1983-1984
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GENERAL INFORMATION

SENATE COMMUNITY AND REGIONAL AFFAIRS

1983-1984

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8/84 (KHS)

Alaska MUNICIPAL League

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

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

JAN 10 ACCU

MUNICIPAL GOVERNMENT IN ALASKA

I. Classification: Cities, boroughs, and unified municipalities are all designated as municipalities under Alaska law. They are divided into the following classifications:

A. Home Rule: A home rule municipality is a municipal corporation and political subdivision and is a city of the first class or an organized borough, which has adopted a home rule charter. A unified municipality is a municipality that has adopted a home rule charter consolidating a borough and all the cities within it into one unit of local government. A home rule municipality has all the legislative powers not prohibited by law or charter." (AS 29.08.010)

B. 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." (AS 29.08.020.)

1. Cities

a. First Class: A community which has 400 residents and meets certain standards set out in AS 29.18.011 may incorporate as a first class city, following procedures outlined in Title 29.

b. Second Class: A community which meets the criteria for first class except for population may incorporate as a second class city.

2. Boroughs: An area which meets standards set out in AS 29.18.030 may incorporate as a borough, following procedures outlined in Title 29. There are three classes of general law boroughs:

a. First Class

b. Second Class

c. Third Class

II. Organization

A. Legislative Bodies

1. Cities: Councils

2. Boroughs: Assemblies

B. Executives and Administrators: Power is with the mayor, unless the municipality has adopted the manager form of government. Under the manager form, the manager has administrative duties; the mayor, executive.

1. First Class Cities: The mayor of a first class city is elected by the voters, is not a member of the council, may vote only in case of a tie, but may veto council action.

2. Second Class Cities: The mayor of a second class city is selected by and from the council, is a member of the council, may vote, but has no veto powers.

3. Boroughs: The mayor of a borough is elected by the voters, may not vote, but may take part in assembly discussions and may veto assembly actions.

4. Home Rule Municipalities: Provide for organization in their charters which must be approved by the voters.

III. Powers

A. Powers Applicable for All Municipalities: In some cases, state law prescribes the manner in which the power may be exercised.

1. General Powers AS 29.48.010 lists the following:

a. establish & prescribe function of municipal departments, etc.

b. establish & prescribe salaries for municipal officials

c. make investigations into the affairs of the municipality

d. enter into agreements

e. require reports to be presented through the executive

f. sue and be sued

g. levy taxes and special assessments

h. enforce ordinances & prescribe penalties for violations

i. acquire, manage, & dispose of real & personal property

j. acquire membership in organizations

k. expend funds for community purposes

l. borrow money

2. Municipal Facilities & Services AS 29.48.030 authorizes municipalities to exercise powers necessary to provide the

following public facilities & services, (except for transportation, boroughs may exercise these powers only after assuming them in the manner prescribed by Title 29):

a. streets & sidewalks

b. sewers & sewage treatment facilities

c. harbors, wharves, & other marine facilities

d. watercourse & flood control facilities

e. health services & hospital facilities

f. cemeteries

g. police protection & jail facilities

h. cold storage plants

i. telephone systems

j. light, power, & heat

k. water

l. transportation systems

m. community centers

n. libraries, performing arts centers, & museums

o. recreation facilities

p. airport & aviation facilities

q. garbage & solid waste collection & disposal

r. fire protection services & facilities

s. parking & parking facilities

t. housing & urban renewal

u. preservation of historic sites

v. consumer protection

w. emergency medical services & facilities

3. Other Powers

a. extraterritorial jurisdiction (AS 29.48.037)

b.municipal owned utilities (AS 29.48.040)

c.franchises & permits (AS 29.48.050)

B.Areawide Borough Powers (Areawide covers all of the borough, including within city limits)

1.Assessment & Collection of Taxes

2.Education (Third Class Borough Assembly also serves as School Board)

3.Planning, Platting & Zoning (Third class boroughs may exercise this power only on a service area basis.)

4.Additional Areawide Powers - by transfer from a city or by areawide election. (Third class boroughs may not assume additional areawide powers.)

C.Borough Powers in Area Outside Cities

1.Home Rule Borough: any power not prohibited by law or charter in the manner prescribed by charter.

2.First Class Borough: any general law municipal power approved by the assembly.

3.Second Class Borough: any general law municipal power approved by the voters.

4.Third Class Borough: any general law municipal power approved by the voters, but in service areas only.

D.City Powers in the Unorganized Borough: In addition to general municipal powers, home rule and first class cities in the Unorganized Borough have all the Borough powers as well, such as assessment and collection of taxes, education, and planning & zoning. The Unorganized Borough is all of the state that is not located within the boundaries of organized boroughs.

E.Construction of Powers

1.General Construction. "A liberal construction shall be given to powers and functions of boroughs and cities conferred in this title." (AS 29.48.310)

2.Extent of Powers. "Unless otherwise limited by law, boroughs and cities have and may exercise all powers and functions necessarily or fairly implied in or incident to the object or purpose of all powers and functions conferred in this title." (AS 29.48.320)

3.Enumeration of Powers. "Specific examples within an enumerated power or function conferred upon boroughs or cities in this

title are illustrative of the object and not a limitation on or exclusion from the exercise of the power or function." (AS 29.48.330)

III. Tax Limits (Home Rule and General Law)

A. Property Tax

1. Second Class Cities: may levy property tax only if approved by the voters and not more than 5 mills, except the limit does not apply to millage levied to pay off bonds.

2. All other Municipalities: may levy property tax of not more than 30 mills, except for paying off bonds. There is also a complicated formula in AS 29.53.050 which places an additional limit on the North Slope Borough. Home Rule Municipalities may impose other limits as well.

B. Sales Tax: A municipality may levy a sales tax up to 6%, if approved by the voters.

Prepared by the Alaska Municipal League
January 17, 1984

Committee Correspondence

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

SB 716: The AML Policy Statement endorses several features contained in SB 716:

1. consolidating the administration of programs into a single department,
2. increasing the minimum allocation, and
3. including intent language providing annual adjustments based on population and inflation.

Recommended amendments:

1. page 2, line 17. after "AS 29.88", add "AS 43.20.016". the municipal assistance fund. It is my understanding that this omission was simply a drafting error.

2. page 2, line 17. change "1983" to "1982". By making 1982 the base year, municipalities will not be penalized for applying their extra state assistance to local tax relief.

3. page 3, line 20. expand the list to include other municipal services, such as education, animal control, cemeteries, water and sewer.

4. page 5, line 10. delete subparagraph (b)

SB 797: This bill achieves consolidation of administration. It also provides for maximum local control by not mandating the use of the funds for basic services.

page 3, line 18. the formula should be corrected

$$\frac{A}{T} \times P$$

Future study: An in depth study of the whole issue of state assistance to municipalities is needed. Since the adoption of the municipal assistance fund and the revised revenue sharing program, many of the ground rules have changed. If a bill is adopted this year, it should be considered a short term solution.

Issues that should be considered in developing a new plan should include equity, predictability, and maximum local control.

STATE REVENUE SHARING WITH MUNICIPALITIES

Title 29, Chapter 88. Municipal Tax Resource Equalization

This chapter provides for revenue sharing to municipalities based on the formula - population times millage rate equivalent. Millage rate equivalent is determined by multiplying the sum of the locally generated revenue of the municipality by one-tenth of one percent of the full and true value of assessed property in the municipality. (The former revenue sharing program provided for per capita grants based on services provided, such as police, fire, planning, etc.)

Title 29, Chapter 89. State Aid for Miscellaneous Municipal Purposes

Road Maintenance: Provides $2,500 a mile for each mile of road, street or highway maintained by the local government and $1,500 a mile for ice roads (same provision as former program except amounts per mile increased)

Health Facilities and Hospitals: For municipally operated and non-profit hospitals, provides $1,000 per bed of $250,000 a hospital with ten beds or more, or $50,000 a hospital with less than ten beds. This money goes to the hospitals; there is no discretion on the part of the municipality on how the money should be spent. For a municipality operated health facility, provides $2,000 per bed or $8,000 per health facility, with the restriction that the money must be used for expenses of health facilities or operation and maintenance of health facilities. (same as former program except amounts increased)

Volunteer Fire Departments in Unorganized Borough: Provides $10 per capita for population served by a volunteer fire department in the unorganized borough. (former program contained a per capita amount for all fire departments) Since expenses for fire departments in organized municipalities are included in the Chapter 88 formula, this section applies only to departments in the unorganized borough.

Native Village Governments: Provides $25,000 to each native village government. (new provision)

Title 29, Chapter 90. State Aid for Hospital Construction

Provides $2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five percent of the total project cost, whichever is greater. State aid continues until the municipality or other hospital sponsor has received an amount which, combined with state matching money for construction of the hospital, equals 25% of the total project cost. Money received for construction may not be used for any other purpose. (emphasis added) (same provision in former program)

Title 29, Chapter 95. Administration of Municipal Financial Assistance Programs

Provides for a $25,000 minimum entitlement and for cost of living differentials. The Department of Community and Regional Affairs administers the entire revenue sharing program.

Temporary and Special Acts, Chapter 155

Hold Harmless: Provides that for the first five years no municipality may receive less than 125% of what it was entitled to receive under the former program; further provides for proration of payments if appropriation is not sufficient to cover hold harmless provision.

* * * * *

MUNICIPAL ASSISTANCE FUND
(AS 43.30.010)

The Municipal Assistance Fund, administered by the Department of Revenue, distributes money appropriated by the Legislature to municipalities on a per capita basis. There is no cost of living adjustment or payment to unincorporated municipalities. The statute provides that the fund contain an amount "equal to or greater" than 10% of the corporate income tax receipts, subject to Legislative appropriation. Legislative intent is that this money be used for local tax relief. Last year's changes in the oil and gas taxation policy, shifting the emphasis from corporate income to severance, greatly diminished the amount of money generated by the corporate income tax.

The Municipal Assistance Fund was created when the Legislature repealed the Gross Business License Tax. Under that program, municipalities received 60% of revenues generated. Since it was a pre-statehood dedicated sharing, the amount was distributed automatically and not subject to Legislative appropriation.

Prepared by
Alaska Municipal League
February, 1982

REVENUE SHARING/MUNICIPAL ASSISTANCE

Two proposals have been introduced this session to combine the revenue sharing and municipal assistance programs into one. Neither bill makes any changes to the special revenue sharing entitlements for roads, volunteer fire departments, health facilities, hospitals, etc. Following is comparison of the proposals.

	SB716/HB746	SB 797
Municipal Assistance Fund (10% or Greater of Corporate Income Tax)	Repeals	Repeals
Distribution Formula	Current Revenue Sharing Formula	Per Capita Adjusted for Cost of Living
Minimum Entitlement	$100,000	$25,000
Unincorporated Communities	Transferred to Rural Development Grants Section	$25,000 grant
Requirements	Spend 50% on at least 3 basic services	None
Hold Harmless	Open-Ended	5-Years
Future Funding Levels	Intent to Increase With Inflation & Population	No Intent Language
Amount Needed to trigger bill	$140,851,300*	$143,100,000*

*The difference between the 2 figures represents the amount currently going to unincorporated communities.

Excerpts from report prepared by the Department of Community and Regional Affairs.

The Department of Community and Regional Affairs has examined state programs to provide financial assistance to localities in Alaska, with particular emphasis on revenue sharing and municipal assistance and finds the following problems:

- Revenue sharing emphasizes tax effort and ability to raise taxes while municipal assistance emphasizes population and tax relief.
- Municipal assistance is linked to the declining corporate income tax collections.

- Localities are growing increasingly dependent on the state for funding of property tax relief and increased service provision at the same time.

- The revenue sharing and municipal assistance programs are administered by two different agencies and have different reporting and accountability requirements.

In order to address these problems, the Department proposes the following program:

- The municipal assistance statute should be repealed and all funds for this purpose should be distributed through the revenue sharing program.

- The minimum entitlement for incorporated entities should be $100,000. Unincorporated entities should be deleted from the program and treated separately.

- The entire program should be funded at a level no less than the proposed fiscal year 1983 appropriation. This amount should increase each year by the same percentage that the proposed constitutional spending limit allows the state budget to increase.

- The existing Rural Development Assistance Program should be expanded to be a program of assistance to unincorporated communities that requires application on a competitive basis for grants up to $100,000 for capital projects, operation and maintenance of capital projects and community services.

Excerpts from report of the Special Committee on Property Taxation.

Notwithstanding the considerable attention given to municipal aid programs in recent years, many problems and dissatisfactions continue to exist. The passage of SB 524 during the past legislative session, for example, drastically reduced the source of revenue for the municipal assistance program established under AS 43.20.016. Additionally, the expressed desire of many legislators to reduce or eliminate local taxes through the application of surplus state revenues is contrary to the formula approach for local revenue sharing adopted less than two years ago, which may actually penalize local governments for reductions in locally generated taxes.

If the basic premise underlying a local assistance program is that all citizens should share more or less equally in the benefits of the state's surplus revenues, a simple per capita based distribution formula should be developed which will award a base entitlement to each municipality that is generally equal to that municipality's share of the statewide population. In order to reflect differences in the cost of providing government services, a regional cost-of-living allowance (COLA) should be applied in addition to the base entitlement. Also, recognizing the fact that small municipalities may experience higher per capita costs due to economies of scale, a minimum entitlement should be provided to guarantee that each local government receives a meaningful allowance to be used to provide municipal services.

MUNICIPALITY OF ANCHORAGE
PROJECTED IMPACTS OF FY1983 MUNICIPAL ASSISTANCE AND STATE REVENUE SHARING ON 1983 PROPERTY TAXES

SCENARIO A - FY1983 MUNICIPAL ASSISTANCE AND STATE REVENUE SHARING FUNDING AS RECOMMENDED BY HOUSE FINANCE COMMITTEE

	1982	1983	
Expenditures	$137.0	$150.7	+10%
Municipal Assistance and State Revenue Sharing	-52.2	-46.0	-12%
Other Non-Tax Revenues	-52.1	-52.1	NC
Property Taxes	$ 32.7	$ 52.6	+61%

SCENARIO B - FY1983 MUNICIPAL ASSISTANCE AND STATE REVENUE SHARING INCREASE FUNDED AT THE RATE OF INFLATION AND POPULATION GROWTH

	1982	1983	
Expenditures	$137.0	$150.7	+10%
Municipal Assistance and State Revenue Sharing	-52.2	-57.4	+10%
Other Non-Tax Revenues	-52.1	-52.1	NC
Property Taxes	$ 32.7	$ 41.2	+26%

SCENARIO C - FY1983 MUNICIPAL ASSISTANCE AND STATE REVENUE SHARING REQUIRED TO HAVE PROPERTY TAX INCREASE EQUAL TO INFLATION AND POPULATION GROWTH

	1982	1983	
Expenditures	$137.0	$150.7	+10%
Municipal Assistance and State Revenue Sharing	-52.2	-62.6	+20%
Other Non-Tax Revenues	-52.1	-52.1	NC
Property Taxes	$ 32.7	$ 36.0	+10%

SCENARIO D - FY1983 MUNICIPAL ASSISTANCE AND STATE REVENUE SHARING REQUIRED TO MAINTAIN PROPERTY TAX AT FY1982 LEVEL

	1982	1983	
Expenditures	$137.0	$150.7	+10%
Municipal Assistance and State Revenue Sharing	-52.2	-65.9	+26%
Other Non-Tax Revenues	-52.1	-52.1	NC
Property Taxes	$ 32.7	$ 32.7	NC

ASSUMPTIONS: (1) Inflation Rate 8%
Population Growth 2%
10%

(2) Expenditures increase at rate of inflation and population growth
(3) "Other Non-Tax Revenues" do not change

BRIEF EXPLANATION OF STATE REVENUE SHARING FORMULA FOUND IN AS 29.88

The formula found in AS 29.88 is designed to equalize tax resources among local government taxing unit. The intent is to use state revenue sharing to target aid to municipalities that have raised more local revenues relative to the tax base available in the community.

The formula contained in AS 29.88.010 appears to be simple and straight forward:

Entitlement = PxR
where P = population, and
R = mileage rate equivalent, determined by dividing the sum of the locally generated revenue of the taxing unit by one-tenth of one percent (one mill) of the full and true value of assessed property of the taxing unit.

Population in this formula refers to the population of a municipality (or service area) as annually determined by the Department based on the latest figures of the United States Bureau of the Census or other reliable data.

Millage rate equivalent, as explained, is computed as follows:

$$\text{Millage rate equivalent} = \frac{\text{locally generated revenues}}{.001 \times \text{full and true property value}}$$

In effect, this formula takes all locally generated eligible revenue and converts it into the mill rate the municipality would have had to levy to generate the same amount of revenue if property taxation was the only local revenue generator.

Acceptable locally generated revenues are listed in law to include local sales and property taxes; motor vehicle payments; revenue from fees, rentals, penalties, licenses or permits for a municipal service; special assessments; and utility payments in lieu of taxes. The law specifically excludes local taxes used to operate or pay debt service on utilities; revenue from interest; and revenue from the sale and lease of land or equipment. Federal or State grants or entitlements, State shared taxes, and other revenue not specifically listed as an acceptable locally generated revenue are not eligible.

The "entitlement" number produced by the equalization formula is not a dollar amount, but is merely a relative number. A percentage is arrived at by dividing each municipality's "entitlement number" by the sum of all municipal entitlement numbers. This percentage is then multiplied times the entire appropriation available for AS 29.88 to determine each municipality's level of funding under the tax equalization account.

An example demonstrating the entire calculation process is as follows:

The City of Icy Bay, population 1,560 reported the following locally generated revenues for FY 1981 (the prior year's revenues are used): The total amount of approved locally generated revenues are, in this example $659,235 and the full and true value of assessed property within the City of Icy Bay is, for example, $24,646,700.

Calculation #1

$$\frac{\text{locally generated revenue}}{\text{one mill X full \& true property value}} = \text{Millage rate equivalent}$$

$$\frac{\$659,235}{.001 \times \$\ 24,647,000} = 26.75$$

Calculation #2

Population X millage rate equivalent = Entitlement (number)
1,560 X 26.75 = 41,730

Calculation #3

Entitlement numbers for all municipalities = 4,475,800

$$\frac{\text{Municipal entitlement number}}{\text{Sun of all entitlement numbers}} = \text{Entitlement percentage}$$

$$\frac{41,730}{4,175,800} = .0093235$$

Calculation #4

Amount appropriated to AS 29.88 = $34,913,800
Chapter 88 funding for Icy Bay = Amount appropriated X entitlement percentage for Icy Bay

$325,519 = 34,913,800 X .0093235

Assuming there is no need to proration, the City of Icy Bay would receive $325,519 under the tax equalization account.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Peggy Mulligan
Senate Secretary

DATE: 15 March 1984

FROM: Senator Frank R. Ferguson
Chairman
Community & Regional Affairs
Committee

SUBJ: Committee Meeting

There will be a Senate Community and Regional Affairs Committee meeting Tuesday, March 20, at 3:00 at the Beltz Room: SB 468, Authorizing certain second class cities to adopt home rule charters.

cc: Senator Bennett
Senator Halford
Senator Gilman
Senator Sackett

FRF/ae

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 Bennett, Co-Chair
Senate Finance Committee

FROM: Senator Ferguson, Chair
Senate C & RA Committee

DATE: February 29, 1984

RE: House Bill 537

SCS HB 537 (C&RA) passed out of Senate C & RA yesterday with a further referral to Finance. Senator Eliason has a companion bill, but the house bill came over first. Because HB 537 has no fiscal impact, I recommend that you waive finance referral.

cc: Senator Eliason
Representative Grussendorf

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Peggy Mulligan
Senate Secretary

DATE: 23 February 1984

FROM: Senator Frank R. Ferguson
Chairman
Community & Regional Affairs
Committee

SUBJ: Committee Meeting

There will be a Senate Community and Regional Affairs Committee meeting Tuesday, February 28 at 3:00 at the Beltz Room: HB 537, "An Act authorizing municipalities to exempt motor vehicles from taxation".

cc: Senator Bennett
Senator Halford
Senator Gilman
Senator Sackett

FRF/ae

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Peggy Mulligan
Senate Secretary

DATE: 16 February 1984

FROM: Senator Frank R. Ferguson
Chairman
Community & Regional Affairs
Committee

SUBJ: Committee Meeting

There will be a Senate Community and Regional Affairs Committee meeting Tuesday, February 21 at 3:00 at the Beltz Room: SB 428, Relating to Vital Statistics records, and HB 537, Authorizing municipalities to exempt motor vehicles from taxation.

There will be a Joint Senate and House Community and Regional Affairs Committee meeting Wednesday, February 22, at 3:15 at Room 110, Behrends Building: SJR 41, Disapproving the Local Boundary Commission recommendation for annexation of territory to the City of Hoonah.

cc: Senator Bennett
Senator Halford
Senator Gilman
Senator Sackett

FRF/ae

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Peggy Mulligan
Senate Secretary

DATE: 6 February 1984

FROM: Senator Frank R. Ferguson
Chairman
Senate Community & Regional
Affairs Committee

SUBJ: SJR 34 Meeting

There will be a Joint Senate & House Community and Regional Affairs Committee meeting Tuesday, February 14 at 3:15 p.m. in the Beltz Room: SJR 34, Disapproving the Local Boundary Commission recommendation for annexation of territory to the City of Haines.

cc: Senator Bennett
Senator Halford
Senator Sackett
Senator Gilman

FRF/ae

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Peggy Mulligan
Senate Secretary

FROM: Senator Ferguson, Chairman
Senate C & RA Committee

The Senate Community and Regional Affairs Committee will consider the following bills on Tuesday, February 7 at 3:00 p.m. in the Beltz Room: House Bill 162, Senate Bill 376, and Senate Bill 204.

cc: Senator Bennett
Senator Halford
Senator Sackett
Senator Gilman

JAN 12 RECD

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Frank Ferguson
Chairman
Community and Regional Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE: Governor's Appointment

DATE: January 11, 1984

The President has referred the following Governor's appointee to your Committee for recommendation in accordance with AS 39.05.080.

COMMISSIONER

Emil Notti
Department of Community and Regional Affairs

A copy of Mr. Notti's resume is attached.

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.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Frank Ferguson
Chairman
Community and Regional Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE: Governor's Appointment

DATE: January 11, 1984

The President has referred the following Governor's appointee to your Committee for recommendation in accordance with AS 39.05.080.

COMMISSIONER

Emil Notti
Department of Community and Regional Affairs

A copy of Mr. Notti's resume is attached.

Alaska State Legislature

Senate

OFFICIAL BUSINESS

POUCH V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

President Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, Alaska 99811

12 January 1984

Dear Mr. President:

In accordance with AS 39.05.080, the members of the Community and Regional Affairs Committee have considered the appointment of Emil Notti as Commissioner of the Department of Community and Regional Affairs, and no objections have been stated to his confirmation. This does not indicate an intention on the part of any committee member to vote for or against his confirmation.

Sincerely,

Frank Ferguson
Senator Frank R. Ferguson, Chairman

Don Gilman
Senator Gilman, member

Senator Bennett, Vice-Chairman

Senator Sackett, member

Rick Halford
Senator Halford, member

FRF/ae

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

President Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, Alaska 99811

May 24, 1983

Dear Mr. President:

The members of the Community and Regional Affairs have considered the appointment of Mark Lewis as Commissioner of the Department of Community and Regional Affairs, and no objections have been stated to his confirmation. This does not indicate an intention on the part of any committee member to vote for or against his confirmation.

Sincerely,

Frank Ferguson
Senator Frank Ferguson, Chairman

Dan Gilman
Senator Gilman, member

Senator Bennett, Vice-Chairman

John Sackett
Senator Sackett, member

Rick Halford
Senator Halford, member

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

20 February 1984

Mr. Tom True
P.O. Box 509
Haines, AK 99827

Dear Mr. True:

Thank you for your letter concerning the Haines annexation bill, Senate Joint Resolution 34, and it's sister bill, House Joint Resolution 59.

SJR 34 bill was heard in the Senate Community and Regional Affairs Committee, of which I am chairman, February 14, and passed out of committee.

Thank you for your concern, and if I can be of further assistance, please do not hesitate to contact my office.

Sincerely,

Frank Ferguson

Frank R. Ferguson
Alaska State Senator

FRF/ae

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

20 February 1984

Mr. Gary D. Matthews
P.O. Box 247
Haines, AK 99827

Dear Mr Matthews:

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SJR 34 bill was heard in the Senate Community and Regional Affairs Committee, of which I am chairman, February 14, and passed out of committee.

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Sincerely,

Frank Ferguson

Frank R. Ferguson
Alaska State Senator

FRF/ae

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

20 February 1984

A. W. Jurgeleit & Harriet Jurgeleit
P.O. Box 292
Haines AK 99827

Dear Mr. & Mrs. Jurgeleit:

Thank you for your letter concerning the Haines annexation bill, Senate Joint Resolution 34, and it's sister bill, House Joint Resolution 59.

SJR 34 bill was heard in the Senate Community and Regional Affairs Committee, of which I am chairman, February 14, and passed out of committee.

Thank you for your concern, and if I can be of further assistance, please do not hesitate to contact my office.

Sincerely,

Frank Ferguson

Frank R. Ferguson
Alaska State Senator

FRF/ae

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

20 February 1984

Mr. & Mrs. Richard Fredricks
P.O. Box 621
Haines, AK 99827

Dear Richard & Susan:

Thank you for your letter concerning the Haines annexation bill, Senate Joint Resolution 34, and it's sister bill, House Joint Resolution 59.

SJR 34 bill was heard in the Senate Community and Regional Affairs Committee, of which I am chairman, February 14, and passed out of committee.

Thank you for your concern, and if I can be of further assistance, please do not hesitate to contact my office.

Sincerely,

Frank Ferguson

Frank R. Ferguson
Alaska State Senator

FRF/ae

Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

20 February 1984

Mr. Gary D. Matthews
P.O. Box 247
Haines, AK 99827

Dear Mr. Matthews:

Thank you for your letter concerning the Haines annexation bill, Senate Joint Resolution 34, and it's sister bill, House Joint Resolution 59.

SJR 34 bill was heard in the Senate Community and Regional Affairs Committee, of which I am chairman, February 14, and passed out of committee.

Thank you for your concern, and if I can be of further assistance, please do not hesitate to contact my office.

Sincerely,

Frank Ferguson

Frank R. Ferguson
Alaska State Senator

FRF/ae

FEB 14 1984

A. W. Jurgeleit
Box 292
Haines, Alaska 99827
February 10, 1984

Senator Frank Ferguson
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Ferguson:

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. Jurgeleit

Responded 2-20-84

Tom True
Box 509
Haines, Alaska 99827

Senator Frank Ferguson
Alaska State Legislature
Pouch V
Juneau, Ak. 99811

Dear Senator Ferguson,

You will shortly be considering the resolution submitted by Representative Goll and Senator Eliason opposing the Local Boundary Commission's recommendation for the Haines area. I hope that you will also support the resolution.

The Boundary Commission's recommendation is pernicious and heavy handed. The citizens of the borough have overwhelmingly voted against the annexation and in favor of keeping their 3rd class borough status in the recent past. The Commission completly ignored this fact, and indeed "cooked" their population density figures in order to meet a standard. The unified municipality alternative which is mixed into their recommendation is not only unpopular, but is a form of blackmail designed to make some people in the borough support the lesser of 2 evils.

The abilities and flexibility of the third class borough have never been fully utilized. The borough's educational, cultural, and tax assessment powers, and the optional establishment of service areas are more than adequate for an area with such a small population. I hope you will vote to defeat the annexation/unification proposal of the Local Boundary Commission.

Sincerely,

Tom True

Tom True

Responded 2-20-84

FEB [illegible]

Box 621
Haines
Feb. 9, 1984

Sen Frank Ferguson, Chair
Community and Regional
Affairs Committee
Juneau, Alaska 99811

Dear Sen. Ferguson

I am writing to state our strong opposistion to the propcsed 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

Responded 2-20-84

FEB 14

February 10, 1984

Box 247
Haines, Alaska 99827

Senator Frank Ferguson

Dear Sir:

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

Responded 2-20-84

MEETING ANNOUNCEMENTS

BILL SHEFFIELD
GOVERNOR

JAN 19 RECD

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

TO: All Members of the Alaska State Legislature

FROM: John Shively
Chief of Staff
Office of the Governor

SUBJECT: U.S. Supreme Court Decision in Calif. v. Watt
(OCS Lease Sale consistency under the Coastal Zone Management Act)

DATE: January 18, 1984

Attorney General Norm Gorsuch and Assistant Attorney General Laura Davis will be conducting a briefing on the subject case of this memo on Monday, January 23, from 3:15 to 4:00 p.m., in the Governor's Conference Room.

Anyone who is interested in further information regarding the the Calif v. Watt case is invited to attend.

REPRESENTATIVE
ADELHEID HERRMANN
P.O. BOX 63
NAKNEK, ALASKA 99633
(907) 246-4495

While In Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4942, 465-4943

Alaska State Legislature

House of Representatives

CHAIRMAN
SPECIAL COMMITTEE
ON FISHERIES

MEMBER
TRANSPORTATION
COMMITTEE

DISTRICT 26

ADAK
AKUTAN
ALEKNAGIK
ATKA
BELKOFSKI
CLARK'S POINT
COLD BAY
DILLINGHAM
DUTCH HARBOR
EGEGIK
EKUK
ENWOK
FALSE PASS
IGIUGIG
ILIAMNA
KING COVE
KING SALMON
KOKHANOK
KOLIGANEK
LEVELOCK
MANOKOTAK
NAKNEK
NELSON LAGOON
NEWHALEN
NEW STUYAHOK
NIKOLSKI
NONDALTON
PEDRO BAY
PILOT POINT
PORT ALSWORTH
PORT HEIDEN
PORT MOLLER
PORTAGE CREEK
SAND POINT
SOUTH NAKNEK
SQUAW HARBOR
ST. GEORGE
ST. PAUL
TOGIAK
TWIN HILLS
UGASHIK
UNALASKA

MEMORANDUM

TO: BUSH CAUCUS MEMBERS

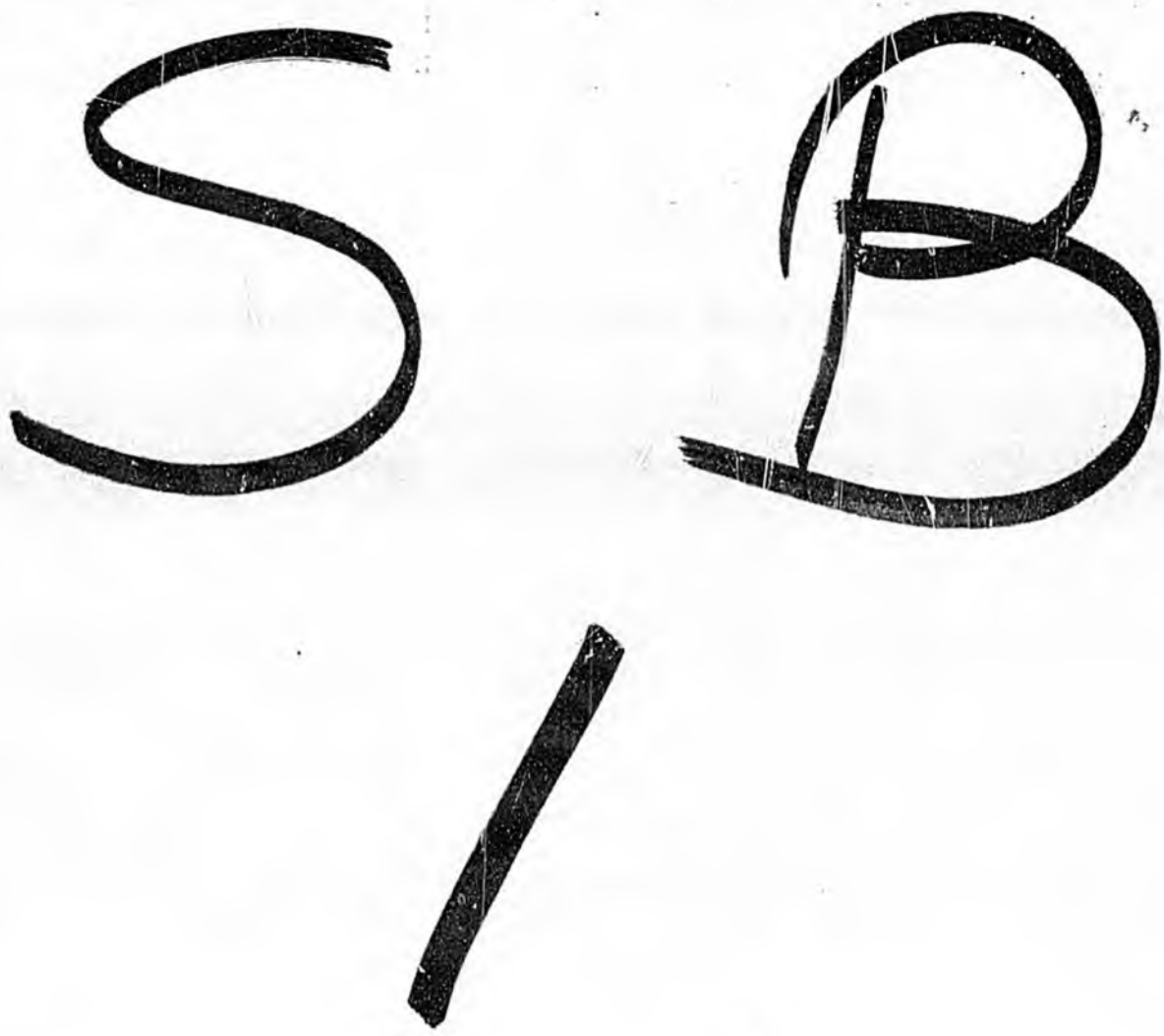
FROM: Representative Adelheid Herrmann
Bush Caucus Chair

DATE: January 9, 1984

SUBJECT: AFN Board Meeting 1/12/84

Janie Leask, president of the Alaska Federation of Natives has invited Bush Caucus members to attend a Board meeting here in Juneau, to discuss legislative priorities. She has requested that we attend in order to review the priorities AFN has for the second session, and to inform the Board of the issues we think the Legislature is likely to address. The meeting will be held on January 12, at 3:00 PM in the Sealaska Conference Room.

The AFN is also hosting a reception for all legislators, on Wednesday, January 11 from 6-8 PM in the Baranof Gold Room. I would appreciate your particiaption at either or both of these events. If you have further questions please contact me or my staff.



COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/13/83

Date:

Mr. President:

The Committee on G & E has had SENATE BILL NO. 1

An Act relating to municipal government; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends DO PASS

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Ken Schmitt
President

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____
CHAIRMAN

S 60 (Rev. 12/78)

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.

SENATE AMENDMENT

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.

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.

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Renumber following sections accordingly.

AMENDMENT #2

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

SOUTH STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 9, 1983

SUBJECT: Public utilities
(Amendment to SB 1)

TO: Senator Frank R. Ferguson
Chairman, Senate Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

Here is an amendment that would incorporate the provision currently contained in AS 29.48.040 into SB 1. You have asked me to look into the effect of this amendment.

The request for this amendment arose as a result of testimony before your committee that the treatment of utility services in SB 1 appeared to negate the effect of the Chugach Electric decision construing the authority of a municipality to provide utility service to areas adjacent to the municipality. Chugach Electric Association appears to have had a lengthy history of difficulties with Anchorage, as there are several cases involving those two parties. However, Chugach Electric Association v. City of Anchorage, 426 P.2d 1001 (Alaska 1967), appears to be the case referred to in the testimony and a copy of it is provided.

That case construed former AS 29.10.135(b) which authorized a municipality to provide utility service to ". . . residents of contiguous and adjacent districts outside the limits of the city . . ." The Court concluded that the city of Anchorage could, under that statute, provide utility service to ". . . adjacent districts, areas, or localities located within a reasonable distance from the limits of the city of Anchorage." Chugach Electric Association, supra, page 1003. The Court also noted that the case arose because of unresolved questions regarding the relationship between certificated utilities and municipally owned and operated utilities.

In 1963 municipal utilities were excluded from regulation by the Alaska Public Utilities Commission, but privately owned utilities were regulated. This created conflicts between municipally owned utilities and those certificated by the Alaska Public Utilities Commission, as both types of utilities attempted to serve the same geographic areas. In 1970, after Chugach Electric Association, supra, was decided, the legislature subjected municipally owned utilities that were in competition with other utilities to regulation. Now both municipally owned and privately owned utilities are granted a monopoly or partial monopoly for service in certain areas. Therefore, it is a question of policy whether the restriction on a municipality's authority to extend services outside its boundaries contained in AS 29.48.040 needs to be continued in view of the fact that the municipality must now receive Alaska Public Utility Commission approval to extend services at all.

AS 29.48.040 and this amendment have the effect of authorizing a municipality to extend utility service only to "adjacent" areas. Under Sec. 29.35.020 of SB 1, without this amendment, a municipality is granted broader power to provide utility services outside its boundaries since it may do so whether or not the area served is adjacent to the municipality.

If I can be of further assistance, please let me know.

TBC:ljb

Enclosure

In light of the foregoing, we affirm the superior court's denial of appellant's Criminal Rule 35(b) motion to vacate the judgment and commitment entered in this case.



