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# Alaska State Legislature

Barbara Lacher, Chairman  
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Room 104  
State Capitol  
Juneau, Alaska 99811

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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: Senator Frank R. Ferguson  
FROM: Representative Barbara Lacher *Barbara Lacher*  
DATE: May 23, 1983  
RE: CS SS HB 42

The language in this legislation has been carefully crafted with the assistance of attorneys, Department of Labor demographers and C&RA Local Government Assistance specialists, and many hours of committee work. Virtually any change to the bill may subvert the entire intent and effectiveness of the legislation. I urge you to pass CS SS HB 42 in its present form.

The current form of House Bill 42 provides specific legislative guidance to the Department of Community and Regional Affairs for the purpose of determining the population of a taxing unit. The ability of the Department to consistently and accurately determine the population of a given area of the state is important in light of the fact that several of the programs under which the state provides funds to municipalities, and the unorganized portions of the state, are based upon the population count.

Enactment of House Bill 42 will achieve three very important things: First, it will provide welcome relief to the technical experts that the Department employs by removing them from the political realm; secondly, it will result in a data base of population information that is credible and acceptable for all purposes; thirdly, and perhaps most significantly, this legislation would avoid the appearance of impropriety that is inherent in any system that permits such practices as double counting or the use of arbitrary units that assign individuals to places other than their chosen residences.

It is only logical to give certainty to the Department of Community and Regional Affairs' data base by following the established rules of the U.S. Census Bureau. These are rules that govern every other state in the union, that have been refined over two centuries of experience, and that will avoid regional favoritism through statistical manipulation.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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March 2, 1983

### POSITION PAPER

RE: CSSHB 42 (C&RA)

SPONSOR: Representative Lacher

The position of this Department on the original bill, Sponsor Substitute for HB 42, was that the language was ambiguous and provided unclear direction for implementation. These concerns have been resolved by CSSHB 42 (C&RA) which provides a much clearer picture of how this Department should count and allocate Alaskans among the over 250 communities of this State. CSSHB 42 ties the State very closely to criteria and procedures used by the U.S. Bureau of the Census and gives this Department points of reference which have been applied by the Bureau of Census for nearly two hundred years.

The Department is still reviewing all of the options that may be available to fairly and equitably enumerate, estimate, and allocate the population of municipalities in this State. There are many unique situations which must be evaluated and though CSSHB 42 offers one approach it is certainly not the only option. Therefore, the Department has no recommendation to offer at this time and leaves this major policy decision in the hands of the Legislature.



STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSSSHB 42 Date on Bill: February 14, 1983  
 Title: Determination of population for purposes of calculating State aid  
 Sponsor: HCRA  
 Requestor: House Finance

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				
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

This bill changes the definition of individual residence for the purposes of municipal population determination. This procedural change will have no effect upon current Departmental operation and will require no additional monies for State aid programs based upon municipal population.

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: 3/1/83  
 Approved by Commissioner: *[Signature]* Date: 3/2/83  
 Department: Department of Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

STATEMENT IN SUPPORT

OF

SENATE BILL 228

Before the Senate Committee  
on  
Community and Regional Affairs

Presented by:

Steven S. Anderson  
Attorney for the Metlakatla  
Indian Community

SUMMARY STATEMENT  
IN SUPPORT OF  
SENATE BILL 228

Existing Alaska state law makes substantial sums of state money available to local governments on an ongoing basis under several legislative programs, the Municipal Assistance Fund, AS 43.20.016, and the Municipal Tax Resource Equalization Program, AS 28.88.010. At the present time, the Metlakatla Indian Community does not qualify to participate in these programs because it is not a "municipality" as defined in these state statutes. Although the Metlakatla Indian Community provides the same kinds of governmental services as other local governments in Alaska, it is organized under federal, not state, law, and is not a qualifying "subdivision" of the State. Although Metlakatla has received funding from the State of Alaska, that has been either through special legislation, or because the State has held Metlakatla eligible as an "unincorporated community." The money made available under the unincorporated communities programs, however, are substantially less than those made available to organized local governments and certain programs, like the Municipal Assistance Fund, have not been extended to unincorporated communities at all.

The purpose of Senate Bill 228 is to extend the benefits of these state revenue sharing programs to the Metlakatla Indian Community. Although Metlakatla is organized under federal law,

it performs governmental functions that are closely analogous to those performed by state municipalities, and the state citizens resident there should receive the same indirect benefits.

The Metlakatla Indian Community is a federally-recognized Indian tribe located on the Annette Islands Reserve, which is the only remaining federal Indian reserve now existing in Alaska. Section 19(a) of the Alaska Native Claims Settlement Act abolished all Indian reserves in Alaska with the express exception of Metlakatla. Metlakatla's government is organized under the Indian Reorganization Act of 1934, 25 U.S.C. § 476, which authorized Indian tribes throughout the United States to establish written constitutions to formally organize their governments. The Metlakatla Indian Community performs substantial local government functions for the Reserve. The Community provides police and fire protection, water, sewer, and electric services, and garbage collection. Metlakatla's twelve-man governing council passes civil and criminal ordinances governing the conduct of persons on the Reserve, has established a judicial program, and conducts various social programs for the benefit of the residents of the Annette Islands Reserve. Under federal law, the Metlakatla Indian Community also enjoys the authority to levy taxes for the support of the Community's government. In short, the Metlakatla Indian Community performs governmental functions that closely resemble the functions of Alaska municipalities, the principal difference being that Metlakatla's authority arises pursuant to federal, not state, law.

The cost of providing these services to the more than 1300 residents of the Annette Islands Reserve is very substantial. In fiscal 1982, for example, Metlakatla's budget was approximately \$1.7 million. In the past, substantial proportions of this budget have been provided through grants and loans from the United States government. Under the Reagan administration, however, the cutbacks in the various federal programs extended to Indian tribes have been extraordinarily substantial, averaging 45% nationwide. Metlakatla, like other Indian tribes throughout the United States, has been substantially affected.

As a result of these cutbacks, and because of the general slowdown in the Community's economy due to the downturn in the salmon market and because of the depressed timber industry, the Metlakatla Indian Community has substantial need for State assistance. Senate Bill 228 would correct a serious inequity in state law by extending to the state citizens residing on the Annette Islands Reserve, the same indirect benefits of state revenue sharing now enjoyed by other Alaska state citizens located in similar communities throughout the state. The Metlakatla Indian Community therefore respectfully requests the enactment of Senate Bill 228.

MK/52383  
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Prepared By: Richard Rainery *RR*  
 Division: Commissioner's Office

Phone: 465-4703  
 Date: 2/1/83

Approved by Commissioner: *[Signature]*  
 Department: Department of Community & Regional Affairs

Date: 3/2/83

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