
DIVISION	15	MECHANICAL	$ 434,000
DIVISION	16	ELECTRICAL	$ 278,000
MARKUPS	17	OVERHEAD & PROFIT	$ 370,000
TOTAL			$ 3,150,000

Budget

INTRODUCTION

The following is a construction budget which is based on a cost of $250/square foot. This was determined as follows:

- Average bid at Nikolai in 1983 was $262/square foot. This school is of similar construction and built for the Iditarod Area School District.
- 8% escalation to summer of 1984 = $282/square foot
- Reduction due to size of Grayling and accessibility = $250/square foot

BUDGET

2,000 square feet (remodeled) X $125/square foot =	$250,000
12,588 square feet X $250/square foot =	$3,147,000
Subtotal	$3,397,000

Project Overhead and Other Costs		
Administration Cost	7.25%	$246,282
Design Costs	8.00%	$281,951
Furnishing and Equipment Costs	8.00%	$271,760
Art	1.00%	$33,970
Subtotal		$4,230,963
Project Contingency	5.00%	$211,548
Project Total		$4,442,511

This project could be funded by a direct grant from the state. The grant could be supplemented by funds available from the federal government. These funds are available to those school sites being omitted by the Bureau of Indian Affairs education program.

To begin construction in 1984 and finish before June of 1985, which is the date the B.I.A. will curtail its sponsorship of the elementary program, would should begin immediately. This would insure the state of not occupying the B.I.A. school which has never been required to meet local building codes. If the state were to occupy the school additional funding would have to be found to upgrade the existing B.I.A. school to current fire/life safety codes.

QUINHAGAK

Village Profile

Quinhagak is located on the south of the Kanektok River. The population is an estimated 340 (1980). Two school sites exist; an elementary school with current K-8 enrollment of 85, and a high school with 9-12 enrollment of 56. Total enrollment 141.

Building Data

Building 203 is a two-classroom school/quarters of wood frame construction consisting of 4,233 square feet built in 1963 and relocated in 1979. Building 204 houses storage and two standby generators in a wood frame structure of 1,332 square feet built in 1963 and relocated in 1979. Building 206 is a two-classroom wood frame structure of 2,844 square feet constructed in 1968 and relocated in 1979. Building 208 is a classroom/quarters wood frame structure of 2,880 square feet constructed in 1979. The school is of one-hour construction containing 9,480 square feet built in 1979.

Summary Diagram

1A
UPGRADE OF EXISTING ELEM SCHOOL (7,877 SQ. FT.) + 20 YEAR LIFE CYCLE

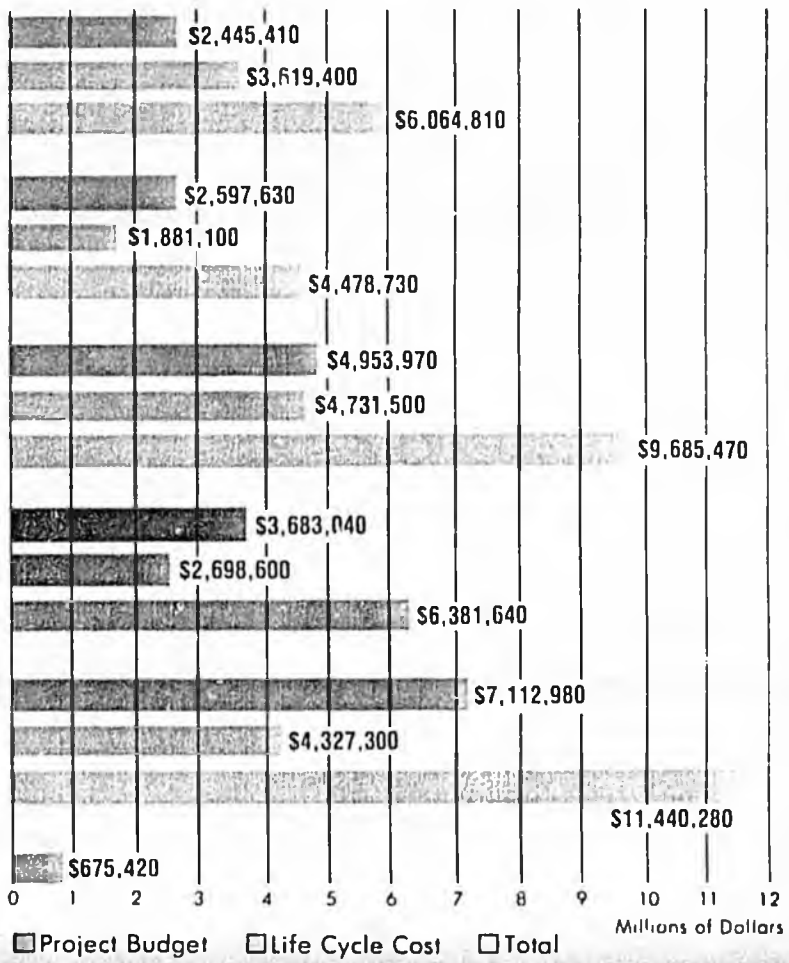
1B
ADDITION OF 7,877 SQ. FT. TO HIGH SCHOOL + 20 YEAR LIFE CYCLE

2A
REMODEL OF EXISTING ELEM SCHOOL (7,877 SQ. FT.) & ADDITION OF 3,423 SQ. FT. + 20 YEAR LIFE CYCLE

2B (Recommended)
ADDITION OF 11,300 SQ. FT. TO HIGH SCHOOL + 20 YEAR LIFE CYCLE

3
REMODEL OF EXISTING HIGH SCHOOL (9,480 SQ. FT.) & ADDITION OF 18,120 SQ. FT. + 20 YEAR LIFE CYCLE

PREVIOUS BIA STUDY



Recommendation

Alternate 2B would provide a new building which addresses the educational goals of the district as well as provides common use of staff and facility without the inherent problems of operating four separate buildings for a 20 year cost 5.5% more than Alternate 1A. Alternate 2B should be pursued.

Yukon Flats School District
P.O. Box 359
Fort Yukon, Alaska 99740

CAPITAL IMPROVEMENT PROJECT

Priority Rank 2 of 11

Project: Stevens Village, New Elementary/High School

Capital Request: $2,800,000

PROJECT DESCRIPTION AND PUBLIC BENEFITS

Stevens Village is on the north bank of the Yukon River, 10 miles east of the Elliot Highway crossing and about 50 miles west of Beaver. This is a traditional Native village, settled in the late 1800's. Income here is obtained from construction work, railroad work, river transportation work, and fishing.

There were secondary age students attending Mt. Edgecumbe School. With the closing of that facility, Stevens Village school has been impacted.

Two teachers, a teacher aide, and 16 students, grades K-12, are presently housed in a 800 square foot former BIA school, circa 1960. Conditions are already extremely overcrowded and with the addition of students returning from Mt. Edgecumbe, the situation has become very difficult.

There is no room at the present site to remodel and expand the present building. The project must be relocated and a new site has been selected with the cooperation of the Village Council.

The present school is energy inefficient. There have been waste water and sewage disposal problems at each spring thaw due to the small site and inadequate space for a sewage disposal system large enough to accommodate school needs. Department of Environmental Conservation had intimated possible school closure if sewage continues to contaminate village and school property due to inability of frozen soils to disperse waste water underground.

Finally, the school does not meet minimum space requirements mandated by the Tobeluk ("Hootch") Decree.

We propose a combined K-12 facility to include an elementary classroom, a secondary classroom, a vocational shop, a multipurpose room, kitchen, and mechanical area to total 6,210 square feet.

Costs:		
	Planning and architectural	$ 270,000
	Site Development	70,000
	Construction	2,228,000
	Legal	10,000
	Administration	22,000
	Equipment	200,000
	Total Project Cost	$2,800,000

YUKON/KOYUKUK SCHOOL DISTRICT - MANLEY HOT SPRINGS SCHOOL 1,000.0

This is a direct appropriation to the Yukon/Koyukuk School District through the DOE. Manley Hot Springs currently has a high school consisting of 960 square feet of classroom space and 556 square feet of supplementary space. The school district is requesting an additional 5,700 square feet of secondary space.

EKLUTNA STATUS REPORT

March 27, 1984

In the 1983 bond election Anchorage voters supported Eklutna Water Project bonding by a 3-to-1 margin. The $55 million bonding authorization will contribute Anchorage's 25 % share of total Eklutna project cost.

Gov. Sheffield before the Alaska State Chamber of Commerce in Sitka Sept. 29, 1983 said he would work to secure funding for this vitally needed project.

The project is on schedule and within budget. Bids for the P-1 segment (Ship Creek to Eagle River) construction were opened March 15.

The Municipality's $51 million request for Eklutna will keep the project on schedule. Funding at the $34 million level will threaten continuity of the project in late 1985/early 1986. Without funding by the 1984 Legislature the project will be delayed.

Significant underfunding of Eklutna in 1984 will result in added costs during construction estimated at $6 million to $8 million per year. Delays now mean completion delays. If funding delays completion of the project until 1989, water shortages may occur.

170,400 Alaskans will reside in the Eklutna service area in 1985. By 2024 the number of residents will increase to 449,200. Based on 150 gallons per capita per day (GPCD) usage, water requirements are:

YEAR	AVERAGE	MAXIMUM
1985	26 million	46 million
2025	67 million	117million

Present water supplies (Ship Creek and wells) provide 24 million gallons per day and 22 million gallons per day respectively. Demand will exceed supply in 1988.

FUNDING SUMMARY (in $ millions)

1982	1983	1984	1985	1986
$13.6 (approp.)	$22.5 (approp.)	$51.0 (request)	$47.0 (request)	$31.0 (request)
		$17.0 (bonds)	$15.0 (bonds)	$23.0 (bonds)

EKLUTNA
WATER PROJECT

Municipality of Anchorage
Water and Wastewater Utility

PROJECT EXECUTIVE SUMMARY

JANUARY 1984

James M. Montgomery, Consulting Engineers, Inc.

In association with

QUADRA Engineering, Inc.

Ott Water Engineers, Inc.

Sverdrup/SPCM

EKLUTNA WATER PROJECT
Phone: (907) 279-2461 • 237 E. Fireweed Lane, Suite 201 • Anchorage, AK 99503

Dear Reader:

If you desire additional information about the Eklutna Water Project, please contact one of the following:

Charley L. Bryant
Project Manager

William H. Blackmer
Program Manager

Sarah Barton
Public Involvement

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INTRODUCTION

This document summarizes the salient information about the Eklutna Water Project, a major water resource development for the future. It has been written so that interested citizens and affected parties can be knowledgeable about the project. The most commonly asked questions are answered in this summary, the project's history is traced, a description of the project is given, recent project activities are described, future activities are given, and project funding is detailed.

Not all information on the project can be contained in a document this size. If unanswered questions arise about any aspect of the project, interested parties should contact the Eklutna Water Project office.

NEED FOR PROJECT

The need for an additional water source was determined based on projections of future service area populations, estimates of per capita water use, and expected capacities of existing and planned water supplies.

Since there is a large variance in the previous population projections for the Municipality that have been made by others, it was decided to utilize the Municipality's Community Planning Department's projections for the purposes of the Eklutna Water Project. Those projections have been made for the Anchorage Bowl and the Northern Communities through the turn of the century. Extrapolating the population projections to the end of the project planning period, the project team has determined that the service area population will be about 449,000 in the year 2025. Of that total, 385,000 are expected to reside in the Anchorage Bowl while the remaining 64,000 are expected to live in the communities of Eagle River, Birchwood, Chugiak, Peters Creek, and Eklutna. These population projections are shown in Table 1 by five-year increments.

TABLE 1

EKLUTNA WATER PROJECT

SERVICE AREA POPULATION PROJECTIONS

Year	Anchorage Bowl	Northern Communities	Total EWP Service Area
1985	149,600	20,800	170,400
1990	179,700	26,200	205,900
1995	209,700	31,600	241,300
2000	239,800	37,000	276,800
2005	269,900	42,400	312,300
2010	298,800	47,800	346,600
2015	327,600	53,200	380,800
2020	356,400	58,600	415,000
2025	385,200	64,000	449,200

The area to be served by the Eklutna Water Project is divided into two service areas, that of the Anchorage Bowl, and that of the Northern Communities. The Anchorage Bowl service area includes the region south of the military bases to Turnagain Arm just south of Potter Marsh, excluding some Hillside areas which use on-site supply systems. It has been assumed that the military complexes will continue to supply their own water.

The Northern Communities water service area extends from north and east of Fort Richardson to the village of Eklutna, including the communities of Eagle River, Chugiak, Peters Creek, Brichwood, and Eklutna. It is anticipated that Chugach State Park will not receive water and some rural areas will continue to supply their own water.

Data on historic water demands from 1969 to the present showed an average use of 174 gallons per capita per day (gpcd). However, because of the trend of decreasing consumption and accelerated water conservation efforts by the Municipality, an amount of only 150 gpcd was used for project planning purposes. The ratio of maximum day demand to average day demand of 1.75 has been used for the project based on historical information and risk analyses.

The water utility has instituted several measures for conserving water. Education programs are given in schools, flow restricters are continuing to be distributed, and industrial, commercial and multi-family domestic users are now billed for water consumption based on metered usage. Leak detection and repair of distribution systems is ongoing. This program has resulted in measurable water conservation throughout the system. While these methods of water conservation have been effective in limiting use, they do not have the potential of eliminating the need for expansion of the water supply.

Based on the population projections, per capita water demands, and ratios of maximum day to average day demands described in the preceding paragraphs, future water requirements were determined. These requirements are displayed in Table 2.

To meet these water demands, Anchorage will have a supply of about 46 million gallons per day (mgd). This is based on 24 mgd from the Ship Creek Water Treatment Plant after its expansion in 1985 and 22 mgd from wells. However, demand is expected to exceed supply by 1988. Therefore, a new water source must be obtained.

TABLE 2

MUNICIPALITY OF ANCHORAGE
EKLUTNA WATER PROJECT SERVICE AREA
PROJECTED WATER REQUIREMENTS

Year	Average Annual Water Requirements (mgd)	Maximum Day Water Requirements (mgd)
1985	26	46
1990	31	54
1995	36	68
2000	42	74
2005	47	82
2010	52	91
2015	57	100
2020	62	109
2025	67	117

HISTORY OF THE PROJECT

Many alternative sources of supplemental water for the Anchorage water service area have been examined over the past decade.

A report on Anchorage Water Sources (Tryck, Nyman & Hayes, et. al., 1973) examined at least 25 potential water sources, ranging from artificial recharge of Anchorage Bowl aquifers and Cook Inlet desalinization to tapping streams from Portage to Chickaloon. That study recommended offstream storage of Ship Creek water on Fort Richardson as the most feasible solution to Anchorage's water problems.

Military opposition to Tryck, Nyman & Hayes' proposal eventually led to studies performed as part of the U.S. Army Corps of Engineers' Metropolitan Anchorage Urban Study (MAUS) in 1979. The MAUS study reexamined several of the alternatives studied previously, including a different offstream storage site at Ship Creek, groundwater alternatives, and other Ship Creek, Eagle River, Eklutna Lake, and Campbell Creek alternatives. Final MAUS recommendations included development of an Eklutna diversion or an Eagle River dam and reservoir. The Ship Creek storage basin option was eventually eliminated based on military opposition, MAUS findings, and other considerations.

Between the programs mentioned above, and other studies, at least 28 alternative water sources have been considered for an Anchorage area water supply. These are listed below with summarized reasons for rejection or acceptance.

The following streams were rejected as sources primarily because of lack of a suitable storage site, inadequate discharge, high sediment loads, or long or difficult water transmission line requirements: Little Susitna River, Matanuska River, Knik River, Peters Creek, South Fork Eagle River, Campbell Creek, Chester Creek, Rabbit/Indian/McHugh Creeks, Bird Creek, Twenty-Mile River, Portage Lake, Placer River, Six-Mile Creek, Resurrection Creek, and Chickaloon River. Pt. MacKenzie surface and groundwater sources were found to be inadequate, as were Eagle River, Matanuska-Knik and Portage area groundwater sources. Desalinization of Cook Inlet would not be economically feasible, reuse of present sources would be too costly, and additional conservation measures would not be adequate.

Seven other, more apparent, potential sources were gradually narrowed down to one most feasible alternative: tapping the Eklutna drainage. Use of Anchorage Bowl groundwater resources, with or without artificial recharge of the aquifers, was rejected mainly because of already near-capacity development of that source, energy requirements, unknown impacts on present groundwater supplies, and because it offers only a short-term solution.

Use of a dam on Ship Creek, or offstream storage there, was rejected because of high capital costs, adverse environmental impacts, inadequate long-term supply and complex water and land rights problems.

Tests of Eagle River area groundwater supplies indicated that very little water is available. A dam on Eagle River was rejected because of extreme adverse environmental impacts, great capital costs, technical complexity and difficulty of land acquisition.

These latter two sources, as well as the Eklutna drainage, were examined in detail by CH_2M Hill in their 1981-82 Eagle River Water Resource Study.

Eklutna Lake was determined to be the best solution to Anchorage's long-term water supply problems. The lake would be able to supply up to 200 mgd, more than enough to meet Anchorage's anticipated needs in planning year 2025. Potential adverse environmental impacts of this project would be minimal. No geotechnical problems have been identified which would prevent or significantly complicate construction of the project, nor have other difficulties been encountered which would delay completion of the project beyond the time additional water is needed for Anchorage. Although tapping the Eklutna water source would have a high capital cost, its unit cost over the life of the project is the lowest of any alternative examined. The main disadvantages included the high capital cost, water treatment requirements, and the deprivation of power-generating water to the Eklutna powerhouse.

As recommended during CH_2M Hill's study, the potential for Eklutna water was further studied and refined. CH_2M Hill proposed three different alternatives: one tapped the Eklutna Power Plant tunnel upstream of the power plant; one tapped the tailrace after water was used for power generation; and the third proposed pumping

water from Eklutna Lake into Eklutna River, and then taking the water from the river near the lower end of the valley. The CH_2M Hill studies recommended the alternative which would take water from the tailrace because of its relative technical simplicity, and because it would not impact power plant generation.

In continuing efforts to develop a new water supply, the Anchorage Water and Wastewater Utility (AWWU) contracted with the Eklutna Water Project team in November, 1982, to act as the Program Management Consultant. The project team examined an additional means of using Eklutna water as a water source. This is known as Alternative IV and involves diversion of water directly from Eklutna Lake, or the power plant tunnel near the lake, and transmission of the water from there to Anchorage by pipeline. This alternative was found to be superior when environmental, permitting, right-of-way, geotechnical, energy, and cost aspects were considered. This is the alternative finally selected and now being developed as the Eklutna Water Project (EWP).

DESCRIPTION OF THE PROJECT

The Eklutna Water Project will divert water from Alaska Power Administration's (APA) existing tunnel connecting Eklutna Lake with the Eklutna Power Plant (EPP). From there, water will flow by gravity through another tunnel and a buried pipeline down the Eklutna River Valley to a water treatment plant located on a bench above the river. After treatment, the water will flow by gravity through a 23-mile-long buried pipeline through the communities of Eklutna, Peters Creek, Chugiak, Birchwood, and Eagle River, to the distribution system near the expanded Ship Creek Water Treatment Plant (SCWTP). Energy will be recovered from the flowing water at each treatment plant location. This system will supply water to the Anchorage service area, from Eklutna Village to Potter Marsh in South Anchorage. The selected alignment and location of facilities are depicted on Figure 1.