CHUGACH ELECTRIC ASSOCIATION, Inc., a non-profit electric cooperative corporation, and D. Bailey Calvin, Appellants,

v.

CITY OF ANCHORAGE, a municipal corporation, Municipal Light and Power Department, Robert H. Oldland and Carroll A. Oliver, and Calais Company, Inc., Appellees.

ALASKA PUBLIC SERVICE COMMISSION, State of Alaska, Appellant,

v.

CITY OF ANCHORAGE, a municipal corporation, Municipal Light and Power Department, Robert H. Oldland and Carroll A. Oliver, and Calais Company, Inc., Appellees.

Nos. 705, 706.

Supreme Court of Alaska.

May 1, 1967.

Proceeding by electric utility to enjoin municipality from furnishing electrical energy to subdivision which was located approximately one-fourth mile from city limits and which also was within service area of electric utility. The Superior Court, Third Judicial District, Edward V. Davis, J., denied permanent injunction. The electric utility appealed. The Supreme Court, Rabinowitz, J., held that subdivision was a reasonable distance from municipality and was within statute which provided that any city which operated plant for distribution of electricity may distribute electricity to residents of "contiguous and adjacent districts" outside limits of municipality.

Judgment affirmed.

1. Electricity ⇐4

Certificate of public convenience and necessity did not grant to electric utility a monopoly to furnish electrical energy throughout the service areas which had been allotted to it. AS 42.05.010—42.05.650.

2. Electricity ⇐11(5)

Under statute which provided that any city which operates plant for distribution of electricity may distribute electricity to residents of "contiguous and adjacent districts' outside limits of city, quoted phrase referred to contiguous districts and adjacent districts, and not only to those districts which are both contiguous and adjacent. AS 29.10.138.

See publication Words and Phrases for other judicial constructions and definitions.

3. Electricity ⇐11(5)

Under statute providing that any city which operates plant for distribution of electricity may distribute the electricity to residents of "contiguous and adjacent districts", municipality was authorized to sell and distribute electrical energy to adjacent districts, areas, or localities located within reasonable distance from limits of municipality. AS 29.10.135(b), 29.10.138.

4. Electricity ⇐11(5)

Subdivision which, at its closest point, was within approximately one-quarter of mile of city limits of municipality was a reasonable distance from municipality and was within statute which authorized municipality's operating plant for distribution of electricity to distribute electricity to residents of "contiguous and adjacent districts" outside limits of municipality. AS 29.10.135(b), 29.10.138.

5. Electricity ⇐4

The fact that service area designated in electric utility's certificate of public convenience and necessity encompassed sub-

division which was adjacent to municipality which operated plant for distribution of electricity did not grant electric utility monopoly in regard to furnishing of electrical energy to subdivision. AS 29.10.135(b), 29.10.138, 42.05.010–42.05.650.

6. Electricity ⇐4

Where subdivision is adjacent to municipality and subdivision is also within service area designated in electric utility's certificate of public convenience and necessity, utility is not, insulated from competition by municipally owned and operated utilities. AS 29.10.135(b), 29.10.138, 42.05.010–42.05.650.

7. Municipal Corporations ⇐884

Extension of municipality's electrical system into subdivision which was adjacent to municipality would not constitute waste, or misuse, of public funds.

William J. Moran, Anchorage, for appellants Chugach Electric Ass'n, Inc. and D. Bailey Calvin.

Warren C. Colver, Atty. Gen., and Andrew E. Hoge, Asst. Atty. Gen., Juneau, for appellant Alaska Public Service Commission.

Stanley Howitt, Asst. City Atty., Anchorage, for appellees City of Anchorage, Municipal Light & Power Department, Carroll A. Oliver and Robert H. Oldland.

Before NESBETT, C. J., and DIMOND and RABINOWITZ, JJ.

RABINOWITZ, Justice.

We are again asked to resolve a dispute between a municipally owned and operated electric utility and a public utility which has been certified pursuant to the provisions of the Alaska Public Service Commission Act.

This consolidated appeal arises from the superior court's denial of a permanent injunction to appellants Chugach and Calvin. In the lower court these parties sought to restrain the city of Anchorage from furnishing electrical energy to Bancroft Subdivision which is located approximately one-quarter of a mile outside Anchorage's city limits.[1]

Several questions presented in this appeal have been answered by our recent decision in Homer Electric Ass'n v. City of Kenai.[2] That case involved questions as to the effect of the issuance of a certificate of public convenience and necessity to a public utility by the Alaska Public Service Commission. We held that such a certificate was not an exclusive, or monopoly, grant to furnish electrical energy within the corporate limits of the city of Kenai.[3] Our study of the legislative history of the Alaska Public Service Commission Act,[4] and in particular the 1963 amendments thereto, led us to conclude that municipally owned and operated utilities were intended to be excluded from the act's coverage. We, therefore, held that the delineation of a service area contained in a certificate of public convenience and necessity did not provide the basis for precluding a municipality from competing, within its own corporate limits, with such a certificated utility.[5]

1. Appellants also requested mandatory injunctive relief (i.e., removal of the city's transmission facilities from the area in question).

2. Opinion No. 290, 423 P.2d 285 (Alaska 1967).

3. The certificate of public convenience and necessity which was issued to Homer Electric provided for a service area which included portions of the city of Kenai.

4. AS 42.05.010–42.05.650.

5. We also pointed out that it was not disputed that the city of Kenai possessed the right and authority to own and operate an electrical distribution system. In this regard AS 29.10.135(a) provides:

> The council may purchase, construct, or otherwise acquire, establish and operate public wharves, public sewers, public cold storage plants, telephone systems and plants for the use, sale and distribution of light, water, power, heat and telephone service and the collection and treatment of sewage for the residents of the city and the public.

[1] We adhere to our decision in *Homer Electric* and hold that appellant Chugach's certificate of public convenience and necessity does not, in relation to the city of Anchorage's electrical utility system, grant it a monopoly to furnish electrical energy throughout the service areas which have been allotted to it. As we view the issues in this appeal, the primary question raised is whether the city of Anchorage is authorized to furnish electrical power to the geographical area in question which is located outside of Anchorage's corporate limits.

Resolution of this question involves construction of, and determination of the applicability of, the provisions of AS 29.10.135(b). This statute provides:

> A municipality which owns or operates plants for the use, sale or distribution of light, power * * * service * * * for the residents of the city may also sell and distribute the light, power * * * service to * * * the residents of contiguous and adjacent districts outside the limits of the city, and for that purpose may construct, purchase or otherwise acquire, own, maintain and operate extensions, pole lines * * * and other necessary apparatus and equipment, together with the real property necessary for them, outside the limits of the city.[6]

[2] The precise controversy in this appeal is over the proper interpretation of the language "contiguous and adjacent districts" and whether or not the geographical area in dispute comes within this phraseology. In Chugach Electric Ass'n v. City of Anchorage[7] the Ninth Circuit had occasion to construe "contiguous and adjacent districts" as used in the statute.[8] The Ninth Circuit concluded that the disputed phrase

> refers to contiguous districts *and* adjacent districts. We think this is its plain meaning. This involves no conversion of the word 'and' to 'or.'
>
> * * * * * * *
>
> We think the court correctly considered that the word 'districts' meant 'areas' or 'localities.'[9]

[3] We adopt this construction of "contiguous and adjacent districts" and hold that under AS 29.10.135(b) the city of Anchorage is authorized to sell and distribute electrical energy to adjacent districts, areas, or localities located within a reasonable distance from the limits of the city of Anchor-

6. See also AS 29.10.138 which provides:
> Extraterritorial jurisdiction. For the purpose of installing, acquiring, owning or operating plants for the supply of water, light, heat or power to the city or its people, or for the purpose of constructing and maintaining a sewer system, a city may acquire and own property outside the boundaries of the city and may enact and enforce ordinances to protect the sources of the supply of water for the city from contamination, interruption, interference or injury even though they are situated outside of the boundaries of the city. The council may also enact and enforce ordinances to protect, whether in or out of the city, parks, cemeteries, and playgrounds, and light, heat, power and water plants, and sewers together with dams, flumes, pipelines, electrical transmission lines and other equipment for serving the city or its inhabitants with light, heat, power or water or drainage through sewers, whether owned by the city or not.

7. 214 F.2d 110, 113, 15 Alaska 70 (9th Cir. 1954).

8. AS 29.10.138 was codified at that time as ACLA 1949 § 16-1-38.

9. The trial court in its opinion in Chugach Electric Ass'n v. City of Anchorage, 106 F.Supp. 6, 7-8, 13 Alaska 747 (D. Alaska 1952), had held that "the conjunctive 'and' must be read as 'or.'" In his opinion Judge Folta also wrote that
> under the statute quoted a municipality is authorized to extend its distribution system into any non-contiguous area within a reasonable distance of its corporate limits, provided that the intervening territory is unsettled and uninhabited or virtually so, but that it was never intended by the use of the term 'adjacent' to permit a municipality to leapfrog a settled area, particularly where, as here, such area is, from all appearances, a part of the metropolitan area, and extend its distribution system into the territory beyond.

age.[10] This leads us to the question of whether the Bancroft Subdivision is an adjacent district, area, or locality within the intendment of AS 29.10.135(b).[11]

[4–6] Named appellee Calais Company is the owner and subdivider of the Bancroft Subdivision[12] which, at its closest point, lies within approximately one-quarter of a mile of the southerly limits of the city of Anchorage.[13] Examination of the record in this case has convinced us that the Bancroft Subdivision is an adjacent district within the definition adopted in Chugach Electric Ass'n v. City of Anchorage.[14] We further hold that Bancroft Subdivision lies within a reasonable distance from the city of Anchorage. Therefore, under the provisions of AS 29.10.135(b) the city of Anchorage is empowered to sell and distribute electrical energy to residents of the Bancroft Subdivision. The fact that the service area designated in appellee Chugach's certificate of public convenience and necessity encompasses this subdivision does not, under our holding in Homer Electric Ass'n v. City of Kenai,[15] grant it a monopoly in regard to the furnishing of electrical energy to Bancroft Subdivision. Here, as in *Homer Electric*, the municipally owned and operated electric utility is furnishing service to, and within, an authorized geographical area. In such circumstances the certificated utility is not, under the Alaska Public Service Commission Act, insulated from competition by municipally owned and operated utilities.

[7] Brief reference will be made to two other issues in this appeal. Appellants argue that the superior court erred in failing to hold that the city of Anchorage's extension of its electrical system into Bancroft Subdivision constituted waste, or misuse, of public funds.[16] The record discloses that the trial court's findings of fact and conclusions of law pertaining to this question are amply supported by evidence. We sustain the superior court's determination of this issue. In our opinion there is no merit in appellees' contention that appellants should be barred from any relief in this court because of laches on their part. Appellees' assertions in this regard are not borne out by the record.

In Homer Electric Ass'n v. City of Kenai[17] we noted that a satisfactory solu-

10. Appellees contend that the Alaska legislature was aware of the Ninth Circuit's holding in the *Chugach* case when it enacted the 1963 amendments to the Public Service Commission Act. Appellees argue that if the *Chugach* decision did not express the legislature's intent, the section would have been changed or clarified. See Reed v. Steamship Yaka, 373 U.S. 410, 414, 83 S.Ct. 1349, 10 L.Ed.2d 448, 452 (1963), where the Supreme Court said:

> But we cannot now consider the wording of the statute alone. We must view it in the light of our prior cases in this area * * * the holdings of which have been left unchanged by Congress.

See 3 Sutherland, Statutory Construction § 1935 (3d ed. 1943).

11. In the *Chugach* case referred to above, the area in question, at its closest point, was approximately one and one-half miles from the city limits of Anchorage.

12. Chugach Electric Ass'n v. Calais Co., 410 P.2d 508 (Alaska 1966), also involved this same subdivision.

13. See generally sketch of the area in question contained in the appendix hereto.

14. 214 F.2d 110, 15 Alaska 70 (9th Cir. 1954). We shall not pass upon what appears to be an alternative basis of the trial court's decision, namely, the expanded powers possessed by municipalities through constitutional and statutory provisions providing for home rule cities.

15. Opinion No. 390, 423 P.2d 285 (Alaska 1967).

16. More specifically, the trial court held that:

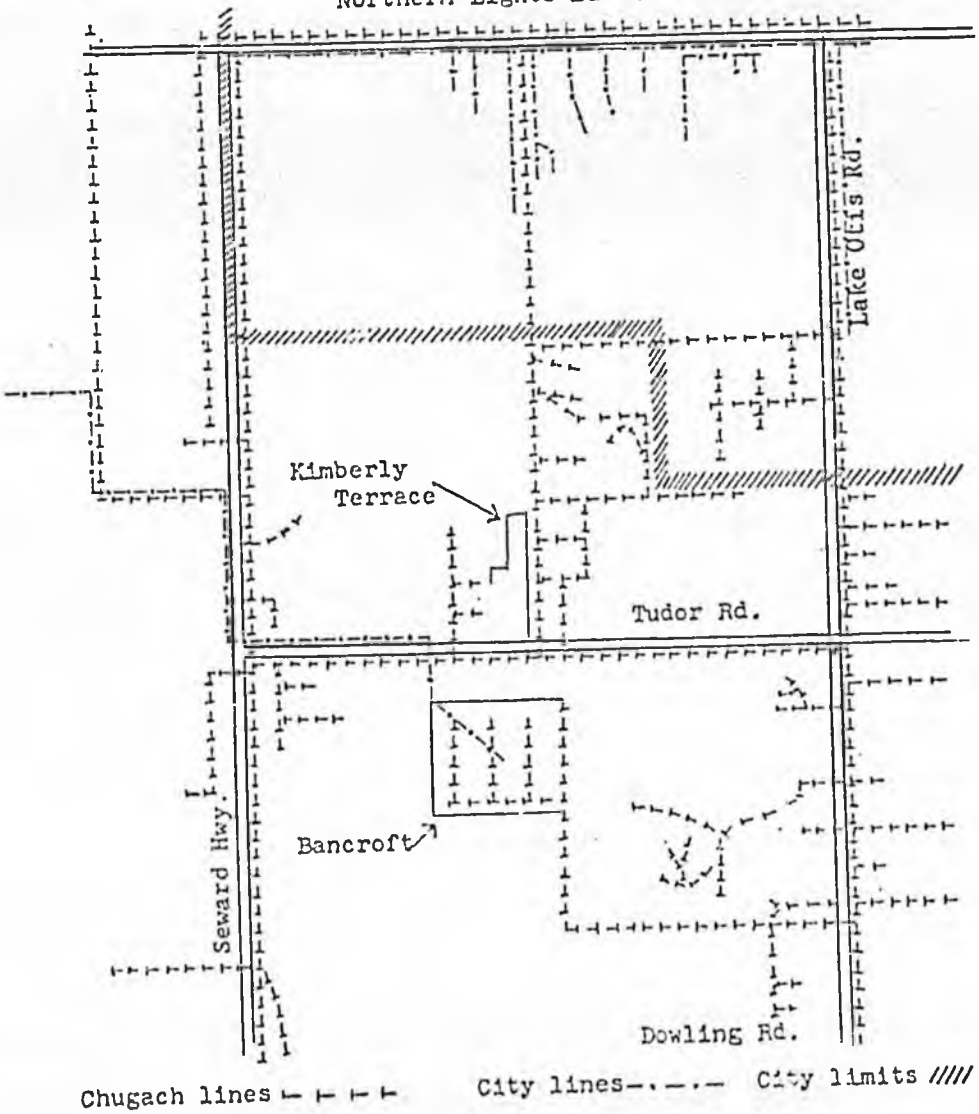
> Construction of the line is neither wasteful nor uneconomic so far as the City is concerned. Furthermore, I find that the contemplated service will be extremely profitable to the City.

17. 423 P.2d 285, 290 (Alaska 1967).

tion to the question presented was dependent upon legislative resolution. This appeal presents yet another facet of the still unresolved questions regarding the relationship between certificated utilities and municipally owned and operated utilities.

The judgment entered below is affirmed.

APPENDIX



AMENDMENT #3

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 11 LINE: 1

Between the words "city" and "incorporated", add "in the unorganized borough"

Amendment 4

SENATE AMENDMENT

BY Community & Regional Affairs Committee

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"

Amendment 5

SENATE AMENDMENT

By SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 161 LINE: 20

Replace "29.60.120" with "29.60.130".

A M E N D M E N T

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered in the SENATE

TO: Senate Bill No. 1

Page 160, line 21:

After "purpose." delete all material through page 161, line 10, and insert:

"(b) 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 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. If there is more than one qualified entity in an unincorporated community, the Department of Community and Regional Affairs shall select the entity that the department finds most qualified to receive and spend the money.

(c) After selecting an entity under (b) of this section the Department of Community and Regional Affairs shall provide public notice of the selection. The notice shall indicate that the selection is preliminary and other qualified entities may be nominated to receive the entitlement by filing a petition with the department. A petition must be signed by a number of voters of the unincorporated community equal to or greater than 15 percent of those who voted

during the last general election in the community. The department shall provide a sample petition upon request.

(d) If the Department of Community and Regional Affairs receives within 30 days after notice is provided under (b) of this section a sufficient petition nominating an entity other than the entity selected by the department, the department shall hold an election with the assistance of the director of elections to determine which entity shall receive the entitlement. The election shall be held within 90 days after notice is provided under (b) of this section. The department shall provide public notice of the date of the election.

(e) All voters who reside within the boundaries established for the purposes of determining the population of the unincorporated community are qualified to vote in an election held under this section. The name of the entity selected by the Department of Community and Regional Affairs under (b) of this section and the name of each entity nominated under (c) of this section shall be placed on the ballot. The department shall pay the entitlement for that year to the entity receiving the greatest number of votes.

(f) 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. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council."

Reletter the following subsection accordingly.

SENATE AMENDMENT

BY Senate Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 62 LINE: 3

After "date.", add:

"The runoff election shall be between the two candidates receiving the greatest number of votes for the seat."

SENATE AMENDMENT

BY COMMUNITY & REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 107 LINE: 26

After "borough", delete:

"including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period"

SENATE AMENDMENT

BY COMMUNITY & REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 61 LINE: 8

After "(3)", delete "is", and insert "has been"

After "elections", insert "for 30 days immediately preceding the election"

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."

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) within 90 days after receipt of a petition for annexation or detachment the Local Boundary Commission shall make a decision on the petition."

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 1
Title "An Act Relating To Municipal Government"
Requested by Senator Gilman Date 2/1/83

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)

See Attached

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)

OMB Reviewed by: David Gentry D. Gentry

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.

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.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

Section-by-Section Analysis
SB 1

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. 29.05.11 . 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 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. This section contains only minor word changes so that language used in Title 29 which is defined is uniformly used throughout the title. (AS 29.68.010)

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 reference 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. (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;

(27) alcoholic beverages;

(31) assessment and collection of taxes;

(32) land use regulation;

(36) title to vacated areas;

(38) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);

(42) construction;

(46) 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. 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. (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, utility services, 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))

(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))

Sec. 29.35.070. The governing body may regulate a utility rate to the extent that it is not subject to regulation by the state and to the extent not otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(17). (AS 29.48.060)

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 five 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. (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 29.89.080)

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, 29.90.020(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.

(4) 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, while under existing law, only "regular election" is defined;

(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(8))

(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;

(25) minor rewording; (AS 29.78.010(17))

The definition of "municipal election" has been eliminated. (AS 29.78.010(7))

* 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. The statutory references are altered to reflect new numbering.

* 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. Minor rewording. The statutory references are deleted as unnecessary.

* Sec. 69. The statutory references are deleted as unnecessary.

* Sec. 70. 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. 71. The statutory reference is altered to reflect new numbering.

* 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 new statutory reference is inserted and "former" added before the citation to a section repealed by this bill.

* Sec. 75. The new statutory references are inserted and "former" added before citations to sections repealed by this bill.

* Sec. 76. The statutory references are altered to reflect new numbering.

* Sec. 77. The statutory reference to a repealed section is deleted and language inserted to take the place of the deleted reference.

* Sec. 78. The statutory references are altered to reflect new numbering.

* Sec. 79. The statutory references are deleted as unnecessary.

* Sec. 80. The statutory references are altered to reflect new numbering.

* Sec. 81. The statutory references are deleted as unnecessary.

* Sec. 82. The statutory references are altered to reflect new numbering.

* Sec. 83. 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. 84. 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. 85. The chapter on taxation is retroactive to January 1, 1983, the beginning of the tax year.

* Sec. 86. An immediate effective date is provided for the retroactive clause and the chapter on taxation.

* Sec. 87. 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

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

Introduced: 1/18/83
Referred: Community and Regional Affairs and Finance

IN THE SENATE

BY GILMAN, STURGULEWSKI AND P.FISCHER

SENATE BILL NO. 1

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. up from 400

(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 29.35.310 - 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.

Exclusion ?

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.

demonstrate ?

(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.

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ARTICLE 2. PROCEDURE.

Sec. 29.05.060. PETITION. Municipal incorporation is proposed by filing a petition with the department. C & R.A. 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 vote[illegible] 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 ~~home rule~~ 1ST class.

(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.

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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

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city 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. 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 filed with the incorporation petition 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 body)

(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 overidden 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 qual-

ifies, 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 munici-

pality 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 coun-

cil. 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 during 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 allo-

cations 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 adcpted 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.

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 bill to be initiated or the act 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 bill to be initiated or the act 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 bill to be initiated or the act 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 signa-

ture 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 certif-

icated 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 communications center.

(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 service areas by holding an election on the question in which each person who is a voter of the borough may vote.

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 two 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) Notwith-

standing 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 coun-

cil 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 noncompliance within the 60-day period established in this subsection.

(c) The commissioner of natural resources may withdraw the sub-

division 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 EQUALIZATION 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 a property tax equivalent percentage for each municipality that levies a property tax at the rate of one percent per mill. 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 levy 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 prop-

erty 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 munici-

pality 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 re-

demption 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 mort-

gages 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 muni-

cipality, 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 neces-

sary to avoid a default upon payment of principal and interest of 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 improve-

ment 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 trans-

for 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 inter-

est 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 o nding 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 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 cr dit 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 ser-

vice 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 Advi-

sory 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, $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 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 com-

missioner 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 - 29.60.120 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.

Fire Dept.

(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 neces-

sary.

(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 unsu[illegible]t 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 muni-

cipalities 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 op-

tion, 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 municipal-

ity 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 certifi-

cate 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 first or second class 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 plat-

ting 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 for 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 unor-

ganized 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 <u>AS 29.26.240 - 29.26.350</u> [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.

* 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.

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 date.
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.

SB 1

FILE CONTENTS

SB 1 + Table of Contents

SB 1 Sectional

Title 29

Amendments:

Amendments 1 through 10 have been previously discussed.

PASS #1 Utilities

PASS #2 Utilities + TAM's Memo

PASS #3 Wording change to conform to Gov's bill (OK to cities that upgrade only in the unorganized borough)

PASS #4 Wording change to conform to Gov's bill (list of minor wording changes)

PASS #5 Change to conform to Gov's bill (Would give Cola to UFD's)

#6 withdrawn. Withdrawn by Senator Sackett (In unincorporated communities where residents can not agree on Rev. Sharing Recipient - Would have had Dept hold election)

PASS #7 Change to conform to Gov's bill (clarifying that runoff elections are between two top candidates.)

PASS #8 Change suggested by Lee Sharp (eliminating superfluous and confusing language)

PASS #9 Change suggested by Lee Sharp (would mandate 30 day prior registration - making standards for municipal voters consistant with state)

PASS #10 SENATOR FERGUSON'S SCHOOL POWER AMENDMENT.
(LEGAL SERVICES would incorporate actual language in committee substitute.)

? #11 By Senator HALFORD
(Would make detachment and annexation standards equal)

? #12 By Senator HALFORD
(Would require LBC to make decisions on annexation of petition within 90 days from receipt of petition)

Position Paper by DC+RA
In favor

DC+RA Fiscal Note

FY 83	FY 84	FY 85	FY. 86
0	100.0	150.0	625

TAM Cook's Eminent Domain Memo

GROU's. HB 172 transmittal Letter

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Bill Sheffield, Governor

REPLY TO:

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FAIRBANKS, ALASKA 99701
(907) 452-7126

February 17, 1983

The Honorable Frank Ferguson
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Ferguson:

As you are aware from the Local Boundary Commission's report to the First Session of the Thirteenth Legislature, the Commission has made several decisions which require either legislative approval or legislative action.

The Commission is particularly concerned that every opportunity is taken at the joint Senate and House Community and Regional Affairs Committee's meeting to explore several of the Commission's recommendations which will require direct legislative action.

The petition to detach 432 square miles of territory in the Lake Louise area from the Matanuska-Susitna Borough was denied by the Commission, and, therefore, is not subject to legislative review. However, as a part of the report to the Legislature on this decision, the Commission has recommended to the Legislature that it investigate the mandating of boroughs in those areas of the unorganized borough which have the economic potential necessary for such government. Specifically, the Commission suggests that the following approach might be taken in addressing this issue:

1. Establish a committee to develop recommendations on mandatory Borough formation. The suggested composition of this committee would include a representative from each of the following:

   a. Local Boundary Commission;
   b. Legislative (rural);
   c. Municipal League; and
   d. REAA.

2. With the use of a consultant(s) develop for the Committee's review the following:

   a. a map identifying areas with the potential tax base required for borough formation;
   b. develop demographics on state wide per capita income; and
   c. develop a compendium and summary of the borough formation studies conducted or being completed throughout the unorganized borough.

The Commission is aware of the following borough formation and annexation studies either recently completed or in progress:

1. Yukon Flats
2. Prince of Wales Island
3. The AVCP study of the Yukon-Kuskokwim Delta area
4. AHTNA
5. NANA Borough feasibility study
6. The Ketchikan Gateway Borough Quartz Hill annexation
7. Kodiak Island Borough annexation of Shelikof Straits and SE side of AK Peninsula.

The other item of special concern to the Commission is the petition of the City of Togiak.

The City of Togiak submitted a Legislative review Petition to annex approximately 51.7 square miles. The Commission has rejected the annexation as it failed to meet any of the standards for annexation. However, the Commission does recognize that there exists a seasonal need for police services in the territory east of the City which contains the Togiak Fisheries Cannery and the unincorporated community of Twin Hills. To provide this police protection the Commission is recommending to the Legislature that it create a police service area under authority in AS 29.03.020 to include the City of Togiak and the territory originally proposed for annexation. The service area could be administered in the following manner:

1. Create a Togiak Bay Service Area Board of Governors with representation from the City of Togiak and the community of Twin Hills.

2. Authorize the funding of the police service area through the distribution of raw fish tax currently being collected from the Togiak Fisheries Cannery and adjacent floating fish processors.

3. Direct the Police Service Area Board of Governors to contract with the City of Togiak for provision of police services within the service area.

4. Direct the Department of Community & Regional Affairs to assist the Togiak Bay Police Service Area Board of Governors in the development of a code of ordinances for police services within the service area.

It is not the intent of the Commission to neglect any discussion on the other recommendations presented to the Legislature. However, the commission feels that the previously discussed issues warrant your special attention.

Sincerely,

Sheila Gallagher

Sheila Gallagher

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1983

MEMORANDUM TO: Senator Ferguson, Chairman
Community and Regional Affairs

From: Peggy Mulligan, Secretary of the Senate

Subject: Recommendations of the Local Boundary Commission - January 26 , 1983

Attached is State of Alaska Local Boundary Commission Report of 1982 Activities of the Local Boundary Commission and

Recommendations to the First Session of the Thirteenth Legislature for Certain Municipal Boundary Changes. This report was signed for by the Secretary of the Senate on the tenth legislative day as requried by law.
These recommended boundary changes become effective forty-five days after presentation (Saturday March 12) 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. Twelve recommendations are enclosed in the report.

January 24, 1983

Jalmar M. Kerttula
President of the Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Kerttula:

Attached hereto is the Report of 1982 Activities of the Local Boundary Commission and Recommendations to the First Session of the Thirteenth Legislature for Certain Municipal Boundary Changes by the Local Boundary Commission. The report contains recommendations for changes to the boundaries of three 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.

Sincerely,

Sheila Gallagher

Sheila Gallagher
Chairman
Local Boundary Commission

Received 1/26/83
Senate Sec. Office

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

REPORT OF 1982 ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION
AND RECOMMENDATIONS TO THE FIRST SESSION
OF THE THIRTEENTH LEGISLATURE
FOR CERTAIN MUNICIPAL BOUNDARY CHANGES

Submitted by: Sheila Gallagher
Sheila Gallagher
Chairman

January 26, 1983

INTRODUCTION

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 and boundary changes.

Municipal incorporations are effected under the provisions of AS 29.18.011-180. 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, 19 AAC 10.010-030 and 19 AAC 10.325-440.

Municipal boundary changes (annexation 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 included 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 concurred in by 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.

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;
JOSEPHINE ANDERSON, member from the First Judicial District;
BERT GREIST, member from the Second Judicial District;
SIGVALD STRANDBERG, member from the Third Judicial District; and
CHARLES BETTISWORTH, member from the Fourth Judicial District.

Staff support for the Local Boundary Commission is provided by the Department of Community and Regional Affairs, Local Government Assistance Division.

This document contains a report of the Commission's activities during 1982. More importantly, it contains recommendations to the First Session of the Thirteenth Legislature for changes to the boundaries of three 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.

In addition, this document contains recommendations that the Legislature: 1) create a police service area in the vicinity of Togiak Bay; 2) review the inequities in the delivery of services to residents of organized boroughs as compared to those areas of the unorganized borough which meet the regulatory standards for creation of borough governments (19 AAC 10.160-180); and 3) consistent with the Legislature's constitutional mandate (Article X Sec. 3) to divide the State into boroughs, organized or unorganized, should examine the creation of boroughs in areas of the State where borough creation standards are met.

SUMMARY OF ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION DURING 1982

During 1982 the Local Boundary Commission dealt with petitions concerning the following proposed municipal incorporations and boundary changes:

1) FAIRBANKS NORTH STAR BOROUGH - The Commission approved the petition for the annexation of Eielson Air Force Base, comprising approximately 446.06 square miles. The proposed annexation is subject to Legislative review of the recommendation submitted on pages five through eight of this document.

2) CITY OF PORT LIONS - The Commission approved the petition for annexation of approximately 8.5 square miles. The proposed annexation is subject to Legislative review of the recommendation submitted on pages nine through eleven of this document.

3) CITY OF HAINES - The Commission approved the petition for annexation of approximately 15.5 acres. The proposed annexation is subject to Legislative review of the recommendation submitted on pages twelve through fourteen of this document.

   On February 19, 1983, the Commission is scheduled to conduct a public hearing in the City of Haines to determine if additional territory should be annexed to the City.

4) CITY OF TOGIAK - The Commission denied the petition for annexation of 51.7 square miles. However, as formally presented on pages fifteen through nineteen of this document, the Commission recommends that the Legislature create a police service area in the unorganized borough in the Togiak Bay area, including the community of Twin Hills and the City of Togiak.

5) MATANUSKA-SUSITNA BOROUGH - The Commission denied the petition for the detachment of 432 square miles in and around the community of Lake Louise from the Matanuska-Susitna Borough. However, as formally presented on pages twenty through twenty-two of this document, the Commission recommends that the Legislature examine the inequities in the delivery of services to residents of organized boroughs as compared to areas of the unorganized borough which meet the regulatory standards for creation of borough governments (19 AAC 10.160-180) and that the Legislature mandate the creation of boroughs in areas where such standards are met.

6) CITY OF TELLER - The Commission approved the annexation of 1.835 square miles. The proposed annexation was contingent upon voter approval pursuant to AS 29.68.010(1). Such approval was subsequently granted.

7) CITY OF KETCHIKAN - Pursuant to AS 29.68.010(3), the Commission approved the annexation of approximately 27.3 acres requested by all of the property owners and resident voters involved.

8) CITY OF PALMER - Pursuant to AS 29.68.010(3), the Commission approved the annexation of approximately 38.5 acres requested by all of the property owners and resident voters involved.

9) CITY OF PALMER - Pursuant to AS 29.68.010(3), the Commission approved the annexation of approximately 3.2 acres requested by all of the property owners and resident voters involved.

10) CITY OF ATQASUK - The Commission approved the petition for the incorporation of Atqasuk as a city of the second class, pursuant to AS 29.18. Atqasuk voters subsequently approved the proposed incorporation. The City's boundaries encompass approximately 42.875 square miles.

11) CITY OF THORNE BAY - The Commission approved the petition for the incorporation of Thorne Bay as a city of the second class, pursuant to AS 29.18. Thorne Bay voters subsequently approved the proposed incorporation. The City's boundaries encompass approximately 22.50 square miles.

12) CITY OF KASIGLUK - The Commission approved the petition for the proposed detachment of Kasigluk from the City of Akolmiut and the subsequent incorporation of Kasigluk as a city of the second class, pursuant to AS 29.18. Kasigluk voters approved the proposed detachment and subsequent incorporation. The City's boundaries encompass approximately 16 square miles.

The incorporation of the Cities of Atqasuk, Thorne Bay and Kasigluk bring the total number of municipal corporations in the State to 155.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER ONE TO THE
FIRST SESSION OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE FAIRBANKS NORTH STAR BOROUGH

WHEREAS, on September 17, 1982 the Fairbanks North Star Borough submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with the applicable laws and regulations of the State of Alaska. The petition proposed the annexation of Eielson Air Force Base comprising approximately 446.06 square miles; and

WHEREAS, on October 19, 1982 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, proper notice of filing of the petition for annexation; and

WHEREAS, on November 29, 1982 the Commission held a public hearing in Fairbanks on the petition for annexation; and

WHEREAS, on November 29, 1982 the Commission rendered its decision on the petition for annexation;

NOW, THEREFORE, based upon the extensive briefing of the petitioner, the investigation of and report on the petition by the Department, and the information obtained from the public hearing conducted on the matter, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. Eielson Air Force Base is entirely surrounded by, but is excluded from, the Fairbanks North Star Borough.

2. The Eielson Air Force Base school is operated by the Borough School District on a contractual basis. The Fairbanks North Star Borough School District offers educational services to the Base students commensurate with services provided to Borough students.

3. The residents of the Base make ready use of and benefit from many of the facilities and services provided by the Borough. In addition to education, such facilities and

services include parks, recreation, libraries and the transit system.

4. The Eielson Air Force Base sanitary landfill is reaching its capacity. The Borough exercises the areawide solid waste disposal power and has made plans for the accommodation of solid waste from Eielson Air Force Base.

5. The Soldiers and Sailors Civil Relief Act (USC APPX SEC. 574) exempts military personnel from property taxation. As such, the annexation will not result in the payment of property taxes by the Base residents. However, based upon current data the addition of Base residents to the Borough's population will annually increase the Borough's Municipal Assistance funding by approximately $750,000 and its State Revenue Sharing funding by approximately $275,000.

6. Residents of Eielson Air Force Base may not participate in the democratic processes which guide the municipality's direction and growth. So long as these individuals reside outside the municipality's boundaries, they are precluded from membership on the Borough Assembly. Furthermore, residents of the Base may not vote for members of the Assembly and may not vote on Borough referenda or initiatives. Annexation would extend such opportunities to these individuals.

THEREFORE, the Commission hereby recommends to the First Session of the Thirteenth Legislature of the State of Alaska, annexation to the Fairbanks North Star Borough of the territory shown on page eight. If the annexation is approved by the Legislature, the boundaries of the Fairbanks North Star Borough will read as follows:

Beginning at the NW Corner of T4N, R5W, Fairbanks Meridian;

Thence easterly along the north line of T4N to the ridge between the headwaters of Trail and Poker Creeks;

Thence northeasterly following this ridge south of Ophir and Nome Creeks and around the headwaters of Hope and Charity Creeks;

Thence southeasterly following the ridge south of the headwaters of Bachelor and McKinley Creeks across the Steese Highway at Twelvemile Summit;

Thence following the divide around the headwaters of Harrington and Crooked Creeks;

Thence around the headwaters of Boulder Creek and the North Fork of the Chena River to the summit of Far Mountain;

Thence easterly along the divide around the headwaters of Lawson Creek and Cash Creek;

Thence following the ridge north of the headwaters of the East Fork of the Chena River and around the headwaters of the Salcha River;

Thence southerly around the headwaters of Lost Creek to the ridge north of the Goodpaster River;

Thence southwesterly along this ridge, around the headwaters of Indian Creek, Gillis Creek, and Rosa Creek and continuing along the ridge between Buckeye Creek and Tenderfoot Creek across the Richardson Highway to a point in midstream of the Tanana River;

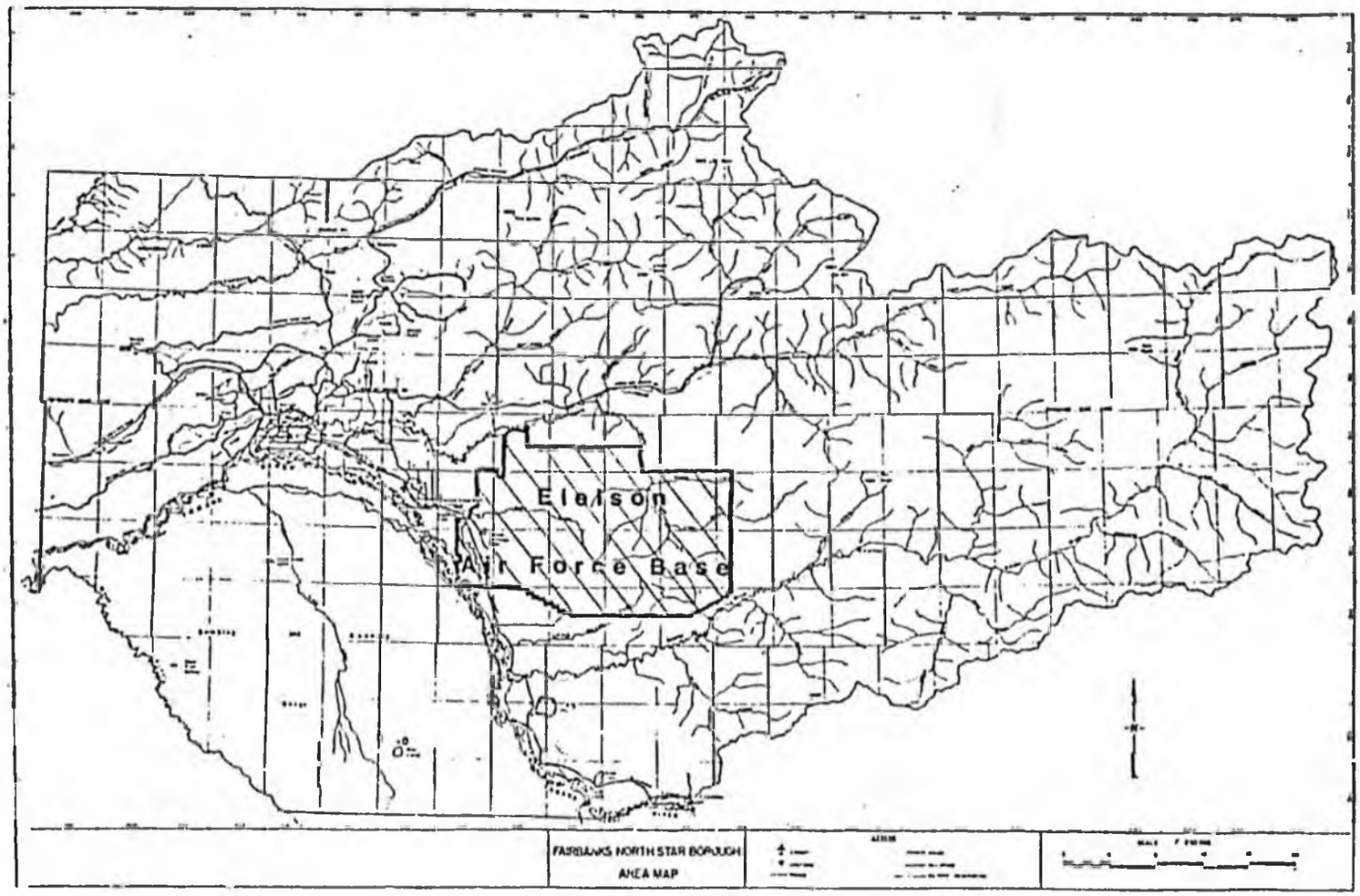
Thence downstream in midstream of the Tanana River to its intersection with the south line of T7S;

Thence west on this township line to a point midstream in the Wood River;

Thence downstream in midstream of the Wood River to a point midstream in the Tanana River;

Thence north and east in midstream of the Tanana River to its point of intersection with the west line of R5W;

Thence north on this range line to the NW Corner of T4N, R5W, the point of beginning.


Elmendorf
Air Force Base
FAIRBANKS NORTH STAR BOROUGH
AREA MAP

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER TWO TO THE
FIRST SESSION OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF PORT LIONS

WHEREAS, on October 24, 1982 the City of Port Lions submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department"), in accordance with the applicable laws and regulations of the State of Alaska. The petition proposed the annexation of approximately 2.18 square miles; and

WHEREAS, on November 17, 1982 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, proper notice of filing of the petition for annexation; and

WHEREAS, on December 17, 1982 the Commission held a public hearing in the City of Port Lions, on the petition for annexation; and

WHEREAS, on December 17, 1982 the Commission rendered its decision on the petition for annexation;

NOW, THEREFORE, based upon the extensive briefing of the petitioner, the investigation of and report on the petition by the Department, and the information obtained from the public hearing conducted on this matter, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. The City provides emergency medical services, fire protection and police protection to those residents living outside of the City. Additionally, the City provides water and sewer utility service and road maintenance to residents of the upper half of the new subdivision which is outside the present City boundaries. Airport and road maintenance is also provided by the City beyond the City boundaries through a contractual agreement with the State. The Kodiak Island Borough does not have a service area for road maintenance, fire protection, water or sewer in the Port Lions area. Therefore, the City of Port Lions is the

most appropriate entity to provide such services to those individuals living outside of the City boundaries.

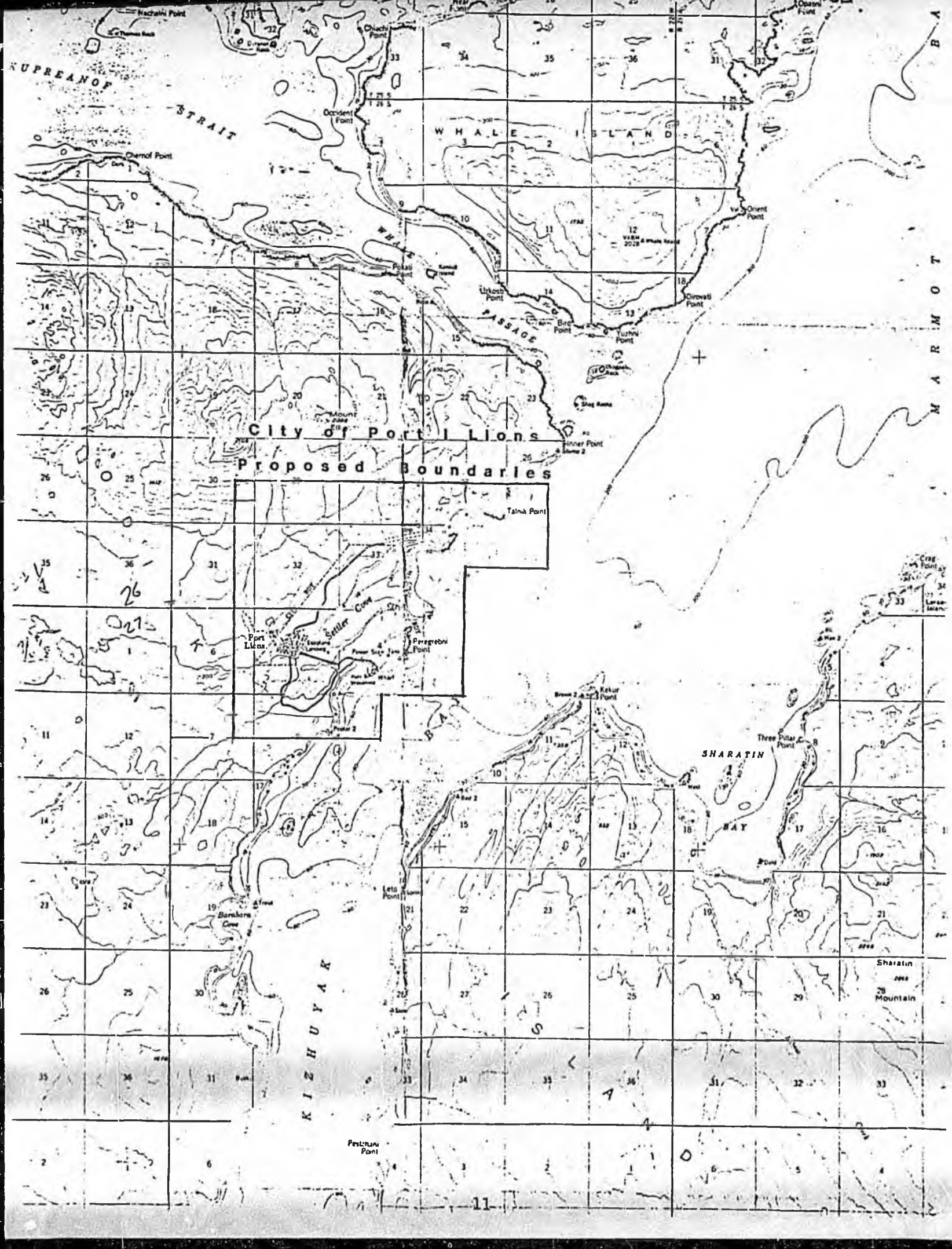
2. An area beyond the City boundaries has been identified by the City as a future park. A new subdivision is being developed outside the municipal boundaries; the City's watershed is also outside the municipal boundaries. The annexation of the territory in U.S. Survey #5509 would encompass these areas.

3. The road passing through U.S. Survey #1736 connects the two noncontiguous parts of the City. There is a reasonable likelihood that future growth and development will occur along this road. A portion of the territory proposed for annexation has been identified for industrial and commercial development.

4. Individuals residing outside of the municipal boundaries may not participate in the democratic processes which guide 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. Furthermore, these residents may not vote for members of the City Council and may not vote on referenda or initiative. Annexation would extend such opportunities to these individuals.

THEREFORE, the Commission hereby recommends to the First Session of the Thirteenth Legislature of the State of Alaska, annexation to the City of Port Lions of the territory shown on page eleven. If the annexation is approved by the Legislature, the boundaries of the City of Port Lions would read as follows:

Beginning at the northwest corner of the NE 1/4 of the SE 1/4 of protracted Section 30, T26S, R22W, Seward Meridian (S.M.); thence due south to the southwest corner of the SE 1/4 of the NE 1/4 of protracted Section 7, T27S, R22W, S.M.; thence due east to the southeast corner of the NW 1/4 of protracted Section 9, T27S, R22W, S.M.; thence north to the southeast corner of the SW 1/4 of protracted Section 4, T27S, R22W, S.M.; thence due east to the southeast corner of the SW 1/4 of protracted Section 3, T27S, R22W, S.M.; thence due north to the southwest corner of the NE 1/4 of protracted Section 34, T26S, R22W, S.M.; thence due east to the southeast corner of the NW 1/4 of protracted Section 35, T26S, R22W, S.M., thence due north to northeast corner of the SW 1/4 of protracted Section 26, T26S, R22W, S.M.; thence due west to the northwest corner of the NE 1/4 of the SE 1/4 of protracted Section 30, T26S, R22W, S.M., the true point of beginning, containing 8.75 square miles, more or less; in the Third Judicial District of the State of Alaska.


City of Port Lions
Proposed Boundaries
WHALE ISLAND
PASSAGE
STRAIT
MARMOT BAY
SHARATIN BAY
KIZHUYAK BAY
Nachalni Point
Chichi Point
Occident Point
Chernof Point
Orient Point
Pestasi Point
Urkosti Point
Bird Point
Tuzhni Point
Inner Point
Talnik Point
Settler Cove
Port Lions
Pregrebni Point
Kekur Point
Three Pillar Point
Leto Point
Banshera Cove
Pestchani Point
Sharatin Mountain
11

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER THREE TO THE FIRST SESSION
OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF HAINES

WHEREAS, on September 22, 1982 the City of Haines submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska. The petition proposed the annexation of approximately 3.5 square miles; and

WHEREAS, on October 6, 1982 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, proper notice of filing of the petition for annexation; and

WHEREAS, on December 12, 1982 the Commission held a public hearing in the City of Haines on the petition for annexation, but said hearing was interrupted by a power outage.

WHEREAS, on January 8, 1983 the Commission attempted to hold a second public hearing in the City of Haines, but was prevented from doing so by weather conditions; and

WHEREAS, on January 9, 1983 the Commission concluded that it had sufficient information to hold a decisional session on the annexation of the municipal port facilities to the City of Haines; and

WHEREAS, on January 14, 1983 the Commission rendered its decision on the petition for annexation;

NOW, THEREFORE, based upon the extensive briefing of the petitioner, the answering brief submitted by the Haines Borough Citizens Against Annexation, the investigation of and report on the petition by the Department, and the information obtained from the City of Haines public hearing, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. The City of Haines owns and operates extensive port facilities extraterritorially. The port facilities consist of the six-acre dock, a barge offloading facility and approximately 54 acres of unimproved uplands.

2. AS 29.48.030(3) grants municipalities the power necessary to provide harbors, wharves and other marine facilities. AS 29.48.037, however, establishes limitations of extraterritorial jurisdiction to specific facilities. At the present time municipalities are not granted powers of extraterritorial jurisdiction for port facilities. The municipal dock is a public facility, purchased and improved with public funds and is operated by the City of Haines for the public convenience and necessity. The extension of a municipal jurisdiction by annexation is necessary to comply with existing State statutes and to incorporate port facilities within the broader framework of City government.

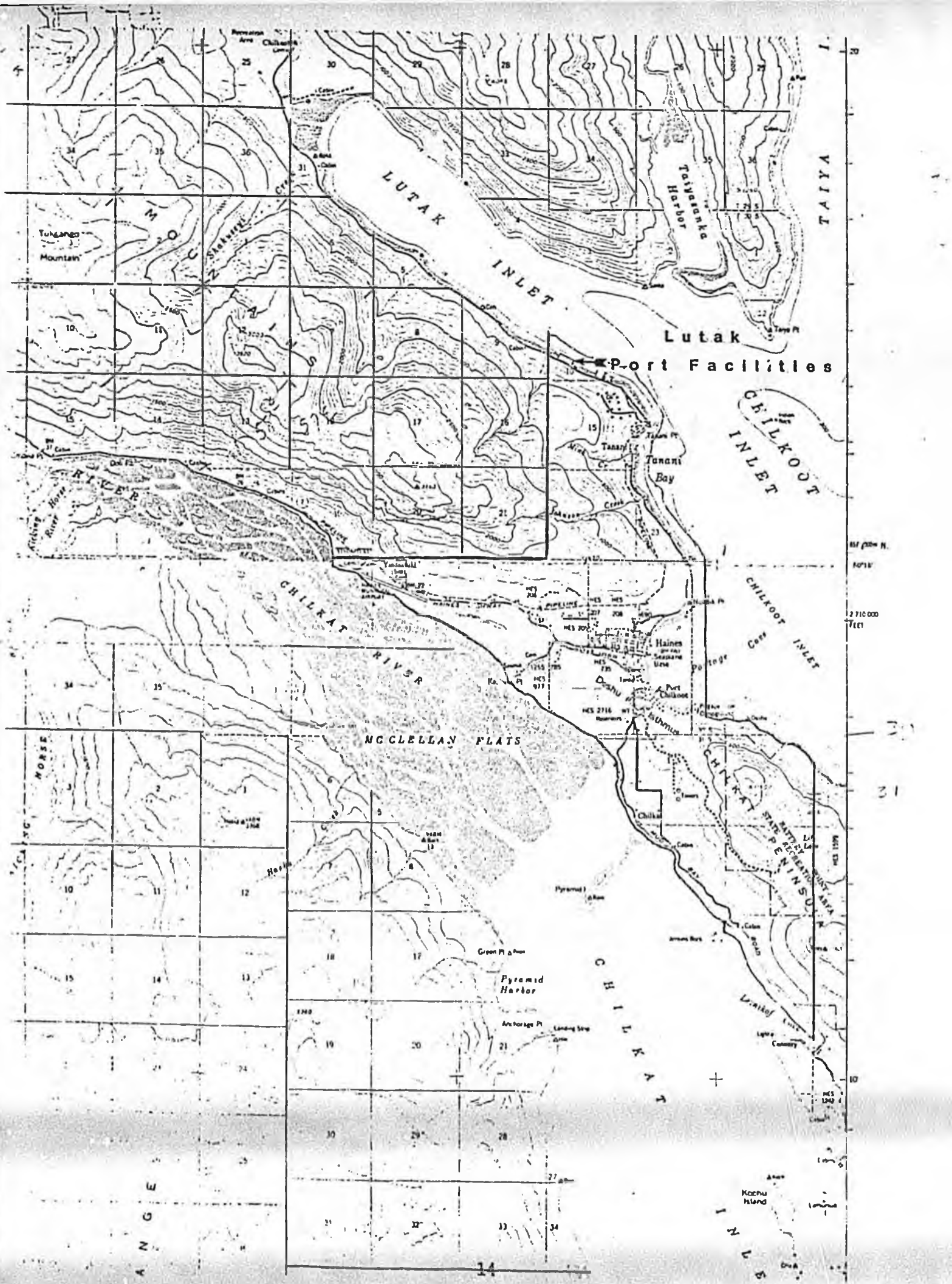
3. There is a reasonable likelihood that future growth and development will occur within the City's port facilities and that the annexation of this territory will enable the City to plan for and control that development.

THEREFORE, the Commission hereby recommends to the First Session of the Thirteenth Legislature of the State of Alaska, annexation of the following described territory, (as shown on page fourteen) to the City of Haines:

The City of Haines Port Facilities at Lutak Harbor including all portions of the dock, the barge offloading facility and all the land beneath said facilities and seaward 400 feet in all seaward directions, containing approximately 15.5 acres.

FURTHER, the Commission acknowledges the necessity for further evaluation of the need for annexation of territory between the current boundaries of the City of Haines and the City port facilities and populated areas of the Haines Borough outside of the City of Haines; and

THEREFORE, the Commission may develop a recommendation for the annexation of additional territory to the City of Haines to be presented to the Second Session of the Thirteenth Legislature.


LUTAK INLET
Lutak
Port Facilities
Tanani Bay
CHILKOOT INLET
CHILKAT RIVER
McCLELLAN FLATS
Haines
Port Chilkoot
Pyramid Harbor
CHILKAT PENINSULA
Taiyasanka Harbor
TAIYA I.
Tuhgango Mountain
Kochu Island
2 710 000 FEET
14

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER FOUR TO THE FIRST SESSION
OF THE THIRTEENTH LEGISLATURE

CREATION OF A POLICE SERVICE AREA
IN THE UNORGANIZED BOROUGH IN
THE TOGIAK BAY AREA

WHEREAS, on September 30, 1982 the City of Togiak submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska. The petition proposed the annexation of approximately 51.7 square miles; and

WHEREAS, on November 17, 1982 the Department determined the petition to be acceptable as to form and content; and

WHEREAS, the Department caused to be published, proper notice of filing of the petition for annexation; and

WHEREAS, on December 16, 1982 the Commission held a public hearing in Togiak, on the petition for annexation; and

WHEREAS, on January 14, 1983 the Commission held a decisional meeting on the annexation petition and rendered its decision on the petition;

NOW, THEREFORE, based upon the extensive briefing of the petitioner, the investigation of and report on the petition by the Department, and the information obtained from the Togiak public hearing, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. The territory proposed for annexation by the City of Togiak is located to the east of the current boundaries of the City. The territory is not surrounded by the City.

2. The territory proposed for annexation is not owned by the City.

   Much of the the territory proposed for annexation by the City of Togiak includes the territory proposed for selection by the community of Twin Hills pursuant to the provisions of 14(c)(3) of the Alaska Native Claims Settlement Act. Representatives of the community of Twin Hills contend that the territory proposed for annexation

includes territory which the village of Twin Hills will need for future expansion and for municipal purposes should it incorporate.

The community of Twin Hills is constructing a road from the community to Togiak Bay. This road will connect the community with the area it has selected for the staging of its fishing activities. In addition, the map on page nineteen of this report identifies lands being selected by the village of Twin Hills. These selections will be used by the area for future growth of the community, including the development of a solid waste disposal site and commercial ventures. All of these sites are within the territory proposed for annexation.

3. The vast majority of the territory proposed for annexation by the City of Togiak has no population. However, the cannery site in the area proposed for annexation does have seasonal population influxes and is a major site of fishing activity in the Togiak Bay area. Additionally, several floating packers enter the area proposed for annexation in the summer months.

4. The Togiak Fisheries Cannery, which is within the territory proposed for annexation, employs a large number of workers each summer. Many of the Togiak residents are associated with the Togiak Fisheries Cannery, and have personal property at the cannery site. The City feels that police protection should be extended to this area to provide protection for Togiak residents and their property. Currently, the cannery site is within the jurisdiction of the Alaska State Troopers.

   The City of Togiak prohibits the sale and importation of alcoholic beverages within its boundaries. For this control to be effective, the City of Togiak feels that prohibition on the sale and importation of alcoholic beverages must be extended to the cannery area. However, AS 04.11.496 provides that the enactment by a municipality of a prohibition on the sale and importation of alcoholic beverages also restricts the sale of alcoholic beverages within five miles of the boundaries of the municipality.

5. The community of Togiak has grown from a population of 71 in 1930 to 511 in 1981. This has largely been the result of the viable economic base in the community of Togiak. The village corporation is constructing a new cannery within the City. A large scale commercial herring fishery has existed in Togiak since 1977. There is every indication that this growth will continue.

The growth the City of Togiak has experienced has been restricted to the present boundaries of the City. The most notable recent growth is the development of the new cannery by the Togiak Village Corporation. As previously mentioned, the community of Twin Hills views the area proposed for annexation as the territory it needs for the future growth of its own prospective municipality. If this territory was annexed by the City of Togiak, there would be little viable opportunity for the community of Twin Hills to incorporate.

The Commission feels there exists the likelihood of economic growth and development within the territory proposed for annexation. This potential for growth should be viewed as economic potential for the community of Twin Hills, not the City of Togiak.

6. Togiak residents work and own property in the area proposed for annexation. The City feels that it is necessary to annex this area to ensure the residents' safety. Although the City reports that this situation exists, no supporting documentation has been provided to the Commission. As stated earlier, the City of Togiak prohibits the importation and sale of alcohol, although alcohol may be transported by boat into areas of Togiak Bay that are outside a five mile radius of the municipal boundaries.

   The Commission feels that adequate protection exists for Togiak residents without expanding municipal boundaries, and the provisions relating to the prohibition of the sale and importation of alcoholic beverages should sufficiently safeguard against the sale of alcoholic beverages within the vicinity of the City. However, the Commission does recognize that the cannery workers and fishermen in the area proposed for annexation and the residents of the community of Twin Hills do have a need for police protection during the fishing season.

7. The municipal boundaries need not be extended to include the Togiak Cannery area in order for the adequate protection of the Togiak residents and for the adequate enforcement of the alcohol importation prohibition to be effective .

8. There are only seasonal workers in the area proposed for annexation. However, as they are across the Bay from the City of Togiak it is doubtful that they receive any direct services from the City. If goods are purchased in the City of Togiak by these nonresidents, then all sales are subject to a 2 percent sales tax. The owners of the cannery in the territory proposed for annexation employ a year round watchman to protect cannery property.

9. The Commission is not aware of any public purpose to be accomplished through the annexation of this territory.

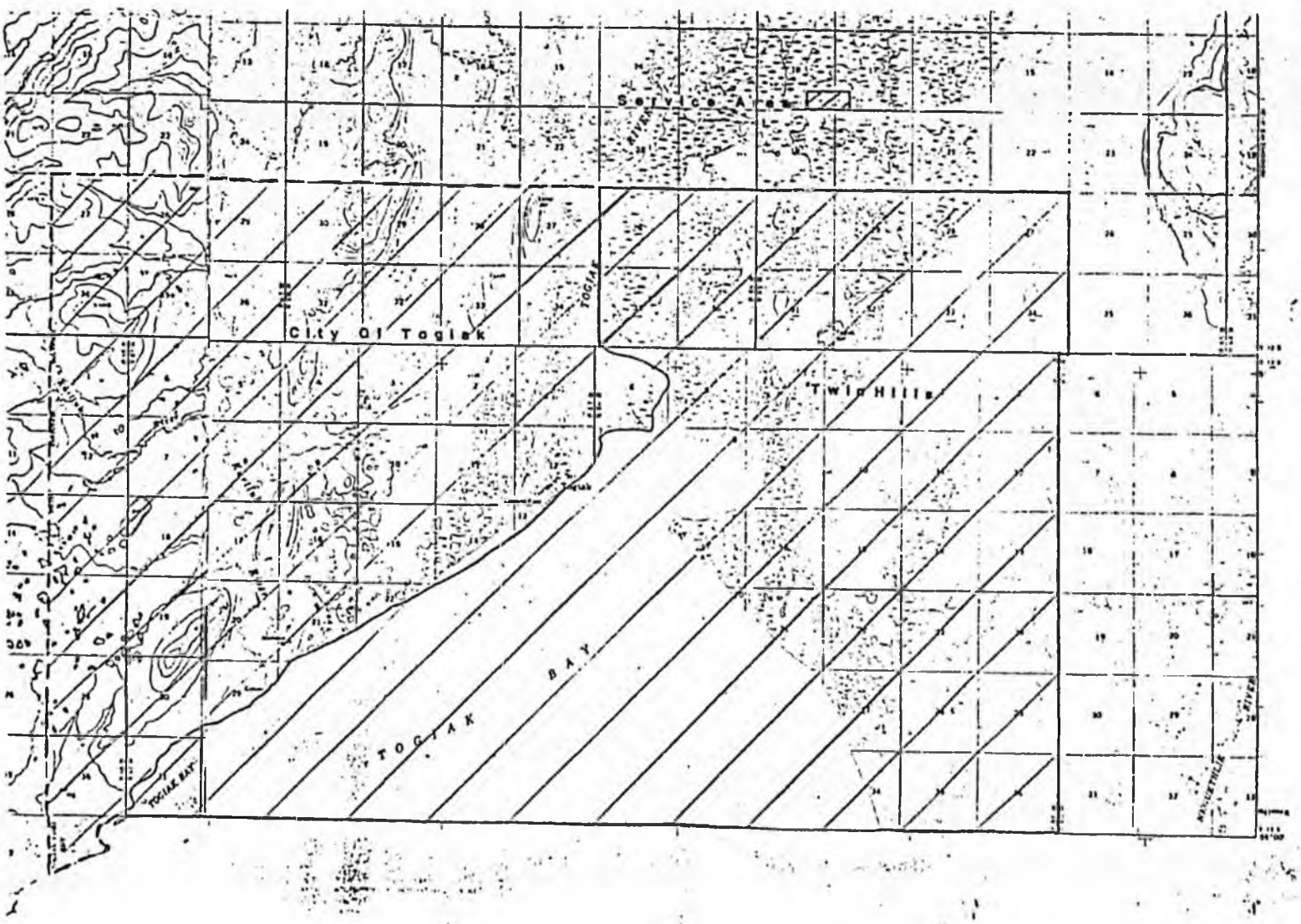
THEREFORE, the Commission denied the petition for annexation.

The Commission finds further, that there exists a need for the extension of police powers into the territory purposed for annexation and the community of Twin Hills;

THEREFORE, the Commission recommends to the First Session of the Thirteenth Legislature of the State of Alaska that it create a service area pursuant to AS 29.03.020 to provide police powers to the area as shown on page nineteen;

THEREFORE, the Commission recommends that the Legislature establish the service area with the proviso that the City of Togiak provide police services on a contractual basis to the service area as described below;

> The City of Togiak and the following protracted townships, sections or fractions of sections; within T13S, R66W, Seward Meridian (S.M.); sections and fractions of Sections 27, 28, 29, 30, 31, 32, 33, and 34 within T12S, R65W, S.M.; sections and fractions of Sections 25, 26, 35, and 36 within T12S, R66W, S.M., presently not within the City of Togiak boundaries; and the remainder of sections and fractions of sections within T13S, R67W, S.M., presently not within the City of Togiak boundaries.


City Of Togiak
Twin Hills
TOGIAK BAY
TOGIAK

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER FIVE TO THE
FIRST SESSION OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION THAT THE LEGISLATURE REVIEW
THE INEQUITIES IN THE DELIVERY OF SERVICES TO
RESIDENTS OF ORGANIZED BOROUGHS AS COMPARED
TO THE UNORGANIZED BOROUGH

WHEREAS, on July 29, 1982 the Department received the petition for the detachment of the 432 square miles of territory surrounding Lake Louise from the Matanuska-Susitna Borough; and

WHEREAS, on August 6, 1982 the Department determined the petition to be acceptable as to form and content and forwarded the petition to the Matanuska-Susitna Borough Assembly for review and comment; and

WHEREAS, in accordance with 19 AAC 10.640, on August 17, 1982 the Matanuska-Susitna Borough Assembly held a public review of the petition and submitted the petition with the Borough's Answering Brief to the Department on August 20, 1982; and

WHEREAS, the Department caused to be published proper notice of filing of the petition for annexation; and

WHEREAS, on September 25, 1982 the Commission held a public hearing in the community of Lake Louise, on the petition for annexation; and

WHEREAS, on January 8, 1983 the Commission rendered its decision on the petition for detachment;

Based upon the extensive briefing of the petitioner, the answering brief of the Matanuska-Susitna Borough, the investigation of and report on the petition by the Department, and the information obtained from the Lake Louise public hearing, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. The Borough form of government establishes a means of providing local government for an area of the state which is culturally, economically and geographically related. If the Lake Louise territory was allowed to detach, it would become part of the unorganized borough. Such detachment would remove a portion of an organized borough which has been functioning and providing services on a

regional basis for the past eighteen years. The needs of the Lake Louise area which are provided by the Borough would then become the State's responsibility.

The Matanuska-Susitna Borough would be adversely affected by the detachment of the Lake Louise area. It would reduce the assessed value of the Borough by $6,941,700. As the bonding capability of the Borough is based upon the level of taxable property, the uncertain future of current boundaries would have a debilitating affect upon the Borough's bonding rating and its capacity to issue bonds. In addition, there are other regions within the Matanuska-Susitna Borough and other boroughs of the State that are of a similar circumstance; such detachment would set a precedent for the future detachment prcceedings from organized boroughs.

2. The Matanuska-Susitna Borough has 20,544 square miles within its jurisdiction, with a population of 19,123. This immense area contains a diversity of social, cultural and economic settings. More than 70% of all Borough residents live outside the four largest communities (Palmer, Wasilla, Houston, and Talkeetna). The rural population of the Borough has many similarities in that it is distributed along the road system, it experiences a high rate of unemployment and seasonal work, and has moved to the rural areas of the Borough within the last 20 years. There are no indications that the residents of the Lake Louise community differ substantially from many of the Borough residents residing in the rural areas of the Borough.

3. The Matanuska-Susitna Borough currently levies an areawide mill rate of 4.9 mills and a nonareawide mill rate of 0.5 mills. The areawide functions are primarily involved with the education, school bonded debt service, planning, land management and taxation. The remoteness and insignificant school age populations of Lake Louise have, from a practical standpoint, limited Borough services. However, that is not to say that with the future anticipated growth within the Lake Louise area, the residents and future residents could not receive services commensurate with the rest of the Matanuska-Susitna Borough.

4. Communications with the Lake Louise area are more difficult than in many other areas of the Matanuska-Susitna Borough. The community has limited telephone service in that it can only be reached through a radio dispatch phone service in Anchorage. The Lake Louise area is on the east side of the Talkeetna mountains, which does separate it from the more populated areas of the Borough lying west of the mountains. This

does make immediate communication between the Borough government and the community relatively difficult. However, the community of Lake Louise is accessible by road on a year round basis. This enables the community to receive scheduled mail service. Therefore, it can be concluded that although communication and transportation services to the Lake Louise area are relatively difficult, they do not preclude the exchange necessary for responsive integrated local government.

5. There will be a significant land disposal effort in the Lake Louise area during the next three years. The State of Alaska is planning to subdivide and distribute land in the Lake Louise area in the immediate future. It is anticipated that 2,635 parcels of land will be transferred from State ownership to private ownership during the next three years. As a result of the anticipated population growth in the Lake Louise area, the planning and zoning efforts of the Borough will intensify in the Lake Louise area.

Based on its findings the Commission denied the petition for detachment.

However, the Local Boundary Commission's deliberations on the Lake Louise detachment petition accentuates the inequity in the delivery of services in organized boroughs as compared to the unorganized borough. Residents of organized boroughs pay substantial property taxes to support the cost of local government services, while residents of the unorganized borough pay no taxes to support similar services provided by the State. The predicted decline in State revenues exacerbates the necessity for a thorough examination of the need for the creation of boroughs within the State. The Commission recommends to the First Session of the Thirteenth Legislature that it review the inequities in the delivery of services to residents of organized boroughs throughout the State as compared to the unorganized borough; and

The Commission further recommends that the Legislature examine the unorganized borough and identify areas of the unorganized borough which meet the regulatory standards (19 AAC 10.160-180) for creation of borough governments. Furthermore, the Commission recommends that, consistent with the Legislature's constitutional mandate (Article X Sec. 3) to divide the State into boroughs, organized or unorganized, the Legislature should examine the creation of boroughs in areas of the State where borough creation standards are met.

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.

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.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:jr



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ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

6000 C STREET · SUITE C · ANCHORAGE, ALASKA 99502 · (907) 276-3235

January 27, 1983

Senate Community and Regional
Affairs Committee
Alaska State Legislature
Capitol Building
Pouch V
Juneau, Alaska 99811

Gentlemen:

Senate Bill 1 (Municipal Code) contains a serious problem for our association in the utilities section. As introduced, this section would permit municipal regulation of electric and telephone cooperatives which have been exempted from APUC regulation by a vote of their members. This exemption procedure was established by the legislature in 1980, and it has worked satisfactorily since that time.

It is my understanding that Senator Don Gilman has an amendment addressing this problem which was drafted by Lee Sharp and Stuart Hall and later refined by language from Ted Berns. This amendment would resolve our problem, and we urge your approval of this amendment.

Sincerely,

David Hutchens

David Hutchens
Executive Director

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.

Municipally owned
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Sec. 42.05.712.
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(f) During
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(1) Not allow elected assembly to change the length of ~~their term~~ terms by ordinance
(PS 42 & 43 29.20.150)

(2) Allow longer than 6 months to challenge the legality of the formation of a new municipality
(PS. 10 29.05.150)

(3) Establish time limits, in statute for LBC actions — By statute

- Annexation and Detachment procedures should be equal and regulations should reflect this.
  - The first consideration should be ~~the~~ the wishes of the local residents
  - The burden of proof should be on the municipality

Limit Spending or Taxation by Initiative

Home Rule - Munic. Corp. & Polit Subd.
all powers not prohibited by law or Charter
(or unified)

General Law - Only has powers designated by law.
(? Liberati vs. Bristol Bay Borough - Taxation)

Class 1, 2, 3 Borough
Class 1 2 Cities

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Rick Halford
Senate Community & Regional
Affairs Committee

FROM: McKie Campbell
Staff Member

SUBJECT: SB 1 Wording

In the course of reviewing SB 1, technical wording problems have been found. Legal Services will correct these problems as a matter of course when they next have the bill. None of these changes will alter the effect or intent of the affected sections, however, they are listed below for your information.

Pg. 8, line 26, after "council" insert:

"of a first class city."

Pg. 29, line 8, after "commission" insert:

"of seven elected members"

Pg. 29, line 14, after "be" insert:

"prepared by the petitioners and"

Pg. 63, line 26:

delete "bill" and replace with "ordinance"

delete "act", and replace with "ordinance"

Pg. 64, line 15:

delete "bill" and replace with "ordinance"

Pg. 106, line 9, after "calculate" insert:

"at the rate of one percent per mill"

Pg. 106, line 10 and 11, delete:

"at the rate of one percent per mill"

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

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.

e 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"

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 14, 1983

SUBJECT: Authority of municipalities to exercise eminent domain outside their boundaries (Work Order No. 13-0792)

TO: Senate Community and Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel TBC

You have asked to what extent a municipality may exercise the power of eminent domain outside its corporate boundaries. The general rule is that a municipality cannot condemn lands that lie within the state but outside of the municipal boundaries unless the power has been delegated by the legislature. The legislature may delegate this power expressly and, in some cases, the power has been implied to exist in the absence of express delegation. However, unless there is an express delegation to a municipality of the power to exercise eminent domain outside municipal boundaries, the issue may not be clear. The better rule is that if a municipality has the power to construct a facility outside its boundaries and if the municipality could exercise the power of eminent domain in order to construct a similar facility within its boundaries, then the municipality impliedly has the power to exercise eminent domain outside its boundaries in order to construct the facility. McQuillan, Municipal Corporations, Vol. 11, sec. 32.66.

AS 29.73.020 provides that a municipality

> . . . may exercise the powers of eminent domain and declaration of taking in the performance of an authorized power or function of the municipality in accordance with AS 09.55.250 - 09.55.460. (Emphasis added)

Under AS 29.48.037 a municipality is authorized to provide various facilities and services outside its boundaries. The two sections taken together appear to be an express delegation of the power of eminent domain which may be exercised outside municipal boundaries to provide certain services and facilities. In any case, since a municipality is able to exercise the power of eminent domain within its boundaries to provide similar services and facilities, it seems clear that the municipality may, by implication, exercise the power of eminent domain outside its boundaries to provide services and facilities that it is authorized by law to provide outside its boundaries.

This conclusion is further strengthened by the fact that under AS 09.55.260 it is not just private property that is subject to be taken through eminent domain. Paragraph (2) provides that property of the state or a municipal division that is not already appropriated to a public use may be taken through eminent domain. Even property that is appropriated to a public use may be taken for a more necessary public use under paragraph (3). A municipality providing an authorized service or facility outside its boundaries could exercise eminent domain to take land belonging to the state or another municipality if that land is necessary in order to carry out the authorized project.