The maximum day design flow in the year 2025 is 70 mgd and the average flow during that year is 41 mgd. Until EWP facilities are completed, an interim booster pump station near the SCWTP will be used to supply Ship Creek water to the Eagle River area.

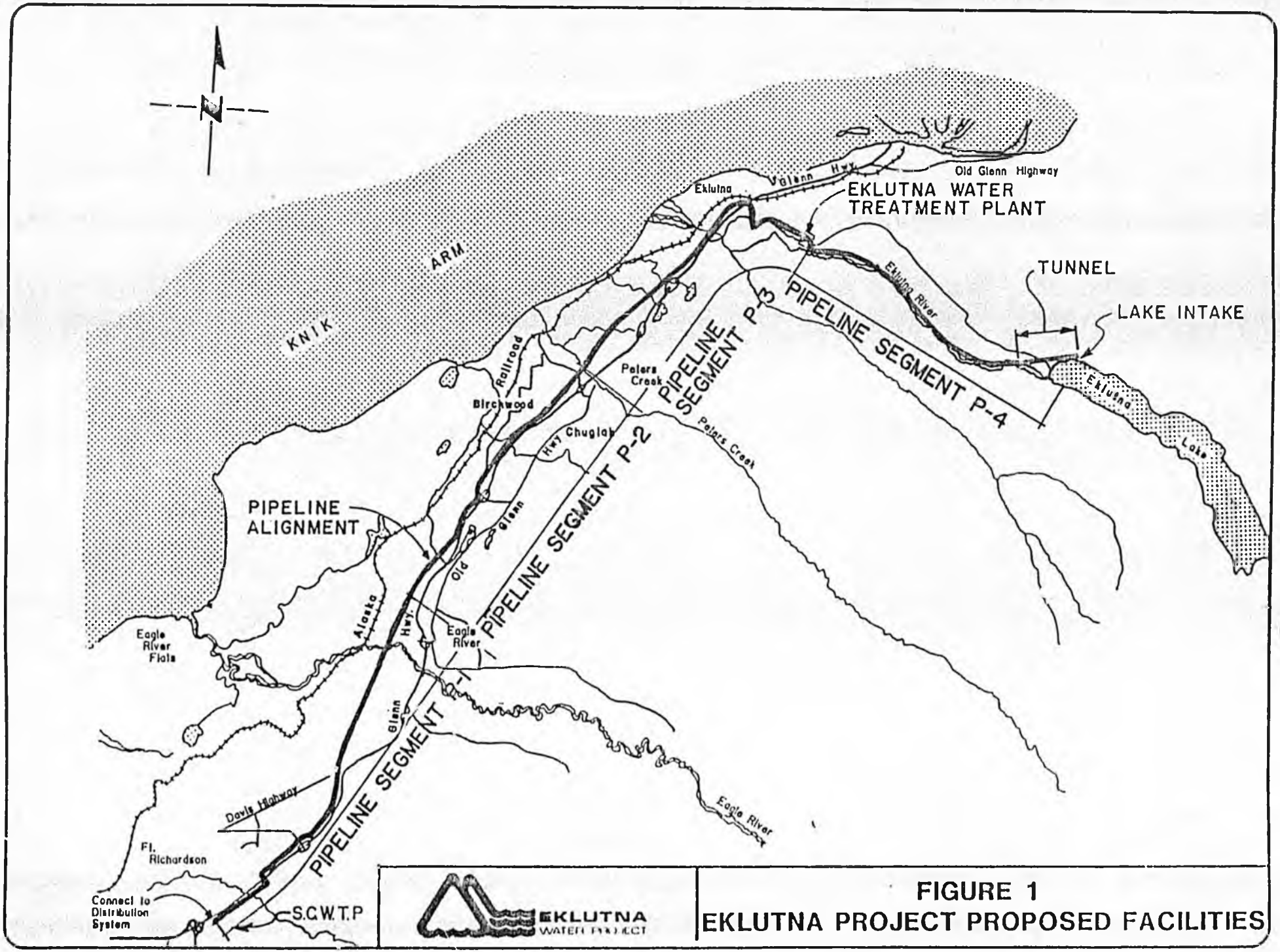


FIGURE 1
EKLUTNA PROJECT PROPOSED FACILITIES

Diversion of Eklutna Lake water involves tapping the 9-foot diameter tunnel to the Eklutna Power Plant. The new 7-foot diameter tunnel will connect this existing tunnel with a new pipeline located in the Eklutna River bed below the dam at the downstream end of Eklutna Lake. The new tunnel will be over one mile in length. Connection to the existing tunnel will be precisely planned and carefully executed so as to minimize disturbance to EPP. A gate house will be constructed near the connection of the two tunnels. The top of the gate house will be the only visible evidence of a diversion for the EWP. Downstream of the diversion tunnel, water will be conveyed in a buried 54-inch pipeline which will be constructed along the Eklutna River bed (pipeline segment P-4) to an energy recovery station at the Eklutna Water Treatment Plant (EWTP) which will be located above the river bed at about 620 feet elevation. Generating capacity of this station will be approximately 1.0 MW. It is estimated that in the year 2025, this energy recovery station will produce over eight million KWH per year with water diverted from Eklutna Lake.

The Eklutna Water Treatment Plant will be designed to use either conventional treatment or direct filtration to achieve the desired water quality. Conventional treatment entails rapid mixing, flocculation, sedimentation, and filtration. During most of the year direct filtration, which bypasses the sedimentation basins, is feasible. It is also preferable because it requires a lower coagulant dosage and reduces the amount of sludge.

Pilot water treatment plant studies have been conducted in three phases using water from Eklutna Lake during all the seasons. The first phase, which investigated treatability of Eklutna Lake water during winter, determined that good quality water could be produced using conventional treatment or direct filtration. Phase 2 examined treatability of lake water during spring transition/early summer conditions, using direct filtration. The third phase of the pilot plant studies examined treatability of lake water during the expected period of highest turbidity in the fall. The findings of the whole program are that Eklutna Lake water, with its sometimes high concentrations of glacial flour, is treatable and that direct filtration will be possible most of the year, with conventional treatment being utilized during periods of high turbidity.

A treated water reservoir will be constructed at about elevation 600 feet, just downstream of the EWTP. The purpose of the reservoir is to absorb normal diurnal

fluctuations in water demand while maintaining a relatively constant flow through the EWTP. This reservoir will have an initial capacity of 10 to 15 million gallons.

Pipeline segments P-3 and P-2 extend from the treated water reservoir to Eagle River. P-3 begins at the reservoir, running down the slope to a crossing of Glenn Highway near the community of Eklutna. From there it crosses the river, and parallels Glenn Highway a short distance on the northwest side. It then follows the APA powerline easement and residential streets to its end in Peters Creek. The P-2 segment begins at that point, crosses Peters Creek, parallels the APA powerline easement and local streets, then parallels the Glenn Highway to Chugiak High School. It skirts the high school, crosses through the Lake Ridge Terrace Subdivision along residential streets, then parallels the APA powerline easement again to Artillery Road.

This 54-inch buried pipeline will have seven turnouts for delivery of water to northern communities along the route of pipeline segments P-2 and P-3.

Construction and permanent easements must be acquired along the pipeline alignment. Most of the property along P-2 and P-3 is owned by Eklutna, Inc. Other property owners include: Alaska Division of Parks, Fort Richardson Military Reservation, Alaska Department of Transportation and Public Facilities, Federal Highway Administration, Alaska Railroad, various utilities, native corporations, and approximately 50 private property owners. Permits and/or easements will be obtained from these owners before construction takes place.

A geotechnical study concluded that no major construction problems will be encountered along P-2 and P-3. Crossings of wetlands and streams, however, are specific environmental concerns. Construction schedules and procedures have been designed to minimize disturbance of existing biological and hydrologic regimes of wetlands. Special water management, trench, and backfill techniques will also be employed. The proposed alignment was moved in several cases to avoid designated wetlands. Impacts caused by stream crossings will be mitigated by construction practices such as timing, temporary diversions and bank stabilization. Crossing plans and mitigation means will be approved by the Alaska Department of Fish and Game.

Pipeline segment P-1, the first to be constructed, will extend generally parallel to the Glenn Highway from the vicinity of the SCWTP to a powerline easement, then roughly parallel with and adjacent to that easement as far as Artillery Road near Eagle River. The pipeline will vary between 54 and 48 inches in diameter, decreasing closer to the SCWTP. A 24-inch pipeline will also be constructed along Artillery Road to connect with the existing Eagle River water supply system.

Property owners or agencies with jurisdiction in the P-1 segment include: The U.S. Army Corps of Engineers and the Bureau of Land Management, the Alaska Department of Fish and Game, the Alaska Department of Transportation and Public Facilities, the Municipality of Anchorage, and several utilities. Permits, approvals, and/or letters of non-objection must be obtained from each of these agencies for their respective areas of jurisdiction. This permitting and approval process is almost complete for pipeline segment P-1.

A booster pump station/energy recovery station will be constructed upstream of the SCWTP. Until the entire pipeline is completed and supplying water from Eklutna Lake, this station will pump as much as 4.5 mgd from the SCWTP to Eagle River. Only the booster pump portion will be constructed as part of the P-1 phase, but the facility will be designed so it can be expanded and modified easily for energy recovery. After the entire project is complete, conversion to an energy recovery station will take place. The capacity of this generating station will be about 500 kw.

Lake level and storage records are available from 1946 to the present. Annual inflow over the past 30 years has averaged 210 mgd, varying between 150 and 290 mgd. Approximately one-half of this inflow comes from glacial melt, the other half coming from runoff. Lake level is generally lowest in late spring and highest in early fall. The EWP will not impact lake levels, because all water used by EWP will be diverted from that which normally flows to the Eklutna Power Plant.

The Eklutna Power Plant currently withdraws all the inflow except for infrequent spills. When the EWP comes on line, water diversions for domestic uses will reduce the EPP supply approximately 6 to 8 percent; by the year 2025 that will increase to 21 percent. The water project will decrease the amount of energy generated by the EPP, by that same 6 to 21 percent during the period from 1988 to 2025. However, the 1.5

MW energy recovery facilities constructed as part of the EWP will recover about 45 percent of the EPP deprived energy.

The Municipality of Anchorage Water and Wastewater Utility has reached an agreement with the Alaska Power Administration for an equitable method of replacing energy taken from the EPP by the EWP.

PROJECT SCHEDULE

All Eklutna Water Project facilities should be completed by mid-1988 pending availability of sufficient funding. Dates of completion of each pipeline segment and of the other facilities are shown in Figure 2.

Bids will be received for the first pipeline segment (P-1) in March, 1984, and construction is expected to start in June. That pipeline segment will be completed in the summer of 1985.

STATUS OF THE PROJECT

Many studies and other activities have been performed by the Eklutna Water Project team in the past year. These activities, are separated by task and listed below.

- A Management Plan for Design and Construction was completed in June 1983. (Task 2)

- The Preliminary Water Supply Master Plan Update report was completed in April, 1983. (Task 3)

- The Alternative IV Evaluation (tapping the lake directly) was completed in April, 1983. (Task 4)

- A Regional Geotechnical Report was completed in September, 1983. (Task 5)

- Pilot Plant Summary Reports have been completed for all three phases of the study. A summary and conclusion report for the entire study will be completed within the next few weeks. (Task 7)

- Several reports have been produced as part of the Public Involvement task. These speak to alternative sources of supply, project funding, and the project as a whole. This Executive Summary is also part of the Public Involvement program. (Task 9)

- The Environmental Information Document was completed in June, 1983. This document was the basis of permit support. (Task 10)

- Several reports have been completed under the First Technical Advisory Committee/Value Engineering task, which reviewed the pipeline segment P-1 alignment and lake diversion alternatives. (Task 11)

- The Predesign Report - Pipeline Segment P-1 was drafted in April, 1983, and for segments P-2, P-3 in October, 1983. Work is underway on the predesign report for P-4. (Task 12)

- Two preliminary studies for the lake diversion were completed in 1983. The draft of the predesign report for the lake diversion will be completed in January, 1984. (Task 13)

- The Second Technical Advisory Committee/Value Engineering task is partially completed. In October, 1983, the first session of this task reviewed the tunnel, P-4 alignment, and pipeline in general. The second session, to be held in March, 1984, will review the water treatment plant and look at the tunnel again. The following document has been produced: Value Engineering Study - 2nd Session. (Task 16)

- The Initial Design Report Pipeline Segment P-1 was completed in July, 1983. The draft of a similar report for pipeline segment P-2 will be completed in February, 1984. (Task 17)

- Water rights are currently in the process of being secured through negotiations with the APA. Legislation will be introduced in Congress in February to secure water rights. (Task 23)

- A document on Eagle River Water Supply and Energy Recovery was produced in July, 1983. (Task 24)

- Bids were received in November, 1983, for the prepurchase of valves for pipeline segment P-1. Plans and specifications for the construction of P-1 were 95% complete in 1983. This contract will be advertised in January, 1984. (Task 52)

- Ground surveys for final design of the pipeline segment P-2 were made in 1983. (Task 53)

- Ground surveys for final design of pipeline segment P-3 were completed in 1983. (Task 54)

In addition to the numerous studies made and documents produced, several permitting and environmental activities have been performed and completed. The U.S. Army Corps of Engineers Section 404 Permit which will allow crossing of wetlands was acquired in November, 1983, for the entire pipeline. The Alaska Department of Environmental Conservation Certificate of Reasonable Assurance (protecting water quality) was obtained. The Alaska Coastal Management Plan Consistency Determination was also accomplished. The Alaska Department of Fish and Game Title 16 Anadromous Fish Protection Permit was granted for the four stream crossings made in segments P-1 through P-3. The Municipality of Anchorage Urban Beautification Commission and the Planning and Zoning Commission have approved plans for the Ship Creek Interim Booster Pump Station.

A right-of-way grant must be obtained from the Bureau of Land Management (BLM) for the entire project. The BLM has joint jurisdiction (with the U.S. Army Corps of Engineers) over the Fort Richardson land, and also serves as the lead/coordinating agency for other landholders and utilities along the alignment. The required letters of non-objection have been received from affected parties, and the right-of-way grant for the entire pipeline is expected to be received early in March, 1984.

ACTIVITIES DURING 1984

Many activities key to the progress of the project will take place during 1984. For the P-1 segment, the contract for supply of the large valves was awarded on January 3. Advertisement for bid of construction contracts will take place on January 31, and bids will be received on March 15. Construction of this segment will begin in June. The P-1 segment will be further divided into four schedules to maximize opportunities for bidding by local contractors.

Final design of P-2 is expected to be complete in July and the construction contracts for that segment will be awarded in the fall of 1984. Final design of P-3 will be complete in October, and will be advertised for bids in November. Easements for both segments will be acquired during spring and summer of 1984.

Pipeline segment P-4 will continue through the predesign and initial design phases during 1984. The predesign report will be completed in October. Initial design will be finished in December. The consultant for final design will be selected during the summer.

Initial design of the lake diversion will be completed during the summer of 1984. The final design consultant also will be selected during the summer, and final design will commence in the fall.

The predesign report for the Eklutna Water Treatment Plant will be completed in April, 1984. Initial design will be finished in September. The final design consultant will be selected during the summer, with final design beginning in the fall.

Water rights to Eklutna Lake water will be acquired in 1984. Application for these rights will be filed with DNR, Land and Water Management, in January. A bill amending the APA's enabling legislation will be introduced before the U.S. Congress in February.

PROJECT FUNDING

Construction of the Eklutna Water Project will require a total expenditure of $220 million. This figure was estimated in late 1982 and, after a year of planning and

design, still represents a viable estimate for completion of the project in 1988. Funding must be obtained in a timely manner in order to maintain costs at the $220 million level.

Initial appropriations for the project have been received from the State Legislature, and continued support from that source will be required through the years 1984 to 1986. In 1982, $13.7 million was appropriated and $22.5 million was appropriated in 1983.

In ~~November~~ OCTOBER of 1983, public approval was received with over 75% favorable vote for sale of $55 million in bonds to help fund the project. These bonds will be sold on an as-needed basis. As a result of these bond sales, usage charges will increase by approximately 40 percent over present rates, or by about $5.40 per household per month. This increased rate will not be charged until water is actually supplied. No increase in charges will result from the portion of the project funded by legislative appropriations.

Three quarters of the total funds will be requested from the State Legislature, and one quarter of the funds will be obtained from the Municipality through bond sales. In order for the project to proceed on schedule, the following additional funding will be required. In October, 1984, $68 million will be required, $51 million of which will be requested from the Legislature. In 1985, a total of $62 million is needed, including $47 million from the Legislature. In 1986, the funding required for completion of the project will be $54 million, which will necessarily include a legislative appropriation of $30.8 million.

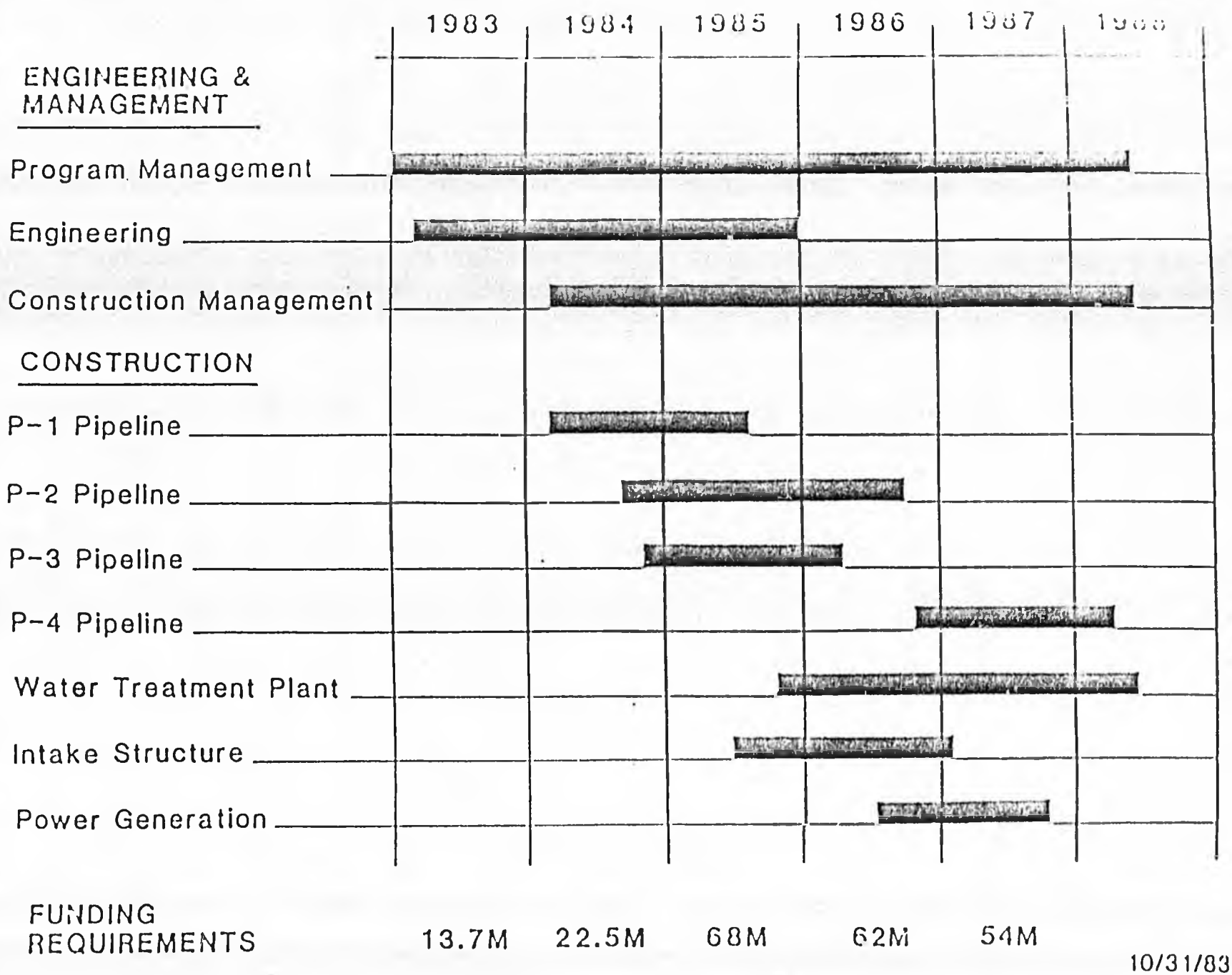
A barchart depicting funding needs and activity periods is included as Figure 3.

PROGRAM MANAGEMENT STRUCTURE

The Municipality of Anchorage Water and Wastewater Utility executed a contract in November, 1982, with James M. Montgomery, Consulting Engineers, Inc. (JMM), which placed that company in the principal role of Program Management Consultant for the Eklutna Water Project. JMM has overall responsibility for planning and design of the project, as well as supervision of construction. In addition to overall responsibility,

EKLUTNA WATER PROJECT

BAR CHART OF ACTIVITIES



10/31/83

FIGURE 3

[illegible] has primary responsibility for designing the project facilities. Three associate firms are in charge of other key aspects of the project and numerous other local firms are involved with the project.

QUADRA Engineering, Inc. is responsible for Geotechnical, Surveying, and Engineering Support for the project. QUADRA is assisted in that role by Woodward-Clyde Consultants, Inc., which is performing seismic studies.

Ott Water Engineers, Inc. is conducting the Environmental, Permitting, and Public Involvement programs, which includes obtaining necessary permits, rights-of-way and easements. Assisting with securing of Eklutna Lake water rights is the legal firm of Burr, Pease, and Kurtz. R. W. Beck and Associates, Inc. is a special consultant relating to energy replacement matters.

Sverdrup/SPCM, Inc. is responsible for Planning and Control tasks of the project, and Construction Management. In the latter responsibility, they are assisted by Triad Engineering, Inc. with consultation regarding construction practices. Sverdrup is also performing engineering for the lake diversion and tunnel.

Coffman Engineers, Inc. is conducting corrosion studies and is performing final design of the corrosion control system.

Three additional local firms have been retained for final design of segments of the pipeline. Tryck, Nyman and Hayes, Inc. is performing final design for segment P-1; DOWL Engineers, Inc. for segment P-2; and URS Engineers, Inc. for segment P-3. Other local firms will be added to perform final designs of the following facilities as the project progresses: Eklutna Water Treatment Plant, lake diversion, pipeline segment P-4, treated water reservoir, and energy recovery stations at Eklutna and Ship Creek.

The Anchorage Water and Wastewater Utility (AWWU) is the overall project administrator for the Eklutna Water Project. In that capacity, AWWU provides general direction to the consultants and makes detailed reviews of their work. AWWU has placed a full time project manager in the Eklutna Water Project office to more easily manage the large amount of work being performed on the project.

This management team has kept the project on schedule and within budget.

COST ESTIMATE

GEOTHERMAL WELL-KOTZEBUE, ALASKA

Medium Depth Well — 6,000 to 8,000

Pre Stand by	100,000
Moving & Rig up & Down	210,000
Day Work	675,000
Overhead	100,000
Camp & Catering	195,000
Post Standby	100,000
Extra Labor Rental	103,000
SUBTOTAL	1,483,000

Other Drill Costs

1.	Raw Materials	600,000
2.	Service Contractors	
	a. Drill Consultant	50,000
	b. Wellsite Geologist	20,250
	c. Mud Logging	55,200
	d. Wire Surveys	180,000
	e. Cont. Service	200,000
	f. Carting	29,300
	g. Shooting & Perforating	70,000
	h. Csg Inspection	18,000
3.	Other Direct Cost (fuel,water,ect)	500,000
	SUBTOTAL	1,722,750
4.	Build Location Permafrost Bed	750,000
5.	By/Air Rig Transport in & out	4,000,000
	TOTAL	7,955,750

SB
319

COMMITTEE REPORT

HOUSE

(7) FURTHER: FINANCE

3/30/84 Date: 4/17/84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 319(Rules)
"An Act making special appropriation for payment as grants to the Fairbanks North Star Borough and the Matanuska-Susitna Borough for the construction of multipurpose activity centers; and providing for an effective date."

under consideration and recommends:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

M.D. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Referred also to
Senate Rules Committee

M.D. Miller
CHAIRMAN

January 16, 1984

REPORT NO. 1

INTRODUCTION OF BILLS (Senate)

Mark Boyer 3763
Thurs. Morn. Sen. Fin.
City of North Pole hearing next wk. Mayor's office

Appropriations (special) (Fairbanks & Mat-Su activity centers)

SENATE BILL NO. 319, by Senators Fahrenkamp, Kerttula and Bennett. Appropriates $24 million for a grant to the City of Fairbanks for construction of a multipurpose spectator activity center. Appropriates $18 million for a grant to the Matanuska-Susitna Borough for construction of a multipurpose sports activity center in the Wasilla urban area. Effective immediately.

Introduced January 9 and referred to Community & Regional Affairs and Finance. 3763

Dissolution of Marriage (custody of children)

SENATE BILL NO. 320, by Senator Ray. Amends laws governing the dissolution of marriage as they pertain to custody of minor children. Adds language to portions of AS 25.24.200 - 260 (Dissolution of Marriage) explicitly requiring that the court have jurisdiction to decide custody of minor children. Petition for dissolution must state ". . . (4) the name, date of birth, and current custodial status of each minor child born of the marriage or adopted by the petitioners and facts showing whether the court has jurisdiction under AS 25.30.020 and is an appropriate forum under AS 25.30.050 and 25.30.060 to determine custody of and visitation with the children;" Provides that a decree of dissolution must state it does not bar future action on issues not resolved if "the court does not have jurisdiction ... or is not the appropriate forum ... to enter an order for custody and visitation; or the court otherwise lacks jurisdiction to grant all of the relief requested." Does not provide for an effective date (effective 90 days after Governor's signature).

Introduced January 9 and referred to Judiciary.

Office of Ombudsman (amending law)

SENATE BILL NO. 321, by Senator Ray. Makes miscellaneous changes to laws governing the Ombudsman, as follows:

--Rewrites AS 24.55.080(a) to read: "Subject to restrictions and limitations imposed by the director of the Legislative Affairs Agency, the administrative facilities and services of the Legislative Affairs Agency, including computer, data processing, and teleconference facilities, may be made available to the ombudsman to be used in the management of the office of the ombudsman to carry out the purposes of this chapter." Paragraph now reads: "The Alaska Legislative Council shall provide suitable office space and equipment for the ombudsman and his staff."

SB319
ENTER
ENTER For next pg
ENTER To End

BILLS PASSED IN THE SENATE (cont'd)

Haines Annexation (disapproving)

SENATE JOINT RESOLUTION NO. 34, (see pages 166;341). Passed the Senate on February 20, 14-0-6. Excused: P. Fischer, V. Fischer. Halford, Josephson, Rodey, Sturgulewski.

OTHER ACTION IN THE SENATE

Appropriations (special) (Fbks./Mat-Su activity centers)

SENATE BILL NO. 319, (see page 1). On February 22, at the request of Senator Ferguson, the Community & Regional Affairs referral was waived. To Finance.

Legislative Immunity & Privileges

CS FOR SENATE BILL NO. 328 (JUDICIARY), (see pages 5;170). Before the Senate on February 22. Amendments 1 and 2 failed to be adopted (see below). Failed the Senate, 8-12. Yeas: Bennett, Ferguson, Josephson, Kerttula, Moss, Mulcahy, Ray, Sackett. Senator Vic Fischer gave notice of reconsideration of his vote.

Am. No. 1 by Halford failed, 4-14. It would have added a new section to the bill amending AS 24.40.031 as follows:

> Sec. 24.40.031. POSTPONEMENT OF CIVIL PROCEEDINGS WHEN A PARTY [OR ATTORNEY] IS A MEMBER OF THE LEGISLATURE. When it appears that a party [OR AN ATTORNEY OF RECORD OF A PARTY] to a civil action is a member of the legislature of this state, and that legislature is in session, the action shall be continued until 10 days after the legislature has adjourned, unless the party [OR ATTORNEY] upon the call of the action for trial waives the benefit of this section. When it appears that a party [OR AN ATTORNEY OF RECORD OF A PARTY] to a civil action is a member of the Alaska Legislative Council, the Legislative Budget and Audit Committee, or one of their subcommittees, the action shall be continued when the legislative council, budget and audit committee or the subcommittee, as the case may be, is holding a meeting, unless the party [OR ATTORNEY] upon the call of the action for trial waives the benefit of this section. When it is necessary to file a brief or memorandum of law in an action which has been continued under the provisions of this section, the action shall be continued for a time sufficient to prepare and file the brief or memorandum.

Am. No. 2 by Gilman failed, 4-16. It would have eliminated provision which grants immunity to legislators during the period from five days before until five days after a legislative committee meeting.

On February 23 Senator Vic Fischer brought up the reconsideration on CSSB 328 (Jud) and, at his request, it was held until February 28.

Oil & Gas Leases (fraudulant)

SENATE BILL NO. 432, (see page 221). On February 23 the President added a Finance referral. To Labor & Commerce, Judiciary, and Finance.

Mortician Trainees

SENATE BILL NO. 456, (see page 293). On February 23, at the request of Senator Vic Fischer, the State Affairs referral

MSG 84-00018245 PRTY 1 02/28/84 09:33:55 ORIG: LF00 IN= 0001 OUT= 0030
FROM: LYNDA/FBX TO: JNO INFO
TARGET: LJHK SUBJ: POM 9

FEB 28 '84

TO: INT. DELEGATION
REPS, DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W.MILLER
SENS BENNETT, FAHRENKAMP, MOSS

FROM: CATHERINE EBENAL, SR BOX 20631, FBX 99701 #456-4707

RE: MULTIPURPOSE ACTIVITY CENTER, SB319.

MSG: I AM FOR THE FBX COMMUNITY MULTIPURPOSE ACTIVITY CENTER. FAIRBANKS' IS LONG OVERDUE FOR A BUILDING LIKE THIS.

The Fairbanks Community Multi-Purpose ACTIVITY CENTER

WHAT IS THAT?

At this point, it's only an idea . . . But, it could really happen if our communities want it to happen!

WHAT COULD I DO THERE?

As presently envisioned, the Community Activity Center would consist of three component parts:

AN ARENA

. . . that could hold around 6,000 spectators, and would be large enough to accommodate most sports uses short of football or outdoor soccer. It could serve as an exhibition hall for trade shows, etc., and could hold large entertainment events. (Remember when Johnny Cash and Billy Graham wanted to come to Fairbanks?)

A BANQUET/MEETING HALL

. . . that could seat around 1,000 people for dinner, or could be divided into smaller rooms for smaller meetings, workshops, etc.

A THEATER

. . . where up to 1,000 people could watch (or participate in) a live theatrical event (musical, drama, dance, etc.). It could also serve as a lecture hall, where seminars or large workshops are held.

OH, SO THIS IS GOING TO TAKE CARE OF ALL OUR PROBLEMS?

Not really — but it will answer our most pressing present and future needs for specialized space where the people of our communities might gather for many kinds of community activities.

WHEN ARE WE GOING TO START BUILDING?

Whoa, wait a minute! First we want to gather professional help in determining if such a facility is right for Interior Alaska. What is it going to cost to build and maintain it? Who should own it? Who should operate it?

WHERE'S THIS GOING TO BE BUILT?

That hasn't been decided, yet. Once it has been determined what kind of facility will be built, then we will know some of the places it might be built. Then the people of the community must have a chance to state their preference and the professionals must determine the advantages and disadvantages of various sites.

WHAT NOW? HOW DOES THIS INVOLVE ME?

The Community Activity Center needs everybody's support and input in order to be built. The Task Force is requesting funding from our communities and the State to perform a professional development recommendation. We need you to support that request. Also, Senators Fahrenkamp, Bennett, and Kertulla have introduced a bill in the Alaska State Senate for 24 million dollars to fund construction of the Community Activity Center. They, and our other Interior legislators, need to know that the community supports the concept of a Community Activity Center that is right for Interior Alaska. We urge you to contact our legislators and tell them you support the request for planning money as well as Senate Bill 319. Please send a Public Opinion Message via the Legislative Information Office, a telegram, or telephone our legislators immediately.

BY THE WAY . . . The following organizations have already endorsed this concept. If your club or group would like to get involved in this effort, let us know . . .

- Greater Fairbanks Chamber of Commerce
- Fairbanks Drama Association
- Fairbanks Light Opera Theatre
- Tanana Valley Fair Association
- Dance Omnium
- Molloy and Company Dance Studios
- University of Alaska — Fairbanks
- Tanana Valley Community College
- Central Labor Council
- Fairbanks Arts Association
- Eskimo-Indian Olympics
- Associated General Contractors
- Fairbanks Summer Arts Festival
- Fairbanks Convention & Visitors Bureau
- Fairbanks Native Association
- Alaska Repertory Theatre
- Institute of Alaska Native Arts
- Alaska Dog Mushers Association
- Goldpanners
- Fairbanks Restaurant Association
- Fairbanks Choral Society

For more information contact Gary Wilken at 456-7088 or Buki Wright at 452-1105 or any member of

— THE MAYOR'S COMMUNITY ACTIVITY CENTER TASK FORCE —

RESOLUTION OF CONSENSUS AND SUPPORT FOR COMMUNITY ACTIVITY CENTER CONCEPT

A group of individuals and representatives from many groups and organizations throughout the community has come together to gather support for a multi-purpose COMMUNITY ACTIVITY CENTER. Many needs in our community are not being met due to the lack of a proper facility. We believe that a facility can be designed and built which will be affordable, and will be truly useful to the majority of residents of the greater Fairbanks area. The groups and organizations listed below have reached consensus on the following points. We enthusiastically urge your support and active participation in these efforts.

1. The community needs a facility, or facilities, to accommodate large group gatherings. Residents would benefit from such facilities through participation in recreational, cultural and educational activities that improve the quality of life; by economic development of business, commercial and basic resource industries; and by bringing new people and dollars into the community through conventions and the visitor industry.

2. As presently perceived, three basic component functions need to be included in the COMMUNITY ACTIVITY CENTER:

   A. An arena with seating for at least 6000 to be used for sports, entertainment, trade shows, graduations, large meetings, rodeos, and other large attendance events.

   B. A banquet hall capable of seating at least 1000 for dinner which could also be divided into smaller rooms.

   C. A theater with seating for 800 people which could also be used as a lecture hall or auditorium even though built to theater specifications.

   One additional component we feel must be addressed, and hopefully accommodated, is small community group meeting spaces, for groups numbering 10-50.

3. It is apparent that one facility and one appropriation cannot meet all community needs. Therefore, we commit to maintain in active consideration all similar capital needs in the greater Fairbanks area as expressed by various organizations and groups in order to seek and support funding on a prioritized basis for projects which meet other needs at other sites.

4. There are several sites in the greater Fairbanks area that could be acceptable for the COMMUNITY ACTIVITY CENTER. There are many divergent considerations regarding site selection. Land availability and ownership, accessibility, availability or power and other utilities, desires of local residents and political considerations must all be taken into account. The decisions as to site selection may be controversial ones, and must be handled openly and professionally. We feel that site selection should be determined professionally during the developmental planning stages, and therefore for the purposes of planning for the type of facility desired by the community, and for gathering support, we agree to remain non-site-specific. A COMMUNITY ACTIVITY CENTER in ANY reasonable location is better than no COMMUNITY ACTIVITY CENTER at all.

5. It is imperative that any facility realized be right for the community. It must be useful for many years to come, be capable of future expansion, be complimentary to existing facilities, and must be affordable. Cost of operations and maintenance, efficient administration and management, site selection and provision of support services will be the first considerations of the professional planning effort. Funds will be sought for architectural and engineering services, selection of firms to be open to anyone interested. Community input and knowledge will be a crucial contribution during the planning effort.

Introduced by: Council Member Anderson
Council Member Immel
Date : February 27, 1984

RESOLUTION NO. 2507

A RESOLUTION TO SUPPORT THE CONCEPT OF A COMMUNITY ACTIVITY CENTER FOR THE CITY OF FAIRBANKS, ALASKA.

WHEREAS, many needs in our community are not being met due to the lack of a large scale, multi-purpose activity facility; and

WHEREAS, many organizations and individuals from the City have demonstrated their support of such a community activity center; and

WHEREAS, it is imperative that the facility be useful for many years to come, be capable of future expansion, be complementary to existing facilities, and affordable; and

WHEREAS, the Community Activity Center Task Force recommends the continuation of the effort to build such a structure; and

WHEREAS, the support of local governments is vital to the continued effort;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, that they express their support of the community activity center concept.

PASSED and APPROVED this 27th day of February, 1984.

BILL WALLEY, Mayor

ATTEST:

CARMA B. ROBERSON, City Clerk

Sandra Stringer
Paul Chizmar
Bill Walley
J.B. Carnahan
Howard Otis
Juanita Helms
B.B. Allen

Introduced:

ORDINANCE NO. 83-20-2Y

AN ORDINANCE AMENDING THE FY 1983-84 BUDGET BY APPROPRIATING $100,000 TO PLAN FOR A COMMUNITY ACTIVITY CENTER

WHEREAS, as interest has been demonstrated in having a Community Activity Center in the Fairbanks North Star Borough; and

WHEREAS, it is in the best interest of our citizens to carefully plan for and evaluate the feasibility of such a facility; and

WHEREAS, the legislature of the State of Alaska has expressed interest in the project and requested a local commitment.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough that the FY 1983-84 budget is hereby amended by appropriating $100,000 from General Fund - Fund Balance to the Capital Projects Fund budgetary guideline entitled "Community Activity Center Planning" and increasing estimated revenue from contribution from General Fund in a like amount.

BE IT FURTHER ORDAINED that this ordinance is effective the day after a signed contract for matching funds is received from the state.

BE IT FURTHER ORDAINED that the Mayor is impowered to enter into a contract with the state for the matching funds.