It should be noted municipalities are not the only entities that have been granted the power of eminent domain. The power of eminent domain may be exercised by the Alaska State Housing Authority (AS 18.55.100(a)(6)), regional Native housing authorities (AS 18.55.996(b)), the Alaska Power Authority (AS 44.83.080(15)), regional electrical authorities (AS 18.57.040(15)), electric or telephone cooperatives (AS 10.25.010(8)), and by any utility, whether public or private (AS 42.05.631).

Under SB 1, municipalities continue to be authorized to provide certain services and facilities outside their boundaries and the list of authorized functions has been enlarged under sec. 29.35.020. The limitation upon the exercise of eminent domain by second class cities has been removed, but otherwise the authority of municipalities to exercise eminent domain remains essentially the same under sec. 29.35.030. Under both SB 1 and existing law, a municipality may exercise eminent domain in order to provide a service or facility outside its boundaries if it has been

authorized by law to provide that particular service or facility outside its boundaries.

TBC:ljb

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

6000 C STREET • SUITE C • ANCHORAGE, ALASKA 99502 • (907) 276-3235

January 27, 1983

Senate Community and Regional
Affairs Committee
Alaska State Legislature
Capitol Building
Pouch V
Juneau, Alaska 99811

Gentlemen:

Senate Bill 1 (Municipal Code) contains a serious problem for our association in the utilities section. As introduced, this section would permit municipal regulation of electric and telephone cooperatives which have been exempted from APUC regulation by a vote of their members. This exemption procedure was established by the legislature in 1980, and it has worked satisfactorily since that time.

It is my understanding that Senator Don Gilman has an amendment addressing this problem which was drafted by Lee Sharp and Stuart Hall and later refined by language from Ted Berns. This amendment would resolve our problem, and we urge your approval of this amendment.

Sincerely,

David Hutchens

David Hutchens
Executive Director

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: SB 1

Sponsor: Senator Gilman

Program Effects

Title 29 of the Alaska Statute is the Municipal Code by which the cities and boroughs of this state operate. It has been in place for several years and has been amended several times during this period. Consequently it has become antiquated and something of a hodge podge. This bill would update, reorganize and streamline the Title.

Comments

SB 1 does not deal with major policy issues; it is strictly reorganization and updating. The Bill attempts to clear up many of the current ambiguities and contradictions that have been created through the several years of amendments.

The Bill has received large amounts of work by 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.

It has had many public hearings, resulting in many changes and improvements during that process. It is not everything to everybody and does not attempt to solve all municipal problems. What it does do is clean up the Municipal Code both in terms of organization and in terms of content. It is one of the Department's key priorities for passage during this Legislative session.

21-21LH

1/18/83

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Sec. 29.47.440 - Borough Indebtedness
Sec. 29.47.450 - Service Area Debt

Page 151:
Sec. 29.55.010 - Creation of Local Historical District Commissions
Sec. 29.55.020 - Establishment of Historical Districts

Page 152:
Sec. 29.60.010 - State Equalization of Tax Resources for Municipal Services

Page 169:
Sec. 29.65.010 - Determination of Entitlement of Boroughs and Unified Municipalities
Sec. 29.65.020 - Determination of Entitlement for Cities

Page 170:
Sec. 29.65.030 - Determination of Entitlement for Newly Incorporated Municipalities
Sec. 29.65.040 - Status of Entitlements

Page 171:
Sec. 29.65.050 - Fulfillment of Land Entitlements

Page 172:
Sec. 29.65.060 - School, University, and Mental Health Land

Page 173:
Sec. 29.65.070 - Selection and Conveyance Procedure

Page 174:
Sec. 29.65.080 - Payment for Land Deficiency

Page 177:
Sec. 29.65.090 - Authorization for Land Exchanges
Sec. 29.65.100 - Public Purpose and Expansion Needs

Page 178:
Sec. 29.65.110 - Election of Benefits

Page 179:
Sec. 29.65.120 - Administration
Sec. 29.65.139 - Definitions

Page 181:
Sec. 29.65.140 - Application
Sec. 29.71.010 - Adverse Possession
Sec. 29.71.020 - Dedication of Municipal Property
Sec. 29.71.030 - Taxation of Municipalities
Sec. 29.71.800 - Definitions

Page 184:
Sec. 09.55.275 - Replat Approval

Page 185:
Sec. 14.08.081 - Recall

Sec. 14.12.110 - Single Body as Assembly or School Board

Page 186:
Sec. 14.14.020 - Bond Required

Page 193:
Sec. 39.50.145 - Participation by Municipalities

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 1
Title "An Act Relating To Municipal Government"
Requested by Senator Gilman Date 2/1/83

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)

See Attached

IV. DATE 1/27/83 PREPARED BY Terry Earley
AGENCY Community & Regional Affairs
Original: Legislative Finance PHONE 465-4730
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/82)

OMB Reviewed by: David Gentry D. Gentry

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.

2. There will be one Borough Incorporation in 1986. This incorporation would necessitate expenditure of the 3 step organization grant in 1986, 1987, and 1983. 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.

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.

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Sec. 42.05.712. I
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Assigning SB 98 to Halford

Reassigning SB 89 to Halford
SB 90 to Halford

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

FORM NO. CBJ 7

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.

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.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:jr

SB

15

COMMITTEE REPORT

SENATE

1/18/83

FURTHER: FINANCE

Date: 1/25/83

Mr. President:

The Committee on C & R A has had SENATE BILL NO. 15

An Act making a supplemental appropriationtto the Department of Environmental Conservation; 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

(D-Pa.)

CHAIRMAN

60 (Rev. 12/78)

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: SB 15

Sponsor: Senator Gilman

Program Effects of Bill

Makes a $28,000,000 appropriation to fund water, sewer and solid waste facility construction under a Department of Environmental Conservation program (AS 46.03.030).

Comments

This supplemental appropriation will fund the State's matching requirement for the construction of local water, sewer and solid waste disposal facilities. The Public Facilities Construction Program has been one of the most effective capital support programs for local communities. Project funds are not set aside until engineering and costing studies are complete and local financing for construction, maintenance and operation. Thus completed projects are well planned and are financed for their full life cycle.

POSITION PAPER ON SENATE BILL 15
by the
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Before the
SENATE COMMUNITY REGIONAL AFFAIRS COMMITTEE
January 25, 1983

Senate Bill 15 provides for a $28.0 million supplemental appropriation to the Department of Environmental Conservation for municipal grants to construct water, sewage, and solid waste facilities. As you are aware, the Department, as authorized by AS 46.03.030, awards these grants at a current 50 percent match to incorporated municipalities.

This program did not receive funding last year due to the veto of the proposed bond proposition by Governor Hammond. In fact, the program has been essentially out of funds since January 1982. At the present time there is a significant number of projects ready for construction this summer for which no funding is available. A list of the projects we are familiar with that are of high priority and are ready to proceed is attached for your information.

Since the normal capital budget process will likely result in an appropriation too late in the construction season to allow any but the smallest of these projects to be constructed this summer, the Department favors an immediate supplemental to avoid adding another year's inflation to the construction costs.

Although we have provided a list of priority projects we feel are ready to proceed this summer, we respectfully request they not be named in the appropriation bill. Variability in local government funding priorities will certainly result in some of these projects being abandoned. If the appropriation does not list the specific projects, the Department will have the flexibility to move unused funds to other projects.

Thank you for the opportunity to comment. I will be happy to respond to any questions you may have.

	Project	Grant Request
	ANCHORAGE	
1.	Brown LID 121 S81(20)	$ 103,000
2.	Stella LID 133 S81(22)	107,900
3.	Library LID 131 S81(23)	301,200
4.	Abbott Loop Manor LID 132 S81(26)	292,700
5.	Shackleton LID 79 S82(1)	70,500
6.	Alpine Village LID 135 S82(2)	238,200
7.	Zodiak LID 85 S82(3)	60,300
8.	Windemere Upgrade S82(8)	28,700
9.	W. 44th Sewer Extension S82(9)	34,600
10.	C-3 Trunk - North of Sand Lake S82(10)	150,900
11.	Knik Interceptor CMP Upgrade S82(11)	589,600
12.	Zurick LID 137 S82(12)	117,900
13.	Rosewood LID 138 S82(13)	140,200
14.	Juanita Loop/Santa Maria Drive S82(14)	369,500
15.	A/B Street E. 56th Extension S82(16)	8,200
16.	Dowling Road/New Seward to Petersburg W81(13)	101,000
17.	Broadmoor Estates Upgrade W82(9)	14,000
18.	Barbara Street Extension W82(10)	55,200
19.	10-11 Alley "N" to "P" Street Upgrade W82(11)	22,000
20.	Manor Street Upgrade W82(13)	23,400
21.	W. 44th Place Extension W81(15)	25,700
22.	Abbott Loop 30" Tudor to 68th W82(16)	537,300
23.	Juanita Loop/Santa Maria Drive W82(17)	300,800
24.	Atkins WID 316 W82(18)	19,400
25.	10 MG Reservoir Grant Increase W80(6)	360,000
26.	Eagle River System Inter-ties	220,000
27.	C-5-2 Trunk	264,000
28.	S.E. Interceptor/Roy to Huffman	1,250,000
29.	West Interceptor, Phase II	2,125,000
30.	Distribution Reservoir Eagle River	130,000
31.	Production Well #14	130,000
32.	Chugach Way/Arctic to Spenard Road	136,000
33.	Woodstave Line Replacement	153,000
34.	8th Avenue Diversion Upgrade	37,500
35.	Spruce Street/Lore Road to 68th Avenue	128,000
36.	80th Avenue East of Lake Otis	40,000
37.	Lake Otis/Abbott Road to O'Malley	375,000
38.	E-4A Trunk	240,000
39.	E-4C Trunk	216,000
40.	S.E. Interceptor, Huffman to DeArmoun	600,000
	ANIAK	
41.	Community Sewer System	$ 500,000

	Project	Grant Request
	BRISTOL BAY BOROUGH	
42.	Naknek Sewage Facility	574,300
	CORDOVA	
43.	Morpac Parallel Water Line	$ 60,000
44.	Power Creek Booster Station	400,000
45.	Small Boat Harbor Water Line	221,300
	FAIRBANKS	
46.	Sludge Disposal Facility, Phase II	187,500
47.	NE Water Transmission	1,980,000
	HAINES	
48.	Mud Bay Road Water Line	35,000
49.	4th Avenue & Mathias Water Line Improvements	40,000
	HOMER	
50.	Cooper S/D	285,000
51.	Mattox Water and Sewer	62,500
	HOUSTON	
52.	Houston Sanitary Landfill	70,000
	HYDABURG	
53.	Water and Sewer Upgrade	2,250,000
	JUNEAU	
54.	Salmon Creek Connection	1,050,000
	KAKE	
55.	Water Supply Tank	125,000
	KENAI	
56.	Candlelight/Lindwood/Aurora	535,000
57.	Evergreen/Haller Water and Sewer	700,000
	KENAI PENINSULA BOROUGH	
58.	Ninilchik Landfill	100,000

	Project	Grant Request
	KETCHIKAN	
59.	Mental Health Water and Sewer	34,600
60.	Hawkins - Carlanna	90,700
61.	Heath Addition	196,700
62.	Washington Park Addition	303,500
	KETCHIKAN PUBLIC UTILITIES	
63.	Fairview-Jackson Water	$ 161,600
	NOME	
64.	Phase II Water and Sewer (Belmont Pt.)	307,500
65.	Phase II Water and Sewer (Water Reservoir)	500,000
	NORTH POLE	
66.	Water Treatment	780,200
	PETERSBURG	
67.	Water Storage Facility	294,000
	SAND POINT	
68.	Meadows S/D, Phase I	1,867,300
	SCAMMON BAY	
69.	Water and Sewer	111,000
	SEWARD	
70.	Terminal Addition Water and Sewer	1,562,700
	SITKA	
71.	Solid Waste Disposal System	1,750,000
	SOLDOTNA	
72.	Redoubt Avenue Water and Sewer	187,600
73.	Water Reservoir and Transmission	750,000
74.	Wilson Lane Water and Sewer	11,000
75.	Binkley Street Water and Sewer	74,500
	UPPER KALSKAG	
76.	Water and Sewer System	250,000

	Project	Grant Request
	VALDEZ	
77.	North Harbor/Kennicot/South Harbor Dr. W & S	650,000
78.	Landfill Improvements	100,000
79.	Old Landfill Reclamation	51,000
	WASILLA	
80.	Water Utility Extension	60,600
81.	Sewer Utility Extension	60,600
	WRANGELL	
82.	Evergreen Water and Sewer Extension	1,046,000
	TOTAL ALL PROJECTS	$30,149,400

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

AML 1983 POLICY PRIORITIES

SB 17

Municipal Supplemental. The League supports the supplemental appropriation of (a) $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 (b) $3.5 million FY 83 Section 89 State Revenue Sharing for roads, health facilities and hospitals, and volunteer fire departments 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 aforementioned supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting their 1983 mill levies.

Educational Supplemental. The League urges the approval of a $33.7 million education supplemental for FY 83 because of costs connected with the state take-over of BIA schools, unprecedented increases in school population throughout the state, and unanticipated reductions in the public school foundation program funding last year, and urges the approval of a $12 million supplemental to fund the shortfall in the school construction reimbursement fund

Consolidation of Municipal Assistance and Revenue Sharing. The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing programs with adequate and predictable funding so that municipalities can continue to provide important needed services while holding down local taxes.

SB 21
&
SB 15

Water/Sewer/Solid Waste Construction Grants Program. The League strongly endorses the concept of the state paying at least 75% for sewerage, solid waste facilities, and water systems constructed by municipalities under the State of Alaska Construction Grants Program and that the replacement of out-moded systems be grant eligible in the same manner as the installation of the new systems. The League strongly supports appropriation levels to meet statewide needs, including a supplemental appropriation of $28 million.

Fiscal Notes/State Mandates. The League supports enactment of legislation requiring preparation of notes assessing the fiscal impact on local governments of any proposed bill or regulation, including pass-through grants. 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.

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 MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

AML 1983 POLICY PRIORITIES

SB 17

Municipal Supplemental. The League supports the supplemental appropriation of (a) $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 (b) $3.5 million FY 83 Section 89 State Revenue Sharing for roads, health facilities and hospitals, and volunteer fire departments 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 aforementioned supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting their 1983 mill levies.

Educational Supplemental. The League urges the approval of a $33.7 million education supplemental for FY 83 because of costs connected with the state take-over of BIA schools, unprecedented increases in school population throughout the state, and unanticipated reductions in the public school foundation program funding last year, and urges the approval of a $12 million supplemental to fund the shortfall in the school construction reimbursement fund

Consolidation of Municipal Assistance and Revenue Sharing. The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing programs with adequate and predictable funding so that municipalities can continue to provide important needed services while holding down local taxes.

SB 21 & SB 15

Water/Sewer/Solid Waste Construction Grants Program. The League strongly endorses the concept of the state paying at least 75% for sewerage, solid waste facilities, and water systems constructed by municipalities under the State of Alaska Construction Grants Program and that the replacement of out-moded systems be grant eligible in the same manner as the installation of the new systems. The League strongly supports appropriation levels to meet statewide needs, including a supplemental appropriation of $28 million.

Fiscal Notes/State Mandates. The League supports enactment of legislation requiring preparation of notes assessing the fiscal impact on local governments of any proposed bill or regulation, including pass-through grants. 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.

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STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

BILL SHEFFIELD, GOVERNOR

POUCH O – JUNEAU 99811

January 31, 1983

The Honorable Donald L. Gilman
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Gilman:

As a co-sponsor of SB 15 which would appropriate $28 million supplemental to the Department of Environmental Conservation, I thought you might be interested in recent events concerning your bill.

I have enclosed a copy of the Department's testimony before the Senate Community and Regional Affairs Committee on SB 15, along with a list of potential projects that could be funded from the supplemental appropriation. The list was prepared after a careful review of the projects contained in our FY 84 capital budget submittal. The capital budget contained over $230 million in eligible grants; therefore, it is obvious that many worthwhile projects cannot appear on the abbreviated list. In developing the new list, our main concern was to include priority projects that would be ready to proceed with construction this summer. These are projects where design has generally been completed and where the project could be bid and constructed in 1983, if funding were available by approximately March 1.

We anticipate that this list will be dynamic with new projects replacing those of a lower priority as the appropriation request is reviewed by the various committees. We will be happy to work with you or your staff to review projects for potential inclusion on the list.

We have discussed the $28 million supplemental with the Administration and have received an initial favorable reaction. However, passage of the supplemental would most likely result in a request to reduce the Department's capital budget. If additional funding were to remain in the capital budget, we would most likely fund the projects remaining in our capital budget request in their order of priority.

We are appreciative of your confidence in our criteria system and our ability to select priority projects for construction. I assure you that while we will be unable to completely satisfy all competing demands, we will strive to achieve a fair balance between need and equity of project distribution.

Please feel free to call me at 465-2610 if I may provide any information on the status of the supplemental.

Sincerely,

Keith Kelton

Keith Kelton, Director
Facility Construction
and Operation

P.S. SB 15 was passed from C&RA Committee to Senate Finance with a do-pass recommendation on January 25.

Enclosure

cc: Emil Notti
Lennie Boston

January 21, 1983

	Project	Grant Request
	ANCHORAGE	
1.	Brown LID 121 S81(20)	$ 103,000
2.	Stella LID 133 S81(22)	107,900
3.	Library LID 131 S81(23)	301,200
4.	Abbott Loop Manor LID 132 S81(26)	292,700
5.	Shackleton LID 79 S82(1)	70,500
6.	Alpine Village LID 135 S82(2)	238,200
7.	Zodiak LID 85 S82(3)	60,300
8.	Windemere Upgrade S82(8)	28,700
9.	W. 44th Sewer Extension S82(9)	34,600
10.	C-3 Trunk - North of Sand Lake S82(10)	150,900
11.	Knik Interceptor CMP Upgrade S82(11)	589,600
12.	Zurick LID 137 S82(12)	117,900
13.	Rosewood LID 138 S82(13)	140,200
14.	Juanita Loop/Santa Maria Drive S82(14)	369,500
15.	A/B Street E. 56th Extension S82(16)	8,200
16.	Dowling Road/New Seward to Petersburg W81(13)	101,000
17.	Broadmoor Estates Upgrade W82(9)	14,000
18.	Barbara Street Extension W82(10)	55,200
19.	10-11 Alley "N" to "P" Street Upgrade W82(11)	22,000
20.	Manor Street Upgrade W82(13)	28,400
21.	W. 44th Place Extension W81(15)	25,700
22.	Abbott Loop 30" Tudor to 68th W82(16)	537,300
23.	Juanita Loop/Santa Maria Drive W82(17)	300,800
24.	Atkins WID 316 W82(18)	19,400
25.	10 MG Reservoir Grant Increase W80(6)	360,000
26.	Eagle River System Inter-ties	220,000
27.	C-5-2 Trunk	264,000
28.	S.E. Interceptor/Roy to Huffman	1,250,000
29.	West Interceptor, Phase II	2,125,000
30.	Distribution Reservoir Eagle River	180,000
31.	Production Well #14	180,000
32.	Chugach Way/Arctic to Spenard Road	136,000
33.	Woodstave Line Replacement	153,000
34.	8th Avenue Diversion Upgrade	37,500
35.	Spruce Street/Lore Road to 68th Avenue	128,000
36.	80th Avenue East of Lake Otis	40,000
37.	Lake Otis/Abbott Road to O'Malley	375,000
38.	E-4A Trunk	240,000
39.	E-4C Trunk	216,000
40.	S.E. Interceptor, Huffman to DeArmoun	600,000
	ANIAK	
41.	Community Sewer System	500,000

POSITION PAPER ON SENATE BILL 15
by the
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Before the
SENATE COMMUNITY REGIONAL AFFAIRS COMMITTEE
January 25, 1983

Senate Bill 15 provides for a $28.0 million supplemental appropriation to the Department of Environmental Conservation for municipal grants to construct water, sewage, and solid waste facilities. As you are aware, the Department, as authorized by AS 46.03.030, awards these grants at a current 50 percent match to incorporated municipalities.

This program did not receive funding last year due to the veto of the proposed bond proposition by Governor Hammond. In fact, the program has been essentially out of funds since January 1982. At the present time there are a significant number of projects ready for construction this summer for which no funding is available. A list of the projects we are familiar with that are of high priority and are ready to proceed is attached for your information.

We respectfully request they not be named in the appropriation bill. Variability in local government funding priorities will certainly result in some of these projects being delayed. If the appropriation does not list the specific projects, the Department will have the flexibility to move unused funds to other projects.

Thank you for the opportunity to comment. I will be happy to respond to any questions you may have.

	Project	Grant Request
	BRISTOL BAY BOROUGH	
42.	Naknek Sewage Facility	$ 574,800
	CORDOVA	
43.	Morpac Parallel Water Line	60,000
44.	Power Creek Booster Station	400,000
45.	Small Boat Harbor Water Line	221,300
	FAIRBANKS	
46.	Sludge Disposal Facility, Phase II	187,500
47.	NE Water Transmission	1,980,000
	HAINES	
48.	Mud Bay Road Water Line	35,000
49.	4th Avenue & Mathias Water Line Improvements	40,000
	HOMER	
50.	Cooper S/D	285,000
51.	Mattox Water and Sewer	62,500
	HOUSTON	
52.	Houston Sanitary Landfill	70,000
	HYDABURG	
53.	Water and Sewer Upgrade	2,250,000
	JUNEAU	
54.	Salmon Creek Connection	1,050,000
	KAKE	
55.	Water Supply Tank	125,000
	KENAI	
56.	Candlelight/Lindwood/Aurora	535,000
57.	Evergreen/Hailer Water and Sewer	700,000
	KENAI PENINSULA BOROUGH	
58.	Ninilchik Landfill	100,000

	Project	Grant Request
	KETCHIKAN	
59.	Mental Health Water and Sewer	$ 34,600
60.	Hawkins - Carlanna	90,700
61.	Heath Addition	196,700
62.	Washington Park Addition	303,500
	KETCHIKAN PUBLIC UTILITIES	
63.	Fairview-Jackson Water	161,600
	NOME	
64.	Phase II Water and Sewer (Belmont Pt.)	307,500
65.	Phase II Water and Sewer (Water Reservoir)	500,000
	NORTH POLE	
66.	Water Treatment	780,200
	PETERSBURG	
67.	Water Storage Facility	294,000
	SAND POINT	
68.	Meadows S/D, Phase I	1,867,800
	SCAMMON BAY	
69.	Water and Sewer	111,000
	SEWARD	
70.	Terminal Addition Water and Sewer	1,562,700
	SITKA	
71.	Solid Waste Disposal System	1,750,000
	SOLDOTNA	
72.	Redoubt Avenue Water and Sewer	187,600
73.	Water Reservoir and Transmission	750,000
74.	Wilson Lane Water and Sewer	11,000
75.	Binkley Street Water and Sewer	74,500
	UPPER KALSKAG	
76.	Water and Sewer System	250,000

	Project	Grant Request
	VALDEZ	
77.	North Harbor/Kennicot/South Harbor Dr. W & S	$ 650,000
78.	Landfill Improvemments	100,000
79.	Old Landfill Reclamation	51,000
	WASILLA	
80.	Water Utility Extension	60,600
81.	Sewer Utility Extension	60,600
	WRANGELL	
82.	Evergreen Water and Sewer Extension	1,046,000
	TOTAL ALL PROJECTS	$30,599,400

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This program did not receive funding last year due to the veto of the proposed bond proposition by Governor Hammond. In fact, the program has been essentially out of funds since January 1982. At the present time there is a significant number of projects ready for construction this summer for which no funding is available. A list of the projects we are familiar with that are of high priority and are ready to proceed is attached for your information.

Since the normal capital budget process will likely result in an appropriation too late in the construction season to allow any but the smallest of these projects to be constructed this summer, the Department favors an immediate supplemental to avoid adding another year's inflation to the construction costs.

Although we have provided a list of priority projects we feel are ready to proceed this summer, we respectfully request they not be named in the appropriation bill. Variability in local government funding priorities will certainly result in some of these projects being abandoned. If the appropriation does not list the specific projects, the Department will have the flexibility to move unused funds to other projects.

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	PETERSBURG	
67.	Water Storage Facility	294,000
	SAND POINT	
68.	Meadows S/D, Phase I	1,867,300
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76.	Water and Sewer System	250,000

	Project	Grant Request
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79.	Old Landfill Reclamation	51,000
	WASILLA	
80.	Water Utility Extension	60,600
81.	Sewer Utility Extension	60,600
	WRANGELL	
82.	Evergreen Water and Sewer Extension	1,046,000
	TOTAL ALL PROJECTS	$30,149,400

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: SB 15

Sponsor: Senator Gilman

Program Effects of Bill

Makes a $28,000,000 appropriation to fund water, sewer and solid waste facility construction under a Department of Environmental Conservation program (AS 46.03.030).

Comments

This supplemental appropriation will fund the State's matching requirement for the construction of local water, sewer and solid waste disposal facilities. The Public Facilities Construction Program has been one of the most effective capital support programs for local communities. Project funds are not set aside until engineering and costing studies are complete and local financing for construction, maintenance and operation. Thus completed projects are well planned and are financed for their full life cycle.

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811

November 23, 1982

The Honorable Donald Gilman
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Gilman:

During the Alaska Municipal League meeting in Fairbanks, my staff and I were approached by several municipal officials concerned about the shortage of State funding for water and sewerage projects. These officials requested we investigate the possibility of a supplemental appropriation to insure construction of vital sanitation improvements this coming summer.

As you are aware, we are currently out of funding but we have submitted a $231 million capital budget request. It is extremely unlikely that more than $30-$40 million will be recommended by Budget and Management. In addition, these funds, if approved by the Legislature, will probably be too late to allow much construction to proceed during 1983. A supplemental appropriation, if expedited, could provide funding for priority projects ready to proceed during the 1983 construction season as well as supplement the total supply of funding available.

To prevent a supplemental from becoming a "Christmas tree" bill, it appears desirable to introduce legislation, which does not designate funds to specific projects. Rather, a lump sum appropriation to DEC would allow the Department to obligate funds to priority projects that are ready to proceed with construction during the summer of 1983. The capital budget submittal requests funds earmarked for specific projects and should provide the vehicle for individual legislative support. If we are to avoid missing two construction seasons in a row, it is imperative that an appropriation be introduced and passed early in the session.

The enclosed letter and attachments were sent to all the communities who responded to our questionnaire. These projects were prioritized by the Department for both FY 84 and 85. A list of projects as prioritized by each community is also enclosed. The total request for FY 84 is $109 million. The majority of these projects will not be ready to proceed with construction in 1983 but will require grant funds to begin design. Only those projects which can can actually go to construction in 1983 need to be considered in supplemental appropriation. We estimate that 46 projects requiring approximately $28 million will be ready for construction this next summer.

I would appreciate your thoughts on this suggested approach to funding and would be happy to meet with you to discuss its viability. If you agree that the supplemental appropriation is desirable, your willingness to act as a sponsor to the legislation would be appreciated.

Sincerely,

Ernst W. Mueller
Commissioner

Enclosures

ENC 2.

FY 84 PROJECT FUNDING LIST

Projects listed in descending order of priority, as ranked by ADEC.

APPLICANT AND PROJECT NAME	TOTAL SCORE	PROJECT COST	GRANT REQUEST
ANCHORAGE EAGLE RIVER SYSTEM INTER-TIES	650	550,000	220,000
LARSEN BAY LARSEN BAY WATER AND SEWER	650	370,000	120,000
BRISTOL BAY BOROUGH NAKNEK SEWAGE FACILITY, STEP 3	640	5,403,000	1,014,900
ANCHORAGE KNIK INTERCEPTOR UPGRADE	630	1,800,900	589,550
KETCHIKAN SOLID WASTE INCINERATOR	630	3,701,000	1,438,719
SAND POINT MEADOWS SUBDIVISION, PHASE I	610	3,735,600	1,867,800
SAXMAN REVILLA - EVERGREEN SEWER & WATER	610	150,000	75,000
JUNEAU SALMON CREEK CONNECTION	600	3,000,000	1,500,000
JUNEAU MENDENHALL WASTEWATER TP EXPANSION	600	5,000,000	625,000
NOME WATER SEWER PHASE II	590	9,000,000	4,500,000
ANCHORAGE ABBOTT LOOP/TUDOR TO ABBOTT RD	580	1,400,000	560,000
VALDEZ BLUEBERRY HILL W&S SERVICE EXT.	580	1,732,500	390,000
FAIRBANKS SLUDGE DISPOSAL FAC.,PHASE II	570	1,500,000	187,500
KING COVE RAMS CREEK WATER AND SEWER	570	2,500,000	1,250,000
SAXMAN REVILLA - EVERGREEN WATER	560	100,000	50,000
KODIAK ISLAND BOROUGH SERVICE DIST. #1 W & S IMPROVEMENTS	550	11,812,000	3,518,000
HAINES HIGHLAND ESTATES WATER IMPROVEMENTS	540	252,000	126,000
KETCHIKAN PARK AVE. REHAB. & UPGRADING	540	367,857	183,929
VALDEZ N. HARBOR, KENNICOTT'S HARBOR DR W&S	540	1,200,000	600,000
ANCHORAGE WINDEMERE SEWER S82-8	530	219,000	28,655
FAIRBANKS NE WATER TRANSMISSION SYSTEM	530	3,960,000	1,980,000
WASILLA WATER UTILITY EXTENSION	530	108,900	54,450
ANCHORAGE C-5-2 TRUNK 83	520	660,000	264,000
KETCHIKAN PUBLIC UTILITIES FAIRVIEW-JACKSON WATER TRANSMISS	520	354,950	161,575
VALDEZ DYLAN DRIVE WATER & SEWER	520	924,000	207,900
HOMER MATTOX WATER & SEWER	510	125,000	62,500
UNALASKA UNALASKA SEWAGE COLLECTION/TREATMNT	510	10,308,668	1,444,662
ANIAK ANIAK COMMUNITY SEWER SYSTEM	500	1,500,000	500,000
BRISTOL BAY BOROUGH SOLID WASTE DISPOSAL PROGRAM	500	1,149,610	574,805
FAIRBANKS NE INTERCEPTOR, PHASE II	500	3,000,000	1,500,000
MCGRATH MCGRATH WATER SYSTEM	500	2,775,000	1,000,000
JUNEAU THUNDER MOUNTAIN WATER SYSTEM	490	900,000	450,000
KENAI PENINSULA BOROUGH KENAI LANDFILL SLUDGE	490	50,000	25,000
NEWHALEN SEWAGE TREATMENT FACILITY	490	600,000	300,000
SEWARD DAIRY HILL WATER & SEWER	490	1,321,250	660,625
DILLINGHAM PHASE I WATER IMPROVEMENTS	480	96,000	48,000
HAINES 4TH AVE & MATHIAS WATER LINE IMP.	480	80,000	40,000
KETCHIKAN PUBLIC UTILITIES KETCHIKAN LAKES PENSTOCK	480	1,506,300	20,787
KODIAK ISLAND BOROUGH KODIAK SOLID WASTE FACILITY	480	3,600,000	1,800,000
SOLDOTNA REDOUBT AVE. W & S IMPROVEMENTS	480	375,125	187,562
FAIRBANKS WATER TREATMENT PLANT EXPANSION	470	7,525,000	3,500,000
KLAWOCK WATER & SEWER UPGRADE	470	1,500,000	750,000
VALDEZ LANDFILL IMPROVEMENTS	470	200,000	100,000
ANCHORAGE PW ROAD RELATED PROJECTS (WAT) - 83	460	500,000	200,000
ANCHORAGE STATE DOTPF HWY REL PROJ (SEW)-83	460	500,000	200,000
ANCHORAGE PUBLIC WORKS RELATED SEWER 1983	460	470,000	141,000
CORDOVA MORPAC PARALLEL LINE - WATER	460	120,000	60,000
DILLINGHAM PHASE I SEWER IMPROVEMENTS	460	300,000	150,000
HOMER PENNOCK WATER LINE	460	40,000	20,000
SAXMAN SEWAGE TREATMENT UPGRADE	460	750,000	375,000
SKAGWAY LANDFILL	460	500,000	250,000
WRANGELL EVERGREEN WATER & SEWER EXTENSION	460	2,092,000	1,046,000
CRAIG WATER & SEWER CONSTRUCTION	450	4,530,000	2,265,000
CRAIG/KLAWOCK CRAIG/KLAWOCK W & S UPGRADE	450	10,250,000	5,125,000
HYDABURG WATER & SEWER UPGRADE	450	4,500,000	2,250,000

		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.

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.)

		POINTS
A.	Health hazards alleviated (problem must be sufficiently reduced by this project to remove it from this category).	
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

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:DM:sk

FY 84 PROJECT FUNDING LIST

Projects listed in descending
order of priority, as ranked by ADEC.

APPLICANT AND PROJECT NAME	TOTAL SCORE	PROJECT COST	GRANT REQUEST
METLAKATLA CHESTER LAKE HYDRO PROJECT**	360	6,000,000	3,000,000
VALDEZ SMALL BOAT HARBOR SEWAGE DUMP	360	130,000	65,000
CORDOVA PHASE II B & C INTERCEPTOR	350	1,115,100	143,888
HAINES MAJOR ROAD IMPROVEMENTS	350	200,000	100,000
KETCHIKAN PUBLIC UTILITIES WASHINGTON SUBDIVISION 8" WATER	350	605,870	281,800
NORTH SLOPE BOROUGH POINT LAY SEWER	350	5,000,000	2,500,000
UNALASKA WATER IMPROVEMENT PH IV/DIST LINE	350	10,069,688	5,034,844
VALDEZ ROBE RIVER SUBDIVISION - SEWERS	350	6,360,000	3,180,000
ANCHORAGE STATE DOTPF HWY. REL PROJ (WAT)-83	340	250,000	75,000
NORTH SLOPE BOROUGH ATQASUK SEWAGE DISPOSAL, PHASE I	340	4,918,000	2,459,000
NORTH SLOPE BOROUGH ATQASUK WATER, PHASE I	340	8,466,000	4,233,000
PETERSBURG WATER STORAGE FACILITY	340	588,000	294,000
TANANA CITY SEWER AND WATER PROJECT	340	743,000	371,500
ANCHORAGE MANOR ST. 8" WATER W82-13	330	145,000	28,328
KAKE CONTINUOUS LOOP WATER SUPPLY	330	255,610	122,305
ANCHORAGE BROADMOOR 8" WATER W82-9	320	31,300	14,000
NEWHALEN SOLID WASTE DISPOSAL SYSTEM	320	64,000	32,000
SCAMMON BAY WATER & SEWER	320	222,000	111,000
ANCHORAGE DOWLING RD. 16" WATER W81-13	310	226,100	100,950
KAKE WATER SUPPLY EXT. TO PORTAGE COVE	300	616,055	308,027
KLAWOCK SOLID WASTE LANDFILL	300	150,000	50,000
NORTH SLOPE BOROUGH KUPARUK WATER TREAT & DIST. SYSTEM	300	1,834,000	917,000
NORTH SLOPE BOROUGH KUPARUK SOLID WASTE FACILITY	300	6,435,000	3,217,500
NORTH SLOPE BOROUGH KUPARUK SEWAGE TRTMT DISCHARGE SYST	300	1,975,000	987,500
ANCHORAGE 10/11 ALLEY "N"-"P" ST. WAT. W82-11	280	112,300	21,940
NORTH POLE CITY WATER TREATMENT PLANT	270	2,927,100	780,150
NORTH POLE LAGOON EXPANSION PROJECT	270	3,782,350	1,897,175
SITKA WHITCOMB HEIGHTS WATER & SEWER	220	1,440,000	720,000
GRAND TOTALS		232,808,079	99,081,188

** Metlakatla, organized under Federal Law, is not recognized as an Alaskan municipality. As such, it is ineligible to receive a grant from ADEC under AS 46.03.030. It is, however, eligible to receive a direct appropriation from the Legislature.

FY 84 PROJECT FUNDING LIST

Projects listed in descending order of priority, as ranked by ADEC.