PASSED AND APPROVED THIS _____ DAY OF _____, 1984

_____
Presiding Officer

ATTEST:

_____
Clerk of the Assembly

AGENDA

INTERIOR DELEGATION BROWN BAG LUNCH

THURSDAY MARCH 8, 1984

INTRODUCTION OF GUESTS

ANNOUNCEMENTS OF MEETINGS ... COMMENTS OF LEGISLATORS,

,PROGRAM:

(1). GERRY MUSETH AND JOHN GARNER WITH BOARD OF FISHERIES TO DISCUSS RECENT BOARD DECISION REGARDING CHITINA DIPNET FISHERIES

(2). SEA WAYS PRESENTATION ON NEW SERVICE TO SEWARD THROUGH TO THE INTERIOR

MARTIN DURKIN - SEAWAYS COUNSEL

FRED PEIL - SEAWAYS GENERAL MANAGER

RON GARZINI - SEWARD CITY MANAGER

JOHN GILLESPIE - SEWARD CITY COUNCIL

KENT DAWSON - REPRESENTING THE CITY OF SEWARD

Delta
Paxson
Upper 40 Mi.
Glennallen
Fbks

3. Hary about ~~about~~ Act. Center

NOTE: TODD HARIS, REPORTER FOR CHANNEL 11 WILL BE ATTENDING TODAY AS AN OBSERVER. HE IS DOING A STORY ON FRESHMAN HOUSE MEMBER FROM THE INTERIOR.

A COMMUNITY ACTIVITY CENTER FOR FAIRBANKS

A COMMUNTY ACTIVITY CENTER
FOR FAIRBANKS TO MEET A VARIETY
OF COMMUNITY NEEDS?

MANY RESIDENTS DO SEEM TO SUPPORT
THIS IDEA, BUT.....

LET'S MAKE SURE WE PLAN AHEAD
CAREFULLY
TO CONFIRM THE REAL COMMUNITY NEEDS
FOR THIS CENTER,
TO CLARIFY WHAT FACILITIES
THE CENTER SHOULD CONTAIN, AND
HOW MUCH THIS WILL COST.

THEN WE CAN MOVE AHEAD
WITH CONFIDENCE!

SUPPORTING ORGANIZATIONS

The Local organizations listed below have submitted letters of endorsement for the concept of the Community Activity Center.

Greater Fairbanks Chamber of Commerce

Fairbanks Drama Association

Fairbanks Light Opera Theatre

Tanana Valley Fair Association

Dance Omnium

Malloy and Company Dance Studios

University of Alaska - Fairbanks

UAF Athletic Department

Tanana Valley Community College

Central Labor Council

Fairbanks Arts Association

Eskimo-Indian Olympics

Associated General Contractors

Fairbanks Summer Arts Festival

Fairbanks Convention & Visitors Bureau

Fairbanks Native Association

Fort Wainwright Commanding Officer, Col. Fraser Driver

Alaska Repertory Theatre

Institute of Alaska Native Arts

Fairbanks Symphony

Rotary Board

Alaska Dog Mushers Association

Goldpanners

Fairbanks Restaurant Association

Fairbanks Choral Society

CAC City/Borough Task Force

WE

the groups and organizations indicated on the adjacent page, are representative of the organizations that have pledged their support to the concept of a Community Activity Center in Fairbanks. We believe that careful planning of this center now in response to the current and future needs of our citizen will result in the construction and operation of the proper facility at the right time in the correct location for the betterment of our community.

COMBINED FACILITIES
WOULD RESULT IN EFFICIENCIES AND COST SAVINGS

The Community Activity Center will be used for many different interests of the people of the Interior. The general description of this large capacity, year-round, multi-purpose activity facility includes a proscenium theatre, a banquet hall and an arena. The actual future activities within these facilities should only be limited by the imagination of the user groups in Fairbanks.

The Statement of Purpose for the Center is presented below. A preliminary description of the size of the Center is on the facing page. The facility must:

1. Serve the needs of the majority of residents of Interior Alaska,

2. Maintain acceptable ongoing maintenance and operations cost,

3. Provide positive benefits toward the overall quality of life,

4. Provide positive, long-term econcmic benefits,

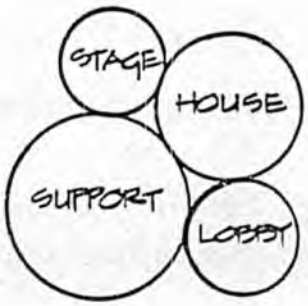
5. Complement and enhance existing and planned facilties without unnecessary duplication and,

6. Generate, within the residents of the Interior of Alaska, a sense of pride.

THEATER

Performing Arts; Lectures

1,000 Seat House.....	8,400 sq.ft.
Stage; Pit; Etc.....	5,250 sq.ft.
Support Spaces.....	13,665 sq.ft.
Lobby & Circulation.....	5,685 sq.ft.
Subtotal	33,000 sq.ft.



BANQUET HALL

Meetings; Banquets

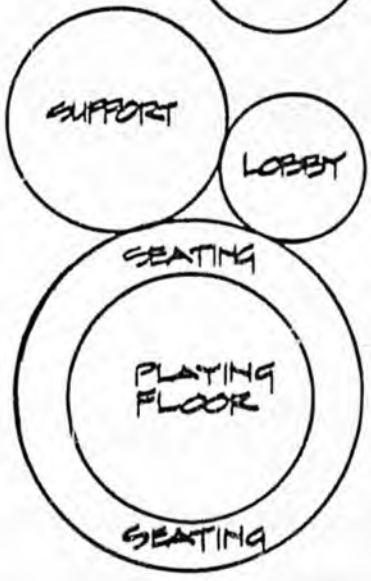
1,000 Seat Hall.....	12,000 sq.ft.
Meeting Rooms.....	800 sq.ft.
Support Spaces.....	3,300 sq.ft.
Lobby & Circulation.....	4,400 sq.ft.
Subtotal	20,500 sq.ft.

ARENA

Sports Events; Trade Shows; Entertainment

Playing Floor.....	26,000 sq.ft.
6,000 Seating Area.....	25,000 sq.ft.
Support Spaces.....	19,000 sq.ft.
Lobby & Circulation.....	17,000 sq.ft.
Subtotal	87,000 sq.ft.

Common Circulation & Services.	20,000 sq.ft.
GRAND TOTAL/BUILDINGS	160,500 sq.ft.
Estimated Parking Need.....	2,500 spaces



THE COMMUNITY'S NEEDS FOR THE CENTER HAVE BEEN CONFIRMED

Residents have become aware that the community is placing demands on local facilities that cannot be met at all times. Some of these demands overload the schedules of existing activity areas. In other cases, the existing facilities have not been able to accommodate the size of audience and/or type of activity. Activities have been cancelled in the community because there was no rain protection for the audience. The projected future growth of the Fairbanks population and economy suggest increasing unmet demands on the existing community facilities.

THEATER

A report in latter 1982 showed there were 58 performing arts groups in the community. These groups held most of their performances in six major facilities: The borough library auditorium (75 seats); the new FDA theater (80 seats); the Alaskaland theater (381 seats); the University of Alaska theater (481 seats); The University of Alaska concert hall (967 seats); and the Hering Auditorium (1,490 seats).

Each of these facilities has draw-backs for the performing arts such as size, acoustics and rehearsal facilities. One of the major documented problems is the inability of the performing arts groups to schedule events because of over-utilization.

The principal new facility needed in the community to meet rehearsal and performance scheduling problems, according to the 1982 needs assessment study, was an 800-1,000 seat Proscenium Theater, with orchestra pit and stagehouse with fly space.

Such a theater would have the greatest potential utilization by all types of performing arts groups in Fairbanks.

BANQUET HALL/MEETING ROOMS

The demand for meeting space is growing each year. The facility should be designed to posture Fairbanks to attract regional, national, and international meetings. The American Society of Association Executives estimates that by 1985 approximately 16,000 national, regional, and state associations will be holding 20,150 annual meetings per year. These meetings will draw 1.4 million convention delegates. Seventy percent of conventions held in the United States range in attendance from 400 to 1,500. Eighty seven percent or approximately 2,250 require less than 30,000 square feet of exhibit space or enough to accommodate an average of 200 booths. Additionally, thousands of corporate meetings with attendance ranging between 50 and 153 are held throughout the country each year. Convention delegates spend money and the economy of the host community grows stronger. If Fairbanks desirability as a meeting destination were increased, in only seven years a new meeting facility could generate more dollars to the Fairbanks economy than it cost to build. The development of a year-round visitor industry would help level off the seasonal fluctuations in the Fairbanks economy and would provide more permanent, year-round jobs.

Fairbanks' lack of an appropriate meeting facility was emphasized in 1983 when we saw fewer numbers of actual meetings held here than the previous year. This decline reflects the increased competition among Alaskan communities which now have convention facilities and are aggressively marketing them. How far we fall behind our competition depends upon the vision and committment of our community. Much of the space Fairbanks now offers is not adequate for large meetings and conventions. Experience demonstrates that Fairbanks needs a banquet facility flexibly planned capable of accommodating 1,000 to 1,500 people.

ARENA

Fairbanks is a community of active people. We are energetic participants and enthusiastic spectators. The community's available facilities to accommodate this healthy characteristic are strained to their limits. The facilities currently serving as an arena are:

UAF Patty Gym
UAF Ice Arena
Big Dipper Ice Arena
FNSB School District Facilities
Tanana Valley Fair Coliseum (summer only)

University of Alaska Fairbanks athletic and recreation facilities have reached their maximum use because of growth in student enrollment, expansion of the athletic program and an increase in the population of the Fairbanks community. Requests for use and space for community purposes must be increasingly denied.

The Big Dipper Ice Arena is now used nineteen hours a day. Since its opening in 1982 use of the Big Dipper facility has escalated by 65%. Current figures for the year 1983 indicate that there will be a 25% increase over the use level of 1982 when the monthly use was:

Public skating------	1,850	Gold King hockey----15,000	
Figure skating------	1,600	Men's hockey--------	1,000
Youth hockey--------	2,800	Co-ed hockey--------	400
Women's hockey------	400	High school hockey--	5,000
Old Timers hockey---	400	Exercise classes----	2,500

In short, the building is used to capacity and will accommodate virtually no increased use.

Facilities at the North Star Borough School District were shown by the Burcell Study in 1983 to be serving 347 community activities. These facilities are used in excess of 230,000 hours per year by over 14,000 participants. The conclusion of the fact gathering study was that the Fairbanks community would greatly benefit from a large community center.

Over the past several years numerous entertainers, professional ice shows, evangelists, and exhibitions have asked for space to present their programs. Because of the exceptionally high local use and the limited size of the facilities, most of these requests had to be denied.

The Tanana Valley Fair Master Plan, completed in 1981, has verified the need for an arena seating of 6,000 to 7,000 people in the Fairbanks area.

REPRESENTATIVE ARENA USES

Athletic Uses		Entertainment/Commercial Uses	
Figure Skating	Horse Shows	Shows	Fairs
Boxing	Olympic Archery	Concerts	Circus
Basketball	Volleyball	Religious Crusades	Cultural
Indoor Soccer	Tennis	Political Rallies	Demonstrations
Indoor track	Junior League Baseball	Exhibits	Jamborees
Curling	Rodeo	Conventions	
Hockey	Softball		

An arena with floor space sufficient to house an Olympic sheet of ice would coordinate well with the other proposed components. The size would be sufficient to accommodate most athletic uses except football and the regulation outdoor soccer. However, we do not rule out and would request that the feasibility of housing a football field or indoor soccer field be studied.

We propose that an arena be built which will accommodate 6,000 permanent seats. It is recommended that the floor space be large enough to include an Olympic size sheet of ice.

Floor space would be sufficient to meet the suggested criteria for an exhibition hall as determined by the American Society of Association Executives. The area could also house large entertainment events, laserium performances, electrical amplified productions and unstructured theater in the round.

THE PLANNING TASK FORCE

The issue of constructing major facilities in Fairbanks for community activities has been discussed before. However, 1984 appears a particularly appropriate time to begin planning for this facility. Fairbanks is a growing economic force in Interior Alaska with strong and active social groups supporting action that enhances our quality of life. There is now a "let's do it right this time" feeling in the community about the Community Activity Center. A task force appointed by the city and borough majors has been given the following charges:

1. Define the goal and objectives of the facility(ies).

2. Determine the social and economic benefits to the community at large and provide basis for your findings.

3. Determine a cost for the professional planning of the project and develop the scope of work for planning process.

4. Determine community needs for a multi-purpose facility.

5. Determine land required in terms of acreage and how site location should be determined.

6. Determine infrastructure required to support facility(ies), i.e., water, sewer, telephone, transportation access and air quality.

7. Determine construction costs.

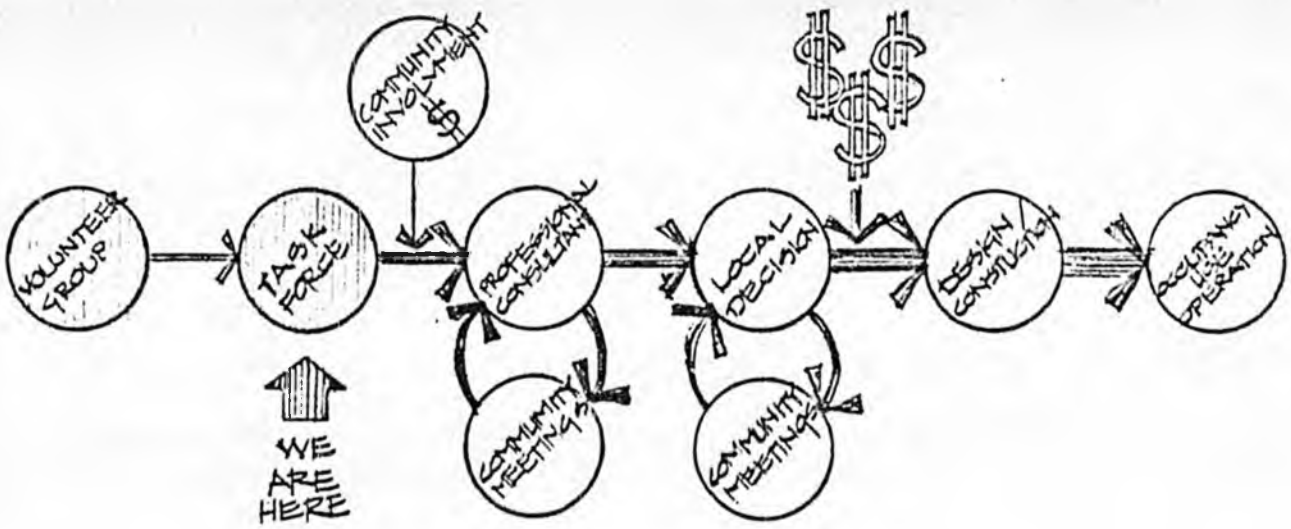
8. Determine administrative, maintenance and operations costs (all life cycle costs.)

9. Determine optimum ownership arrangement.

10. Determine source of revenue to meet administrative, maintenance and operations expenses for first five years. A pro forma profit/loss statement is required.

THE PLANNING HAS JUST STARTED

The City/Borough Task Force members recognize that a facility with the community significance of the Activity Center requires careful planning. Planning will continue to occur in careful, logical steps. Following receipt of planning funds, a professional consultant team will be engaged to answer the needs, locational and operational charges to the Task Force. Conclusions of their work will set the most realistic course for the creation of the Center in the future. Community opinion will be sought.



Local authorities will make the final decisions concerning what the Center will contain, how and when it will be constructed, where it will be located and how it will operated. Senators Bettye Fahrenkamp and Don Bennett have introduced Senate Bill 319 in the 1984 legislature. This bill could make grant money available to Fairbanks for the construction of the activity center. The infusion of capitol funding from State monies and/or local bonds will initiate design and construction of the Center. Occupancy and use could take place as early as summer 1986.

A COMMUNITY ACTIVITY CENTER FOR FAIRBANKS?

A GOOD IDEA!

TESTIMONY OF SENATOR BETTYE FAHRENKAMP
BEFORE THE SENATE FINANCE COMMITTEE
MARCH 8, 1984
SB 319

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I WANT TO THANK YOU FOR BRINGING SB 319 PROVIDING FOR THE CONSTRUCTION OF MULTI-PURPOSE ACTIVITY CENTERS IN FAIRBANKS AND WASILLA, BEFORE THE COMMITTEE.

AS THE CHAIRMAN AND SOME OTHERS OF YOU KNOW, THE IDEA OF HAVING A MULTI-PURPOSE ACTIVITY CENTER IN THESE TWO COMMUNITIES IS NOT NEW. I THINK YOU HAVE BEFORE YOU TODAY A PLANNING DOCUMENT OF THE PROPOSED WASILLA FACILITY. HOWEVER, MANY MAY HAVE FORGOTTEN THAT OUR COMMUNITY HAS BEEN WORKING WITH THE IDEA OF A MULTIPURPOSE FACILITY TO MEET SPORTS, RECREATIONAL, SPECTATOR, CIVIC AND THEATRICAL NEEDS SINCE I'VE BEEN IN THE SENATE.

IN 1979 I WORKED TO SECURE FUNDS TO PERFORM A FACILITIES STUDY WHICH INVESTIGATED VARIOUS TYPES OF MULTIPURPOSE SPORTS AND RECREATIONAL FACILITIES WHICH WAS COMPLETED AND SUBMITTED TO THE LEGISLATURE IN 1980. AN OCTOBER 1982 NEEDS ASSESSMENT FOR PERFORMING ARTS GROUPS LOOKED AT THE USE OF EXISTING FACILITIES AND MADE RECOMMENDATIONS FOR NEW FACILITIES TO MEET THIS NEED. AND FINALLY, THE FAIRBANKS DOWNTOWN ASSOCIATION WHICH IS CHARGED WITH THE REVITALIZATION OF OUR DOWNTOWN CORE AREA HAS BEEN DISCUSSING PLANS WITH LOCAL AND NATIONAL ARCHITECTURAL FIRMS AND HOTEL OPERATORS OVER THE DESIGN AND CONSTRUCTION OF A MAJOR HOTEL DEVELOPMENT FOR DOWNTOWN.

WHY ALL THE FUSS? THE SIMPLE ANSWER IS THAT WHILE OTHER AREAS OF THE STATE HAVE BEEN UNDERGOING MAJOR EXPANSIONS IN THEIR AVAILABLE SPACE TO ACCOMMODATE LARGE GROUPS, FAIRBANKS HAS NOT ADDED ONE NEW STRUCTURE TO ACCOMMODATE A GROUP OF MORE THAN 400 PEOPLE SINCE THE CONSTRUCTION OF THE TRAVELERS INN IN THE MID

60's. THE FACT OF THE MATTER IS THAT NEARLY ANY GROUP OF ALASKANS WITH STATEWIDE REPRESENTATION WILL BRING A GROUP OF 500 OR MORE PEOPLE TOGETHER FOR A MEETING.

MOST RECENTLY, FAIRBANKS HOSTED THE WESTERN CONFERENCE OF STATE LEGISLATORS. OVER 500 WESTERN LEGISLATORS, AND THEIR STAFF CONVERGED ON FAIRBANKS. WE HAD TO HOUSE THEM IN PRIVATE HOMES AND 5 HOTELS IN TOWN. MEETINGS WERE NEARLY IMPOSSIBLE TO HOLD AS THERE IS NO FACILITY WHICH CAN ACCOMMODATE THE PLENAPY SESSIONS WHILE ALSO ACCOMMODATING THE SMALLER WORK GROUPS ASSOCIATED WITH SUCH A CONFERENCE.

AS THE HOST COMMITTEE CHAIRMAN OF THE CONFERENCE, I CAN TELL YOU THAT THE TASK OF ACCOMMODATING SUCH A GROUP WAS NO EASY TASK.

PERHAPS MOST ALARMING, HOWEVER, WAS NEWS LATER IN THE YEAR THAT TWO LARGE STATEWIDE GROUPS HAD DECLINED TO CHOSE FAIRBANKS AS THE SITE OF THEIR ANNUAL CONVENTIONS BECAUSE OF THE LACK OF HOTEL ROOMS, MEETING ROOMS, BANQUET FACILITIES AND ENTERTAINMENT FACILITIES.

THE FACT THAT THE ASSOCIATIONS OF MUNICIPAL CLERKS AND THE ASSOCIATION OF SCHOOL BOARDS CHOSE NOT TO COME TO FAIRBANKS WAS ALARMING. SO ALARMING THAT I FEEL PEOPLE IN OUR COMMUNITY HAVE AGAIN BEGUN TO FOCUS THEIR ATTENTION TO THE NEED FOR A TRULY MULTI-PURPOSE ACTIVITY CENTER TO BEGIN TO MEET THE OBVIOUS NEED.

WITH THE INTRODUCTION OF SB 319 A WIDE CROSS SECTION OF OUR COMMUNITY CAME TOGETHER TO CONCEPTUALLY DISCUSS THE IDEA OF AN ACTIVITY CENTER FOR OUR COMMUNITY. THEY ARE REPRESENTED HERE TODAY BY MR. GARY WILKEN WHO WILL TESTIFY IN MORE DETAIL IN A FEW MINUTES. WHAT I'D LIKE TO LEAVE THE COMMITTEE WITH IS THE MESSAGE THAT FAIRBANKS IS BECOMING SOLIDLY SUPPORTIVE OF THIS PROJECT AND EACH OF US WILL BE HEARING MORE FROM THEM IN THE WEEKS AHEAD. I ENCOURAGE THE COMMITTEE TO ACT FAVORABLY AND EXPEDITIOUSLY ON THIS LEGISLATION.

RESOLUTION NO. 2507

A RESOLUTION TO SUPPORT THE CONCEPT OF A COMMUNITY ACTIVITY CENTER FOR THE CITY OF FAIRBANKS, ALASKA.

WHEREAS, many needs in our community are not being met due to the lack of a large scale, multi-purpose activity facility; and

WHEREAS, many organizations and individuals from the City have demonstrated their support of such a community activity center; and

WHEREAS, it is imperative that the facility be useful for many years to come, be capable of future expansion, be complementary to existing facilities, and affordable; and

WHEREAS, the Community Activity Center Task Force recommends the continuation of the effort to build such a structure; and

WHEREAS, the support of local governments is vital to the continued effort;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, that they express their support of the community activity center concept.

PASSED and APPROVED this 27th day of February, 1984.

BILL WALLEY, Mayor

ATTEST:

CARMA B. ROBERSON, City Clerk

Introduced:

ORDINANCE NO. 83-20-2Y

AN ORDINANCE AMENDING THE FY 1983-84 BUDGET BY APPROPRIATING $100,000 TO PLAN FOR A COMMUNITY ACTIVITY CENTER

WHEREAS, as interest has been demonstrated in having a Community Activity Center in the Fairbanks North Star Borough; and

WHEREAS, it is in the best interest of our citizens to carefully plan for and evaluate the feasibility of such a facility; and

WHEREAS, the legislature of the State of Alaska has expressed interest in the project and requested a local commitment.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough that the FY 1983-84 budget is hereby amended by appropriating $100,000 from General Fund - Fund Balance to the Capital Projects Fund budgetary guideline entitled "Community Activity Center Planning" and increasing estimated revenue from contribution from General Fund in a like amount.

BE IT FURTHER ORDAINED that this ordinance is effective the day after a signed contract for matching funds is received from the state.

BE IT FURTHER ORDAINED that the Mayor is impowered to enter into a contract with the state for the matching funds.

PASSED AND APPROVED THIS _____ DAY OF _____, 1984

_____
Presiding Officer

ATTEST:

_____
Clerk of the Assembly

SENATE BILL NO. 319

"An Act making special appropriations for payment as grants to the City of Fairbanks and the Matanuska-Susitna Borough for the construction of multipurpose activity centers; and providing for an effective date."

1/09/84	FIRST READING, SENATE Referred: C&RA, Finance
2/22/84	Moved from C&RA by unanimous consent
3/07/84	Scheduled for Senate Finance Hearing
FISCAL NOTE:	$42,000,000

SUMMARY:

SB 319 would appropriate $24,000,000 from the general fund for construction of a multipurpose spectator activity center in Fairbanks. The contract would be managed by the City of Fairbanks. A Community Activity Center Task Force (volunteer group) was appointed by the City of Fairbanks and the Fairbanks North Star Borough to further define the type of facility needed.

Attached is a copy of the pampnlet prepared by the Task Force, including a list of local organizations which support the activity center concept.

SB 319 would also appropriate $18,000,000 from the general fund for construction of a Multipurpose Activity Center in the Matanuska-Susitna Borough. In 1979 a group of Mat-Su Valley residents formed a non-profit organization called the Mat-Su Recreation Center Committee, Inc. to promote the project. In 1980 the legislature appropriated $50,000 for a feasibility study. The Multipurpose Center would be used by the school district during school hours, and by the community at other times.

Attached is additional information on the Mat-Su Multipurpose Center.

3/06/84

SB 319: Section 2

The Matanuska-Susitna Borough is the fastest growing area of the State. The area has no general use public recreation or cultural facilities. Schools in the borough are at maxium use currently. Two schools will be double shifting in the 1984-85 academic year and many "portable" classrooms are in use. The time frame for school construction is at least two years. The construction of this multipurpose center, designed eventually to grow into a major school complex, will make the construction time frame much shorter when a school is designated to be built.

Currently, there are no public use meeting rooms in the greater Wasilla and Palmer area. The largest meeting room is at Wasilla High School and holds approximately 250 people. There is a desperate need for an area for large group meetings and cultural activities and performances.

The idea of enhancing recreational and cultural opportunities in the Valley is strongly embraced. The facility would provide areas for meeting rooms, athletic facilities and, potentially, presentation rooms, a focus of community pride, and use as a true multipurpose complex.

With the rapid growth of southcentral Alaska from a rural to an urban environment, the Matanuska-Susitna Valley has been left to be a "recreational and cultural desert".

SB 319: Section 2

The attached fact sheet rom the Matanuska-Susitna Borough School District details the space and use problems that the area is working with. Page two of this memo includes explicit support for Section 2 of SB 319.

FACT SHEET ON THE MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

The Mat-Su School District is the fastest growing district in the state. Student enrollment has increased dramatically since May, 1981, when 4,422 students were enrolled. To date, enrollments are 6,967 - more than a 50% increase in less than three years.

This growth has 16 of 20 schools at or near enrollment capacity. Following is a summary of Mat-Su facilities:

* Iditarod Elementary School - double shift next fall until the opening of Tanaina Elementary, scheduled for fall, 1985. Tanaina is predicated to be full when it opens.

* Wasilla Junior High School - double shift beginning next fall until at least the fall of 1986, when a new junior/senior high is scheduled to open. We have five portables at Wasilla Junior High now.

* A Wasilla area elementary school which opened this year is already at enrollment capacity. It lies in the fastest growing region of Wasilla.

* Wasilla and Palmer High Schools and Palmer City Elementary Schools are predicted to be at enrollment capacity next year.

* We are presently using 29 portable classrooms districtwide.

According to national statistics, Alaska is the fastest growing state in the union, and the Mat-Su Borough is the fastest growing region in Alaska. The bulk of the new population is settling in the Wasilla area, which is over-taxing schools and social service agencies. In the last 15 months we have accumulated $70 million in bonded indebtedness for school construction. At present, we are at bonded capacity. The need for state grants to accommodate new school construction for the Mat-Su School District is critical.

Since Mat-Su has more affordable housing than Anchorage, the area is attracting young families which generally have two or more children, and this rapid growth is expected to increase this summer. The district's greatest enrollments are occurring at the elementary school level, particularly in kindergarten. Our core area elementary schools are tremendously impacted, and there is presently one junior and one senior high in the Wasilla area that absorb graduating sixth graders from five elementary schools.

Also hard hit is the school district budget, which is $37.6 million for the current fiscal year. Next year's proposed budget is $50.6 million, which is a dramatic increase to local taxpayers. The Mat-Su Borough Assembly has passed a resolution on the amount they will fund the district next year. That amount falls far short of the money needed to hire new teachers, purchase materials and cover operating expenses. Unfortunately, a large increase in the construction of single family dwellings does not increase the Borough's assessed valuation in proportion to the costs of educating the new students.

It is crucial that the State of Alaska review a provision to aid areas which are experiencing extreme growth. This growth not only affects schools, it burdens social service agencies, state trooper offices and the courts. As a school district, we ask your support for all legislation which will alleviate some of the costs of educating children. We view education as a statewide issue, and support like legislation for other districts which are overburdened with population growth.

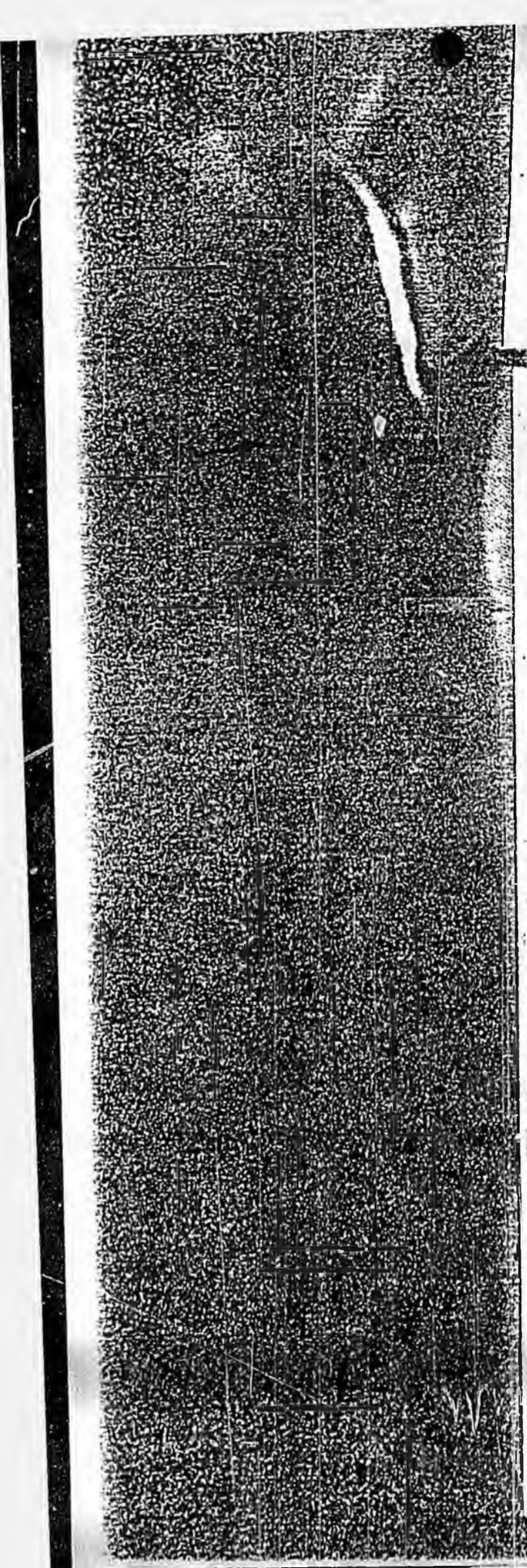
The Matanuska-Susitna Borough School District supports Senate Bill No.319 for a multi-purpose activity center to be built in the Matanuska-Susitna Borough. A recently completed census reveals that the Borough population has increased 70% since 1981. The unprecedented growth in population and the fact that the Borough has reached its maximum recommended bonding capacity has put a tremendous burden on the present school facilities for recreational and community meetings. The various public schools in the Borough are the primary focal point for community activities and recreational pastimes. Ironically at the same time the community is requesting more time for using the schools for non-school activities, the school facilities are becoming less available because of overcrowded schools, double-shifting, and budget constraints.

The District is convinced that there would be a mutual advantage in the building of the multi-purpose activity center. By building a needed secondary school on the same land as the activity center millions of dollars could be saved. The secondary school could utilize the activity center for their P.E. and fine arts programs and not have to duplicate those expensive features or buy the land.

Also, the people would begin to identify themselves with a regional concept rather than just the neighborhood school concept which the present smaller facility use seems to foster. This is a very important concept in an area of rapid growth where a community suffers from an identity crisis encouraged by commuting and the hectic pace of contemporary living standards. A regional activity center large enough to accommodate the needs of the people would polarize many facets of the community including sports clubs, civic organizations, local promotions of special events, and the public as individuals with special interests.

In summary, the Mat-Su School District enthusiastically supports Senate Bill No. 319 because it has the potential to serve the recreational and cultural interests of the community and to aid the District in fostering quality education at affordable prices through development of a multi-use concept.

Gordon C. Tope
Superintendent
Matanuska-Susitna Borough School District



...to their fires this winter if smoke pollution becomes too great.

State and local authorities have placed monitoring devices around the picturesque valley, which includes the area around the airport and the Mendenhall glacier, and specially trained officers soon will begin patrolling its neighborhoods.

Anyone violating a new city-borough woodsmoke ordinance, which means sending up a smoke plume blocking more than 20 percent of the view behind it, is subject to a $75 fine.

...has grown so severe that wood-burning bans were declared several times last year, but "nothing that lasted much more than 24 hours," said Dick Neve, who heads the state Department of Environmental Conservation.

"It's an ongoing problem in the valley," Neve said Friday. "When temperature conditions are just right, the smoke hangs in there like a blanket. There are many days when people can burn their stoves, but they'll be watched much more closely this year."

Unlike Anchorage and Fair-

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11/12/83

Measure would fund community centers

by Al Campbell
Times Valley Bureau

Wasilla — An $18 million, state funded community center for Wasilla would be an ideal way to ease the local taxpayers' share of meeting school and private recreational needs, according to Sen. Jay Kerttula, who has co-sponsored a bill to fund the project.

The building would be a "Taj Mahal" that would draw legislative funding from more vital services in the Matanuska-Susitna Borough, says Rep. Barbara Lacher.

Kerttula, a Democrat, will be challenged by Republican Lacher for Kerttula's borough-wide senate seat in next year's elections.

Kerttula, Sen. Bettye Fahrenkamp, D-Fairbanks, and Sen. Don Bennett, R-Fairbanks, have pre-filed a bill calling for a total of $42 million to build community centers in Fairbanks and Wasilla, with $18 million designated for this community of 3,000 people.

The senate president says the estimated $300,000-a-year operating costs should be about two-thirds paid with state reimbursement to the school district, which would be the major customer for the complex.

Kerttula says private groups who would use the sports and meeting facilities would make up most of the rest of the cost.

Kerttula acknowledged the concept is "unique, but necessary" as a way to reduce school district bonding totals which are rapidly approaching the limit of taxpayer tolerance.

He said with a central community facility, the local school district could build cheaper schools by eliminating the need for gymnasiums in many cases.

But Lacher said the $18 million would be cut from the Mat-Su Borough's "share of the pie" for capital projects, and deprive the area of roads, sewers and other projects and services.

"It would be nice to have it," Lacher said. "But we need a great many things before we need a Taj Mahal."

The freshman legislator said "the days are gone forever when the state should be funding recreational projects. There are too many people hungry for other things."

Lacher said if the money for the center could come from some sort of "grab bag" fund, she would support it, but given today's political realities, the borough would be "left short" on other priority state requests.

Kerttula said there could be a demand for the centers from other areas, and where booming school population warrants them, such as in the Matanuska-Susitna area, they should be built.

But he said communities would have to demonstrate they could support them, or they should not get the centers "just because they want them," he said.

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RESOLUTION OF CONSENSUS AND SUPPORT FOR
COMMUNITY ACTIVITY CENTER CONCEPT

A group of individuals and representatives from many groups and organizations throughout the community has come together to gather support for a multi-purpose COMMUNITY ACTIVITY CENTER. Many needs in our community are not being met due to the lack of a proper facility. We believe that a facility can be designed and built which will be affordable, and will be truly useful to the majority of residents of the greater Fairbanks area. The groups and organizations listed below have reached consensus on the following points. We enthusiastically urge your support and active participation in these efforts.

1. The community needs a facility, or facilities, to accommodate large group gatherings. Residents would benefit from such facilities through participation in recreational, cultural and educational activities that improve the quality of life; by economic development of business, commercial and basic resource industries; and by bringing new people and dollars into the community through conventions and the visitor industry.

2. As presently perceived, three basic component functions need to be included in the COMMUNITY ACTIVITY CENTER:

   A. An arena with seating for at least 6000 to be used for sports, entertainment, trade shows, graduations, large meetings, rodeos, and other large attendance events.

   B. A banquet hall capable of seating at least 1000 for dinner which could also be divided into smaller rooms.

   C. A theater with seating for 800 people which could also be used as a lecture hall or auditorium even though built to theater specifications.

   One additional component we feel must be addressed, and hopefully accommodated, is small community group meeting spaces, for groups numbering 10-50.

3. It is apparent that one facility and one appropriation cannot meet all community needs. Therefore, we commit to maintain in active consideration all similar capital needs in the greater Fairbanks area as expressed by various organizations and groups in order to seek and support funding on a prioritized basis for projects which meet other needs at other sites.

4. There are several sites in the greater Fairbanks area that could be acceptable for the COMMUNITY ACTIVITY CENTER. There are many divergent considerations regarding site selection. Land availability and ownership, accessibility, availability or power and other utilities, desires of local residents and political considerations must all be taken into account. The decisions as to site selection may be controversial ones, and must be handled openly and professionally. We feel that site selection should be determined professionally during the developmental planning stages, and therefore for the purposes of planning for the type of facility desired by the community, and for gathering support, we agree to remain <u>non-site-specific</u>. A COMMUNITY ACTIVITY CENTER in ANY reasonable location is better than no COMMUNITY ACTIVITY CENTER at all.

5. It is imperative that any facility realized be right for the community. It must be useful for many years to come, be capable of future expansion, be complimentary to existing facilities, and must be affordable. Cost of operations and maintenance, efficient administration and management, site selection and provision of support services will be the first considerations of the professional planning effort. Funds will be sought for architectural and engineering services, selection of firms to be open to anyone interested. Community input and knowledge will be a crucial contribution during the planning effort.

SB

386

COMMITTEE REPORT

HOUSE

(2) FURTHER:

Date: 3-19-84

3/1/84

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 386

"An Act relating to the displaced homemakers program; and providing for an effective date."

under consideration and recommends:

[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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.W. Miller

CHAIRMAN

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

TO: House Community and Regional Affairs Committee

FROM: House Community and Regional Affairs Staff

DATE: March 9, 1984

SUBJ: SB 386 Displaced Homemakers

SB 386 changes the definition of displaced homemaker by reducing from seven to three the number of years a person must have worked as an unsalaried homemaker.