APPLICANT AND PROJECT NAME	TOTAL SCORE	PROJECT COST	GRANT REQUEST
KLAWOCK HALF-MILE CREEK WATER	450	1,250,000	250,000
SEWARD TERMINAL ADDITION WATER & SEWER	450	3,125,314	1,562,657
JUNEAU GOLD CREEK WATER SUPPLY	440	600,000	300,000
KETCHIKAN HAWKINS-CARLANNA	440	306,644	90,717
KETCHIKAN GRAHAM STREET WATER & SEWER	440	90,600	25,300
KETCHIKAN CARLANNA ROAD EXTENSION W & S	440	250,000	75,000
SITKA SOLID WASTE DISPOSAL SYSTEM	440	4,396,000	1,362,850
ALEKNAGIK SANITATION IMPROVEMENTS	430	1,500,000	750,000
HAINES MUD BAY ROAD WATER LINE	430	70,000	35,000
KAKE WATER SUPPLY TANK	430	250,000	125,000
SITKA ADDITIONAL WATER SOURCE	430	4,212,000	2,106,000
SITKA SITKA WATER STORAGE TANKS	430	2,405,000	1,186,500
SOLDOTNA WATER RESERVOIR & TRANSMISSION	430	1,500,000	750,000
FAIRBANKS NORTH STAR BOROUGH SITE IMPROVEMT PROGRAM/SOLID W	420	1,025,000	724,000
HOMER DANVIEW WATER (MAIN TO HOHE)	420	50,000	25,000
HOMER CITY VIEW WATER LINE	420	20,000	10,000
KENAI SPRUCE/2d, 3d, 5th WATER & SEWER	420	500,000	250,000
KETCHIKAN WASHINGTON PARK ADDITION	420	1,200,000	303,498
NORTH SLOPE BOROUGH POINT LAY WATER	420	6,842,000	3,421,000
ANCHORAGE C-3 SEWER TRUNK S82-10	410	303,300	150,900
HOMER COOPER SUBDIVISION SEWER	410	570,000	285,000
NORTH SLOPE BOROUGH ANAKTUVUK PASS HLTH-CLNC SEW/UTIL	410	1,000,000	500,000
NORTH SLOPE BOROUGH ANAKTUVUK PASS HLTH CLNC WAT/UTIL	410	1,000,000	500,000
NORTH SLOPE BOROUGH WAINWRIGHT WATER TANK	410	1,594,000	780,500
ANCHORAGE ANTICIPATED LIDs - 83	400	4,000,000	1,600,000
HOUSTON HOUSTON SANITARY LANDFILL	400	140,000	70,000
KENAI CANDELIGHT/LINWOOD/AURORA W&S	400	1,070,000	535,000
KENAI EVERGREEN/HALLER WATER & SEWER	400	1,400,000	700,000
KENAI PRINCESS/CINDERELLA WATER & SEWER	400	1,200,000	600,000
KETCHIKAN HEATH ADDITION	390	670,254	196,723
QUINHAGAK WATER TRUCK PURCHASE*	390	85,000	42,500
VALDEZ OLD DUMP RECLAMATION	390	102,000	51,000
HAINES HAINES CUTOFF-JONES PT RD WAT EXT	380	132,000	66,000
SOLDOTNA WILSON LANE W & S IMPROVEMENTS	380	22,000	11,000
SOLDOTNA BINKLEY ST. W & S IMPROVEMENTS	380	149,000	74,500
WRANGELL ZIMOVIA WATER MAIN EXTENSION	380	143,400	71,700
KENAI THOMPSON PARK WATER SYSTEM	370	700,000	350,000
NEWHALEN WATER FACILITIES	370	1,700,000	850,000
SAXMAN INDUSTRIAL PARKS WATER & SEWER	370	250,000	100,000
ANCHORAGE ROSEWOOD LID 138 S82-13	360	314,000	140,200
ANCHORAGE ZURICH LID 137 S82-12	360	264,000	117,900
CORDOVA SMALL BOAT HARBOR WATERLINE ADDIT	360	442,634	221,317
KENAI PENINSULA BOROUGH NINILCHIK LANDFILL	360	150,000	75,000
KETCHIKAN MENTAL HEALTH FACILITY W & S	360	186,800	34,600

* The City of Quinhagak has requested funds to purchase a water truck. An Attorney General's opinion prohibits the funding of water delivery or sewage collection vehicles from bond proceeds. The expenditures are allowable under General Fund Appropriation only.

ENC 3

FY 85 PROJECT FUNDING LIST

Projects listed in descending order of priority, as ranked by ADEC.

APPLICANT AND PROJECT NAME	TOTAL SCORE	PROJECT COST	GRANT REQUEST
NORTH POLE WATER & SEWER EXTENSION PHASE V	400	9,388,450	4,694,225
UNALASKA WATER IMPROVEMENT PH III/TREATMENT	400	1,262,875	631,438
ANCHORAGE ABBOTT ROAD WATER 1984	390	800,000	320,000
DIOMEDE WATER LINE REPAIR	390	400,000	200,000
UNALASKA WATER IMPROVEMENT PH III (STORAGE)	390	500,000	250,000
UNALASKA WATER IMPROVEMENT PH III/TRANS LINE	390	750,000	375,000
ANCHORAGE ANTICIPATED LIDs 84	380	6,200,000	2,480,000
YAKUTAT OCEAN CAPE RD. SPUR WATER EXTENSION	380	20,900	10,450
HOMER BINOCULAR BLUFF WATER & SEWER	370	1,700,000	850,000
UNALASKA UNALASKA LANDFILL	360	1,000,000	500,000
YAKUTAT OCEAN CAPE ROAD WATER EXTENSION	360	59,600	29,800
CORDOVA POWER CREEK SEWERLINE	350	800,000	100,000
UNALASKA WATER IMPROVEMENT PH III/DIST. LINE	350	6,806,250	3,403,125
ANCHORAGE RABBIT CREEK PS & FM 83/4	340	1,305,000	522,000
ANCHORAGE STATE DOTPF HWY REL PROJ (WAT)-84	340	250,000	75,000
ANCHORAGE PUBLIC WORKS RELATED WATER 1984	340	500,000	150,000
ANCHORAGE WATER IMPROVEMENT DISTRICT 1984	340	950,000	380,000
UPPER KALSKAG WATER & SEWER SYSTEM	340	500,000	250,000
ANCHORAGE ANTICIPATED WATER IMPRVMT DIST 1983	320	1,500,000	600,000
ANCHORAGE WOODSTAVE WATER LINES 1984	310	450,000	135,000
ANCHORAGE C-7 TRUNK SEWER (1984)	300	1,700,000	680,000
ANCHORAGE DEBARR 15TH AVE WATER 1984	290	480,000	192,000
PETERSBURG SCOW BAY AREA WATER & SEWER EXT.	280	4,000,000	2,000,000
ALLAKAKET SANITARY SEWERAGE IMPROVEMENTS	270	185,000	92,500
ANCHORAGE EAGLE RIVER WATER INTERTIES	270	300,000	120,000
ANCHORAGE AMU WATER 1984	270	250,000	75,000
SEWARD MARINE INDUSTRIAL CENTER	260	3,954,000	1,977,000
ANCHORAGE WEST NORTHERN LIGHTS WATER	250	465,000	186,000
KETCHIKAN PUBLIC UTILITIES CAPE FOX PROJECT 12" WATER	250	260,580	121,200
KENAI KENAI SPUR SEWER BORE	230	50,000	25,000
KETCHIKAN PUBLIC UTILITIES GRAVINA HEIGHTS WATER SYSTEM	230	1,493,400	694,600
GRAND TOTALS		268,518,705	111,268,663

FY 85 PROJECT FUNDING LIST

Projects listed in descending
order of priority, as ranked by ADEC.

APPLICANT AND PROJECT NAME	TOTAL SCORE	PROJECT COST	GRANT REQUEST
ANCHORAGE WEST INTERCEPTOR PHASE II-83/4	620	14,000,000	5,600,000
ANCHORAGE WORONZOF CAPACITY AND OUTFALL 83/84	610	28,460,000	11,384,000
CORDOVA POWER CRK BOOSTER STAT ZONE II SYS	610	800,000	400,000
ANCHORAGE MISC EAGLE RIVER WATERLINE UPGRADES	600	2,700,000	810,000
ANCHORAGE DISTRIBUTION RESERVOIR EAGLE RIVER	600	450,000	180,000
ANCHORAGE SOUTHEAST INTERCEPTOR JOY-DeAr 83/4	580	4,430,000	1,772,000
ANCHORAGE REPLACE "I" ST 10" /4TH TO 7TH AVE	580	140,000	42,000
ANCHORAGE 4TH AVE/GAMBELL TO "A" STREET	580	875,000	350,000
ANCHORAGE EKLUTNA WATER SUPPLY PROJECT	560	98,000,000	39,200,000
ANCHORAGE STATE DOTPF HWY REL PROJ (SEW)-84	520	550,000	220,000
ANCHORAGE PRODUCTION WELL #14	520	450,000	180,000
ANCHORAGE BOOSTER STATION MULDOON AREA	520	620,000	248,000
ANCHORAGE 40TH AVE WATER "C" ST TO DENALI	520	185,000	74,000
KLAWOCK SEWER SYSTEM UPGRADE	520	450,000	150,000
ANCHORAGE CHUGACH WAY/ARCTIC TO SPENARD RD	510	340,000	136,000
ANCHORAGE DISTRIB RESERVOIR SECTION 16,	510	2,900,000	1,160,000
ANCHORAGE SHIP CREEK WAT TREATMENT PLNT EXPAN	510	12,000,000	4,800,000
HOMER KACHEMAK BAY WATER & SEWER	510	2,340,000	1,170,000
HOMER MUNSON SUBDIVISION WATER & SEWER	510	565,000	282,500
HOMER BENSON SUBDIVISION WATER & SEWER	510	550,000	275,000
ANCHORAGE PW ROAD RELATED PROJ (SEW) - 84	500	600,000	240,000
WALES WATER & SEWER DISTRICT PROJECT	500	300,000	150,000
CORDOVA SEWER EXTENSION/COPPER RIVER HIWAY	490	1,671,000	835,500
UNALASKA WATER IMPROVEMENTS PH II-TREATMENT	490	562,500	281,250
ANCHORAGE REHAB 8TH AVE DIVERSION SEWER	480	125,000	37,500
ANCHORAGE TELEMETERING PHASE III	470	375,000	150,000
ANCHORAGE E-7 TRUNK - 83	470	1,000,000	400,000
UNALASKA WATER IMPROVEMENT PHASE II (TRANS)	470	6,375,000	3,187,500
ANCHORAGE WOODSTAVE LINE REPLACEMENT	460	510,000	153,000
ANCHORAGE SPRUCE STREET/LORE ROAD TO 68TH AVE	460	320,000	128,000
ANCHORAGE PUBLIC WORKS RELATED SEWER 1984	460	515,000	154,000
SKAGWAY WATER TANK CONTROLS	460	40,000	20,000
ANCHORAGE ER-CH-EKLUTNA INT - 83/4	450	850,000	340,000
DILLINGHAM PHASE III WATER IMPROVEMENTS	450	158,400	79,200
DILLINGHAM PHASE IV WATER IMPROVEMENTS	450	360,000	180,000
WASILLA SEWAGE COLLECTION TREAT. & DISPOSAL	450	7,900,000	987,500
ALAKANUK SAFEWATER FACILITY UPGRADE	440	850,000	425,000
ANCHORAGE "I" ST WATER 7TH TO 15TH	440	600,000	180,000
GAMBELL SEWER & WATER	440	950,000	475,000
UNALASKA WATER IMPROVEMENTS PH II-WELL FIELD	440	375,000	187,500
ANCHORAGE MISC NEW PRESSURE REDCG VALVES 83/4	430	250,000	100,000
ANCHORAGE GOV'T HILL PRV SYSTEM - 1984	420	150,000	60,000
ANCHORAGE SPENARD ROAD WATER 1984	420	545,000	163,500
ANCHORAGE EAST 15TH AVE WATER 1984	420	220,000	66,000
HOMER SEWAGE TREATMENT PLANT EXPANSION	420	5,000,000	2,500,000
HOMER RANGEVIEW WATER LINE	420	45,000	12,500
KENAI NORTH SPUR/WILDWOOD WATER & SEWER	420	600,000	300,000
UNALASKA WATER IMPROVEMENTS PH II (STORAGE)	420	1,118,750	559,375
UNALASKA PYRAMID VALLEY INTERCEPTOR	420	475,000	237,500
ANCHORAGE PW ROAD RELATED PROJECTS (WAT) - 84	410	800,000	240,000
ANCHORAGE MISC. P.S. EAGLE RIVER	410	200,000	80,000
PETERSBURG WATER CLARIFICATION PROCESS IMP.	410	642,000	321,000
DILLINGHAM PHASE II SEWER IMPROVEMENTS	400	600,000	300,000
GALENA ALEXANDER LAKE AND GALENA W & S	400	8,600,000	4,300,000
HOMER SPIT SEWER LINE	400	5,750,000	2,875,000

FY 84 PROJECT FUNDING LIST

Projects listed alphabetically, then in descending order of priority, as expressed by City or Borough.

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST
HOUSTON	HOUSTON SANITARY LANDFILL	140,000	70,000
HYDABURG	WATER & SEWER UPGRADE -	4,500,000	2,250,000
JUNEAU	GOLD CREEK WATER SUPPLY	600,000	300,000
JUNEAU	MENDENHALL WASTEWATER TP EXPANSION	5,000,000	625,000
JUNEAU	THUNDER MOUNTAIN WATER SYSTEM	900,000	450,000
JUNEAU	SALMON CREEK CONNECTION	3,000,000	1,500,000
KAKE	CONTINUOUS LOOP WATER SUPPLY	255,610	122,305
KAKE	WATER SUPPLY EXT. TO PORTAGE COVE	616,055	308,027
KAKE	WATER SUPPLY TANK	250,000	125,000
KENAI	CANDELIGHT/LINWOOD/AURORA W&S	1,070,000	535,000
KENAI	EVERGREEN/HALLER WATER & SEWER	1,400,000	700,000
KENAI	SPRUCE/2d, 3d, 5th WATER & SEWER	500,000	250,000
KENAI	PRINCESS/CINDERELLA WATER & SEWER	1,200,000	600,000
KENAI	THOMPSON PARK WATER SYSTEM	700,000	350,000
KENAI PENINSULA BOROUGH	KENAI LANDFILL SLUDGE	50,000	25,000
KENAI PENINSULA BOROUGH	NINILCHIK LANDFILL	150,000	75,000
KETCHIKAN	SOLID WASTE INCINERATOR	3,701,000	1,438,719
KETCHIKAN	MENTAL HEALTH FACILITY W & S	186,800	34,600
KETCHIKAN	PARK AVE. REHAB. & UPGRADING	367,857	183,929
KETCHIKAN	HAWKINS-CARLANNA	306,644	90,717
KETCHIKAN	HEATH ADDITION	670,254	196,723
KETCHIKAN	WASHINGTON PARK ADDITION	1,200,000	303,408
KETCHIKAN	GRAHAM STREET WATER & SEWER	90,600	25,300
KETCHIKAN	CARLANNA ROAD EXTENSION W & S	250,000	75,000
KETCHIKAN PUBLIC UTILITIES	FAIRVIEW-JACKSON WATER TRANSMISSION	354,950	161,575
KETCHIKAN PUBLIC UTILITIES	KETCHIKAN LAKES PENSTOCK	1,506,300	20,787
KETCHIKAN PUBLIC UTILITIES	WASHINGTON SUBDIVISION 8" WATER	605,870	281,800
KING COVE	RAMS CREEK WATER AND SEWER	2,500,000	1,250,000
KLAWOCK	WATER & SEWER UPGRADE	1,500,000	750,000
KLAWOCK	HALF-MILE CREEK WATER	1,250,000	250,000
KLAWOCK	SOLID WASTE LANDFILL	150,000	50,000
KODIAK ISLAND BOROUGH	SERVICE DIST. #1 W & S IMPROVEMENTS	11,812,000	3,518,000
KODIAK ISLAND BOROUGH	KODIAK SOLID WASTE FACILITY	3,600,000	1,800,000
LARSEN BAY	LARSEN BAY WATER AND SEWER	370,000	120,000
MCGRATH	MCGRATH WATER SYSTEM	2,775,000	1,000,000

Projects listed alphabetically, then in descending order of priority, as expressed by City or Borough.

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST
ALEKNAGIK	SANITATION IMPROVEMENTS	1,500,000	750,000
ANCHORAGE	EAGLE RIVER SYSTEM INTER-TIES	550,000	220,000
ANCHORAGE	ABBOTT LOOP/TUDOR TO ABBOTT RD	1,400,000	560,000
ANCHORAGE	PW ROAD RELATED PROJECTS (WAT) - 83	500,000	200,000
ANCHORAGE	STATE DOTPF HWY REL PROJ (SEW)-83	500,000	200,000
ANCHORAGE	STATE DOTPF HWY. REL PROJ (WAT)-83	250,000	75,000
ANCHORAGE	PUBLIC WORKS RELATED SEWER 1983	470,000	141,000
ANCHORAGE	DOWLING RD. 16" WATER W81-13	226,100	100,950
ANCHORAGE	WINDEMERE SEWER S82-8	219,000	28,655
ANCHORAGE	10/11 ALLEY "N"-"P" ST. WAT. W82-11	112,300	21,940
ANCHORAGE	BROADMOOR 8" WATER W82-9	31,300	14,000
ANCHORAGE	MANOR ST. 8" WATER W82-13	145,000	28,328
ANCHORAGE	C-3 SEWER TRUNK S82-10	303,300	150,900
ANCHORAGE	KNIK INTERCEPTOR UPGRADE	1,800,900	589,550
ANCHORAGE	ZURICH LID 137 S82-12	264,000	117,900
ANCHORAGE	ROSEWOOD LID 138 S82-13	314,000	140,200
ANCHORAGE	ANTICIPATED LIDs - 83	4,000,000	1,600,000
ANCHORAGE	C-5-2 TRUNK 83	660,000	264,000
ANIAK	ANIAK COMMUNITY SEWER SYSTEM	1,500,000	500,000
BRISTOL BAY BOROUGH	NAKNEK SEWAGE FACILITY, STEP 3	5,403,000	1,014,900
BRISTOL BAY BOROUGH	SOLID WASTE DISPOSAL PROGRAM	1,149,610	574,805
CORDOVA	MORPAC PARALLEL LINE - WATER	120,000	60,000
CORDOVA	PHASE II B & C INTERCEPTOR	1,115,100	143,888
CORDOVA	SMALL BOAT HARBOR WATERLINE ADDIT	442,634	221,317
CRAIG	WATER & SEWER CONSTRUCTION	4,530,000	2,265,000
CRAIG/KLAWOCK	CRAIG/KLAWOCK W & S UPGRADE	10,250,000	5,125,000
DILLINGHAM	PHASE I WATER IMPROVEMENTS	96,000	48,000
DILLINGHAM	PHASE I SEWER IMPROVEMENTS	300,000	150,000
FAIRBANKS	NE WATER TRANSMISSION SYSTEM	3,960,000	1,980,000
FAIRBANKS	SLUDGE DISPOSAL FAC.,PHASE II	1,500,000	187,500
FAIRBANKS	NE INTERCEPTOR, PHASE II	3,000,000	1,500,000
FAIRBANKS	WATER TREATMENT PLANT EXPANSION	7,525,000	3,500,000
FAIRBANKS NORTH STAR BOROUGH	SITE IMPROVEMT PROGRAM/SOLID WASTE	1,025,000	724,000
HAINES	MUD BAY ROAD WATER LINE	70,000	35,000
HAINES	4TH AVE & MATHIAS WATER LINE IMP.	30,000	40,000
HAINES	HAINES CUTOFF-JONES PT RD WAT EXT	132,000	66,000
HAINES	MAJOR ROAD IMPROVEMENTS	200,000	100,000
HAINES	HIGHLAND ESTATES WATER IMPROVEMENTS	252,000	126,000
HOMER	COOPER SUBDIVISION SEWER	570,000	285,000
HOMER	DANVIEW WATER (MAIN TO HOME)	50,000	25,000
HOMER	MATTOX WATER & SEWER	125,000	62,500
HOMER	CITY VIEW WATER LINE	20,000	10,000
HOMER	PENNOCK WATER LINE	40,000	20,000

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FY 84 PROJECT FUNDING LIST

Projects listed alphabetically, then in descending order of priority, as expressed by City or Borough.

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST
SEWARD	TERMINAL ADDITION WATER & SEWER	3,125,314	1,562,657
SEWARD	DAIRY HILL WATER & SEWER	1,321,250	660,625
SITKA	ADDITIONAL WATER SOURCE	4,212,000	2,106,000
SITKA	SOLID WASTE DISPOSAL SYSTEM	4,396,000	1,362,850
SITKA	SITKA WATER STORAGE TANKS	2,405,000	1,186,500
SITKA	WHITCOMB HEIGHTS WATER & SEWER	1,440,000	720,000
SKAGWAY	LANDFILL	500,000	250,000
SOLDOTNA	REDOUBT AVE. W & S IMPROVEMENTS	375,125	187,562
SOLDOTNA	WATER RESERVOIR & TRANSMISSION	1,500,000	750,000
SOLDOTNA	WILSON LANE W & S IMPROVEMENTS	22,000	11,000
SOLDOTNA	BINKLEY ST. W & S IMPROVEMENTS	149,000	74,500
TANANA	CITY SEWER AND WATER PROJECT	743,000	371,500
UNALASKA	UNALASKA SEWAGE COLLECTION/TREATMNT	10,308,668	1,444,662
UNALASKA	WATER IMPROVEMENT PH IV/DIST LINE	10,069,688	5,034,844
VALDEZ	LANDFILL IMPROVEMENTS	200,000	100,000
VALDEZ	N. HARBOR, KENNICOT/S HARBOR DR W&S	1,200,000	600,000
VALDEZ	BLUEBERRY HILL W&S SERVICE EXT.	1,732,500	390,000
VALDEZ	DYLAN DRIVE WATER & SEWER	924,000	207,900
VALDEZ	ROBE RIVER SUBDIVISION - SEWERS	6,360,000	3,180,000
VALDEZ	OLD DUMP RECLAMATION	102,000	51,000
VALDEZ	SMALL BOAT HARBOR SEWAGE DUMP	130,000	65,000
WASILLA	WATER UTILITY EXTENSION	108,900	54,450
WRANGELL	EVERGREEN WATER & SEWER EXTENSION	2,092,000	1,046,000
WRANGELL	ZIMOVIA WATER MAIN EXTENSION	143,400	71,700
	GRAND TOTALS	232,808,079	99,081,188

FY 84 PROJECT FUNDING LIST

Projects listed alphabetically, then in descending order of priority, as expressed by City or Borough.

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST
METLAKATLA*	CHESTER LAKE HYDRO PROJECT	6,000,000	3,000,000
NEWHALEN	WATER FACILITIES	1,700,000	850,000
NEWHALEN	SEWAGE TREATMENT FACILITY	600,000	300,000
NEWHALEN	SOLID WASTE DISPOSAL SYSTEM	64,000	32,000
NOME	WATER SEWER PHASE II	9,000,000	4,500,000
NORTH POLE	CITY WATER TREATMENT PLANT	2,927,100	780,150
NORTH POLE	LAGOON EXPANSION PROJECT	3,782,350	1,897,175
NORTH SLOPE BOROUGH	ATQASUK WATER, PHASE I	8,466,000	4,233,000
NORTH SLOPE BOROUGH	ATQASUK SEWAGE DISPOSAL, PHASE I	4,918,000	2,459,000
NORTH SLOPE BOROUGH	POINT LAY WATER	6,842,000	3,421,000
NORTH SLOPE BOROUGH	POINT LAY SEWER	5,000,000	2,500,000
NORTH SLOPE BOROUGH	WAINWRIGHT WATER TANK	1,594,000	780,500
NORTH SLOPE BOROUGH	ANAKTUVUK PASS HLTH CLNC WAT/UTIL	1,000,000	500,000
NORTH SLOPE BOROUGH	KUPARUK WATER TREAT & DIST. SYSTEM	1,834,000	917,000
NORTH SLOPE BOROUGH	ANAKTUVUK PASS HLTH-CLNC SEW/UTIL	1,000,000	500,000
NORTH SLOPE BOROUGH	KUPARUK SEWAGE TRTMT DISCHARGE SYST	1,975,000	987,500
NORTH SLOPE BOROUGH	KUPARUK SOLID WASTE FACILITY	6,435,000	3,217,500
PETERSBURG	WATER STORAGE FACILITY	588,000	294,000
QUINHAGAK**	WATER TRUCK PURCHASE	85,000	42,500
SAND POINT	MEADOWS SUBDIVISION, PHASE I	3,735,600	1,867,800
SAXMAN	INDUSTRIAL PARKS WATER & SEWER	250,000	100,000
SAXMAN	SEWAGE TREATMENT UPGRADE	750,000	375,000
SAXMAN	REVILLA - EVERGREEN WATER	100,000	50,000
SAXMAN	REVILLA - EVERGREEN SEWER & WATER	150,000	75,000
SCAMMON BAY	WATER & SEWER	222,000	111,000

* Metlakatla, organized under Federal Law, is not recognized as an Alaskan municipality. As such, it is ineligible to receive a grant from ADEC under AS 46.03.030. It is, however, eligible to receive a direct appropriation from the Legislature.

** The City of Quinhagak has requested funds to purchase a water truck. An Attorney General's opinion prohibits the funding of water delivery or sewage collection vehicles from bond proceeds. The expenditures are allowable under General Fund Appropriation only.

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST
DIOMEDE	WATER LINE REPAIR	400,000	200,000
GALENA	ALEXANDER LAKE AND GALENA W & S	8,600,000	4,300,000
GAMBELL	SEWER & WATER	950,000	475,000
HOMER	KACHEMAK BAY WATER & SEWER	2,340,000	1,170,000
HOMER	SEWAGE TREATMENT PLANT EXPANSION	5,000,000	2,500,000
HOMER	BINOCULAR BLUFF WATER & SEWER	1,700,000	850,000
HOMER	MUNSON SUBDIVISION WATER & SEWER	565,000	282,500
HOMER	BENSON SUBDIVISION WATER & SEWER	550,000	275,000
HOMER	RANGEVIEW WATER LINE	45,000	22,500
HOMER	SPIT SEWER LINE	5,750,000	2,875,000
KENAI	NORTH SPUR/WILDWOOD WATER & SEWER	600,000	300,000
KENAI	KENAI SPUR SEWER BORE	50,000	25,000
KETCHIKAN PUBLIC UTILITIES	CAPE FOX PROJECT 12" WATER	260,580	121,200
KETCHIKAN PUBLIC UTILITIES	GRAVINA HEIGHTS WATER SYSTEM	1,493,400	694,600
KLAWOCK	SEWER SYSTEM UPGRADE	450,000	150,000
NORTH POLE	WATER & SEWER EXTENSION PHASE V	9,388,450	4,694,225
PETERSBURG	WATER CLARIFICATION PROCESS IMP.	642,000	321,000
PETERSBURG	SCOW BAY AREA WATER & SEWER EXT.	4,000,000	2,000,000
SEWARD	MARINE INDUSTRIAL CENTER	3,954,000	1,977,000
SKAGWAY	WATER TANK CONTROLS	40,000	20,000
UNALASKA	WATER IMPROVEMENT PHASE II (TRANS)	6,375,000	3,187,500
UNALASKA	WATER IMPROVEMENTS PH II-TREATMENT	562,500	281,250
UNALASKA	WATER IMPROVEMENTS PH II (STORAGE)	1,118,750	559,375
UNALASKA	WATER IMPROVEMENTS PH II-WELL FIELD	375,000	187,500
UNALASKA	WATER IMPROVEMENT PH III/TREATMENT	1,262,875	631,438
UNALASKA	WATER IMPROVEMENT PH III (STORAGE)	500,000	250,000
UNALASKA	WATER IMPROVEMENT PH III/TRANS LINE	750,000	375,000
UNALASKA	WATER IMPROVEMENT PH III/DIST. LINE	6,806,250	3,403,125
UNALASKA	UNALASKA LANDFILL	1,000,000	500,000
UNALASKA	PYRAMID VALLEY INTERCEPTOR	475,000	237,500
UPPER KALSKAG	WATER & SEWER SYSTEM	500,000	250,000
WALES	WATER & SEWER DISTRICT PROJECT	300,000	150,000
WASILLA	SEWAGE COLLECTION TREAT. & DISPOSAL	7,900,000	987,500
YAKUTAT	OCEAN CAPE RD. SPUR WATER EXTENSION	20,900	10,450
YAKUTAT	OCEAN CAPE ROAD WATER EXTENSION	59,600	29,800
	GRAND TOTALS	268,518,705	111,268,663

FY 85 PROJECT FUNDING LIST

Projects listed alphabetically, then in descending order of priority, as expressed by City or Borough.

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST
LAKANUK	SAFEWATER FACILITY UPGRADE	850,000	425,000
ELLAKAKET	SANITARY SEWERAGE IMPROVEMENTS	185,000	92,500
ANCHORAGE	SHIP CREEK WAT TREATMENT PLNT EXPAN	12,000,000	4,800,000
ANCHORAGE	EKLUTNA WATER SUPPLY PROJECT	98,000,000	39,200,000
ANCHORAGE	SOUTHEAST INTERCEPTOR JOY-DeAr 83/4	4,430,000	1,772,000
ANCHORAGE	WEST INTERCEPTOR PHASE II-83/4	14,000,000	5,600,000
ANCHORAGE	DISTRIBUTION RESERVOIR EAGLE RIVER	450,000	180,000
ANCHORAGE	MISC EAGLE RIVER WATERLINE UPGRADES	2,700,000	810,000
ANCHORAGE	EAGLE RIVER WATER INTERTIES	300,000	120,000
ANCHORAGE	ANTICIPATED WATER IMPRVMT DIST 1983	1,500,000	600,000
ANCHORAGE	PW ROAD RELATED PROJECTS (WAT) - 84	800,000	240,000
ANCHORAGE	WORONZOF CAPACITY AND OUTFALL 83/84	28,460,000	11,384,000
ANCHORAGE	PRODUCTION WELL #14	450,000	180,000
ANCHORAGE	BOOSTER STATION MULDOON AREA	620,000	248,000
ANCHORAGE	MISC NEW PRESSURE REDCG VALVES 83/4	250,000	100,000
ANCHORAGE	SPRUCE STREET/LORE ROAD TO 68TH AVE	320,000	128,000
ANCHORAGE	CHUGACH WAY/ARCTIC TO SPENARD RD	340,000	136,000
ANCHORAGE	WOODSTAVE LINE REPLACEMENT	510,000	153,000
ANCHORAGE	TELEMETERING PHASE III	375,000	150,000
ANCHORAGE	REPLACE "I" ST 10" /4TH TO 7TH AVE	140,000	42,000
ANCHORAGE	4TH AVE/GAMBELL TO "A" STREET	875,000	350,000
ANCHORAGE	DISTRIB RESERVOIR SECTION 16,	2,900,000	1,160,000
ANCHORAGE	ABBOTT ROAD WATER 1984	800,000	320,000
ANCHORAGE	ER-CH-EKLUTNA INT - 83/4	850,000	340,000
ANCHORAGE	REHAB 8TH AVE DIVERSION SEWER	125,000	37,500
ANCHORAGE	RABBIT CREEK PS & FM 83/4	1,305,000	522,000
ANCHORAGE	E-7 TRUNK - 83	1,000,000	400,000
ANCHORAGE	PUBLIC WORKS RELATED SEWER 1984	515,000	154,000
ANCHORAGE	STATE DOTPF HWY REL PROJ (SEW)-84	550,000	220,000
ANCHORAGE	PW ROAD RELATED PROJ (SEW) - 84	600,000	240,000
ANCHORAGE	PUBLIC WORKS RELATED WATER 1984	500,000	150,000
ANCHORAGE	ANTICIPATED LIDs 84	6,200,000	2,480,000
ANCHORAGE	WATER IMPROVEMENT DISTRICT 1984	950,000	380,000
ANCHORAGE	40TH AVE WATER "C" ST TO DENALI	185,000	74,000
ANCHORAGE	STATE DOTPF HWY REL PROJ (WAT)-84	250,000	75,000
ANCHORAGE	GOV'T HILL PRV SYSTEM - 1984	150,000	60,000
ANCHORAGE	WEST NORTHERN LIGHTS WATER	465,000	186,000
ANCHORAGE	"I" ST WATER 7TH TO 15TH	600,000	180,000
ANCHORAGE	WOODSTAVE WATER LINES 1984	450,000	135,000
ANCHORAGE	AMU WATER 1984	250,000	75,000
ANCHORAGE	C-7 TRUNK SEWER (1984)	1,700,000	680,000
ANCHORAGE	SPENARD ROAD WATER 1984	545,000	163,500
ANCHORAGE	EAST 15TH AVE WATER 1984	220,000	66,000
ANCHORAGE	MISC. P.S. EAGLE RIVER	200,000	80,000
ANCHORAGE	DEBARR 15TH AVE WATER 1984	480,000	192,000
CORDOVA	SEWER EXTENSION/COPPER RIVER HIWAY	1,671,000	835,500
CORDOVA	POWER CRK BOOSTER STAT ZONE II SYS	800,000	400,000
CORDOVA	POWER CREEK SEWERLINE	800,000	100,000
DILLINGHAM	PHASE III WATER IMPROVEMENTS	158,400	79,200
DILLINGHAM	PHASE IV WATER IMPROVEMENTS	360,000	180,000
DILLINGHAM	PHASE II SEWER IMPROVEMENTS	600,000	300,000

SB

17

COMMITTEE REPORT

SENATE

1/18/83

FURTHER: FINANCE

Return for fee

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SENATE BILL NO. 17

An Act making an appropriation to the Department of Revenue for financial assistance to municipalities; and providing for an effective date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

SENATE AMENDMENT

By Sen. Community & Regional Affairs Committee

To: _____ SENATE BILL No. 2K 17

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 13

DELETE: ~~1984~~)

ADD: 1983

SENATE AMENDMENT

BY Sen. Community & Regional Affairs Committee

To: _____ SENATE BILL No. XX 17

To: _____ HOUSE BILL No. _____

PAGE: LINE:

DELETE: (1984)

ADD: 1983

Introduced: 1/18/83
Referred: Community and Regional Affairs and Finance

Funding Information
General Fund $25,100,000
Other Funds -0-
$25,100,000

BY GILMAN, STURGULEWSKI, KELLY, P.FISCHER & V. FISCHER

IN THE SENATE

SENATE BILL NO. 17

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

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, 1983 1984.

* 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).

MUNICIPAL SUPPLEMENTAL - $28.6 MILLION

SB 17

"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	$71.4 million appropriated
FY 83	$96.5 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.

Quinn Chitwood
AML

tax return for household and dependent care services necessary for his gainful employment.

(c) The commissioner of revenue shall pay the amount of a tax credit allowed by this section to a resident individual who makes a return as provided in AS 43.20.012. A credit under this section shall be paid in the manner provided in AS 43.20.030(e) for the payment of refunds and payment may not be made without an appropriation for that purpose. (§ 2 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effect of amendments. — Section 9, ch. 1, SSSLA 1980 substituted "$100" for "$50" in the introductory language of subsection (a).

Effective dates. — Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's notes. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.015. Individual tax credit.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980.

Editor's notes. — The repealed section, derived from § 1, ch. 144, SLA 1978.

For legislative findings and purpose of repealing acts, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities.

(a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 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 organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section. A borough or city may not receive payment under (b) or (c) 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 a 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 cities and organized boroughs shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A 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.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080, however, if the amount appropriated to the fund by the legislature under (a) of this

section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local gover[illegible] which levy property taxes reduce those levies in reasonable [illegible] o the amount of increased state aid received by a local [illegible]. The governing body of each local government shall furnish [illegible] with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978; am § 1 ch 51 SLA 1981; am § ch 86 SLA 1982)

Effect of amendments. — The 1981 amendment added the fourth through seventh sentences of subsection (a).

The 1982 amendment substituted "30 percent" for "10 percent" in the second sentence of subsection (a).

Editor's notes. — Section 6, ch. 144, SLA 1978, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 [AS 43.70.020 — 43.70.120] which relates to the 1978 calendar year (including the $25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.20.017. Individual tax exemptions.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980.

Editor's notes. — The repealed section derived from § 1, ch. 22, SLA 1980.

For legislative findings and purpose of repealing acts, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

In Williams v. Zobel, Sup. Ct. Order (File Nos. 5400-5421), P.2d (Sept. 4, 1980), the supreme court held the tax exemption [AS 43.20.017] enacted by ch.

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 rates."

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 50%, 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.

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 544), 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.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

February 4, 1982

The Honorable Donald E. Gilman
Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Re: Senate Bill No. 612

Dear Mr. Chairman:

This Bill would amend AS 43.20.016(a) to increase the portion of net income tax proceeds from 10 percent to 30 percent that the Legislature may appropriate to the Municipal Assistance Fund. While the Administration believes that the methods of providing municipal assistance should be re-examined and overhauled (and will shortly be introducing legislation to that effect), the rationale in SB 612 for increasing this formula program from 10 to 30 percent is that legislation enacted last year significantly shifted State tax revenues from the oil and gas income tax to the oil and gas severance tax.

As a consequence that revenue shift between tax types, the amount of income taxes the State will collect in the future is materially reduced. For example, in FY 83, under the old oil and gas income tax laws, the revenue to the State would have been $1086.8 million (according to the Legislative Finance Division). Add this to the $35 million we project for the rest of the income tax, and the total income tax revenues the State would be receiving in FY 83 would have been $1121.8 million. With the new law, we foresee some $304 million in income tax in FY 83 from the oil industry and the same $35 million, making a total of $339.0 million.

You can see that the formulary 10 percent of the revenues under the old income tax laws would be $112.18 million, whereas with the new laws it is $33.90 million. If the 10 percent figure were changed to 30 percent, the formulary amount under the new income tax laws would be $101.70 million. Thus, if the formulary approach is the one that the State continues to follow (and bear in mind that the Administration believes there are better alternatives to provide for municipal revenue sharing), the increase in the percentage from 10 to 30 percent under SB 612 would very nearly restore the formulary amount of income that may be shared with the municipalities to the level it would have been had oil and gas tax revenues not been shifted away from the income tax to the severance tax .

I hope this will be useful for your Committee in its deliberations on SB 612. Please do not hesitate to contact me if you have any further questions on the foregoing matters.