Fiscal Information

There is no fiscal impact. The position paper (enclosed) states in the last sentence that this legislation would open up available programs to more Alaskans, and would not require a funding increase.

Enclosed as back up information is:

A fiscal note from the Community and Regional Affairs Dept.

A position paper from the Community and Regional Affairs Dept.

A position paper from the Department of Labor.

A position paper from the Alaska Women's Commission.

A packet of statistical information giving a profile on displaced homemaker programs, applicants and participants (from C&RA).

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

February 3, 1984

Position Paper

RE: SB 386
Sponsor: Rules Committee by Request of the Governor

PROGRAM EFFECTS:

This bill allows for individuals to be enrolled in the Displaced Homemaker Program following three (3) years of unsalaried service as a homemaker versus the existing seven (7) year requirement.

COMMENTS:

The Displaced Homemaker Program is designed to prepare individuals to enter the job market following an extended period of time (seven years) serving as homemakers for their families. These individuals for the most part have not been able to prepare themselves for the responsibility of sole support for their families as the need for entering the job market is the result of tragedy including death or disability of a spouse or divorce/separation. This bill changes the seven year provision for unsalaried service in the home to three years of homemaker service, as the present requirement, under State law, is an onerous provision.

The Displaced Homemaker Program has been in operation since February 1983. Statistics formulated for the first fiscal year February 1, 1983 through June 30, 1983 indicated that 337 individuals were interviewed for eligibility. Twenty-five percent (85 individuals) were ineligible. Of those ineligible, 70% (67 people) were not eligible because they did not meet the seven years in the home requirement.

Statistics formulated during the first half of the present fiscal year (July 1, 1983 through June 30, 1984) indicate that 277 individuals have been interviewed for eligibility. Thus far the ineligible percentage has risen to 36% (100 people) ineligible. Of this 36% ineligible, 85% (85 people) are not eligible because they did not meet the seven years in the home requirement.

Contractors have indicated that advertisement of the seven year requirement may have kept away other ineligible participants.

In other ways, statistics show that the Displaced Homemaker Program is meeting its goal of placing lower income individuals in employment.

* The average monthly family income before the displaced homemaker circumstances was $2,416/mo.

* After the death, disability or divorce of the spouse the family income fell to $423.00 per month.

* The average number of dependents was three (3).

*Thus far, in FY 84, 54% of the individuals leaving the program went directly to employment (27%), school or a vocational program (27%).

* 6% of the individuals were referred to other social service programs for assistance.

* 60% of those served were white, 31% Alaskan native, 14% other minorities; 11% were handicapped.

Client profiles show that the seven year requirement discriminates against the younger displaced homemaker. The average age of a participant under the present requirements is 37 years old.

The average age of ineligible clients is 30 years old and the average number of months in the home is 3.10 years. This would indicate that the actual client population is much younger on the average.

For the aforementioned reasons we would advocate that the statutes be changed from the seven (7) year requirement to three (3) years. This would create no fiscal impact; it would merely open up the available program to more Alaskans.

Approved: Emil Notti
Emil Notti, Commissioner

Bill No. Senate Bill No. 386

Title "An Act relating to the displaced homemakers program; and providing for an effective date."

Date February 9, 1984

Contact: Eileen Plate 465-2700
Jack Shay 465-2712

The recommended change in the definition of "displaced homemaker" from a person providing unsalaried services for a family for a period of at least seven years to three years is strongly supported by the Department of Labor. The length of time a person has spent providing unsalaried services for a family generally has little relationship to the fact that a person may be displaced through death of spouse, divorce, separation, desertion, or loss of family income, and need assistance.

Senate Bill No. 386 would not have a fiscal impact on the Department of Labor.

Approved:

Jim Robison
Commissioner

POSITION PAPER/Department of Labor

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 386
Title: Displaced Homemaker Program Revision
Sponsor: ~~Rules Comm./Req. Governor Sheffield~~
Requestor:

II. FISCAL DETAIL

Agency Affected: C&RA
Program Category Affected:
BRU, Program of Subprogram(s) Affected:

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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Karen Perdue, Director
Phone: 465-4890
Division: Community Development
Date: 2/3/84

Approved by Commissioner: [signature]
Date: 2/7/84
Department: C&RA

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
Copy to Requestor (if different from Sponsor)

3/8/83

BILL SHEFFIELD
GOVERNOR

PHONE
(907) 561-4227

STATE OF ALASKA
OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

MEMO

TO: Senate State Affairs

FROM: Kathy Marshall, Executive Director

SUBJECT: Senate Bill No. 386

DATE: February 6, 1984

The Alaska Women's Commission is firmly committed to supporting the Displaced Homemakers Programs which provides education and employment services to women who have been homemakers and due to death, divorce or separation are forced to re-enter the job market. In the past, many women who requested this service had to be denied because they had not worked as a homemaker providing unsalaried services for their families for at least seven years. Due to the high cost of living in Alaska, very few families survive for seven years without both spouses contributing to the family income. However, in most cases the homemaker's contribution was in a low paying, frequently part time capacity. As single heads of households these positions do not equip the homemaker with skills to support the family.

Of the homemakers who were refused service in the Displaced Homemakers Programs last year, the average length of time they had been homemakers without paid employment was 3.3 years.

The Commission urges State Affairs to recommend approval for the proposed amendment in SB No. 386 to change the seven year eligibility requirement to three years.

Please contact the Commission office if you need any additional information about the changes in the Displaced Homemakers legislation.

APPLICANT INFORMATION

The average age of ineligible applicants is 30 years old.

The average number of months in the home for ineligible applicants is 38 months or 3.16 years.

63% are White.
3% are Black.
4% are American Indian.
3% are Asian or Pacific Islander.
2% are Hispanic.
22% are Alaska Native.

PARTICIPANT INFORMATION

The average age of participants is 37 years old.
The average number of years in the home is 7.75 years.

60% are White.
1% are Black.
2% are American Indian.
1% are Asian or Pacific Islander.
2% are Hispanic.
31% are Alaska Native.

11% are handicapped.

38% are on public assistance.

20% are school dropouts.
47% have finished high school or gotten a GED.
30% have attended a post-secondary institution or higher.

The average monthly income before becoming a Displaced Homemaker is $2,416.

The average monthly income after becoming a Displaced Homemaker is $423.

That is an average loss of income of $1,993 per month.

72% report that the reduction in income was a result of divorce, separation or desertion.

The average number of dependents is 3.

TERMINATION INFORMATION

*29% entered full or part-time employment.
7% entered school or a vocational training program.
6% were referred to other Social Service programs for assistance.

Of those who enter employment upon termination, the average placement wage is $6.97.

* NOTE: Thus far, in FY 84, 54% of the individuals leaving the program went directly to employment, school or a vocational program.

DISPLACED HOMEMAKERS PROGRAM

DETAILED PARTICIPANT CHARACTERISTICS FORM

Region All Contract All Report period from: 2/1/83 to: 1/31/84

TOTALS:	TOTAL PARTICIPANTS 429	TOTAL INELIG. 185	TOTAL 1 & 2 614

Characteristic		1) Total Part.	2) Total Inelig.	Total 1 & 2
I. Age	16-21	3	21	24
	22-44	324	152	476
	45 and over	102	12	114
II. Sex	Male	2	10	12
	Female	427	175	602
III. Race/ Ethnic group	White (not Hispanic)	256	108	364
	Black (not Hispanic)	4	5	9
	American Indian	9	6	15
	Asian or Pac. Islander	3	5	8
	Hispanic	7	3	10
	Alaska Native	131	38	169
IV. Handi-capped	Handicapped	49	9	58

DISPLACED HOMEMAKERS PROGRAM
DETAILED PARTICIPANT CHARACTERISTICS FORM
PAGE 2

Characteristic		1) Total Part.	2) Total Inelig.	Total 1 & 2
V. Education	11 or less School Dropout	85	36	121
	12-19 H.S. grad. or GED	200	83	283
	13-18 Post H.S.	124	46	170
VI. Public Assistance (from optional section in application)	U.I.	24	14	38
	AFDC	100	27	127
	SSI	24	5	29
	Other cash asst.	37	27	64
	Elig. but not receiving.	105	41	146

DISPLACED HOMEMAKERS PROGRAM

QUARTERLY PARTICIPANT STATUS SUMMARY

Region All Contract All Report period from: 2/1/83 to: 1/31/84

Participant/Termination Summary	Actual
A. Total Participants	429
B. Total Terminations	270
1. Type of termination	
01. Employed, part-time	25
02. Employed, full fime	53
03. Entered Armed Forces	
04. Entered school	15
05. Entered a Vocational Training Program	4
06. Referred to other Social Service Program	17
07. Health problems	7
08. Moved from area	17
09. Transportation problems	
10. Death	
11. Child Care	3
12. Cannot locate	13
13. Returned to AFDC	1
14. Refused to continue	13
15. Remarried or reconciled with spouse	13
16. Other	44
17. Administrative separation	45

DISPLACED HOMEMAKERS
QUARTERLY PARTICIPANT STATUS SUMMARY
PAGE 2

Participant/Termination Summary	Actual
2. Services provided	
A. Job counseling	247
B. Job training & job placement	129
C. Health counseling	117
D. Financial management	125
E. Education information	199
F. Legal information	109
G. Federal & state services	198
H. Supportive services	142
I. Other	93

Alaska Women's Resource Center
241 E 5th Avenue • Suite 203 • Anchorage, Alaska 99501 • (907) 276-0528

Karen Perdue
Employment Opportunity Division
Department of Community and Regional Affairs
Pouch BC
Juneau, AK 99811

January 27, 1984

I. RELATED SERVICES PROVIDED IN THE COMMUNITY FOR COUNSELING AND TRAINING (OTHER THAN DISPLACED HOMEMAKER PROGRAM).

PRIVATE: Nine (9) private employment agencies operate in Anchorage, requiring registration fees, another fee of 55% of first month's salary, and selecting clients with salable skills in place already.

PRIVATE & STATE-FUNDED: Educational institutions include Alaska Business College, Alaska Pacific University, Anchorage Community College, and University of Alaska. Each requires entrance standards, loans, grants, scholarships or money to attend. The student must have transportation and other means of personal support in place. None offer specific reentry programs for homemakers. The ACC Center for Women and Men provides educational programs such as "brown bag" series, conferences, workshops, lecturers, plays, etc. on a wide range of topics. They refer enrolled students who need any kind of counselling to the ACC Counseling Center. Non-students are referred to the Alaska Women's Resource Center and other social service agencies.

STATE-FUNDED PROGRAMS: The Anchorage Employment Center, or Job Service serves primarily as a clearinghouse of available jobs locally and statewide, and to monitor and assist the unemployed, especially those receiving compensation (unemployment). Anchorage Job Service reported recently to the Private Industry Council that they estimated 1,000 job seekers a month came through their doors. A very small percentage of those are seen individually. No capability exists to match job-seekers qualifications on file with incoming jobs, since most jobs are filled within the first 24-48 hours. Their counselors' time is mostly utilized in maintaining their system of meeting initially and then bi-weekly very briefly with those receiving unemployment payments who must meet these requirements. They report that little can be done to assist those with strong barriers to employment, or those who become easily discouraged when their skills are not in demand, or do not pay a liveable wage. The Division of Vocational Rehabilitation (DVR) provides services to those meeting strict criteria as having physical or mental disabilities, including handicapped, chronically alcoholic with recovery, etc. New Start is a program for ex-offenders and their family members post-incarceration, that assists them with employment and other needs. The Anchorage Community Mental Health Center charges those with no private insurance or medicare coverage on a sliding fee scale starting at twenty ($20) an hour. Services are geared for mental

health problems, the chronically mentally ill, and other psychological problems. Employment services are not provided. The Cook Inlet Native Association serves primarily Alaska Native and American Indian clients with a variety of programs funded by state, federal, municipal and other sources. Some clerical training is available.

FEDERAL PROGRAMS: The Work Incentive Program (WIN) is required of all recipients of Aid to Dependent Children (AFDC) when the children reach school age of six years or older. The program is only available to welfare recipients. To be eligible for welfare, an individual must not have excess property in the form of savings, home or car with value over the federal guideline. The Veterans Administration will assist veterans or their widows with education or on-the-job-training. No one else is eligible for these services. The Educational Opportunity Center provides testing and information on higher education to low-income persons. They do not intend to provide counseling or employment readiness services. They refer those not ready for schooling, or waiting for enrollment periods to AWRC and other social services. The Job Training Partnership Act is in the first stages of implementation in Anchorage and Alaska. It provides training and on-the-job-training to the hard-core unemployed. It is not designed to provide pre-employment and counseling services, but jobs, specifically jobs in the private rather than public sector.

More information is available at the Alaska Women's Resource Center on the eligibility and services provided by each of these. Contact information is also available.

II. HOW THE DISPLACED HOMEMAKER PROGRAM FILLS THE GAPS IN ANCHORAGE.

No other agency or individual in Anchorage has a program or service geared for re-entering homemakers. Displaced homemakers find that their calls and visits to various agencies are discouraging until they engage in services at the Alaska Women's Resource Center and get personal needs assessment, counseling and referral to any of the above services for which they are qualified. The Alaska Women's Resource Center has been the primary service agency for displaced homemakers in the community since 1981. The above agencies refer homemakers to us for support and problem-solving even when they are utilizing any of the above services. An important part of our job-readiness program is helping the homemaker define skills used in the home and apply them to available jobs. Confidence and self-esteem building take place in individual and group counseling, Job Skills Workshops and resume preparation.

The displaced homemaker is not necessarily an individual who is involved in using social services. In fact, as a homemaker, she or he is most likely to try to make it on their own, using up remaining resources before seeking help. AWRC provides regular outreach services in daytime television appearances, public speaking for a variety of community organizations, and posting informational posters and brochures in stores, professional offices and services establishments such as hairdresser, laundry, etc. With financial and legal referrals and counseling, the homemaker will make the most out of what is remaining after the displacement, financially and emotionally. The period of grief/loss can immobilize the homemaker and is a barrier that is addressed in our program.

Displaced homemakers often find that they are not eligible for many public social services due to their ownership of a home, car or other personal property. The dwindling or forced sale or these remaining resources simply encourages a downward emotional and financial spiral. An individual who has been caring for others and is capable for caring for themselves can avoid these pitfalls with support and information services offered by AWRC.

III. The Alaska Women's resource Center began providing specific services for displaced homemakers in 1981, after more than a year of effort with a VISTA volunteer, to remove the barriers to displaced homemakers within existing agencies and just provide a self-help group for support. The effort led to a recognition that services of outreach, assessment, personal support counseling (not mental health therapy), job-readiness and employment services are necessary. First funded by the Department of Health and Social Services along with domestic violence and sexual assault programs, the displaced homemaker services were also funded in the first year of existence of the Council on Domestic Violence and Sexual Assault (Dept. of Public Safety). Upon passage in 1982's Legislative session of a specific bill and appropriation for displaced homemaker services, the Council and other state agenices were unwilling to support the program any longer. It's ironic that the programs remained unfunded for months while the new legislation took effect. AWRC and others were not able to provide displaced homemaker services, but the referrals and community expectations remained constant. ALL other funds received by the Alaska Women's Resource Center from state, local or federal agencies are restricted for the specific purpose for which they are granted. Thus, funds from the Council on Domestic Violence and Sexual Assault may not be used for services to anyone but a victim of domestic violence.

AWRC currently receives a grant from the Department of Public Health for a youth program to prevent substance abuse, accidents and ill health. This program has a budget, goals and timeline which exclude any possiblity of provision of displaced homemaker services. Another grant from the Department of Education ($9500) pays only instructional materials and instructor's time for workshops AWRC provides to youth and adults on sex equity issues. A new program of the Alaska Women's Resource Center is a halfway house for public inebriate women funded by the Municipality of Anchorage. Another grant was sought last Fall from the Municipality to supplement our displaced homemaker services. Due to the transience and youth (average age of women is 24) of Anchorage's population, AWRC receives many referrals of displaced homemakers who are unable to meet the state-legislated criteria of seven years in the home. We are faced with denying services to individuals who meet all but one criteria, so have requested funds to serve those who have three years in the home. They experience many of the problems of displacement as their employability is affected by this absence from employment. This grant is still being negotiated. The funding does not in any way replace the services now being provided. It simply extends them to a wider, but still needy group.

IV. NETWORKING AND LOCAL COORDINATION

AWRC convened in 1981, and still sponsors a "Displaced Homemaker's Advisory Council" made up of representatives of most of the agencies sketched in section I. This on-going group has met quarterly and worked to maintain clear referral relationships and prevent duplication of services. Providers in the group have supported AWRC in seeking funding for displaced homemaker services. See attached letters and written service agreements which were included in our grant proposal from Job Service, ACC Center for Women and Men, Cook Inlet Native Association, the mental health center, WIN, Educational Opportunity Center and others in the Anchorage community. AWRC further coordinates with statewide displaced homemaker services, including those in Nome, Bethel, Fairbanks, Homer, Kenai/Soldotna, Juneau and Matsu Valley. The Executive Director of AWRC was appointed as a member of the Anchorage-Matsu Consortium Private Industry Council to implement JTPA. No one involved in the provision of counseling and training related services has supported the allegation that displaced homemaker services are unnecessary or duplicative.

COOPERATIVE AGREEMENT BETWEEN
THE ANCHORAGE EMPLOYMENT CENTER
AND THE
ALASKA WOMEN'S RESOURCE CENTER

I. Introduction

A. Parties to the Agreement:

This cooperative agreement is entered into between the Anchorage Employment Center and the Alaska Women's Resource Center.

B. Purpose

The purpose is to establish the means for an effective working relationship between the two parties to provide maximum service to women in obtaining employment.

II. Roles and Functions of Each Party

A. This agreement will establish areas of cooperation between the two parties and will not affect other independent operations of either.

B. Role and function of each party:

The Alaska Women's Resource Center will provide services necessary for preparing women to engage in gainful occupation.

This includes:

1. Counseling, guidance, and support groups.
2. Selection of those clients judged ready for community placement.
3. Job Bank will be used for informational purposes only. not for direct referral to employers.
4. Referral to the Anchorage Job Service for employment services.
5. Job readiness training opportunities.

The Anchorage Employment Center is responsible for providing employment services.

This includes:

1. Interviewing and registering job applicants.
2. Employment Counseling.
3. Specialized placement service.
4. Referral to job openings and/or training slots.
5. Providing the Job Bank Book and other labor market information.
6. Do follow-up to determine results of placement activity.
7. Aptitude testing for mutual clients.

III. Coordination

A. Each agency will assist the other in providing information and services necessary to achieve the employment and training of mutual clients in accordance with established policies and regulations.

B. Information will be exchanged on all individuals served by mutual efforts.

C. Representatives from each agency will meet frequently for program evaluation and possible modification of procedures.

D. Any provision of this agreement may be superseded by the policies or regulations of either agency.

E. The confidential character of information available will be preserved by all agencies, and this information will be used for the purposes for which it is prepared.

F. Representatives from each organization will meet yearly from the date of this agreement for program evaluation and possible modification of procedures and renewal of agreement. This agreement will terminate one year from the date of signing. This agreement may be terminated prior to the scheduled termination date by either party upon presentation of written notification.

Jane Harrison — 3-7-83

Jane Harrison, Manager
Anchorage Employment Center

Date

Cathy Dahl — 3-9-83

Cathy Dahl, Program Director
Alaska Women's Resource Center

Date

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LABOR

DIVISION OF EMPLOYMENT SECURITY

Affiliated with U.S. Employment Service

Anchorage Employment Center
3301 Eagle Street, Suite 105
Anchorage, Alaska 99503-41[illegible]

Telephone #: 264-2631

March 29, 1983

Charles Fry, Acting Executive Director
Council on Domestic Violence and Sexual Assault
Pouch N, 312 Goldstein Building
Juneau, Alaska 99811

Dear Mr. Fry:

Job Service and the Women's Resource Center have coordinated services through the years in order to meet the needs of our mutual clients by means of client referral, advocacy, staff training, and community awareness. The Women's Resource Center is continuing to serve our community through training, counseling, support groups, and advocacy, assisting members of our community to develop and progress through difficult life experiences. Their services are valuable to the community.

Sincerely,

Jane Harrison
Manager
Anchorage Employment Center

bcc: Women's Resource Center

STATE OF ALASKA

EQUAL EMPLOYMENT OPPORTUNITY OFFICE

JAY S. HAMMOND, GOVERNOR
Dept. of Administration
Division of EEO
3341 Fairbanks Street
Anchorage, Alaska 99503
(907) 272-158

March 12, 1982

Alaska Women's Resource Center
P.O. Box 188
Anchorage, Alaska 99510

RECEIVED 3-23-82

To Whom It May Concern:

The State Division of Equal Employment Opportunity, Anchorage branch office has maintained an ongoing working relationship with the Alaska Women's Resource Center since 1977. I have found the Women's Center particularly helpful to us and our referrals in many areas, specifically regarding the assistance they have provided in counseling and making job placements for displaced homemakers; the training provided via AWRC sponsored workshops to enhance job interviewing and development skills, resume preparation, assertiveness training, etc. that resulted in providing our referrals with additional information and ideas that greatly enhanced their employability.

THE AWRC has responded to our targeted recruitment efforts to secure qualified applicants for employment with the Executive branch of State government by referring many qualified individuals to our agency. I would like to note that some of the referrals who were successful in securing employment with State government made application in the first place due to the encouragement and assistance that the Women's Center gave them.

I have found this organization to be a reliable resource for information regarding the status changes of the ERA on a nation wide basis, laws and regulations prohibiting sex discrimination, educational programs and training available in the community and referral resources that address more specific needs of clients (i.e. housing, financial aide, scholarship and grant information, etc.).

I strongly support the continued funding of AWRC, as the staff there have demonstrated the necessity for their existence by the services they provide. In this era of dwindling financial and political support for "human service agencies", it is imperative that organizations such as this continue to receive active support.

Sincerely,

Jane Alexander

Jane Alexander
Anchorage Office Manager

Δ Administrative Offices (907) [illegible]8-4558
1577 'C' Street 99501

Δ Spenard Center (907) 243-5411
3944 Spenard 99503

Δ Mat-Su Community (907) 376-2411
Counseling Center
Wasilla Business Park

ANCHORAGE COMMUNITY MENTAL HEALTH CENTER

Δ Parent Training Center (907) 272-1722
1844 W. Northern Lights 99503

Δ Day Break Center (907) 272-3854
Adult Day Care
1100 W. 10th 99501

Δ Annex Center (907) 276-5400
1020 E. 4th Ave. 99501

Gary W. Vreeman, Ph.D
Executive Director

LETTER OF AGREEMENT

BETWEEN

ALASKA WOMEN'S RESOURCE CENTER

AND

ANCHORAGE COMMUNITY MENTAL HEALTH CENTER

This Letter of Agreement is for the purpose of utilizing the expertise of each agency and assisting each other in the goal of providing comprehensive, broad services to the citizens of the Anchorage catchment area.

The Alaska Women's Resource Center agrees to:

1. Receive upon referral from the Anchorage Community Mental Health Center any appropriate clients who may need counseling.

2. Provide back-up support, information and expertise as needed to accomplish the goals of the Anchorage Community Mental Health program in the area of:

   a. Information

   b. Staff training

   c. Education

   d. Consultation

3. Consultation to staff regarding treatment, referral and feedback to the effectiveness of treatment plans.

The Anchorage Community Mental Health Center agrees to:

1. Receive upon referral from The Alaska Women's Resource Center any appropriate clients who may need counseling, treatment, diagnostic and assessment services from qualified mental health personnel, according to attached referral policies.

2. Provide back-up support, informaton and expertise on mental illness and other personal dysfunctions to accomplish the goals of the Alaska Women's Resource Center in the areas of:

   a. Information

   b. Staff training

   c. Education

   d. Consultation

3. Consultation to the Alaska Women's Resource Center regarding treatment, referral and feedback as to effectiveness of treatment plans.

Both parties agree to:

1. Adhere to all Federal, State and local regulations concerning confidentiality.

2. Provide treatment on the basis of the sliding fee scale based on ability to pay and from third party sources.

3. Negotiate cost of services not covered in Number 2 above.

4. Terminate this agreement by either party upon request of written notice.

5. To abide by terms of the agreement, except as noted in number 4 above from January 1, 1983 until December 31, 1983.

Catherine Rubl
Program Director
Alaska Women's Resource Center

1-1-83
Date

Gary W. Vreeman, Ph. D.
Executive Director
Anchorage Community Mental
Health Center

12-15-82
Date

COOK INLET NATIVE ASSOCIATION

June 14, 1983

Carol Richards, Executive Director
Alaska Women's Resource Center
241 E 5th
Anchorage, Alaska

Dear Ms. Richards:

It is our understanding that the Alaska Women's Resource Center is submitting a proposal to the Employment Opportunity Division for funding to provide counseling and referral services to displaced homemakers of the Anchorage area. CINA supports their proposal.

While the Cook Inlet Native Association is also submitting a proposal for a Displaced Homemakers Program from the same funding source, we do not view CINA as competing with the Alaska Women's Resource Center. Rather, we look upon the two programs as complementary.

The Alaska Women's Resource Center has established itself as a point of initial contact for many displaced homemakers. Through its specialized counseling and referral activities, the Center refers applicants for services to community agencies where their individual needs can be met. Alaska Women's Resource Center clients have frequently been referred to the Cook Inlet Native Association for training and job placement services.

If the Alaska Women's Resource Center's proposal is funded, we at Cook Inlet Native Association will maintain the established system for mutual referral of displaced homemakers.

Sincerely,

Leonard Hamilton, Manager
Human Resources Development Department

LH:pg

STATE OF ALASKA
DEPT. OF HEALTH AND SOCIAL SERVICES
DIV. OF FAMILY & YOUTH SERVICES
DEPARTMENT OF LABOR
DIVISION OF EMPLOYMENT SECURITY
Affiliated with U.S. Employment Service

527 [illegible] 4th Avenue
Anchorage, Alaska 99501
Phone [illegible] 6576

April 11, 1983

Charles W. Fry, Acting Executive Director
Council on Domestic Violence and Sexual Assault
Pouch N, 312 Goldstein Building
Juneau, Alaska 99811

Re: Alaska Women's Resource Center

Dear Sir:

The Work Incentive Program has utilized the Alaska Women's Resource Center for several clients needing lawyer referral, roommate (housing) matching, assertiveness training and other women's issues needs. We feel they have been beneficial in assisting our clients to reduce some of the barriers to employment. Both of our programs expect to continue to help the needy and cooperate in this goal.

Thank you for your consideration.

Sincerely,

Dorcas Lewis

Dorcas Lewis, Supervisor
WIN/SAU

cc: Alaska Women's Resource Center

07-G24LH

COOPERATIVE AGREEMENT

between

COOK INLET NATIVE ASSOCIATION

and the

ALASKA WOMEN'S RESOURCE CENTER

I. Introduction

A. Parties to the Agreement:

This cooperative agreement is entered into between the CINA and the Alaska Women's Resource Center

B. Purpose:

The purpose is to establish the means for an effective working relationship between the two parties to provide maximum service to Displaced Homemakers.

II. Roles and Functions of Each Party

A. This agreement will establish areas of cooperation between the two parties and will not affect other independent operations of either.

B. Role and function of each party:

The Alaska Women's Resource Center will provide services necessary for preparing clients to engage in gainful occupation.

This includes:

1. Counseling, Employment guidance, and support groups.
2. Selection of those clients evaluated as ready for training.
3. Referral to CINA for classroom training, and/or job club services.
4. Specific workshops and classes relating to health; financial management and job-readiness.

The Cook Inlet Native Association agrees to be responsible for providing employment services.

This includes:

1. Interviewing and registering training applicants.
2. Specialized classroom training in areas of clerical, distribution, bank teller and word processing and related vocational counseling.
3. Referral to AWRC for counseling and support services.
4. Career Information Systems available for mutual clients.

III. Coordination

A. Each agency will assist the other in providing information and services necessary to achieve the employment and training of mutual clients in accordance with established policies and regulations.

B. Information will be exchanged on all individuals served by mutual efforts.

C. Representatives from each agency will meet frequently for program evaluation and possible modification of procedures.

D. Any provision of this agreement may be superseded by the policies or regulations of either agency.

E. The confidential character of information available will be preserved by all agencies, and this information will be used for the purposes for which it is prepared.

F. Representatives from each organization will meet yearly from the date of this agreement for program evaluation and possible modification of procedures and renewal of agreement. This agreement will terminate one year from the date of signing. This agreement may be terminated prior to the scheduled termination date by either party upon presentation of written notification.

Harvey Miller, Displaced Homemaker Recruiter/Counselor — Date
Cook Inlet Native Association Displaced Homemaker Program

6-15-83

Cathy Dahl, Program Coordinator — Date
Alaska Women's Resource Center

6-15-83

E.O.C. SATELLITE OFFICE
429 D STREET, SUITE 303
ANCHORAGE ALASKA 99501
(907) 274-5522

MARGE HAMPTON
DIRECTOR

June 19, 1983

Carol Richards, Executive Director
Alaska Women's Resource Center
P.O. Box 188
Anchorage, Alaska 99510

Dear Ms. Richards:

I am happy to write a letter of support for your application for continued Displaced Homemaker funding for FY 1984, since the Educational Opportunity Center has worked closely with the AWRC program for several years. Many displaced homemakers have been referred from AWRC to us in order to assist with their access to postsecondary education or training programs. These clients have expressed satisfaction with the support they were receiving and have been well prepared to embark on an educational program because of the in-depth counseling and training you have provided. We have always felt comfortable in referring appropriate clients to the AWRC from our program as well.

Staff at the AWRC has continually participated in advisory boards and other in-service activities which we have offered relative to our program, and I am aware of an on-going interest in keeping a strong link between our two agencies.

I heartily support your request for continued funding. I feel the AWRC is the appropriate agency in Anchorage to handle such a program.

Sincerely,

Marge Hampton

Marge Hampton, Director
Educational Opportunity Center

MH:jmc

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
DIV. OF ADULT & AGING SERVICES

DEPARTMENT OF LABOR
DIVISION OF EMPLOYMENT SECURITY
Affiliated with U.S. Employment Service

~~JAY S. HAMMOND, GOVERNOR~~

WIN Program
527 East 4th Avenue
Anchorage, Alaska 99501

Phone 274-8576

Vicki Cottin
Coordinator, Displaced Homemaker Program
Alaska Women's Resource Center
Carla Ramja
Employment Specialist, Displaced Homemaker Program
Alaska Women's Resource Center

Dear Vicki and Carla:

Thanks so much for taking the time to explain your services to our staff last Friday. I'm sure that meeting each other will enhance our already cooperative relationship and will increase our mutual referrals. Please call anytime you think we can assist with a client's plan.

Sincerely,

Irene E. Downs
WIN Operations Manager

JAMES WARISTHOM
GENERAL

WILL PRATT
TERRITORIAL COMMANDER

THE SALVATION ARMY

FOUNDED IN 1865
WILLIAM BOOTH, FOUNDER

CLITHEROE CENTER
P.O. BOX 6567
ANCHORAGE, ALASKA 99502
TELEPHONE 243-1181

RAYMOND A. DEATER, ED.D.
DIRECTOR

MAJOR WILLIAM E. W. HAR
DIVISIONAL COMMANDER

17 June 1983

Carol Richards, Executive Director
Alaska Women's Resource Center
P.O. Box 188
Anchorage, Alaska 99510

Dear Ms. Richards;

I am writing this letter in appreciation and support of the Alaska Women's Resource Center Displaced Homemaker program. This program has provided the support, referral and counseling, as well as guidance and training so desparately needed by the numbers of women who find themselves in the crisis of radical role change due to such events as the death of a spouse or divorce. The staff of the I.C.U. have referred women who, in order to maintain their sobriety, find themselves in the midst of changing their family structure. It is so important that these women have the Center's program to help them through the trauma of life changes.

Not only is your program important to our staff and clients, it is ever so important to the community as a whole. With the ever increasing social and economic stresses on the Alaskan family, more and more women in the Anchorage area are suffering through the total rearrangement of their lives. Although many women are leaving their homes and husbands by choice, the transition to a new lifestyle is still difficult. The A.W.R.C. has been available to all women to help them through this transition as smoothly as possible.

It is my sincere hope that the Center will be granted the funding necessary to continue the vital services of client counseling and referral, as well as client advocacy. The center has also provided invaluable staff training and community awareness services in the past and I look forward to the availability of these services in the future.

Again, we of the I.C.U. and I personally thank you and your staff for all the hard work that has been provided for our clients and our community. I fervently believe that the refunding of your programs and especially the Displaced Homemaker Program is paramount to the continued vitality and health of our Anchorage community.

Sincerely,

Nonie W. Turville

Nonie W. Turville, Supervisor
Intermediate Care Unit

of
Anchorage

(907) 264-4111
TONY KNOWLES
MAYOR

DEPARTMENT OF HUMAN RESOURCES

June 17, 1993

To Whom It May Concern

I would like to submit a letter of support regarding the continued funding of the AWCC DHP Program.

I have participated as a volunteer in this program for 4 years, and have found the AWCC staff to be well-trained, informed, sensitive, and thoroughly professional in their administration of the program. I have heard verbal and written feedback regarding the appropriateness and helpfulness of the program from a number of clients. In my position as Intervener for the Municipality, I have referred applicants who are displaced homemakers to the AWCC for counseling.

The AWCC has filled a need for training, and has fulfilled its function. I strongly urge continued funding for the Displaced Homemaker Program.

Sincerely,

[illegible]
[illegible]

THE CENTER
FOR CHILDREN
AND PARENTS

June 20, 1983

Carol Richard, Executive Director

Alaska Women's Resource Center
P.O. Box 100188
Anchorage, AK 99510

Dear Carol:

Our agency supports your application for continued funding for the Displaced Homemaker program funded by the State of Alaska.

A review of our records, shows that during the past year, we have received a significant number of referrals from your agency. Also, we have cooperated in providing speakers for your weekly brown-bag lunch programs because we consider the program valuable.

Our staff considers the Displaced Homemaker program an important part of the social service system of the Anchorage area, and sincerely hope that it is funded during FY 84.

Sincerely yours,

Robert D. Bowers
Executive Director

RDB,BDS:jlb

808 E STREET, SUITE 200, ANCHORAGE, ALASKA 99501 (907) 276-4994
Programs of the Anchorage Child Abuse Board, Inc.

United Way

4121 E. 84th
Anchorage, AK 99507
June 9, 1983

Board of Directors
Alaska Women's Resource Center
Anchorage, Alaska

SUBJECT: Continuation of the Women's Resource Center.

I began using the services of the Resource Center in March of 1983. Many programs suited my needs, especially a 2 day seminar titled "Getting Ready To Work". While still unemployed I attended an excellent all day Health workshop. The fact that I am now employed is due in part to the individual help I received from the Center's employment counselor and displaced homemaker advocate. These women gave support and information I would not have otherwise received had I not utilized the Center. I use the library and plan to participate in evening support groups.

I sincerely hope the Center receives sufficient support to continue its vital services to the community.

Vicki Wilber

COOPERATIVE EXTENSION SERVICE
UNIVERSITY OF ALASKA, USDA & SEA GRANT COOPERATING

ANCHORAGE DISTRICT, 2651 PROVIDENCE AVENUE, ANCHORAGE, ALASKA 99508

April 4th, 1983

Charles W. Tay, Acting Executive Director
Council on Domestic Violence and Sexual Assault
Pouch M, 312 Goldstein Building
Juneau, AK. 99811

Dear Mr. Tay:

I am pleased to offer this letter of support for the Alaska Womens' Resource Center.

Since it's inception, we have considered AWRC one of the most valuable resources in our community. We have consistently referred people to AWRC when there were specific needs which went beyond our educational programming. Staff at the center have also assisted us with program and resource materials. In both cases the exchange has been professional and helpful.

AWRC provides a specialized service to Anchorage and the state unduplicated by others. Failure to fund the center at a responsible level would not only create a hardship for those currently served, but deny numerous men and women an important avenue for their future development.

Sincerely,

Barbara G. Eichner
Extension Home Economist

BGE/jck

c.c. AWRC

OPEN DOOR CLINIC
5th & Barrow, P.O. Box [illegible]
Anchorage, AK 99510

June 21,1983

I would like to take this opportunity to show our support for the Alaska Women's Resource Center in their continued Displaced Homemaker Program.

We are a non-profit Medical Clinic. One of our services is meeting the medical needs fo the Alaska people who are having financial difficulties. We have worked closely in the past with the Women's Resource Center, referring many of our displaced homemakers to them.

I feel this is a very necessary program and they have dona a fine job in helping to make these people productive citizens again.

Ruth L. Gebhart PA-C
Clinic Director

ALASKA CONSUMER ADVOCACY PROGRAM
P.O. Box 1093 Anchorage, Alaska 99510 272-6355

June 13, 1983

Ms. Carol Richards
Executive Director
Akasla Womens Resource Center
P.O. Box 100-188
Anchorage, Alaska 99501

Dear Ms. Richards:

I would like to take this opportunity to say how important I feel it is that AWRC receives a grant for Displaced Homemakers. Anchorage (and Alaska) is growing at such a fast rate, and the tremendous influx of people make it critical that a Grant is allocated in 1984 for Displaced Homemakers. This money is for a most worthy, most deserving segment of society. It is our only hope of restoring (and in some case creating) confidence, pride and dignity to these women. I believe the Resource Center is doing a wonderful job and I feel sure that this Grant will be used in the most efficient, productive manner.

I definitely support appropriating a Grant for Displaced Homemakers in 1984.

Most sincerely,

Ann Sugrue
Executive Secretary

P.O.Box 2180 Anchorage, Alaska 99510
2509 Bide St. (907) 276-0281

6/17/83

To The Department of Community and Regional Affairs:

I fell your agency would be doing the community a valuable service in continuing to fund the Women's Resource Center Displaced Homemaker Fund.

As a member and consumer of help through Women's Resource Center I know personally the otherwise impossible to get help and services that are offered to the community. The community awareness programs of women's problems, the referrals, and advocacy make Anchorage a better community for us all.

Because Anchorage is growing at such a rapid rate we need, more than ever, the services offered through The Women's Resource Center.

I urge you to continue your support of this valuable service.

Sincerely,

Glenda Grant, Mgr.