Sincerely,

Thomas K. Williams
Commissioner of Revenue

TKW:tw

cc: Senator Ed Dankworth

SB 17

Report to Committee

At Tuesday's Committee hearing (1/25/83), some confusion arose over the source of the amount of the supplemental. After discussion with Vince Wright and Carol Bruce of the Department of Revenue, they now agree with the figures provided by Ginny Chitwood of the Alaska Municipal League. Commissioner Donahue is in Anchorage, but they have consulted with him, and he also concurs.

The document provided to the Senate C&RA Committee last session by the Department of Revenue, on which Ms. Chitwood based her figures, is attached.

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AML 1983 POLICY PRIORITIES

SB 17

Municipal Supplemental. The League supports the supplemental appropriation of (a) $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 (b) $3.5 million FY 83 Section 89 State Revenue Sharing for roads, health facilities and hospitals, and volunteer fire departments 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 aforementioned supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting their 1983 mill levies.

Educational Supplemental. The League urges the approval of a $33.7 million education supplemental for FY 83 because of costs connected with the state take-over of BIA schools, unprecedented increases in school population throughout the state, and unanticipated reductions in the public school foundation program funding last year, and urges the approval of a $12 million supplemental to fund the shortfall in the school construction reimbursement fund

Consolidation of Municipal Assistance and Revenue Sharing. The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing programs with adequate and predictable funding so that municipalities can continue to provide important needed services while holding down local taxes.

SB 21 & SB 15

Water/Sewer/Solid Waste Construction Grants Program. The League strongly endorses the concept of the state paying at least 75% for sewerage, solid waste facilities, and water systems constructed by municipalities under the State of Alaska Construction Grants Program and that the replacement of out-moded systems be grant eligible in the same manner as the installation of the new systems. The League strongly supports appropriation levels to meet statewide needs, including a supplemental appropriation of $28 million.

Fiscal Notes/State Mandates. The League supports enactment of legislation requiring preparation of notes assessing the fiscal impact on local governments of any proposed bill or regulation, including pass-through grants. 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.

MUNICIPAL SUPPLEMENTAL - $28.6 MILLION

SB 17

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Title 29 Revisions. The League encourages the Governor and Legislature to recognize the significance of the effort to revise Title 29 and the importance of maintaining this legislation in a basic form and of ensuring that the legislation contain only the fundamental elements and guidelines for a basic municipal code. The League requests other proposals which would constitute major 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.

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.

Subdivision Ordinance Compliance. 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.

SB
21

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/13/83

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIR has had SENATE BILL NO. 21

An Act relating to grants for water supply, sewerage and solid waste facilities; and aff. 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)

[X] replace with CS for SENATE BILL NO. 21 [X] same title [ ] new title

and recommends DO PASS

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

(Do Pass)
CHAIRMAN

S 60 (Rev. 12/78)

(f) The department shall make a grant to a municipality or unincorporated community to supplement revenues to assist in the payment of operation and maintenance costs for a village safe water and sewer facility.

* Sec. 5. AS 46.03.900(19) is amended to read:

(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 ~~water delivery and~~ honey bucket collection vehicles if the vehicles are determined by the department to be cost effective compared with conventional water supply and sewage collection systems and facilities for the maintenance and storage of those vehicles;

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10-070(c).

SB 253 (CONTINUED)

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
			RULES				

SB 254 AN ACT RELATING TO THE ALASKA STATE EDUCATIONAL INCENTIVE GRANT PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: PARR

CO-SPONSORS: KELLY STIMSON

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
03/09/81	01	0398	FIRST READING -- COMMITTEE REPORTS				
** 04/23/81	02	0848	HESS -- DP(AM)04, NR01				
			FINANCE				
			RULES				

SB 255 AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF EDUCATION, ALASKA COMMISSION ON POSTSECONDARY EDUCATION FOR THE ALASKA STATE EDUCATIONAL INCENTIVE GRANT PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: PARR

CO-SPONSORS: KELLY STIMSON

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
03/09/81	01	0399	FIRST READING -- COMMITTEE REPORTS				
** 04/23/81	02	0849	HESS -- DP04, NR01				
			FINANCE				
			RULES				

SB 252 AN ACT RELATING TO GRANTS FOR WATER SUPPLY, SEWERAGE AND SOLID WASTE FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: RCS CS*(FIN)AM H

PRIME SPONSORS: KERTTULA

CO-SPONSORS: KELLY

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
03/09/81	01	0398	FIRST READING -- COMMITTEE REPORTS
04/09/81	02	0696	C&RA -- C&RA CS(AM)04
04/28/82	03	1077	FIN -- CS05
04/28/82	04	1077	FISCAL NOTE EQUALS ZERO
04/28/82	05	1077	ANALYSIS SEN SUPPL #38
05/03/82	06	1117	RLS -- OTHER03
			TAKEN UP IMMEDIATELY
05/03/82	07	1118	SECOND READING
05/03/82	08	1118	FIN CS ADOPTED BY UNAN CONSENT
05/03/82	09	1118	ADVANCED TO 3RD READING BY UNAN CONSENT
05/03/82	10	1118	THIRD READING
05/03/82	11	1119	PASSED BY DIV 18-00-02
05/03/82	12	1119	EFFECTIVE DATE VOTE SAME AS PASSAGE
05/26/82	27	1548	CONCURRED IN HOUSE AMS BY DIV 20-00-00
05/26/82	28	1548	EFFECTIVE DATE VOTE SAME AS PASSAGE
05/29/82	29	1621	TRANSMITTED TO GOVERNOR
** 06/16/82	30	1759	VETOED BY GOVERNOR

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
05/03/82	13	1630	FIRST READING -- COMMITTEE REPORTS
05/14/82	14	1864	C&RA -- CS03
05/15/82	15	1883	FIN -- CS08
05/18/82	16	1947	POSTPONED UNTIL 05/19/82 BY UNAN CONSENT
05/19/82	17	1961	POSTPONED UNTIL 05/20/82 BY UNAN CONSENT
05/20/82	18	1973	POSTPONED UNTIL 05/24/82 BY DIV 23-10-07
05/24/82	19	2009	POSTPONED UNTIL 05/25/82 BY UNAN CONSENT
05/25/82	20	2033	SECOND READING
05/25/82	21	2034	FIN CS ADOPTED BY UNAN CONSENT
05/25/82	22	2035	AM01 ADOPTED BY UNAN CONSENT
05/25/82	23	2035	ADVANCED TO 3RD READING BY UNAN CONSENT
05/25/82	24	2035	THIRD READING
05/25/82	25	2035	PASSED BY DIV 32-05-03
05/25/82	26	2035	EFFECTIVE DATE VOTE SAME AS PASSAGE

~~SB 253 AN ACT MAKING A SPECIAL APPROPRIATION TO THE MATANUSKA-SUSITNA BOROUGH FOR THE PLANNING AND CONSTRUCTION OF A COMMUNITY OWNED SPORTS COMPLEX; AND PROVIDING FOR AN EFFECTIVE DATE~~

~~PRIME SPONSORS: KERTTULA~~ ~~BY REQUEST~~

~~DATE SEQ. NO. JOURNAL PAGE SENATE ACTION~~ ~~DATE SEQ. NO. JOURNAL PAGE HOUSE ACTION~~

~~03/09/81 01 0398 FIRST READING -- COMMITTEE REPORTS~~
~~** 05/11/81 02 1025 C&RA -- CS01 NR02~~
~~FIN ICE~~

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 and land acquisition, or costs related to operation, maintenance, repair or replacement of a project. 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.

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.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

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

Position Paper

Re: SB 21

Sponsor: Senator Kerttula

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 distribution systems and for sewage collection, treatment amd discharge facilities and solid waste processing or 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. Retention of a significant level of local participation ensures that projects are genuine local priorities. This program has been one of most efficient capital assistance programs administered by the State.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 21
Title "An Act Relative to Grants for Water Supply, Sewerage and Solid Waste"
Requested by Senate, Kertulla Date January 17, 1983

II. FISCAL DETAIL
Agency Affected Department of Environmental Conservation
Program Category Affected NRMEC
BRU, Program, Or Subprogram(s) Affected Facility Construction and Operation
(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						

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)

The fiscal impact of this bill depends solely upon the size of the appropriation and can be limited to whatever the Legislature wishes. For example,, if the Legislature wishes to fund the same number of projects as could previously be funded with a $30 million appropriation and a 50% matching requirement it will require an additional $15 million under the 25% match requirement. However, the Legislature may choose to hold the level of the appropriation at $30 million and fund less projects.

IV. DATE January 24, 1983 PREPARED BY Keith Kelton
AGENCY ADEC
Original: Legislative Finance PHONE 465-2610
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/82) OMB-Budge Review: Reviewed by Eric Laschever

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL 252

Title "relating to grants for water supply, sewerage and solid waste facilities"

Requested by Kertulla and Kelly Date March 9, 1981

II. FISCAL DETAIL

Agency Affected Department of Environmental Conservation

Program Category Affected NPMEC

BRU, Program or Subprogram(s) Affected Facility Construction & Operation Section *

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.) *Municipal Grants Program

EXPENDITURES (Thousands of Dollars)

Estimated on 8% increase per year

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	NA	NA	91.3	98.6	106.5	115.0
200	TRAVEL	NA	NA	14.0	15.1	16.3	17.6
300	CONTRACTUAL	NA	NA	8.0	8.6	9.3	10.1
400	COMMODITIES	NA	NA	0.5	0.5	0.6	0.6
500	EQUIPMENT	NA	NA	2.5	---	---	---
600	LAND & STRUCTURES	NA	NA	---	---	---	---
700	GRANTS, CLAIMS, ETC.	NA	NA	20000.0	40,000.0	43,200.0	46,656.0
	TOTAL			20,116.3	40,122.8	43,332.7	46,799.3

FUNDING (Thousands of Dollars)

GENERAL FUND			20,116.3	40,122.8	43,332.7	46,799.3
FEDERAL FUNDS	NA	NA	---	---	---	---
OTHER (Specify Fund Source)	NA	NA	---	---	---	---
	NA	NA				

POSITIONS

FULL TIME	NA	NA	2.0	2.0	2.0	2.0
PART TIME	NA	NA	1.0	1.0	1.0	1.0
TEMPORARY	NA	NA	NA	---	---	---

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note details the costs associated with hiring two new engineers (environmental engineers II and III) and converting an existing half time clerk typist II position to full time (PCN 18-7281). It is estimated that these additional staff will be required to handle the increased number of grants that will result from 75% funding. It may also be necessary to increase our level of effort on some projects, since smaller communities will not be applying for grants. Many of these communities do not have the expertise to administer engineering and construction contracts and may rely on the Department for assistance. There may also be a corresponding decrease in the level of effort now devoted to EPA projects. If this occurs, it may not be necessary to fill both engineering positions.

The $20.0 million estimate for additional grant funding in FY 82 will need to be considered as an appropriation if funds are to be available. For subsequent years program funding may be provided through either bond issues appropriations or a combination of the two sources. For subsequent years we also recommend that any additional program expenditures be financed as a capital improvement program with funding coming from either the bond issues or the appropriation.

IV. DATE March 23 1981 PREPARED BY KEITH KELTON

AGENCY Department of Environmental Conservation

PHONE 465-2610

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

ATTACHMENT A

CALCULATION OF INCREASED FUNDING REQUIREMENTS

1980 - Total State grant obligation	$20.5 M
1980 - State matching grant obligations for EPA projects	4.0 M
1980 - State only grant obligations	16.5 M

EFFECT OF 75 PERCENT FUNDING ON STATE GRANT OBLIGATIONS

$16.5 M X $\frac{\text{75\% funding level}}{\text{50\% funding level}}$ = $24.75 M

EFFECT OF EPA FUNDING REDUCTIONS ON STATE GRANT OBLIGATIONS

Maximum future EPA funding estimated at $12.0 M/year
Present EPA funding average is $17.0 M/year

State Increase Required	=	$17.0 - $12.0	=	5.0 M
State Match	=	$12.0 X 12.5%	=	1.5 M
				$ 6.5 M

EFFECT OF SOLID WASTE GRANTS ON STATE GRANT OBLIGATIONS

Estimated annual demand for solid waste grants = $ 6.0 M

TOTAL FUNDING REQUIREMENTS

75% funding effect	=	$24.75 M
EPA funding reduction effect	=	6.50 M
Solid waste grants effect	=	6.00 M
Total estimated annual needs based on 1980 rates	=	$37.25 M

ADJUSTMENT FOR 10 PERCENT ANNUAL INFLATION

$37.25 X 1.1 = $40.975 M

Assume minimum FY 1982 funding requirement of $41.0 M

ESTIMATED UNOBLIGATED BOND FUND BALANCE AT JULY 1, 1981

$27.2 M - $6.2 M = $21.0 M Balance

ESTIMATED ADDITIONAL NEEDS FOR FY 82

$41.0 M - $21.0 M = $20. M Increased Appropriati

Alaska MUNICIPAL League

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AML 1983 POLICY PRIORITIES

SB.17

Municipal Supplemental. The League supports the supplemental appropriation of (a) $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 (b) $3.5 million FY 83 Section 89 State Revenue Sharing for roads, health facilities and hospitals, and volunteer fire departments 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 aforementioned supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting their 1983 mill levies.

Educational Supplemental. The League urges the approval of a $33.7 million education supplemental for FY 83 because of costs connected with the state take-over of BIA schools, unprecedented increases in school population throughout the state, and unanticipated reductions in the public school foundation program funding last year, and urges the approval of a $12 million supplemental to fund the shortfall in the school construction reimbursement fund

Consolidation of Municipal Assistance and Revenue Sharing. The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing programs with adequate and predictable funding so that municipalities can continue to provide important needed services while holding down local taxes.

SB 21 & SB 15

Water/Sewer/Solid Waste Construction Grants Program. The League strongly endorses the concept of the state paying at least 75% for sewerage, solid waste facilities, and water systems constructed by municipalities under the State of Alaska Construction Grants Program and that the replacement of out-moded systems be grant eligible in the same manner as the installation of the new systems. The League strongly supports appropriation levels to meet statewide needs, including a supplemental appropriation of $28 million.

Fiscal Notes/State Mandates. The League supports enactment of legislation requiring preparation of notes assessing the fiscal impact on local governments of any proposed bill or regulation, including pass-through grants. 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.

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.

Title 29 Revisions. The League encourages the Governor and Legislature to recognize the significance of the effort to revise Title 29 and the importance of maintaining this legislation in a basic form and of ensuring that the legislation contain only the fundamental elements and guidelines for a basic municipal code. The League requests other proposals which would constitute major 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.

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.

Subdivision Ordinance Compliance. 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.

SB
37

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 3, 1983

POSITION PAPER

RE: SB 37

SPONSOR: Senator Sackett

Program Effects

Presently Native Village Governments receive $25,000 per community and municipalities are entitled to a minimum entitlement of $25,000 plus a cost-of-living adjustment. This bill would increase the entitlement to both Native Village Governments and municipalities up to $100,000 plus a cost-of-living adjustment. The bill also provides that each municipality and Native Village Government receive basic assistance which would hold them harmless at the level of State Revenue Sharing and Municipal Assistance they received for FY 82. The Municipal Assistance Program found in AS 43.20.016 is repealed.

Comments

The Department is very much in favor of ensuring the equal treatment of all Alaska communities in the areas of providing financial aid. We believe the basic purpose of SB37 is to achieve that end, and we support that intent.

Specifically however, we do wish to point out two areas within the language of the bill which are of some concern to us.

The suggested increase for Native Village Governments from the $25,000 they now receive to $100,000 plus an area cost-of-living differential would make their entitlement equal to the minimum entitlement nearly all second class cities would receive under this bill.

Second class cities are required under Title 29 to meet certain legal resposibilities, i.e. conducting annual elections, holding regular council meetings, preparing budgets and financial statements and passing and codifying ordinances under public scrutiny. Since state law requires those municipalities to expend local funds to pay for those activities, it would seem fair that additional state financial aid should be provided to offset those local costs.

A second, and minor concern of the Department is the use of the term "Native Village Government". Considering the Attorney General's opinion (File No. J-66-829-81) of 1981 and the controversy which has centered around that term in recent years, the Department suggests a term such as "Unincorporated Community", or similar language be substituted.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 37 Date on Bill: January 18, 1983
Title: "relating to State Aid to Municipalities and other recipients"
Sponsor: Senator Sackett and Ferguson
Requestor: Senate 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 DID NOT IDENTIFY source of funds for this bill.

3. Assumptions:

Present Revenue Sharing staff would be able to administer this program.

Full funding of this program would cost $154,228,500 for FY'84.

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 L. Earley Phone: 465-4730
Division: Local Government Assistance Date: 3/3/83

Approved by Commissioner: Date: 3/7/83
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: CSSB # 37 (C & RA) Date on Bill: March 8, 1983
Title: An Act relating to aid for municipalities and other recipients
Sponsor: Senators Sackett and Ferguson
Requestor: Senate C & RA Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating				27.5				
Total				27.5				

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:
Sponsor did not indicate.

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: Doug Griffin Doug Griffin Phone: 465-4707
Division: Local Government Assistance Date: March 8, 1983

Approved by Commissioner: [signature] Date: 3/8/83
Department: Community and Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

CSSB (C & RA)

Financial Analysis:

Travel	$ 2,500.
Contracted Services	25,000.
TOTAL	$ 27,500.

$25,00 is requested for FY 84 to allow the Division of Local Government Assistance to place the combined State Revenue Sharing/Municipal Assistance on its computer system to allow rapid access to and manipulation of the information used to compute entitlements.

A small increase in travel is requested to allow State Revenue Sharing staff to attend meetings of local officials, conduct public hearings on regulations and other matters, and to provide better information and outreach.

FY 83 Provisional run ~~to~~ to Compute 40% of entitlement for request "provisional final payments"

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS — FEBRUARY 22, 1983

L APPROPRIATION = $55,721,000
EP 88 APPROPRIATION = $34,913,800
EP 89 APPROPRIATION = $14,061,200
EP 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 7.63984314223600
CHAPTER 89 PRORATION FACTOR = 0.80852687564717
CHAPTER 90 PRORATION FACTOR = 1.00000000000000
MINIMUM ENT. PRORATION FACTOR = 0.96292260550203
HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPLATION	MILL RATE EQV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
SHS AND SERVICE AREAS							
ANCHORAGE A.W.	204,216	3.98	$5,516,979	$3,980,219	$0	$0	$9,397,099
CITY S.A.	76,924	0.00	$111	$0	$0	$318,943	$319,055
EAGLE RIVER	8,225	0.71	$43,386	$131,815	$0	$0	$175,202
CHUGIAK	5,564	0.62	$25,489	$0	$0	$10,848	$36,338
GIRDWOOD	790	0.29	$1,724	$21,272	$0	$0	$22,997
GLEN ALPS	271	2.13	$4,242	$21,373	$0	$0	$25,616
FIRE S.A.	187,794	1.10	$1,520,059	$0	$0	$0	$1,520,059
ROADS & DRAINAGE	166,269	1.32	$1,615,665	$0	$0	$0	$1,615,665
LIMITED ROAD S.A.	10,908	0.01	$1,342	$0	$0	$0	$1,342
POLICE S.A.	182,860	1.76	$2,376,516	$0	$0	$0	$2,376,516
PARKS & REC	187,712	0.55	$764,226	$0	$0	$109,884	$874,111
P & R/CHUGIAK	14,977	0.62	$68,832	$0	$0	$0	$68,832
SOLID WASTE S.A.	189,444	0.25	$354,326	$0	$0	$0	$354,326
CHUGIAK/SOLID WASTE	14,977	0.06	$7,375	$0	$0	$0	$7,375
BUILDING SAFETY	187,654	0.37	$519,854	$0	$0	$0	$519,254
CITY SA ROADS & DRAINAGE	76,924	0.00	$2,284	$0	$0	$25,300	$28,135
SERVICE AREA 35	166,269	0.34	$426,772	$0	$0	$0	$426,772
UPPER O'MALLEY	1	0.00	$0	$29,669	$0	$0	$29,669
PORT OF ANCH.	204,216	0.45	$682,992	$0	$0	$0	$682,992
ROADS	1	0.00	$0	$179,972	$0	$0	$179,972
AIRPORT S. A.	204,216	0.01	$27,339	$0	$0	$0	$27,339
PUBLIC TRANSIT	204,216	0.13	$209,573	$0	$0	$0	$209,573
PARKING S.A.	204,216	0.15	$237,213	$0	$0	$0	$237,213
TOTAL			$14,406,809	$4,284,323	2,227,626 87 2,036,697 10		$19,136,109
BRISTOL BAY BOROUGH	1,271	23.49	$219,329	$19,063	$0	$0	$238,393
FAIRBANKS BOROUGH	58,721	5.59	$2,295,350	$294,267	$0	$0	$2,589,617
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

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1983

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NAME	POPLATION	MILL RATE EQV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
GHS AND SERVICE AREAS							
TOTAL			$2,295,350	$294,267			$2,707,581
HAINES BOROUGH	1,847	6.43	$87,349	$0	$0	$0	$87,349
FIRE DISTRICT	1	0.00	$0	$0	$0	$0	$0
TOTAL			$87,349	$0			$87,349
JUNEAU BOROUGH A.W.	22,023	9.22	$1,488,150	$388,704	$0	$0	$1,876,854
S.A. 1	6,649	12.37	$604,592	$28,720	$0	$0	$633,313
S.A. 2	1,960	6.99	$100,730	$10,253	$0	$0	$110,983
S.A. 3	374	18.63	$51,189	$80,994	$0	$0	$132,183
S.A. 4	2,510	0.60	$11,141	$0	$0	$791	$11,933
S.A. 5	16,715	1.67	$205,048	$0	$0	$0	$205,048
S.A. 6	1,078	0.87	$6,893	$0	$0	$0	$6,893
S.A. 7	594	0.64	$2,806	$0	$0	$0	$2,806
S.A. 8	704	0.25	$1,322	$0	$0	$2,974	$4,297
TOTAL			$2,471,876	~~$509,672~~	468,732 / 59,940	29 / 10	$2,984,314
KENAI PENINSULA BOROUGH	32,303	3.25	$772,889	$984,362	$0	$0	$1,757,252
CENTRAL PENINSULA HOSPITAL	19,477	0.73	$99,761	$758,275	$0	$0	$858,037
NIKISKI F.P.	3,618	1.72	$45,802	$0	$0	$0	$45,302
SOUTH PENINSULA HOSPITAL	6,977	2.72	$139,537	$217,250	$0	$0	$356,787
NORTH KENAI REC.	2,713	28.47	$567,537	$0	$0	$0	$567,537
BEAR CREEK F.P.	774	3.28	$18,700	$0	$0	$0	$15,700
TOTAL			$1,644,228	$1,959,889	1415 864 / 544,025		$3,604,117
KETCHIKAN BOROUGH	12,431	6.43	$585,182	$0	$0	$0	$585,182
SHORELINE S.A.	560	0.66	$2,725	$0	$0	$2,547	$5,273

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS FEBRUARY 22, 1983

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GHS AND SERVICE AREAS								
TOTAL			$587,908	$0				$590,455
KODIAK ISLAND BOROUGH	12,714	5.43	$507,883	$403,217	$0		$0	$911,100
FIRE DISTRICT I	2,212	3.25	$52,832	$0	$0		$0	$52,832
SERVICE DISTRICT	1	0.00	$0	$0	$0		$0	$0
ROAD DISTRICT	546	3.00	$12,053	$32,587	$0		$0	$44,640
TOTAL			$572,768	$435,804				$1,008,573
MAT-SU BOROUGH	26,002	6.04	$1,124,684	$0	$0		$0	$1,124,684
WASILLA F.P.	3,432	1.32	$33,416	$0	$0		$0	$33,416
BUTTE F.P.	1,950	0.64	$9,200	$0	$0		$10,298	$19,499
GREATER PALMER F.P.	2,288	0.48	$8,070	$0	$0		$19,747	$27,818
SUTTON F.P.	623	2.62	$12,031	$0	$0		$0	$12,031
NON AREA-WIDE	20,360	0.55	$83,616	$0	$0		$0	$83,616
TALKEETNA FLOOD S.A.	181	0.12	$165	$0	$0		$0	$165
TALKEETNA F.P.	415	1.36	$4,165	$0	$0		$0	$4,165
GARDEN TERRACE	130	0.07	$33	$0	$0		$0	$33
MIDWAY	1	0.00	$0	$1,399,269	$0		$0	$1,399,269
LAKES F.P.	2,158	2.50	$39,705	$0	$0		$0	$39,705
TOTAL			$1,313,089	$1,399,269				$2,744,405
NORTH SLOPE BOROUGH	7,552	14.92	$827,324	$262,106	$0		$0	$1,089,931
SITKA BOROUGH	8,221	11.35	$715,866	$297,263	$0		$0	$1,013,129
T CLASS CITIES								
BARROW	2,582	4.05	$85,763	$0	$0		$0	$85,763
CORDOVA	2,241	14.93	$244,215	$276,307	$0		$0	$520,522
CRAIG	604	23.10	$102,532	$29,285	$0		$0	$131,818

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FEBRUARY 22, 1983

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CLASS CITIES							
DILLINGHAM	1,941	19.07	$258,011	$29,979	$0	$0	$287,991
FAIRBANKS	25,747	10.21	$1,931,140	$2,017,858	$0	$0	$3,948,998
GALENA	944	17.07	$105,831	$26,930	$0	$0	$132,761
HAINES	1,079	21.90	$173,590	$23,984	$0	$0	$197,574
HOMER	2,897	10.17	$216,438	$40,082	$0	$0	$256,521
HOONAH	363	6.11	$38,320	$8,702	$0	$17,554	$65,077
HYDABURG	412	0.00	$0	$6,398	$17,876	$0	$24,274
KAKE	631	4.17	$19,331	$13,610	$0	$0	$32,942
KENAI	5,231	14.87	$569,904	$116,142	$0	$0	$686,047
KETCHIKAN	7,777	19.99	$1,142,351	$301,892	$0	$0	$1,444,244
KING COVE	523	36.10	$138,707	$16,452	$0	$0	$155,159
KLAWOCK	433	11.59	$36,859	$3,410	$0	$0	$40,270
KODIAK	5,873	20.08	$866,625	$31,892	$0	$0	$898,518
NENANA	540	14.09	$55,903	$35,929	$0	$0	$91,832
NOME	3,430	11.35	$285,996	$373,617	$0	$0	$659,613
NORTH POLE	934	4.75	$32,616	$125,069	$0	$0	$157,685
PALMER	2,524	6.96	$129,106	$251,174	$0	$0	$380,281
PELICAN	165	23.18	$31,509	$9,341	$0	$0	$40,851
PETERSBURG	3,040	22.47	$501,953	$249,352	$0	$0	$751,306
SAND POINT	797	20.56	$120,406	$33,322	$0	$0	$153,728
SAINT MARY'S	442	37.87	$122,965	$30,293	$0	$0	$153,258
SELDOVIA	510	11.15	$41,774	$20,443	$0	$0	$62,218
SEWARD	1,828	46.52	$624,765	$389,204	$0	$0	$1,013,970
SKAGWAY	790	11.00	$63,873	$27,590	$0	$0	$91,463
SOLDOTNA	3,008	13.96	$308,662	$53,834	$0	$0	$362,497
TANANA	485	1.23	$4,394	$89,083	$0	$0	$93,477
UNALASKA	1,922	25.76	$363,800	$108,690	$0	$0	$472,490
VALDEZ	3,694	6.33	$171,976	$297,938	$0	$0	$469,814
WRANGELL	2,376	16.57	$285,781	$238,565	$0	$0	$524,350
YAKUTAT	462	7.87	$26,713	$14,143	$0	$0	$40,856
3D CLASS CITIES							
AKHIOK	103	0.29	$224	$8,690	$17,291	$0	$16,209

546,814 / 1,421,041 = 38.48%

293,605 / 8,421 = 3487%

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1983

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D CLASS CITIES							
AKIACHAK	451	0.00	$0	$30,636	$2,817	$8,184	$41,638
AKIAK	229	0.00	$0	$12,193	$20,528	$0	$32,722
AKOLMIUT	353	0.38	$2,305	$81,544	$0	125,325	$109,175
AKUTAN	198	18.36	$25,363	$0	$5,739	$0	$31,101
ALAKANUK	546	2.21	$9,897	$32,563	$0	$3,332	$44,793
ALEKNAGIK	232	1.66	$2,831	$28,987	$357	$0	$32,176
ALLAKAKET	169	0.00	$0	$11,244	$22,651	$0	$33,895
AMBLER	202	1.96	$2,916	$23,669	$7,770	$0	$34,356
ANAKTUVUK PASS	250	0.00	$0	$0	$0	$0	$0
ANDERSON	521	1.49	$5,724	$16,810	$11,567	$0	$34,102
ANGOON	562	3.47	$14,378	$17,573	$0	$6,816	$38,768
ANIAK	351	0.00	$0	$81,943	$0	$0	$81,943
ANVIK	115	3.71	$3,138	$8,995	$21,678	$0	$18,269
ATMAUTLUAK	236	1.34	$2,333	$8,683	$21,623	$3,759	$36,400
BETHEL	3,681	21.40	$578,872	$232,563	$0	$0	$811,435
BREVIG MISSION	134	0.00	$0	$8,995	$24,817	$0	$33,912
BUCKLAND	217	3.64	$5,806	$0	$27,672	$0	$33,479
CHEFORNAK	244	3.32	$5,966	$8,670	$17,954	$0	$22,627
CHEVAK	513	2.00	$7,537	$11,515	$13,643	$0	$32,696
CHUATHBALUK	124	10.16	$9,262	$30,359	$0	$0	$39,622
~~CLARKS POINT~~	80	0.00	$0	$0	$0	$0	$0
~~COLD BAY~~	250	0.00	$6	$0	$31,095	$0	$31,101
DEERING	158	5.23	$6,075	$10,625	$17,171	$0	$33,873
DELTA JUNCTION	1,044	0.19	$1,461	$32,976	$0	$8,425	$42,863
DIOMEDE	134	3.99	$3,932	$0	$27,169	$0	$31,101
EAGLE	142	0.39	$411	$6,290	$21,393	$0	$28,095
EEK	235	2.43	$4,210	$8,670	$19,710	$0	$32,591
EKWOK	78	2.31	$1,614	$5,356	$21,440	$0	$31,411
ELIM	205	1.73	$2,618	$13,494	$17,868	$0	$33,981
EMMONAK	581	11.67	$49,831	$30,103	$0	$0	$55,304
FORT YUKON	624	4.64	$21,319	$47,015	$0	$5,145	$73,480

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS FEBRUARY 22, 1983

L APPROPRIATION = $55,721,000
ER 88 APPROPRIATION = $34,913,800
ER 89 APPROPRIATION = $14,061,200
ER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 7.63984314223600
CHAPTER 89 PRORATION FACTOR = 0.80852687564717
CHAPTER 90 PRORATION FACTOR = 1.00000000000000
MINIMUM ENT. PRORATION FACTOR = 0.96292260550203
HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPLATION	MILL RATE EQV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
D CLASS CITIES							
FORTUNA LEDGE	260	0.00	$0	$23,844	$9,309	$0	$33,154
CAMPBELL	432	4.05	$12,881	$0	$20,597	$0	$33,479
GOLOVIN	112	0.00	$0	$40,198	$0	$0	$40,198
GOODNEWS BAY	173	0.00	$0	$10,702	$21,963	$0	$32,666
GRAYLING	211	0.00	$0	$27,267	$7,222	$0	$34,490
HOLY CROSS	243	0.00	$0	$20,239	$13,989	$0	$34,229
HOOPER BAY	651	2.70	$12,937	$0	$19,332	$0	$32,269
HOUSTON	819	0.00	$6	$66,840	$0	$0	$66,847
HUGHES	74	0.00	$0	$0	$0	$0	$0
HUSLIA	241	0.19	$348	$58,751	$0	$0	$59,100
KACHEMAK	287	1.32	$2,785	$0	$23,088	$0	$25,873
KAKTOVIK	214	0.15	$242	$0	$33,236	$0	$33,479
KALTAG	245	0.00	$0	$14,617	$19,403	$0	$33,334
KASAAN	70	0.14	$73	$6,458	$17,744	$0	$24,276
KIANA	363	1.38	$5,020	$16,641	$12,434	$0	$34,096
KIVALINA	253	1.09	$2,030	$0	$31,448	$0	$33,479
KOBUK	64	0.00	$0	$8,995	$24,817	$0	$33,812
KOTLIK	347	2.34	$5,980	$8,670	$17,940	$0	$32,591
KOTZEBUE	2,464	7.31	$141,502	$52,764	$0	$0	$194,266
KOYUK	183	1.15	$1,555	$14,027	$18,416	$0	$28,217
KOYUKUK	99	0.00	$0	$0	$0	$0	$0
KUPREANOF	54	0.00	$0	$0	$24,938	$0	$24,938
KWETHLUK	467	2.05	$7,045	$8,670	$16,875	$0	$32,591
LARSEN BAY	180	1.00	$1,330	$0	$24,542	$0	$25,873
LOWER KALSKAG	260	0.00	$0	$79,588	$0	$3,952	$##,###,###
MANOKOTAK	299	0.00	$0	$0	$0	$0	$0
MCGRATH	497	6.70	$24,486	$41,688	$0	$0	$66,175
MEKORYUK	179	2.35	$3,078	$8,670	$20,842	$0	$32,591
MOUNTAIN VILLAGE	601	6.28	$27,759	$66,926	$0	$0	$94,685
NAPAKIAK	286	3.21	$6,749	$6,719	$19,049	$0	$32,519
NAPASKIAK	251	0.32	$602	$8,670	$23,318	$0	$32,591

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1983

L APPROPRIATION = $55,721,000
ER 88 APPROPRIATION = $34,913,800
ER 89 APPROPRIATION = $14,061,200
ER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 7.e398431422360C
CHAPTER 89 PRORATION FACTOR = 0.80852687564717
CHAPTER 90 PRORATION FACTOR = 1.000C000000C000
MINIMUM ENT. PRORATION FACTOR = C.9629226055020З
HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPLATION	MILL RATE EQV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
D CLASS CITIES							
NEWHALEN	140	C.00	$0	$8,356	$23,054	$0	$31,411
NEW STUYAHOK	337	0.00	$0	$0	$0	$0	$0
NEWTOK	175	C.00	$0	$8,670	$23,920	$0	$32,591
NIGHTMUTE	141	2.11	$2,194	$8,67C	$21,726	$0	$32,591
NIKOLAI	110	0.97	$790	$9,276	$23,755	$0	$33,822
NONDALTON	176	0.00	$0	$12,273	$19,282	$0	$31,556
NOORVIK	517	3.85	$14,656	$15,798	$3,609	$0	$34,064
NULATO	353	2.76	$7,178	$26,705	$585	$0	$34,469
NUIQSUT	287	0.00	$2	$0	$33,476	$0	$33,479
OLD HARBOR	355	0.00	$0	$9,667	$16,564	$0	$26,232
OUZINKIE	233	0.00	$0	$6,734	$19,388	$0	$26,123
PILOT STATION	337	3.74	$9,282	$5,419	$17,768	$0	$32,470
PLATINUM	57	C.00	$0	$C	$0	$0	$0
POINT HOPE	544	0.65	$2,607	$C	$30,871	$C	$33,479
PORT ALEXANDER	98	1.83	$1,324	$0	$23,614	$0	$24,938
PORT HEIDEN	94	0.00	$0	$77,822	$0	$0	$77,822
PORT LIONS	291	7.18	$15,369	$7,364	$3,412	$0	$26,146
QUINHAGAK	427	2.00	$6,297	$11,380	$15,C14	$0	$28,799
RUBY	214	C.20	$319	$0	$33,159	$0	$33,479
RUSSIAN MISSION	175	0.00	$0	$0	$0	$0	$0
SAINT MICHAEL	295	1.56	$3,395	$8,995	$21,421	$0	$33,812
SAINT PAUL	595	6.40	$27,992	$97,930	$0	$0	$125,923
SAVOONGA	477	2.02	$7,089	$0	$26,389	$0	$33,479
SAXMAN	303	1.23	$2,740	$6,458	$15,077	$0	$24,276
SCAMMON BAY	251	0.06	$126	$12,057	$20,532	$0	$28,825
SELAWIK	601	0.00	$0	$C	$0	$0	$0
SHAGELUK	136	0.0C	$0	$15,854	$18,212	$0	$34,C66
SHAKTOOLIK	159	0.93	$1,092	$49,194	$0	$C	$15,397
SHELDON POINT	107	0.00	$0	$C	$0	$0	$0
SHISHMAREF	425	1.24	$3,896	$5,565	$24,222	$0	$33,685
SHUNGNAK	214	1.16	$1,325	$13,212	$18,931	$0	$33,968

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1983

L APPROPRIATION = $55,721,000
ER 88 APPROPRIATION = $34,913,800
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MINIMUM ENT. PRORATION FACTOR = 0.96292260550203
HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPLATION	MILL RATE EQV	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
D CLASS CITIES							
STEBBINS	321	1.45	$3,420	$8,995	$21,396	$0	$33,812
TELLER	206	19.10	$28,915	$16,557	$0	$0	$45,472
TENAKEE SPRINGS	141	1.52	$1,583	$10,888	$12,870	$0	$25,342
TOGIAK	545	0.00	$0	$21,414	$10,481	$0	$31,895
TOKSOOK BAY	357	4.00	$10,491	$8,670	$13,429	$0	$32,591
TULUKSAK	243	1.97	$3,526	$111,092	$0	$0	$114,618
TUNUNAK	302	3.33	$7,405	$8,670	$16,514	$0	$32,591
UNALAKLEET	604	4.73	$20,993	$35,757	$0	$0	$56,750
UPPER KALSKAG	133	0.00	$0	$32,046	$2,620	$0	$34,667
WAINWRIGHT	436	4.80	$15,394	$0	$18,084	$0	$33,479
WALES	129	1.73	$1,644	$8,356	$21,410	$0	$31,411
WASILLA	2,386	0.66	$11,591	$111,588	$0	$0	$123,180
WHITE MOUNTAIN	121	5.56	$4,950	$15,538	$11,189	$0	$31,677
WHITTIER	224	31.08	$51,140	$14,031	$0	$0	$65,172
EXT FIRE AREAS	7,560	0.00	$0	$61,033	$0	$0	$60,594
NATIVE VILLAGE GOVT	65	0.00	$0	$1,311,900	$0	$0	$1,311,900
TOTAL			$35,539,325	$18,229,276	$1,392,321	$701,797	$55,666,461

By Senator Gilman's Office

Effects of CS for SB 37:

It repeals the Municipal Assistance Program.