Coalition for Economic Justice

204 East Fifth Avenue, Suite 201, Anchorage, Alaska 99501
907-276-7788
907-272-6113

June 20, 1985

Dear Carol,

We want to let you know that we are in full support of funding for the Displaced Homemakers program. In working with tenant problems, we are constantly working with single women with children who have housing problems because they are poor. They have either been deserted, left an abusive home environment, or are divorced and receive no child support from the father. I believe that the Displaced Homemakers program is just the first step in making life for these women more equitable. This not only would help them learn how to get into the job market but would renew their self-confidence in their ability to care for themselves, their children, and participate in their community. One example of the types of calls we receive is a woman with three children whose husband went south to get their furniture shortly after they had moved here. They borrowed money for the trip. He returned without the furniture, but with his lover. He used the next month's rent to set himself and his lover up in another apartment. The woman had received a ten-day eviction notice. She had no money, no food and could not receive any assistance for at least a month. Your program would be excellent in helping this woman through this hard time, and in teaching her how to go on, on her own.

Thank you for the good work you have done. I hope that we can continue to make referrals to your programs.

Sincerely,

Laurie Terrall

Laurie Terrall
Executive Director

lt/ttb
cc: 1

OLDER PERSONS ACTION GROUP, I

325 E. Third Avenue, Anchorage, Alaska 99501 (907) 276-1059

RECEIVED

March 12, 1982

Ms Maureen Aakre, Executive Director
Alaskan Women's Resource Center
Post Office Box 188
Anchorage, Alaska 99510

Dear Maureen:

Older Persons Action Group supports the grant request for continuation of services at the Alaskan Women's Resource Center.

Assistance to displaced homemakers is needed by all ages. Among the most vulnerable are those women who, after raising families, lose their spouse through death or divorce and find themselves at age sixty coping with marginal or poverty incomes. During the past year, this organization utilized the expertise of the Alaska Women's Resource Center to disseminate information and education through SENIOR VOICE and SENIOR SOUND about opportunities and options available to them.

Additionally, these two organizations have coordinated activities and cooperate in providing direct assistance to clients visiting the offices.

Sincerely,

Vera A. Gazaway

VERA A. GAZAWAY
Director
Older Persons Action Group

XJAMES HAMMOND, GOVERNOR
Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

3341 FAIRBANKS ST.
ANCHORAGE, ALASKA 99503
PHONE: (907) 279-6441

June 21, 1983

Ms. Carol Richards
Executive Director
Alaska Women's Resource Center
P.O. Box 188
Anchorage, AK 99510

Dear Carol:

Thank you for the opportunity to support the excellent services provided by the Displaced Homemaker program of the Alaska Women's Resource Center.

I was recently a guest speaker during one of the two-day workshops conducted by the Displaced Homemaker program. I was impressed with the degree of preparedness which the women participating in the program displayed. They had received counseling in the assessment of their skills and the preparation of resumes, and were consequently ready to focus on specific employment issues.

The Division of Personnel cannot provide the many services that women re-entering the workforce require in order to find a job. We are very happy to have the services of the Displaced Homemaker program available when we need to refer women who come to the Division searching for employment, but uncertain about their skills. We have information on the Displaced Homemaker program and other services of the Alaska Women's Resource Center posted in the Personnel office, and we make referrals whenever we find a need.

Sincerely,

Abby K. Smith
Recruiter
Anchorage Office
Division of Personnel

AKS:aj

STAR
Temporary Services, Inc.
A Subsidiary of STAR International Corp.

March [illegible]

Mr. Charles W. Fry
Acting Executive Director
COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT
Pouch K, 312 Goldstein Building
Juneau, AK 99811

Dear Mr. Fry:

For a year, STAR Temporary Services has had a client referral relationship with the Alaska Women's Resource Center. STAR Temporary Services is a temporary employment service that provides skilled people to companies. The attached brochure further explains our company. In operating a temporary employment firm, I am continually recruiting for skilled individuals to fill our clients' staffing requests.

After hearing about the Alaska Women's Resource Center from individuals who turned to that organization for assistance, I set up an appointment and met with the coordinator of the Displaced Homemaker Program. Following our conversation, I was given a tour of the facilities and was introduced to the staff person who helps women with resume preparation and employment counseling. They were very appreciative of our company's interest and agreeable to establishing a client referral system with STAR Temporary Services, as this was another source for women seeking employment. It has become a worthwhile and beneficial relationship for all concerned.

I wholeheartedly support the Alaska Women's Resource Center, as this organization provides the much needed programs and resources for women today to establish their place in society. I would be glad to answer any specific inquiries you may have. My telephone number is 561-1932.

Sincerely,

STAR Temporary Services, Inc.

Barbara Campbell
President

Enclosures

cc: Carol Richards
Executive Director - AWR

MSG 84-00025345 PRTY 1 03/20/84 13:00:02 ORIG: LJG2 IN= 0006 OUT= 0079
FROM: PEGGY/JUNEAU INFO TO: POM/JNU
TARGET: LJHK SUBJ: POM 5

TO: REPS. M.W.MILLER, CATO, LACHER, PHILLIPS

FROM: AMELIA ENDORF
3-2000, SUITE 150
JUNEAU, ALASKA 99801

MAR21 '84

THANK YOU FOR YOUR SUPPORT OF THE DISPLACED HOMEMAKERS BILL AND FOR MAKING IT EASY TO TESTIFY BEFORE YOUR COMMITTEE. I APPRECIATE YOUR SUPPORT AND CONCERN.
****

SB
527

COMMITTEE REPORT

HOUSE

5/28

(7)

FURTHER: FINANCE

5/25/84

Date: _____

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 527(Fin)am

"An Act relating to state and municpal tax exemptions; and providing for an effective date."

under consideration and recommends:

[ ] 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 [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Peter Cuta

M.W. Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

M.W. Miller

CHAIRMAN

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

May 15, 1984

POSITION PAPER

RE: Analysis of CSSB 527 (Finance) - Work Draft 5/4/84
Sponsor: Senate C&RA Committee

SECTION 1 - Corrects a problem which currently exists under 28.10.411(d), whereby some municipalities receive double payments for Senior Citizen Motor Vehicle Taxes.

SECTION 2 - Requires the Department to prorate payments to municipalities in the event the Motor Vehicles Program were underfunded.

SECTION 3 - Exempts the property tax on a motor vehicle of a resident age 65 years or older.

SECTION 4 - Limits the amount of the Homeowners' exemption to a maximum assessed value of $150,000. (In hardship cases, however, the municipality may waive the limitation under state regulations). This bill also allows the spouse of a deceased homeowner to qualify for the program if the spouse is 55 years of age or older.

SECTION 5 - Clarifies existing language.

SECTION 6 - Exempts property tax on one motor vehicle owned by a resident 65 years of age or older on January 1 of the assessment year, unless otherwise exempt under AS 29.53.025(b)(4). This section also requires the Department to prorate payments to municipalities in the event the program is underfunded.

SECTION 7 - Allows the Department to waive the January 15 deadline for good cause on the Senior Citizen Renter payment. This section also requires a disabled veteran to submit evidence of the disability rating.

SECTION 8 - Requires the Department to prorate payments to eligible renters in the event the program is underfunded.

SECTION 9 - Requires the Department to prorate payment of sales taxes paid on the abode of the eligible resident.

SECTION 10 - Provides for an effective date of January 1, 1985.

COMMENTS

The Department supports passage of the bill in its current form. Besides correcting problems which exist in current law, the bill provides for an equitable prorating of payments in the event underfunding occurs in the programs we presently administer. Under current law we are required to make payments on a first-come, first-serve basis which results in unequal payments to both municipalities and individuals.

Section 4 addresses the Department's concern over the limitation on the value of property which is exempted from municipal property tax. This legislation sets the limit of property tax exemption at $150,000.

APPROVED: for Jeff Smith
Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5/2/84

REQUEST
Bill/Resolution No.: CSSB527 (Finance)
Title: State & Municipal Tax Exemptions
Sponsor:
Requestor: Senate Finance Committee
Date of Request:

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Social Services
BRU, Program or Subprogram(s) Affected: Senior Citizens Tax Relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-0-	6.6	7.0	7.4	7.9	8.3
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	-0-	(155.0)	(170.5)	(187.6)	(206.5)	(227.0)
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	(148.4)	(163.5)	(180.2)	(198.6)	(218.7)
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME		1/4	1/4	1/4	1/4	1/4
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Michael W. Worley
Phone: 465-4787
Division: Municipal & Regional Assistance
Date: 5/2/84

Approved by Commissioner:
Date:
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5/2/84

Bill/Resolution No.: CSSB527(Finance)
Title: State & Municipal Tax Exemptions

ANALYSIS:

Assumptions:

Based on the attached fiscal analysis, it is assumed the (rounded) savings impact commencing in FY 85 would be $155,000. On the other hand, additional time would need to be spent reviewing the exemptions, reporting, etc. An average of one-quarter of a full-time position has been charged to this work over the fiscal years shown.

Annual rate of inflation is estimated at 10%.

Positions:

1 full-time Clerk Typist III - 3 months

Other Expenditures:

-0-

Funding:

General fund. The figures shown are estimated savings to the State.

Section Cost Analysis:

Computations:

Salary and fringes increased 6% yearly and the saving in revenues increased by 10% yearly. $45,000 of the savings is due to the correction of the motor vehicle problem, and $110,000 represents savings to the State because of the $150,000 exemption limitation.

Economic Impact:

-0-

Impact on Local Government:

Exempt Limitation: Only $150,000 of the assessed value would be exempt. Therefore, the local assessor's staff would have to compute and levy against the remaining value.

Correction of Motor Vehicle Problem: Municipalities would no longer receive double payment "reimbursements".

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: CSSB 527
Title: Relating to State & Municipal tax expenditures
Sponsor: C&RA Committee
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Dept. of Administration
Program Category Affected: Older Alaskans Commission
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Jon B. Wolfe, Exec. Dir. Phone: 465-3250
Division: Older Alaskans Commission Date: 5/2/84

Approved by Commissioner: Date: 5/2/84
Agency: ADMINISTRATION

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

CSSB 77

"An Act establishing the Alaska Senior Citizen employment team program and fund"

Position Paper

The Older Alaskans Commission urges passage of this legislation which will provide long term benefits to Alaska's economy as well as the immediate benefits of employment opportunities and training to senior citizens.

The economic impact of this program is a major contribution to the economy and a significant reduction in state welfare costs.

Contribution to the economy. Although this bill does not require that potential enrollees have a low income, it is to be expected that those with a low income would have priority and that most of the enrollees would be in that category. Since salaries would probably be at entry-level in order to serve more seniors, it can be assumed that most of the salaries would be used to purchase goods and services with a resulting ripple effect in the economy. In addition, some seniors would be contributing to social security instead of drawing from it. A national study of the federally funded Title V Senior Employment Program by the American Association of Retired Persons shows that for every $1.00 spent for the program, $1.15 is returned to the economy. This program would have a similar benefit but possibly to not such a great degree since the enrollees are not necessarily poverty-level income.

It is also believed that many small businesses taking advantage of this program, could become better established, more competitive, and thus continue to provide unsubsidized employment over the years.

Reduction in state welfare costs. National studies show that older persons are not referred to job openings as often as younger persons and therefore they tend to be out of work much longer periods of time. Since this program has no income eligibility criteria, it would particularly serve two important groups of persons who have a strong potential for eventually needing welfare and are not eligible for the Federal employment program until they are eligible for welfare.

1) Those whose countable incomes (including social security, pensions, and any other) are slightly over the poverty guidelines but are still insufficient to live on, and who would use up nearly all their resources before becoming eligible for welfare.

2) Those who have just lost a job but must wait several months until their preceding year's income includes enough months without pay to become eligible for the Federal employment program and/or welfare.

By helping these people sooner, a considerable savings in unemployment insurance benefits and welfare benefits would result.

Eligibility for the Federal employment is 125% of the H&SS poverty level. However, in the current program in Alaska, 86% of those currently enrolled had family incomes at or below the following poverty levels (100%), leaving only 14% between the 100% and 125% level. Although the percentage would not be as high on this program, it still would be high enough to cause a large reduction in welfare costs.

Family Size	Family Income (including Social Security and pensions
1	$ 6,240 per year
2	8,410 per year
3	10,580 per year

In order to assure recruitment of lowest-income elderly, this office is preparing a pamphlet describing employment opportunities for the target group. This pamphlet will be mailed directly to all Public Assistance recipients as well as to current Longevity Bonus recipients. The reason for this approach is that a very large percentage of older workers are "discouraged" or "hidden" workers who do not believe they can get a job due to age discrimination and who no longer apply at job service centers.

Another reduction in state welfare costs is due to the kind of jobs many of these enrollees perform, such as home chore services for the frail elderly to help them remain in their own homes longer instead of being institutionalized. These services include preparing meals, shopping for groceries, housecleaning, hauling wood and water, snow shoveling, minor home repair and weatherization. This assistance is especially important in small communities where there are no home makers or other help available.

For example, one enrollee in a small native village usually assists three to six persons at a savings of approximately $4,000 per month each for institutional costs. In other words, $8,000 ANNUAL SALARY PLUS COSTS OF HOUSING AND FOOD FOR CLIENTS SAVES $144,000 to $288,000 ANNUALLY IN MEDICAID COSTS. There are currently 18 persons performing in a similar manner.

Thus, the savings in various welfare costs would offset costs of this program.

Approved:

Jon B. Wolfe, Executive Director — Date: April 24, 1984
Older Alaskans Commission

Lisa Rudd, Commissioner — Date: 5/8/84
Department of Administration

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 527
Title: An Act relating to motor vehicle tax exemptions and.....
Sponsor: C&RA
Requestor: C&RA
Date of Request: 3-13-84

FISCAL DETAIL
Agency Affected: Public Safety
Program Category Affected: Life and Property Protection
BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No fiscal impact on Department of Public Safety, Division of Motor Vehicles.

ANALYSIS: Attach a separate page for analysis

Prepared By: Bill Brown BB Phone: 465-4335
Division: Motor vehicles Date: 3-13-84

Approved by Commissioner: [signature] Date: 3/16/84
Agency: Public Safety

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

3/12/84

Date 4/12/84

Mr. President

The Committee on STATE AFFAIRS considered SB 527

relating to motor vehicle tax exemptions and senior citizen property tax exemptions; efd.

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

[ ] do pass

[ ] do pass with attached amendment(s)

[X] replace with/or adopt CS for SB 527 (SA)

[X] new title

[ ] same title and recommends

[ ] and attached a "LETTER OF INTENT"

[X] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Alaska State Legislature
State Senate

Committee on Judiciary

Senator Bill Ray
Chairman
Senate Floor Leader

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M April 23, 1984

TO: Max Gifford, Administrative Assistant
Senate Finance Committee

FROM: Senator Ray BR

SUBJECT: Senior Citizens Property Tax Equivalency Payment

This is in reference to your finding a bill that we could tack this on to. This is the back-up and you will see the need for it.

Attachment

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

BILL SHEFFIELD, GOVERNOR

REPLY TO:
☑ POUCH BH
JUNEAU, ALASKA 99811
(907) 465-4707

☐ 225 CORDOVA STREET, BLDG. B
ANCHORAGE, ALASKA 99501
(907) 264-2201

☐ P.O. BOX 348
BETHEL, ALASKA 99559
(907) 543-3475

☐ P.O. BOX 41
NOME, ALASKA 99762
(907) 443-5457

☐ P.O. BOX 280
KOTZEBUE, ALASKA 99752
(907) 442-3675

☐ 1514 CUSHMAN RM. 211
FAIRBANKS, ALASKA 99701
(907) 452-7126

☐ P.O. BOX 10041
DILLINGHAM, AK 99576
(907) 842-2245

February 22, 1984

BH-527
→ Jeff Smith

E.A. Coalman
Box 5924
Ketchikan, Alaska 99901

Dear Mr. Coalman:

RE: SENIOR CITIZENS PROPERTY TAX EQUIVALENCY PAYMENT

Your application for the Senior Citizen Property Tax Equivalency payment was received and postmarked .

Regretfully we must inform you that you are ineligible to receive this payment. You failed to apply before the January 15, 1984 deadline. According to Alaska Statute 29.73.060, which governs this program:

> "To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year..."

You may apply for the tax equivalency payment at the end of this year. We will add your name to our mailing list and you should receive an application form by December 1, 1984. If you do not receive a form by then either contact our office or pick up an application at City Hall or your local Senior Citizen Center. Be sure to mail the application before January 15, 1985.

We are pleased you are interested in the program and hope to see your application next year.

If you have any questions please feel free to contact me at the above address or call toll free Zenith 2222, in Juneau 465-4783.

Sincerely,

Patti Becker #210

Patti Becker
Project Assistant
Senior Citizens Tax Program

10810p7/P3/rr

21-P5LH

1/22/84

Mr. Coalman has been under Dr.'s care with Herpes Zoster (shingles) which involved his left eye & head area. He has been unable to use his left eye and was told not to use his right eye any more than necessary.

He has been under emergency care since 11/22 under Dr. Page (eye specialist), Juneau which involved University of Wn. Hospital operation 11/24 and recuperation in Juneau under that Dr.'s care.

I often pick Mr. Coalman's mail and it is very possible it was put in the pile of circulars because of the type of outside mailing cover used--thinking it not dated material, etc. Urge you to show the deadline date on the front of the mailing/address area in the future. He truly doesn't understand why he doesn't remember seeing it.

If there is a possible extension ~~possible~~ to the deadine date in his case would appreaciate ~~he~~ he be considered for it. Dr. Page has said his was one of the worst cases he had ever seen and most elderly people die from the EXTREME pain and complications. It is very important that his stress be kept to a minimum. 11/22 the lens of his right eye "fell" out and they are hoping the corneal transplant won't be rejected.

P.S. Airplane Ticket Copy he has enclosed shows his recent arrival in Ketchikan

SIGNATURE		DATE
Mrs. Alfreda Dore Landlord.	P.O. BOX 7776 Ketchikan, AK 99901	1/22/84

FORM AD-311 (REV. 3/81)

ADDRESSEE COPY

4-24-84

Dick Bradley,

Please prepare a Finance CS for SB 527 adding the attached wording to 29.73.060 (c).

It would probably be the new Sec 7, renumbering 7 + 8 as 8 + 9.

Thanks. Please send it to Ken Jarrett c/o myself.

Richard Hacker

(c) When a municipal name change takes effect by means of an order issued under (a) or (b) of this section, civil or criminal suits, applications, petitions, hearings and other proceedings to which the municipality is a party and pending at or brought after the date the name change takes effect shall proceed in the name of the municipality as changed by the order. (§ 2 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" at the end of subsection (a).

Sec. 29.73.060. Property tax equivalency payments. (a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

(b) For purposes of determining payments to eligible persons, the department shall calculate a property tax equivalent percentage for each home rule or general law municipality which levies a general property tax at the rate of one percent per mil. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment. (§ 2 ch 217 SLA 1976; am § 1 ch 124 SLA 1980)

Effect of amendment. — The 1980 amendment, effective July 1, 1980, and retroactive to January 1, 1980, inserted a comma following "municipality" and "general property tax", substituted "one" for "½", substituted "The property tax equivalent" for "This", substituted "equals" for "or $375, whichever is less is", and added "payable under this section", all in subsection (b).