It establishes a minimum payment to municipalities of either $100,000 plus COLA or an amount equivalent to that received under AS 29.88 and AS 29.95.020 (State Revenue Sharing) and AS 43.20.016 (Municipal Assistance) during the fiscal year ending June 30, 1982, whichever is larger. The qualifications for minimum payments for municipalities have been modified.

It repeals 29.89.050 (State Aid to Native Village Governments) and creates a new section 29.88.032 (State Aid to Unincorporated Communities). It establishes an entitlement of $50,000 plus COLA per unincorporated community. The minimum payment section has been altered to include the unincorporated communities. If there is disagreement in the community over what organization should be the recipient of these funds, new language in this section would provide for an election.

In the event not enough money is appropriated to fully fund the minimum entitlements plus COLA, all municipalities and unincorporated communities would be prorated at the same level.

If funds above the level required to pay minimum entitlements are appropriated, the extra funds would be distributed to municipalities under AS 29.88 (Municipal Tax Resource Equalization).

Several small adjustments are made in the revenue sharing program at the suggestion of the Department of Community and Regional Affairs:

1) 29.88.010(c)(1)(C) - A list of examples has been deleted.
2) 29.88.010(c)(1)(D) - An (and) is deleted.
3) 29.88.010(c)(1) - A new paragraph F is added to allow municipalities to take credit in the formula for electric and telephone co-op taxes.
4) 29.89.030(a)(1) - The $1,000 per bed allotment on state aid to municipalities and other eligible recipients for health facilities and hospitals is eliminated.
5) 29.89.030(a)(3) is amended to specify that money received under this section may be used only for health facilities and shall be apportioned among qualifying facilities by the municipality.
6) 29.89.070(a) places COLA on payments to volunteer fire departments.

If the miscellaneous services account or the hospital construction assistance account are overfunded, the excess funds are reallocated to the tax equalization account established in AS 29.88.035.

NORTH AND NORTHWEST

ALASKA MAYORS' CONFERENCE

KOTZEBUE, ALASKA

NOVEMBER 5 AND 6, 1982

RESOLUTION NO. 82-11

A RESOLUTION IN SUPPORT OF COMBINING REVENUE SHARING AND MUNICIPAL ASSISTANCE PROGRAMS AND RAISING THE MINIMUM ENTITLEMENT TO $100,000 PLUS THE COST OF LIVING DIFFERENTIAL

WHEREAS, the paperwork and number of agencies to deal with for State Aid to municipalities is unnecessarily complicated, and

WHEREAS, the current minimum entitlement is too low to assure adequate basic government

NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST MAYORS' CONFERENCE THAT: they go on record in support of combining the Revenue Sharing and Municipal Assistance programs and raising the minimum entitlement to $100,000 plus the cost of living differential.

PASSED AND APPROVED BY THE 1st Session, 3rd Annual NORTHWEST MAYORS' CONFERENCE THIS 6th day of November, 1982.

tax return for household and dependent care services necessary for his gainful employment.

(c) The commissioner of revenue shall pay the amount of a tax credit allowed by this section to a resident individual who makes a return as provided in AS 43.20.012. A credit under this section shall be paid in the manner provided in AS 43.20.030(c) for the payment of refunds and payment may not be made without an appropriation for that purpose. (§ 2 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effect of amendments. — Section 9, ch. 1, SSSLA 1980 substituted "$100" for "$50" in the introductory language of subsection (a).

Effective dates. — Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's notes. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.015. Individual tax credit.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980.

Editor's notes. — The repealed section, derived from § 1, ch. 144, SLA 1978.

For legislative findings and purpose of repealing acts, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 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 organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section. A borough or city may not receive payment under (b) or (c) 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 a 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 cities and organized boroughs shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A 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.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978; am § 1 ch 51 SLA 1981; am § ch 86 SLA 1982)

Effect of amendments. — The 1981 amendment added the fourth through seventh sentences of subsection (a).

The 1982 amendment substituted "30 percent" for "10 percent" in the second sentence of subsection (a).

Editor's notes. — Section 6, ch. 144, SLA 1978, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 [AS 43.70.020 43.70.120] which relates to the 1978 calendar year (including the $25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.20.017. Individual tax exemptions.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980.

Editor's notes. — The repealed section derived from § 1, ch. 22, SLA 1980.

For legislative findings and purpose of repealing acts, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

In Williams v. Zobel, Sup. Ct. Order (File Nos. 5400-5421), P.2d (Sept. 4, 1980), the supreme court held the tax exemption [AS 43.20.017] enacted by ch

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 1, 1983

The Honorable Don Gilman
State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator:

Pursuant to your request for information regarding the Municipal Assistance and State Revenue Sharing programs.

The staff of this Department has prepared the attached municipal breakdown based on information received from your staff.

I hope this information is satisfactory for your needs.

Sincerely,

Mark Lewis
Commissioner

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

ANALYSIS OF ONE REVENUE SHARING PROPOSAL

Senator Gilman has requested that this division analyze a proposed change to the State Revenue Sharing formula. This proposed change would combine Municipal Assistance and Revenue Sharing. This new program would hold municipalities harmless at their 1982 combined level or $100,000 plus cost of living allowance (COLA) and entitle unincorporated communities to $50,000 plus COLA.

The attached cheets contain 3 columns.

Column #I shows minimum entitlements of either the amount received from Municipal Assistance and Chapter 88 (Tax Equalization Account) of State Revenue Sharing or 100,000 plus COLA. It should be pointed out that the figures contained here do not include Chapter 89 (Miscellanous Services) and Chapter 90 (Hospital Construction Aid). 100% funding for these two chapters for FY 83 would be $20,953,000. These chapters have not been included in the attachments.

Column #II shows what a funding level of $145,000,000 would do to individual entitlements if the excess above the minimums were distributed based on the Chapter 88 formula.

Column #III shows the distribution based on $145,000 with the excess being distributed on a per capita basis.

The $145,000,000 figure is based on the request from legislative staff and does not include any funding for Chapters 89 and 90.

TE/td-1029S

	1	2	3	4	5
	I		II		III
Boroughs	$132,401,873		145,000,000		145,000,000
Anchorage	52682458		57863772		58445423
Bristol Bay	445093		521509		480959
Fairbanks	8236718		9077548		9140886
Haines	211144		241577		232817
Juneau	7120633		7983274		7742122
Kenai	4124533		4697401		4641608
Ketchikan	1446776		1652497		1569561
Kodiak	940364		1139923		1100625
Mat-Su	3847367		4316024		4419471
North Slope	2223533		2511957		2303452
Sitka	2863153		2612570		2595150
Borough Totals	83641771		92618252		92672084
Cities					
Barrow	618781		648662		706111
Cordova	892562		977649		955803
Craig	223802		259525		240847
Dillingham	605746		695640		657699
Fairbanks	8577461		9250695		9304441
Galena	276063		312936		299881
Haines	372008		432489		402457
Homer	785554		860963		867307
Hoonah	191209		240714		215562
Hydaburg	100000 -		100000		112626
Kake	178160		184895		195566
Kenai	1699672		1898234		1847291
Ketchikan	2894166		3292176		3113633
King Cove	170313		218640		185072
Klawock	100000 -		112842		112219
Kodiak	1602858		1904801		1768321
Nenana	209280		228757		224519
Nome	972376		1072080		1069171
North Pole	744198		755562		770555
Palmer	241893		236875		313120
Pelican	107640 -		119618		112861
Petersburg	1056994		1231381		1142783
Sand Point	237458		279409		259948
Saint Marys	161903		204745		174376
Seldovia	152547		167101		166939
Seward	627267		344943		678953

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MADE IN U.S.A.

		1	2	3	4	5
		I		II		III
1	SKAGWAY	245610		267864		267904
2	Soldotna	819367		926909		904253
3	Tanana	102345		103875		116032
4	Unalaska	830422		957174		884661
5	Valdez	1144414		1204298		1248658
6	Wrangell	836827		936397		903624
7	Yakatat	142651		151958		155688
8		27921947				
9	Total 1st Class city.			31129247		30372181
10						
11	2nd Class					
12	Akhiok	107640 -		107716		110547
13	Akiachak	134250 -		134250		146977
14	AKIAK	134250 -		134250		140712
15	Akolmiut	155956		156658		165818
16	Akutan	188756		197592		194061
17	Alakanuk	157245		160940		173253
18	Aleknagik	129390 -		130376		135937
19	Allakaket	139280 -		139280		144049
20	AMBLER	139220 -		140296		144980
21	Anaktuvuk Pass	139280 *		139280		139280
22	Anderson	139280 -		141274		153893
23	Angoon	103660		108662		119520
24	Anvik	129390 -		129390		139295
25	Arctic	139280 -		140373		142525
26	Atmautluak	139280 -		140091		145740
27	Atqasuk	139280 *		139280		142299
28	Bethel	1282270		1483956		1386148
29	Brevig Mission	139280 -		139280		143061
30	Buckland	139280 -		141303		145404
31	Diomede	134250 -		136328		141136
32	Ekwok	134250 -		136876		148727
33	Chuathbaluk	139280 -		142507		142779
34	Clarks Point	129390 - *		129390		131647
35	Cold Bay	129390 -		129392		136445
36	Deering	139280 -		141396		143738
37	Delta Junction	215490		215998		244951
38	Dionirdo	129390 -		130760		133178
39	Eagle	115871 -		116013		119877
40	Eek	134250 -		135717		140882
	Ekwok	129390 -		129952		131591

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5,307,057

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	2nd CLASS Cities	I	II	III
1	Elim	139280 -	140192	145065
2	Emmonak	138780	156141	155175
3	Fort Yukon	165206	122622	182815
4	Fortuna Ledge	134250 -	134250	141587
5	Gambell	139280 -	143767	151471
6	Golovin	139280 -	139280	142440
7	Goodnews Bay	134250 -	134250	139132
8	Grayling	139280 -	139280	145234
9	Holy Cross	139280 -	139280	146137
10	Hooper Bay	157542	162349	176213
11	Houston	116943	116945	140055
12	Hughes	134250 -	134250	136338
13	Huslia	139280 -	139401	146081
14	Kachemak	110232 -	111707	118331
15	Kaktovik	139280 -	139364	145319
16	Kaltag	139280 -	139280	146194
17	Kasaan	100000 -	100025	101975
18	Kasigluk	134250 -	134250	143506
19	Kaiina	139280 -	141029	149523
20	Kivalina	139280 -	139987	146419
21	Kobuk	139280 -	139280	141086
22	Kotlik	134250 -	136333	149072
23	Kotzebue	682410	731711	751944
24	Koyuk	139280 -	139821	144444
25	Koyukuk	139280 -	139280	142073
26	Kyperuanof	103750 -	103750	105279
27	Kwethluk	134250 -	136704	147428
28	Larsen Bay	107640 -	108103	112720
29	Lower Kalskag	139280 -	139280	146617
30	Manokotak	139280 -	139280	147717
31	Mc Grath	139280 -	147811	153305
32	Nikolski	134250 -	135322	139273
33	Mountain Village	166705	176376	183665
34	Napakiak	134250 -	136601	142330
35	Napaskiak	134250 -	134459	141333
36	Newhalen	129390 -	129390	133340
37	New Stuyahok	139280 -	139280	148790
38	Newtok	134250 -	134250	139188
39	Nightmute	134250 -	135014	139229
40	Nikolai	139280 -	139555	142384
	Nondalton	129390 -	129390	134356

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6,012 07

MADE IN U.S.A.

	2nd CLASS Cities:	I	II	III
1	Noorvik	139280 -	144386	153870
2	Nuiqsut	139280 -	139280	147379
3	Nulato	139280 -	141781	149242
4	Old Harbor	107640 -	107640	117658
5	Ouzinkie	107640 -	107640	114215
6	Pilot Station	134250 -	137484	143760
7	Platinum	134250 -	134250	135859
8	Point Hope	141725 -	142633	157076
9	Port Alexander	103750 -	104211	106515
10	Port Heiden	129390 -	129390	132043
11	Port Lions	107640 -	112994	115852
12	Quinhagak	134250 -	136444	146300
13	Ruby	139280 -	139391	145319
14	Russian Mission	139250 -	139250	144218
15	Saint Michael	139230 -	140463	147604
16	Saint Paul	148206 -	157759	164796
17	Savoonga	130416 -	132886	143887
18	Saxman	100000 -	100954	108550
19	Scammon Bay	134250 -	134294	141333
20	Selawik	139211	139311	156271
21	Shageluk	139280 -	139280	143118
22	Shaktoolik	139280 -	139660	143767
23	Sheldon Point	139280 -	139280	142299
24	Shishmaref	139280 -	140637	151273
25	Shungnak	139280 -	139916	145319
26	Stebbins	139280 -	140471	148338
27	Teller	139280 -	149364	145093
28	Tenakee Springs	103750 -	104301	107729
29	Thorne Bay	107690 -	107640	116557
30	Togiak	129390 -	129390	144770
31	Tolsona Bay	134250 -	137905	144324
32	Toluksak	139280 -	140508	146137
33	Tununak	134250 -	136830	142772
34	Umalakeet	163112	170432	180163
35	Upper Kalskag	139280 -	139280	143133
36	Wainwright	139280 -	144643	151583
37	Wales	139280 -	139852	142920
38	Wasilla	438454	442492	505787
39	White Mountain	129390 -	131114	132804
40	Whittier	115870 -	133688	122194

5,576,390
17,407,961
11,093,945

COLUMN WRITE ®

	1	2	3	4	5
	UNINCORPORATED Communities	1			
1	Artic Village	69640			
2	Atka	64695			
3	Beaver	69640			
4	Birch Creek	57935			
5	Cantwell	69640			
6	Chalkyitsik	69640			
7	Chignik	64695			
8	Chignik Lagoon	64695			
9	Chignik Lake	64695			
10	Chistochina	60105			
11	Chitina	60105			
12	Circle	57935			
13	Coffman Cove	50000			
14	Copper Center	60105			
15	Crooked Creek	69640			
16	Dot Lake	57935			
17	Egegik	64695			
18	ELFIN COVE	53320			
19	EVANSVILLE	69640			
20	False Pass	64695			
21	Copper Valley	60105			
22	Gustavus	51875			
23	Healy Lake	57935			
24	Hyder	50000			
25	Igiugig	64695			
26	Kenny Lake	57935			
27	Klukwan	53320			
28	Kokhanok	64695			
29	Kaliganek	64695			
30	Kongiganak	69640			
31	Kwigillingok	67125			
32	Levelock	64695			
33	Lime Village	69640			
34	McKinley Park	67125			
35	Manley Hot Springs	69640			
36	Mentasta	57935			
37	Metlakatla	50000			
38	Minto	69640			
39	Myers Chuck	50000			
40	Nelson Lagoon	64695			

COLUMN WRITE

	1	2	3	4	5
	UNINCORPORATED Communities	I			
1	Nikolski	64695			
2	Noatak	57935			
3	Northway	57935			
4	Paxson	57935			
5	Pedro Bay	64695			
6	Pilot Point	67125			
7	Pitkas Point	69640			
8	Port Protection	50000			
9	Portage Creek	64695			
10	Rampart	64695			
11	Red Devil	64695			
12	St George	69640			
13	Takotna	67125			
14	Tanacross	57935			
15	Tatitlek	60105			
16	Tazlina	57935			
17	Telida	67125			
18	Tok	57935			
19	Tri Valley	57935			
20	Twistedtiak	67125			
21	Twin Hills	67125			
22	Venetie	69640			
23					
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1,382,670

MADE IN U.S.A.

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 3, 1983

POSITION PAPER

RE: SB 37

SPONSOR: Senator Sackett

Program Effects

Presently Native Village Governments receive $25,000 per community and municipalities are entitled to a minimum entitlement of $25,000 plus a cost-of-living adjustment. This bill would increase the entitlement to both Native Village Governments and municipalities up to $100,000 plus a cost-of-living adjustment. The bill also provides that each municipality and Native Village Government receive basic assistance which would hold them harmless at the level of State Revenue Sharing and Municipal Assistance they received for FY 82. The Municipal Assistance Program found in AS 43.20.016 is repealed.

Comments

The Department is very much in favor of ensuring the equal treatment of all Alaska communities in the areas of providing financial aid. We believe the basic purpose of SB37 is to achieve that end, and we support that intent.

Specifically however, we do wish to point out two areas within the language of the bill which are of some concern to us.

The suggested increase for Native Village Governments from the $25,000 they now receive to $100,000 plus an area cost-of-living differential would make their entitlement equal to the minimum entitlement nearly all second class cities would receive under this bill.

Second class cities are required under Title 29 to meet certain legal resposibilities, i.e. conducting annual elections, holding regular council meetings, preparing budgets and financial statements and passing and codifying ordinances under public scrutiny. Since state law requires those municipalities to expend local funds to pay for those activities, it would seem fair that additional state financial aid should be provided to offset those local costs.

A second, and minor concern of the Department is the use of the term "Native Village Government". Considering the Attorney General's opinion (File No. J-66-829-81) of 1981 and the controversy which has centered around that term in recent years, the Department suggests a term such as "Unincorporated Community", or similar language be substituted.



STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 37 Date on Bill: January 18, 1983
Title: "relating to State Aid to Municipalities and other recipients"
Sponsor: Senator Sackett and Ferguson
Requestor: Senate 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 DID NOT IDENTIFY source of funds for this bill.

3. Assumptions:

Present Revenue Sharing staff would be able to administer this program.

Full funding of this program would cost $154,228,500 for FY'84.

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 L. Earley Phone: 465-4730
Division: Local Government Assistance Date: 3/3/83

Approved by Commissioner: Date: 3/7/83
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: CSSB # 37 (C & RA) Date on Bill: March 8, 1983
Title: An Act relating to aid for municipalities and other recipients
Sponsor: Senators Sackett and Ferguson
Requestor: Senate C & RA Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating				27.5				
Total				27.5				

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:
Sponsor did not indicate.

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: Doug Griffin Phone: 465-4707
Division: Local Government Assistance Date: March 8, 1983
Approved by Commissioner: Date: 3/8/83
Department: Community and Regional Affairs

5. Distribution:
Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

CSSB (C & RA)

Financial Analysis:

Travel	$ 2,500.
Contracted Services	25,000.
TOTAL	$ 27,500.

$25,00 is requested for FY 84 to allow the Division of Local Government Assistance to place the combined State Revenue Sharing/Municipal Assistance on its computer system to allow rapid access to and manipulation of the information used to compute entitlements.

A small increase in travel is requested to allow State Revenue Sharing staff to attend meetings of local officials, conduct public hearings on regulations and other matters, and to provide better information and outreach.

By Senator Gilman's Office

Effects of CS for SB 37:

It repeals the Municipal Assistance Program.

It establishes a minimum payment to municipalities of either $100,000 plus COLA or an amount equivalent to that received under AS 29.88 and AS 29.95.020 (State Revenue Sharing) and AS 43.20.016 (Municipal Assistance) during the fiscal year ending June 30, 1982, whichever is larger. The qualifications for minimum payments for municipalities have been modified.

It repeals 29.89.050 (State Aid to Native Village Governments) and creates a new section 29.88.032 (State Aid to Unincorporated Communities). It establishes an entitlement of $50,000 plus COLA per unincorporated community. The minimum payment section has been altered to include the unincorporated communities. If there is disagreement in the community over what organization should be the recipient of these funds, new language in this section would provide for an election.

In the event not enough money is appropriated to fully fund the minimum entitlements plus COLA, all municipalities and unincorporated communities would be prorated at the same level.

If funds above the level required to pay minimum entitlements are appropriated, the extra funds would be distributed to municipalities under AS 29.88 (Municipal Tax Resource Equalization).

Several small adjustments are made in the revenue sharing program at the suggestion of the Department of Community and Regional Affairs:

1) 29.88.010(c)(1)(C) - A list of examples has been deleted.
2) 29.88.010(c)(1)(D) - An (and) is deleted.
3) 29.88.010(c)(1) - A new paragraph F is added to allow municipalities to take credit in the formula for electric and telephone co-op taxes.
4) 29.89.030(a)(1) - The $1,000 per bed allotment on state aid to municipalities and other eligible recipients for health facilities and hospitals is eliminated.
5) 29.89.030(a)(3) is amended to specify that money received under this section may be used only for health facilities and shall be apportioned among qualifying facilities by the municipality.
6) 29.89.070(a) [illegible]s COLA on payments to volunteer fi[illegible]partments.

If the miscellaneous services account or the hospital construction assistance account are overfunded, the excess funds are reallocated to the tax equalization account established in AS 29.88.035.

NORTH AND NORTHWEST

ALASKA MAYORS' CONFERENCE

KOTZEBUE, ALASKA

NOVEMBER 5 AND 6, 1982

RESOLUTION NO. 82-11

A RESOLUTION IN SUPPORT OF COMBINING REVENUE SHARING AND MUNICIPAL ASSISTANCE PROGRAMS AND RAISING THE MINIMUM ENTITLEMENT TO $100,000 PLUS THE COST OF LIVING DIFFERENTIAL

WHEREAS, the paperwork and number of agencies to deal with for State Aid to municipalities is unnecessarily complicated, and

WHEREAS, the current minimum entitlement is too low to assure adequate basic government

NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST MAYORS' CONFERENCE THAT: they go on record in support of combining the Revenue Sharing and Municipal Assistance programs and raising the minimum entitlement to $100,000 plus the cost of living differential.

PASSED AND APPROVED BY THE 1st Session, 3rd Annual NORTHWEST MAYORS' CONFERENCE THIS 6th day of November, 1982.

LAW OFFICES OF
SMITH & GRUENING, INC.
605 WEST SECOND AVENUE
ANCHORAGE, ALASKA 99501
(907) 278-4691

JOHN ANTHONY (TONY) SMITH
CLARK S. GRUENING*
CHARLES G. EVANS
HOBERT S. SPITZFADEN
— — —
JAMES E. HUTCHINS
DEBORAH L. WILLIAMS
*JUNEAU

JUNEAU OFFICE:
9309 GLACIER HIGHWAY
SUITE A-205
JUNEAU, ALASKA 99803
(907) 780-2118

PRELIMINARY DRAFT

M E M O R A N D U M

TO: Mark Lewis, Commissioner
Department of Community & Regional Affairs

Norman Gorsuch, Esquire
Attorney General

FROM: James E. Hutchins
Smith & Gruening, Inc.
on behalf of
PORT GRAHAM VILLAGE COUNCIL

DATE: March 18, 1983

RE: AS 29.89.050

This firm has been retained by the Port Graham Village Council to present the Department of Community and Regional Affairs with a memorandum regarding the eligibility of unincorporated communities within organized boroughs to receive revenue sharing funds pursuant to AS 29.89.050. This memorandum was prepared at the request of former Commissioner Lee McAnerney (see attachment A) and funded by Community Legal Assistance Grant No. 82-26-11.

FACTS

In 1980, the Alaska legislature enacted ch. 155 SLA 1980 to provide for the distribution of State revenue among the local communities within the State. Among the different schemes contained within this statute is the directive that $25,000.00 be paid to Native village governments for villages which are not incorporated as cities. §3 ch. 155 SLA 1980, codified as AS 29.89.050.

Port Graham is a village of approximately 165 Aleuts and about a half dozen non-Natives living near the southwestern tip of the Kenai Peninsula. Port Graham is not connected by road to any other community, although a four-mile trail over the mountains links it with its sister village English Bay. This village is not incorporated as a city, but it has long been governed by its traditional village council. Both the village and its council are recognized by the federal government as a tribal entity. See, 43 U.S.C. §1610(b)(1). Port Graham is located within the boundaries of the Kenai Peninsula Borough.

During the first year in which AS 29.89.050 was effective, the Department of Community and Regional Affairs recognized Port Graham as a recipient eligible under this section. The funds were paid to the village council and used by it for library services, fire protection, health services, road maintenance, day care and water system maintenance.

In the following year, the Department refused to distribute revenue sharing funds to Port Graham. The Commissioner had been advised by the Attorney General's office that AS 29.89.050 should be

read to preclude payment of such funds to villages located within the boundaries of organized boroughs. Port Graham contests the propriety of this advice.

QUESTIONS PRESENTED

1. Does AS 29.89.050 direct that revenue sharing funds be paid only to unincorporated communities located outside the boundaries of organized boroughs?

2. Must AS 29.89.050 be construed to require that revenue sharing funds be paid only to unincorporated communites located outside the boundaries of organized boroughs?

ANSWER

The language of AS 29.89.050 does not restrict the payment of revenue sharing monies to unincorporated communities located outside organized boroughs. The general legislative intent of ch. 155 SLA 1980 and the language of other sections of this Act make it clear that the legislature intended revenue sharing monies to be paid to all Native village governments for villages not incorporated as cities. This intended payment to all such communities presents no constitutional problems.

DISCUSSION

I. Legislative Intent. The following reproduction of the language of AS 29.89.050 makes it clear that the legislature made no explicit prohibition of revenue sharing payments to Native village governments for unincorporated villages within the organized boroughs:

> The state shall pay $25,000 to a Native village government for a village 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. §476); 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 which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. §§1601-1628).

AS 29.89.050.

None of the memoranda prepared by the Attorney General's office (April 27, 1981, File No. J-66-335-81; September 2, 1981, File No. J-66-829-81; November 18, 1981, File No. J-66-261-82) show that the legislature intended, either explicitly or implicitly, to restrict revenue sharing payments to unincorporated communities outside the borders of organized boroughs. Rather, the Attorney General's office advised the Department to read this restriction into the statute in order to avoid purported constitutional problems and to promote certain policy considerations.

That the Attorney General's revision of the statute is contrary to the legislature's intention can be readily shown. First, a major policy motivating the enactment of ch. 155 SLA 1980 was the need to provide for an even distribution of State revenues among all the communities of the State without regard for their several abilities to generate governmental income. See, §§1 and 12(c) ch. 155 SLA 1980. While the primary emphasis was given to the needs of incorporated municipalities, the legislature was not unmindful of the

fact that numerous communities within the State are only organized under federal law. See, AS 29.89.050.

The legislature provided for the distribution of funds for both general and specific governmental purposes. AS 29.88 and AS 29.89. The distributional scheme also provided for the payment of funds directly and indirectly to nonprofit hospitals and volunteer fire departments. AS 29.89.030; AS 29.89.040. Thus, it is clear that State created governmental entities were not the only intended recipients. See also, AS 29.89.010.

It is just as clear that villages within organized boroughs were intended to be recipients of revenue sharing funds. First, it should be noted that villages and towns incorporated as cities were unquestionably intended to receive revenue sharing funds, whether or not they are located within the boundaries of organized boroughs. AS 29.88.035, 29.88.045, 29.89.010. This is because cities provide services which boroughs do not.

The same can be said of villages organized under federal law. The village council of Port Graham provides road, water and sewer maintenance, fire protection, health services and a library without the assistance of the Kenai Peninsula Borough. Inasmuch as villages like Port Graham are integral parts of the State of Alaska, it is to be presumed that, by failing to place an explicit restriction on the distribution of funds to villages located outside organized boroughs, the legislature did not intend such a restriction to exist. This conclusion is confirmed by the fact that the legislature did place such an explicit restriction on the distribution of

State aid to volunteer fire departments. AS 29.89.040(a). In short, if the legislature had intended to deny revenue sharing funds to villages within the organized boroughs, it would have said so.

II. Constitutional Questions. With the exception of the discussion of Art. X, §2 of the Alaska Constitution; the panoply of potential constitutional problems raised by the three memoranda from the Attorney General's office has nothing to do with the eligibility of unincorporated communities within organized boroughs to receive funds pursuant to AS 29.89.050. If the Department may properly make these payments to communities located outside the organized borough, the Department may disburse these funds to communities within the boroughs.

A. Equal protection; public purpose. It may be worthwhile, however, to offer a brief discussion of these supposed constitutional infirmities in order to demonstrate that none of them are real problems. First, the Attorney General raises the spectre of discriminatory use of the State funds by Native village governments. However, he must and does admit that this is not a question of the unconstitutionality of the statute on its face. Attorney General's Memorandum, File No. J-66-335-81, at 3-4 (April 27, 1981). The village council of Port Graham provides services to all residents of the village without discrimination.

Second, it was suggested that the use of revenue sharing funds by a Native government would not be for a public purpose, as required by Art. IX, §6 of the Alaska Constitution. This assertion

is negated by the numerous cases which recognize a public purpose in the use of State funds which benefit private, and even religious, entities. Wright v. City of Palmer, 468 P.2d 326, 331 (Alaska 1970); Walker v. Alaska State Mortgage Association, 416 P.2d 245, 251 (Alaska 1966); Suber v. Alaska State Bond Commission, 414 P.2d 546, 552 (Alaska 1966); Lien v. City of Ketchikan, 383 P.2d 721, 722 (Alaska 1963); DeArmond v. Alaska State Development Corporation, 376 P.2d 717, 721-722 (Alaska 1962). The uses to which revenue sharing funds are applied by the Port Graham village council are undeniably public purposes (see attachment B). The Commissioner was in apparent agreement (see attachment C).

Third, it was suggested that the disbursement of revenue sharing funds to Native village governments but not to non-Native unincorporated communities might violate the equal protection clause of the Alaska Constitution. This contention, too, lacks substance. It is highly doubtful that unincorporated communities are "persons" under Alaska Cons. Art. I, §1. Further, the courts have consistently accorded great deference to legislatures on the structuring of remedial statutes. It is well settled that the grant of a public benefit need not extend as far as it might; instead, the extent to which a problem is remedied by an expenditure of public funds is left to the reasonable discretion of the legislature. E.g., Suber v. Alaska State Bond Committee, 414 P.2d 546, 552 (Alaska 1966); Schweiker v. Wilson, 450 U.S. 221, 230, 238 (1981). It is certainly reasonable for the legislature to distinguish between communities which have some form of government and those which have none.

B. Local government provisions. To support its advice that AS 29.89.050 revenue sharing ought only to be disbursed among unincorporated communities outside the borders of organized boroughs, the Attorney General's office offered three arguments:

1. There is no need for the State to provide services through another organization where a municipality exists.

2. To do so would contravene Art. X, §2 of the Alaska Constitution.

3. The proposed amendments to AS 29.89.050 confirm the Attorney General's restrictive reading of the present language of AS 29.89.050.

Attorney General's Memorandum J-66-261-82 (November 18, 1981).

The first argument is, in effect, the substitution of the Attorney General's resolution of a policy question in place of the legislature's determination. As such, it is violation of the doctrine of separation of powers. See, Bradner v. Hammond, 553 P.2d 1, 7 (Alaska 1976). It is the legislature's province to make laws. Alaska Cons., Art. II, §1. It is the executive's duty to enforce them as made by the legislature. Alaska Cons., Art. III, §16. Thus, not only is the Attorney General's determination of the appropriate entities to receive revenue sharing funds outside the scope of his authority, but the advice to the Department to rewrite AS 29.89.050 to avoid the purported constitutional problems is also a violation of the doctrine of separation of powers. Validly enacted laws are presumptively constitutional unless declared otherwise by a

court of competent jurisdiction; the executive has no power to suspend, to abridge or to enlarge the enforcement of such laws. 16 Am.Jur.2d "Constitutional Law" §153 at 526-527, §305 at 821-822 (1979).

This executive determination of need is not only legally improper, it also ignores the allocation of local and area-wide functions within our State's system of local governments. The Attorney General's memorandum states, "There is no need for the state to provide services through another organization where a municipality exists." Attorney General's Memorandum J-66-261-82 at 1 (November 18, 1981). If this were true, the question arises whether cities ought to receive revenue sharing funds if they are located within the boundaries of a borough. The answer, of course, is yes. This is not because cities are municipalities, too. Rather, the legislature has chosen to extend revenue sharing funds to cities as well as to boroughs because these two entities have complementary functions. See, AS 29.33.010 et seq.; AS 29.38.010-.020; AS 29.40.020; AS 29.48.030. The borough is more suited to address area-side concerns, while both incorporated cities and Native village governments better address local concerns. See, City of Douglas v. City and Borough of Juneau, 484 P.2d 1040, 1043 (Alaska 1971).

The Kenai Peninsula Borough covers the entire Peninsula plus most of the western bank of the Cook Inlet drainage. It has been beyond the practice and presumably beyond the ability of the Borough

to provide for all the public services necessary in the various isolated villages contained within the Borough. These are local concerns and they are most effectively addressed by local governments. This is especially true in communities, such as Port Graham, which have no road connection with the main concentration of borough population. This allocation of prime responsibility to local community governments is in keeping with the basic constitutional tenet that the State local government system provide for the maximum local self-government. Alaska Cons., Art. X, §1; see also, 4 Alaska Const. Conv. Proceed. 2648-49.

The Attorney General's second rationale for withholding payments to village governments within boroughs is based upon an overly restrictive and unwarranted reading of Art. X, §2 of the Alaska Constitution. It also ignores the clear pronouncements of the Supreme Court of Alaska and the dictates of federal law.

The Attorney General argued that Art. X §2 of the Alaska Constitution limits the exercise of local government powers to boroughs and to cities. Attorney General's Memoranda J-66-261-82 at 1 (November 18, 1981) and J-66-335-81 at 3 (April 27, 1981). Neither the language of this section nor the records of the constitutional convention proceedings support this interpretation.
Article X §2 reads as follows:

> All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

This section does three things. First, it gives names to State created units of local government. Second, it, together with Art. X, §1, grants to those units the full panoply of local governmental powers. Third, it restricts the taxing power to organized boroughs and cities.

This section does not limit the exercise of all governmental functions to boroughs and cities. See, Art. X, §5. The State legislature is empowered to exercise some local government powers. See, Art. X, §§6 and 13; see also, 4 Alaska Const. Conv. Proceed. 2741. Nor does it prohibit municipalities from entering into agreements with other local governmental units, the State or the Federal Government regarding the exercise of governmental functions. See, Art. X, §13. A Native village government is a local governmental unit which may be recognized under these constitutional provisions.

Further, it was the intention of the Framers of the Alaska Constitution that unincorporated villages be able to exercise some governmental functions. 4 Alaska Const. Conv. Proceed. 2649, 2651-52. Throughout the discussions of the local government article, it was emphasized that a flexible framework for local government was intended; the details were to be left up to the State and to the local communities. E.g., 4 Alaska Const. Conv. Proceed. 2647, 2648, 2654, 2665, 2690, 2743. The legislature is authorized to set the standards for the recognition of cities and boroughs and it is authorized to prescribe their powers and functions. Art X, §§3 and 7. It is clear from the foregoing that the legislature is authorized to recognize the existence of Native village governments.

This recognition has already been approved by the Alaska Supreme Court. Traditional village councils are recognized as possessing some governmental powers when no incorporated municipality exists over the same community. State v. Aleut Corporation, 541 P.2d 730, 735 (Alaska 1975). In this case, the Court held that traditional councils must be consulted prior to the conveyance of State land adjacent to their communities. Id. at 737. This requirement arose from As 38.05.305, which pertained to conveyances adjacent to an incorporated municipality or "other organized community." The Court rejected the argument that "other organized community" referred only to boroughs. Rather, the Court included Native villages in this definition with the following analysis:

> In our view, the state's reading of AS 38.05.305 is too constricted. Common sense leads to the conclusion that if the legislature had intended to limit the provision's applicability to incorporated municipalities and boroughs, it would have used the word "boroughs." We think the legislature employed the broader term "other organized community" for the purpose of importing flexibility into the statute. Since the forms and powers of local governments in Alaska are not immutable, the broader term serves the purpose of imposing the duty in regard to the intended class of communities regardless of how the form of local government changes over the years. And we further believe that the legislature intended AS 38.05.305 to apply to communities, like the villages in this case, which have permanent populations and an organized civil government, even though that government is a product of cultured tradition rather than incorporation under state laws. (Emphasis added.)

Id. Here, then, is controlling precedent which holds that Native village governments may exercise local governmental powers within the ambit of State law.

This conclusion is bolstered by the holding of Atkinson v. Haldane, 569 P.2d 151 (Alaska 1977). In this case, the Supreme Court held that it was required to recognize the sovereign immunity of tribal governments by the Supremacy Clause of the United Staes Constitution. Id. at 163. The governmental status of recognized Native village councils cannot be ignored by the State government. There is, of course, no requirement that State funds be expended to support these governmental entities. But it should be clear that the legislature has the power to do so. Alaska Cons., Art., X §13.

That the legislature should do so is simply a recognition of the fact that Native village communities are an integral part of this State. That they may have organized under federally recognized forms of government does not deprive them of this status any more than federally chartered banks are disenfranchised by their federal affiliation. Further, federal law has granted the State an extension of jurisdiction over certain matters within Indian country. 18 U.S.C. §1162(a) and 28 U.S.C. §1360(a). This grant carries with it the obligation that the State enforce tribal laws which are not inconsistent with State laws. 28 U.S.C. §1360(c). This intermingling of law and of enforcement envisions a cooperative arrangement between the State and tribal village governments. The State legislature, in AS 29.89.050, has chosen to interact in just such a cooperative manner. There is nothing in the Alaska Constitution which prohibits this form of cooperation.

Finally, the Attorney General argued that a subsequent bill to restrict payments to communities outside the organized boroughs was evidence of a similar legislative intent behind the existing AS 29.89.050. This contention may be shown to be erroneous by two observations. First, the subsequent bill was never enacted into law; thus, it can serve as no authority for any purpose. Second, an amendment to an unambiguous statute is generally presumed to indicate a change in the law, not an explanation of it. City of Anchorage v. Thomas, 624 P.2d 271, 273 (Alaska 1981). The legislature in AS 29.89.050 has unambiguously commanded that revenue sharing funds be paid to Native village governments in villages which are not incorporated as cities. The traditional council of the village of Port Graham unambiguously fits this description.

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

September 28, 1982

Mr. Walter Maganack, Sr.
President, Port Graham Village Council
General Delivery
Port Graham, Alaska 99603

Dear Mr. Maganack:

RE: Port Graham CLAG Appeal

After carefully reviewing your letter of August 26 appealing the denial of Community Legal Assistance Grant funding for Port Graham, I have decided that Port Graham should pursue the issue of revenue sharing for unincorporated communities within organized boroughs.

While the Division of Local Government Assistance (LGAD) has raised some excellent arguments supporting their decision, there continue to be some outstanding questions concerning legislative intent and the most recent Attorney General's opinion that need to be reexamined for the potential benefit of all communities in the same situation as Port Graham.

However, after a review of available funding and consideration of the time involved in legal proceedings of this nature, it is my decision that this issue should be pursued administratively rather than through litigation. Therefore, the Department is prepared to award $2,500 to Port Graham to contract for legal research that will result in a legal memo to be submitted to the Attorney General seeking reevaluation of the decisions reached in earlier opinions. This memo should be provided to the Department of Community and Regional Affairs for transmittal to the Attorney General.

ATTACHMENT "A"

While I realize that this grant award does not meet all of your expectations, it is my feeling that the issue can be addressed in a timely manner by pursuing this course. If you wish to accept the grant award, please let me know as soon as possible.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

cc: Senator Don Gilman
Representative Hugh Malone
Ellen Schmidt, North Pacific Rim
Vincent Kvasnikoff, English Bay
Local Government Assistance Division

Walter R. Meganack Sr.
Port Graham Village Council
Port Graham, Alaska 99603

RECEIVED OCT 20 1981

October 8, 1981

Mr. Lee McCarnerny
Commissioner
Dept. Of Community & Regional Affairs
Local Government Assistance Division
Pouch BH
Juneau, Alaska 99811

Dear Mr. McCarnerny:

I was very happy to receive directly $25,000.00 in State Revenue Sharing monies from the Department of Community & Regional Affairs. With these monies our community is able to provide maintenance and services such as follows:

1. Librarian part time one person
2. Fire Chief " " " "
3. Fire Chief Assistant part time one person
4. Road Maintenance one person
5. Road Maintenance Assistant one person
6. Health Aide Assistant one person
7. Water & Sewer Maintenance Occasionally two people
8. Fire Truck & Fire House Repair & Maintenance
9. Day Care
10. Fire Drill for six people once a month.

Also in early January the Legislature increased the above Revenue to $38,000.00 A certain number of villages were named to receive the aide and Port Graham was one of those villages, that was good news.

Then again the legislature passed Senate Bill/68, the Municipal Aide Bill which provides $750.00 per head. This was another joy for the villages and communities.

Now comes the bad sad story. When the decision was made on law to channel or distribute these municipal aide monies to the villages or communities, Port Graham was left out in the cold. Port Graham happens to fall under the Kenai Peninsula Borough, so it was decided that our per capita entitlement monies would go to the Kenai Peninsula Borough. Since the Kenai Peninsula Borough has very limited powers to administer and spend funds, our share of the municipal aid monies will be lost in the Kenai Peninsula Borough red tape.
If that wasn't bad enough, a decision is now being considered which would give our State Revenue Sharing Funds to the Borough also. This would really leave our villag in the red. This decision would not only jeopardize Port Graham, but English Bay a well.

ATTACHMENT "B"

In other words, all the programs that the village of Port Graham is now providing to our village from the FY80 grant would be wiped out. We were hoping that these monies would continue to be channelled directly to the village through the department of Community & Regional Affairs. If not then the following list of services which are budgeted under the program will have to be discontinued:(see attached list)

Now comes our special request that their decison be amended so that the Village of Port Graham will be able to continue to provide these programs through the State Revenue Sharing Funds. I would like to see our State Revenue Sharing monies continue to be distributed directly to the village through the Department of Community & Regional Affairs.

This is a very serious situation because if the decision is not reversed, 10 people will be laid off from their part-time jobs, and harm will come to the maintenance of the Fire House,roads and water & sewer systems. And it would leave us with no funds to continue our on going programs.

I would also like to see our State Municipal Aide Revenue, which is $750.00 per head, granted directly to the village. As it is now, Port Graham gets almost nothing from this program. I have included a copy of Port Grahams proposals which were submitted to the Kenai Peninsula Borough Assembly targeted for FY82.

As I mentioned earlier I have also enclosed copies of the budget of programs administered locally from State Revenue Sharing. Please look into the matter immediately.

Thank You.

Sincerely,

Walter R. Meganack Sr.

Walter R. Meganack Sr.
Village Council President

enclosures

1. Librarian part time one person
2. Fire Chief part time one person
3. Fire Chief Ass't part time one person
4. Road Maintenance Foreman part time one person
5. Road Maintenance Ass't part time one person
6. Health Aide Assistant full time one person
7. Water, Sewer Maintenance occassionally two people
8. Fire House & Fire Truck repair & maintenance
9. Day Care
10. Fire Drill once a month for six volunteer firemen

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

December 2, 1981

RECEIVED DEC 7 1981

Ms. Sharon Zandman-Zeman
Community Planner
The North Pacific Rim
903 W. Northern Lights Blvd., Suite 203
Anchorage, Alaska 99503

Dear Ms. Zandman-Zeman:

RE: STATE REVENUE SHARING TO UNINCORPORATED COMMUNITIES

This letter responds to your letter which urged this Department to work with your organization to help IRA Councils, traditional or tribal councils which are located within a borough. Your concern is understandable and it appears as if the communities of English Bay and Port Graham have used their State funding to provide worthwhile services for village residents.

Enclosed please find a copy of the Attorney General's opinion, dated November 18, 1981, which clarifies the rationale behind the State of Alaska's decision to not pay State Revenue Sharing to unincorporated communities. The opinion references two earlier opinions from the Department of Law, so these have also been included.

Sincerely,

Lee McAnerney

LEE McANERNEY
COMMISSIONER

Enclosures

ATTACHMENT "C"

SB

38

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 38

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE BILL NO. 38
Title "An Act providing for the assumption of municipal bonded indebtedness by the state ~~Requesting~~ establishing a municipal debt redemption fund." Date 1/13/81

Requested by Senate Community and Regional Affairs Committee

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Treasury Management
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	526.0	76.0	82.0	88.0	96.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	526.0	76.0	82.0	88.0	96.0

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	526.0	76.0	82.0	88.0	96.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

This Fiscal Note includes Dept. of Revenue/Treasury administrative costs only and does not include amounts to assume the debt.

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
The bill attempts to approximate a defeasance (pay off) of municipal debt. The approach of this cost estimate is that the Treasury would have to invest the Municipal Debt Redemption Fund as a separately invested fund in order to approximate a defeasance, i.e., structure a set of securities which are timed to liquidate in the proper amounts and rates to pay the debt during the remaining life of the debt.

Contractual services cost include financial advisory fees in the year of enactment to structure the portfolio to mirror the debt payoff cycle. Safekeeping fees for the portfolio due to necessary segregation also included.

Based on 6/30/80 gross outstanding municipal debt of $911.5 million. Amount shown in FY 82 assumes actual implementation takes place soon after FY starts. Any future restructing due to new debt would be handled in separate bill in new year (i.e. the fund would not handle new issues.)

IV. DATE January 26, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Department of Revenue, Treasury Division
PHONE 465-2351

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80

BILL ANALYSIS
Senate Bill No. 38(1/13/81)

Program Effects:

1. Establishes a municipal debt redemption fund (MBRF) in Department of Administration.

2. When appropriated, general obligation bonded indebtedness of municipalities is assumed.

3. If appropriation deemed inadequate, Department of Administration to request additional amounts. If additional appropriation not granted in 60 days, original appropriation lapses.

4. Department of Administration is to make all debt service payments on assumed municipal debt; provides for storage and destruction of bonds/coupons paid; prepares an annual report of activities for legislature.

5. Department of Revenue is to manage and invest money in the fund in accordance with general fund investment authority.

6. Municipality must furnish various data to Department of Administration.

7. If municipality does not send data within 60 days, municipality pays debt service and can later be reimbursed.

8. Municipality may elect to receive an entitlement from the fund for debt service payments which would normally be made by the fund. The bonded indebtedness in that case is not considered assumed.

9. When the municipal debt is assumed it is not to be considered an obligation of the municipality and the municipality is not authorized to levy taxes to pay the debt assumed. However, if a municipality does not receive notice of debt assumed by May 1 of the year, the municipality may levy taxes for the debt service.

10. Effective July 1, 1981.

1/26/81

Comments:

1. In the form presented, the bill appears to have constitutional problems which should be researched. Article IX, Section 8 requires voter approval of State contracted debt. In this bill the State would be assuming ("contracting") the debt without a vote of the public. Some restructuring as to who receives the appropriation to pay off the debt may be necessary. (See also 1959 Opinion of the Attorney General).

2. The bill should perhaps include language, especially in the entitlements section, which limits the amount of draw to only what is necessary to accomplish the effect of the debt having been removed and limits the use of the entitlement draw.

3. Total issued and outstanding general obligation municipal debt at June 30, 1980 is as follows: (Anchorage includes 7/1/80 issue)

School related	$355,794,100
Other projects	555,675,500
Total	$911,469,600

If the attempt is to remove or make "the indebtedness is not an obligation of the municipality" the actual appropriated future amounts could be less than the above to accomplish an actual defeasance.

4. Normally such transactions are accomplished by setting aside the funds with a third party trustee who invests the funds and makes the payments.

5. It appears that the question of future municipal debt issuance will have to be addressed. The municipalities may be locked out of future markets for a period of time due to IRS rulings. This must be researched by bond counsel.

6. This fiscal note includes only those costs applicable to Department of Revenue investment of funds necessary for payoff.

Anselm C. Staack

Anselm C. Staack, Treasury Comptroller
Department of Revenue/Treasury
465-2351
1/26/81

SB

44

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 44
Title An Act relating to costs of attorney services
Requested by Governor Date 12/08/80

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Justice
BRU, Program, or Subprogram(s) Affected Public Defender
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This will not result in any increased costs. Costs of defending clients under municipal ordinance will be charged to the municipality and will result in an increase in revenues to the State.

IV. DATE 12/08/80 PREPARED BY Judy Crondahl
AGENCY Administration
PHONE 465-2277

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Stecking

33-001 (Rev. 12/79)

SB44

January 12, 1981

President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which changes the present system of payment for costs of attorney services provided to indigents who are charged with violation of a municipal ordinance. The bill provides that municipalities will pay for these costs, and that the state will be relieved of the responsibility for payment.

Sincerely,

S/JSH

Jay S. Hammond
Governor

MEMORANDUM State of Alaska

TO William R. Hudson
Commissioner
Department of Administration

DATE September 18, 1980

FILE NO

TELEPHONE NO

FROM Brian Shortell
Public Defender

SUBJECT: New Legislation

Attached is a 1981 Legislative Proposal Request Form which is submitted in response to Judy Crondahl's September 15, 1980 regarding new legislation. It addresses a need for further action on House Bill No. 375 which was introduced in March of 1979 and is now languishing in the House Judiciary Committee. Alaska municipalities have not been paying for indigent defense services since 1976. Before that time, the municipalities were required by court decision to pay for these defense services, since the constitution requires indigents in criminal cases to be provided with counsel. The state has been picking up the cost of the defense of cases prosecuted by municipalities for four years now.

Some years ago I suggested that House Bill No. 375 be introduced, because it seemed to me that the municipalities should be required to pay for their own defense services rather than passing these costs on to the state. Last year, as you can see from the copy of the bill which I have attached to this memo, the Governor's Office agreed to pursue passage of this legislation "vigorously". Unfortunately, the Judiciary Committee did not take action on the bill last year.

I am hoping this year some positive action can be taken by the legislature. If you require further information, please let me know.

Attachment

cc: Judy Crondahl

RECEIVED
SEP 22 1980

HB 375 HOUSE BILL NO. 375 by the Rules Committee by request of the Governor, entitled:

"An Act relating to costs of attorney services provided to indigents charged with violations of municipal ordinances."

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

A fiscal note on HB 375 appears in House Journal Supplement No. 25.

The Governor's transmittal letter follows:

March 12, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill transferring to municipalities the cost of providing defense counsel to indigents charged with violation of municipal ordinances.

In the past, the cost of judicial services, including the cost of defending indigent defendants, was borne by the municipality which filed the charges against the person under municipal ordinance. Because it was difficult, if not impossible, for the court system to precisely apportion the cost of judicial services, legislation was passed in 1976 amending AS 22.15.270 to have the state bear those costs. However, the transfer of responsibility for providing defense counsel for indigents charged with violations of municipal ordinances has imposed a substantial burden on the Public Defender Agency. These defense costs, unlike normal court operating costs, are easily identifiable. This bill would transfer back to the municipality bringing the charge against the indigent the responsibility for paying those costs, and thus more fairly allocate the costs to the user of the services.

Sincerely,

Jay S. Hammond
Governor

SB
53

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/13/83

Date: _____

Mr. President:

The Committee on Community & Regional Aff. has had SENATE BILL NO. 63

"An Act authorizing municipalities to exempt business inventories from taxation; 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

STATE OF ALASKA

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 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:

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

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.

KODIAK ISLAND BOROUGH

Telephones 486-5736 - 486-5737 — Box 1246
KODIAK, ALASKA 99615

January 12, 1982

The Honorable Bob Mulcahy
The State Senate
Pouch V
Juneau, Alaska 99811

Re: Resolution No. 82-1-R - Commercial and Business Inventories

Dear Bob:

Please be advised that the Kodiak Island Borough Assembly at their regular meeting on January 6, 1982 unanimously adopted Resolution No. 82-1-R entitled "A Resolution of the Kodiak Island Borough Assembly Seeking A Change in the Alaska Statute 29, Chapter 53, Municipal Assessment and Taxation, Section 29.53.025 Optional exemptions and Exclusions" with the intent to allow the option to exempt commercial and business inventories from personal property taxation. It is my understanding that the City Council of Kodiak has recently adopted a similar resolution. Both elected bodies in joint work sessions have indicated that this is of an extreme high priority to them.

I would further like to note that the Alaska Municipal League Policy Statement dated 1982 states on page 3 under local taxes item 4 "Business Inventory: The League supports legislation which would provide for the optional exemption of business inventories from property tax".

Therefore, at this time I wish to respectfully request your assistance in the successful adoption of the above change to Alaskan law. If any further information or materials are required in this regard, please contact me immediately.

Sincerely,

Phil Shealy

Phil C. Shealy
Borough Manager

1982 Resolution by Kodiak Borough in favor of exemption

- See next page -

CC Bill Bivin, City Manager

Enclosure

mdd

KODIAK ISLAND BOROUGH
RESOLUTION NO. 82-1-R

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY SEEKING A CHANGE IN THE ALASKA STATUTE TITLE 29, CHAPTER 53, MUNICIPAL ASSESSMENT AND TAXATION, SECTION 29.53.025 OPTIONAL EXEMPTIONS AND EXCLUSIONS.

WHEREAS, it is the intent of the Kodiak Island Borough Assembly 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 Statute 29, Chapter 53, Municipal Assessment and Taxation; and

WHEREAS, more specifically, the intended change would be an addition to the following words of Section 29.53.025 Optional Exemptions and Exclusions. (b)(2) "(E) All commercial and business inventories".

NOW, THEREFORE, BE IT RESOLVED by the Kodiak Island Borough Assembly that legislation initiated which, if approved, would allow exemption of commercial and business inventories from personal property taxation.

BE IT FURTHER RESOLVED by the Kodiak Island Borough Assembly that the Borough administration be directed to send this resolution to Senator Mulcahy and Representatives Zharoff and Sutcliffe and implore their assistance in the successful adoption of this legislation.

PASSED AND APPROVED this 6th day of January, 1982 by the Borough Assembly.

KODIAK ISLAND BOROUGH

By _____
Borough Mayor

ATTEST:

By _____
Borough Clerk

CITY OF KODIAK
ALASKA

December 30, 1981

Honorable Bob Mulcahy
Senator
P.O. Box 246
Kodiak, AK 99615

Dear Senator Mulcahy:

On December 28, 1981 the Kodiak City Council passed Resolution 57-81.

The resolution requests that you introduce legislation into the Senate which would allow for the optional exemption and exclusion of commercial and business inventories from property taxation.

Your help in introducing and sponsoring such legislation would be greatly appreciated.

Sincerely,

CITY OF KODIAK

WILLIAM C. BIVIN
City Manager

WCB/csh

1981 Resolution in favor of exemption by City of Kodiak — see next page

POST OFFICE BOX 1397, KODIAK, ALASKA 99615 PHONE (907) 486-3224

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 property taxation.

PASSED AND APPROVED this 28 day of December, 1981.

CITY OF KODIAK

Alan J Bradley
MAYOR

ATTEST:

for Nancy E. Gilbert
CITY 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. Bradley
MAYOR

ATTEST:

Marcella Tabler
CITY CLERK

1983 Resolution in support of bill by City of Kodiak

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 date.
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 1959.
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.

2/9/79

Alaska Retail Association
174 S. Franklin St. #205
Juneau, Alaska 99801
(907) 586-6706

Donald R. Magnusson

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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.

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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.

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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.
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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.
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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.

2/9/79

SB

65

COMMITTEE REPORT

SENATE

1/21/83

FURTHER: FINANCE

Date: _____

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had SB 65
An Act allowing for an optional exemption for certain real property from municipal taxation; 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)

[ ] same title

[ ] replace with CS for _____ [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

S 60 (Rev. 12/78)

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

February 10, 1983

Honorable Don Gilman
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: Residential tax exemption
Our file: 366-430-83

Dear Senator Gilman:

You have inquired whether a residential tax exemption may be passed by municipal voters directly by initiative. AS 29.53.025(a) provides for such an exemption "by ordinance ratified by the voters at a regular or special election." (Emphasis added.) Put another way, must there first be council or assembly action which the voters might ratify, or may the voters simply create the exemption directly, by initiative?

In its current form, AS 29.53.025(a) casts a long shadow across the notion of municipal tax exemption by initiative. The problem is the word "ratified," and its reference to "ordinance."

As one court has put it, "[r]atification refers to ... the adoption of a past act or transaction as his own act...." First National Bank v. Allen, 14 So. 335, 337 (Ala. 1893). Virtually all ratification cases reference an antecedent contract, transaction, or other act which is confirmed, adopted, or sanctioned by the ratifier.

The Massachusetts Supreme Judicial Court faced a similar situation in Revere Water Co. v. Inhabitants of the Town of Winthrop, 78 N.E. 497 (Mass. 1906). Though the case is distinguishable in one or two important respects, what the court said is instructive:

> The word "ratified" as used in the statute [requiring voter approval] plainly means that when the selectmen issue the warrant they are supposed to have taken appropriate precedent action, otherwise there is no proposal of purchase in existence which can be made the subject of ratification, and which by the ratifying act thereupon becomes and existing contract.

Id. at 501.

It may well be argued that the legislature intended that municipal tax exemption be a two-step process, i.e., that the assembly first bring its expertise and judgment to bear to draft, debate, and enact a bill, after which the voters would act affirmatively to adopt the bill passed by the assembly. On the other hand, it could, with conviction and force, be argued that the heart and sense of AS 29.53.025(a) is the voter approval provision, and that assembly action was not intended to be a condition precedent to direct voter action.

As rough as the fit may be, we believe that the court cases cited above require assembly action first, followed by voter approval. If a different process is preferred, we would be happy to assist you in drafting an amendment to AS 29.53.025(a).

Sincerely yours,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: Thomas M. Jahnke
Thomas M. Jahnke
Assistant Attorney General

TMJ/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

February 10, 1983

SUBJECT: Optional tax exemption questions
(Work Order No. 13-0721)

TO: Senator Donald E. Gilman

FROM: Richard C. Folta
Legislative Counsel

The following is in response to your inquiry of February 7th, on optional property tax exemptions.

(1) No, the exemption tax option would be subject to initiative. Article XI, section 7 of the Alaska Constitution provides for the restrictions against the use of the initiative, one of which is "appropriations" initiatives. A tax exemption which operates to limit tax revenues, cannot be considered an appropriation, in my opinion. (The Thomas V. Bailey case, 595 P.2d 1 is the Alaska case which discusses the appropriation restriction on initiatives by the people.) The tax exemption limits the tax revenues collectable by the municipality, but cannot be defined any closer than that to appropriations. In the Thomas case, the giving away of land in the homestead initiative was construed by the Court to be really an appropriation measure restricted by the constitution.

(2) There could be a substantial impact on the bonding ability of a municipality, since the full faith and credit of a municipality is pledged for the payment of principal and interest on general obligation bonds (AS 29.58.180). The passage of an initiative for the exemption could decrease the municipality's ability to bond since the tax base is reduced. There may be an instance where an initiative for the exemption could impair existing indebtedness and thus be subject to legal attack.

RCF:ljb

SENATOR
DON GILMAN

Juneau Ph.
(907) 465-4934 .

Alaska State Legislature

HOME ADDRESS
P.O. BOX 630
KENAI, ALASKA 99611
(907) 283-4182

DURING SESSION
POUCH V
JUNEAU, ALASKA 99811

State Senate

February 7, 1983

Memorandum

To: Billy G. Berrier
Director
Division of Legal Services

From: Senator Don Gilman

Thank you for the response by Richard C. Folta to our recent inquiry (Work Order No. 13-0721). This concerned whether the optional $100,000 property tax exemption proposed by SB 65 is libel to placement on municipal ballots by elections.

Based on that response, I would like to inquire on two other points.

1) Because any limitation on a municipality's ability to tax affects its ability to appropriate, could this exemption be ruled not subject to initiative on the municipal level because it affects a municipality's ability to appropriate?

2) If, as indicated in the first response, the exemption may be placed on the ballot by initiative, what effect would this have on the bonding ability of municipalities? In particular, what effect would this have on their ability to pledge full faith and credit?

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 3, 1983

SUBJECT: Optional exemption bill subject to referendum (Work Order No. 13-0721)

TO: Senator Donald E. Gilman

FROM: Richard C. Folta
Legislative Counsel

If SB 65, allowing for an optional exemption for certain real property from municipal taxation, becomes law, would it be subject to a referendum by the people of Alaska? The answer to your question as I understand it, is yes.

Article XI, section 1, of the Alaska Constitution provides that the people may propose and enact laws by the initiative, and approve or reject acts of the legislature by the referendum. In Municipality of Anchorage v. Frohne, 568 P.2d 3 (1977), the Court held that the subject of the petition must constitute such legislation as the legislative body to which it is directed has the power to enact. The power is liberally construed.

Local or special legislation is exempted from both petitions. Wolf v. Alaska State Housing Authority, 514 P.2d 233.

The subject matter of SB 65 is clearly general legislation in that it affects all of the people in a municipality, not just some. It is not required legislation, like AS 29.53.-020 which mandates certain exemptions. It is an optional exemption. The legislature has the power to legislate tax exemptions.

In summary, SB 65 is subject to a ballot by the people if it passes.

RCF:ljb

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1983

Billy G. Berrier
Director
Division of Legal Services
Legislative Affairs Agency
Pouch Y
Juneau, AK 99811

Dear Mr. Berrier:

Attached is a copy of Senate Bill 65. This bill establishes an optional property tax exemption for a portion of the value of residential property.

We request an opinion on whether, if this bill becomes law, the optional exemption it creates would be subject to being placed on the ballot by petition.

Sincerely,

Don

Don Gilman
State Senator

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1983

Norman Gorsuch
Attorney General
Department of Law
Pouch K
Juneau, AK 99811

Dear Mr. Gorsuch:

Attached is a copy of Senate Bill 65. This bill establishes an optional property tax exemption for a portion of the value of residential property.

We request an opinion on whether, if this bill becomes law, the optional exemption it creates would be subject to being placed on the ballot by petition.

Sincerely,

Don

Don Gilman
State Senator

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

Position Paper

Re: SB 65

Sponsor: Paul Fischer

Program Effects

This bill would raise the optional municipal real property tax exemption, permitted by statute, from the current $10,000 to $100,000.

Comments

The Department is in favor of increased control at the local government level. This Bill would expand that local control. To the extent that municipalities might exempt residential property under the proposed language, taxes would increase on commercial properties. In municipalities which have a substantial amount of oil and gas property, that increase would result in a proportionate decrease in State collected revenues.

Passage of this Bill could result in a small minority of taxpayers paying the majority of local property taxes if the increased optional exemption was employed by the community. This shift of tax burden could result in a weakening of local government. If the populace has no monetary stake in their local government, their interest and participation may well wane. From a standpoint of maintaining local interest and control other methods of tax relief may be preferable.

COMMITTEE REPORT

SENATE

1/21/83

FURTHER: FINANCE

Date: _____

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had SB 65
An Act allowing for an optional exemption for certain real property from municipal taxation; 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

S 60 (Rev. 12/78)

WORK ORDER REQUEST FORM

M13- 0721

KEYWORDS: taxes

real estate

revenue

ASSIGNED TO Folta

REQUEST FOR: BILL [ ] RESOLUTION [ ] RESEARCH [X] Opinion OTHER [ ]

SUBJECT SB 65 Municipal tax exemption

REQUESTED FOR Sen. Gilman BY Gilman EXT. _____

* DELIVER TO Senator Gilman TAKEN BY Barnes

INSTRUCTIONS, EXPLANATIONS

If this bill becomes law would the optional exemption it creates be subject to being placed on the ballot by petition?

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED [ ]

AUTHORIZED TO CONFER WITH _____

RETURN _____

_____ TO REQUESTER

APPROVED: DCB Director, Legal Services

REVIEWED _____

IN 2/1 DUE _____

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT [X] FINAL [ ]

LA-L 10

MINER PUBLISHING CO

SB

67

COMMITTEE REPORT

SENATE

FURTHER:

3/4/83

Date: 2-25-17

Mr. President:

The Committee on C&NA has had SB 67 (2nd)

Relating to the relocation of utility facilities incident to the construction of highway projects by a municipality; 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 25, 1983

BILL ANALYSIS

RE: CSSB 67
SPONSOR: SENATE LABOR & COMMERCE COMMITTEE

PROGRAM EFFECTS OF BILL

The current statute requires that if, as a result of a state highway construction project, utility facilities must be relocated the State may order the utility to relocate that facility and the State must also pay the cost of that relocation. This bill would also expand the statute to include Municipal highway construction. It also restricts the costs payable to utility facilitites located as a result of valid easement or permits.

COMMENTS

It is reasonable to allow municipalities, which are responsible for construction of local roads and highways, this type of authority. We do, however, have some concern about relocation costs in instances where strict easement and right-of-way procedures have not been adhered to. Many of the smaller, older utilities do not have formal easements or right-of ways. It would seem that strict interpretation of new language could cause undue hardship for some of the smaller utility companies.

It would be our recommendation that some individual case by case discretion should be considered.

Karen Rhodes for Cam Lewis
Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CS SB 67
Title: relocation of utility facilities
Sponsor: Labor & Commerce
Requestor: Community & Regional Affairs Committee

II. FISCAL DETAIL

Agency Affected: Community & Regional Affair
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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

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:

Sponsor did not indicate.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry Earley
Division: Local Government Assistance
Phone: 465-4730
Date: 3/25/83

Approved by Commissioner:
Department: Community & Regional Affairs
Date: 3/25/83

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 MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 29, 1983

To: Senate Community and Regional Affairs Committee

From: Ginny Chitwood, Executive Director GC.

Re: SB 67 - Utility Relocation Costs

Municipalities oppose SB 67 because the issue is a local one and should be resolved at the local level. This bill would amend Title 29, Chapter 25 - Protection and Use of State Highways and Roads (emphasis added). The changes in SB 67, however, don't relate to state roads; they deal with local roads.

It is easy to understand why there is a provision in law for the state to pay the utility relocation costs since 95% of the funding is paid by the federal government. In municipal road projects, however, there is no way to shift 95% of the costs to a non-resident third party. The costs are paid by the local taxpayer unless the municipality receives a specific state grant for a specific project.

Since cost figures vary widely depending on the circumstances of each road project, I was not able to generate any average municipal cost per mile figures, but I do have general comments from several municipalities.

City of Palmer - Manager David Soulak estimates the provisions of SB 67, without section 5, would cause a 5% to 15% increase on three road projects currently being planned. In many cases, utilities are not where they're supposed to be. He doesn't think that municipalities should have to pay for utility mistakes, but does not oppose the municipality paying to relocate the utility if it is put in according to a permit.

Matanuska-Susitna Borough - Manager Gary Thurlow basically agrees with Soulak.

City and Borough of Sitka - Administrator Rocky Gutierrez believes that municipalities shouldn't be in state statutes except in Title 29. Sitka has worked out an agreement with the non-municipal utilities.

City of Kodiak - Manager Sam Gesko opposes section 3 of the bill, making the relocation costs a municipal responsibility.

City of Fairbanks - Manager Wally Droz says there would be no effect on

the City of Fairbanks because their policy is to pay relocation costs, although the utility pays for any upgrades.

Fairbanks North Star Borough - Public Works Director Don Moore reports that current borough practice is for the utility to pay relocation costs so shifting the cost to municipalities would cut down on the amount of road work that could be done with the available money.

City and Borough of Juneau - Public Works Director George Porter says that cost allocations are decided on a case by case basis, depending on whether the utility is where it was supposed to be, the age of the line, etc.

City of Ketchikan - City Manager Jim Van Altvorst estimates that the bill would cost the city an estimated $50,000 this year.

Municipality of Anchorage - Public Works Director Paul Diener believes that this is a local issue. Anchorage has a new ordinance in the works that would require the municipality to pay the relocation costs if the utility has a permit and is at the location specified in the permit; in other cases, the utility would be required to pay.

City of Kenai - Paying relocation costs would cut down the amount of road work the city could do. Attorney Tim Rogers points out that common law indicates that "Rights in streets or highways....are at all times held in subordination to the superior rights of the public".

THE HEART OF THE MATANUSKA VALLEY

CITY OF PALMER

COUNCIL-MANAGER GOVERNMENT
P.O. BOX 1368 • PHONE (907) 745-3271
PALMER, ALASKA 99645

March 21, 1983

The Honorable Richard I. Eliason
State Capitol
Pouch V
Juneau, Alaska 99811

RE: CS for Senate Bill No. 67

Dear Senator Eliason,

During our discussion this past Saturday, March 19, 1983 in Anchorage, I pointed out a question of service life of a facility.

Since the majority of the state is under the Rural Electrification Administration rules, the service life of a facility is thirty-five (35) years. In a relocation that may be borne eitner by the State or Municipality, there is no credit allowed for the expanded service life of a facility.

I would recommend that your committee consider this service life in your bill so that this credit is included in the applicable relocation costs. Beyond the service life, there should be no relocation costs.

Should you have any questions, please contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

DLS/cac

cc: Senator Kerttula
Representatives Larson and Lacher
Alaska Municipal League

Suggested by: City Council

CITY OF KENAI

RESOLUTION NO. 83-32

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA REQUESTING THE THIRTEENTH LEGISLATURE OF THE STATE OF ALASKA NOT TO BURDEN LOCAL GOVERNMENT WITH ADDITIONAL AND UNNECESSARY COSTS IN BUILDING, MAINTAINING OR REPAIRING ROADS WHICH ARE THE RESPONSIBILITY OF LOCAL GOVERNMENT BY PASSING SB 67 WHICH FORCES MUNICIPALITIES TO PAY THE COSTS OF RELOCATING UTILITY POLES AND/OR LINES IN CONJUNCTION WITH ANY OF THE MUNICIPALITIES' ROAD PROJECTS.

WHEREAS, the common law in the State of Alaska has always been that when a municipality requested a utility to move its poles or lines in conjunction with a road project undertaken by said municipality, that cost has been borne by the utility company, and

WHEREAS, the passage of SB 67 will only burden local taxpayers with additional costs which in the past have not been borne by the local taxpayers, and

WHEREAS, electric utilities have been provided an easement along said roads by municipalities without any cost to the utility,

WHEREAS, the utility will be a major benefactor from SB 67 at the expense of the local taxpayers, and

WHEREAS, transferring the burden of the cost of relocating utility transmission lines and poles to the public sector is contrary to the public good and welfare of the taxpaying public, and

WHEREAS, there is a strong possibility that with the passage of SB 67 it would discourage municipalities in many cases from trying to make appropriate and adequate repairs to existing streets because of the additional burden and therefore be detrimental and perhaps even dangerous to the motoring public in many municipalities.

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 defeat SB 67 on the basis that it appears not to be in the best interests of the citizens of the State of Alaska, and further that immediately after the adoption of this resolution the Clerk of the City of

Kenai shall mail copies thereof to Governor William J. Sheffield, Senators Don Gilman and Paul Fischer, Representatives Hugh Malone, Milo Fritz, Bette Cato and Vern Hurlbert; in addition, the Chairman and Vice-Chairman of the House Labor and Commerce Committee, Representatives Walt Furnace and Rick Uehling and Chairman and Vice-Chairman of the Senate Labor and Commerce Committee, Senators Richard Eliason and Bob Mulcahy as well as the Alaska Municipal League.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA this 16th day of March, 1983.

Ronald A. Malston, Mayor

ATTEST:

Janet Whelan, City Clerk



CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

March 11, 1983

Honorable Richard Eliason, Chairman
Senate Labor and Commerce Committee
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Senator Eliason:

In response to a request by you directed through the Alaska Municipal League in providing you with information on how much it will cost municipalities to pay for relocation of utilities in connection with municipal highway projects, please consider the following:

Homer Electric which is the provider of electrical power for the City of Kenai and the surrounding areas has indicated to the City that during the years 1980, 1981 and 1982, the cost for relocating their utility poles in conjunction with road projects undertaken by the City of Kenai cost in excess of $300,000. In addition, for the last half of 1982, Homer Electric submitted a bill for $60,000 for a particular road project that the City had under construction.

At this time, the City has refused to pay that bill and as a matter of fact, we now find ourselves in court with that utility over the dispute of whether or not the utility or the City is going to pay those costs. The City's contention is and will remain until directed otherwise that the utilities are in our right of ways at the sufferance of the public and therefore when the City undertakes a major road redesign or improvement project, the utility shall bear the cost for moving the poles to comply with the road design.

In addition to that, in 1982 the City had a downtown road project for which we were asphalting almost a mile and a half of road, we requested that Homer Electric bury their lines in that area on the basis that it was downtown property. Homer Electric refused to bury those lines and we sat down and negotiated with Homer Electric and the City ended up paying for the burying of those lines and the cost to the City was $75,000.

Now, as a matter of fact, we could have fixed two or three of our roads in this community that during breakup no-one can even drive down, citizens have to park their cars as far away as four or five city blocks from their home because the roads are in such condition during breakup they cannot be traversed.

It is for these reasons that the City opposes SB 67. The City's contention is that it always has been and should remain the utility's responsibility for relocating their utility lines when the City is improving the highway system from a safety standpoint and for a convenience standpoint for the traveling public in these communities.

At this point we have only talked about the electric utility, you must remember that if those costs are representative for the electric utility, most all of the telephone lines must be at the same time moved and on many occasions, the gas lines also have to be moved. If you multiply $300,000+ then the City over the last three years was looking at a total expenditure of approximately $1 million just to relocate the utilities in order to permit the City to repair and maintain the roads to benefit the traveling public.

It becomes obvious that a city of 5,000 people does not have the kind of money necessary in order to do the roadwork that we feel is our obligation and at the same time provide the money for all of the utilities which are private entrepreneurs and in the profit making business.

Sincerely,

Wm. J. Brighton
City Manager

WJB/dg

cc: Senator Don Gilman
Senator Paul Fischer
Representative Hugh Malone
Representative Milo Fritz
Alaska Municipal League

ANCHORAGE WATER & SEWER UTILITIES

3000 Arctic Boulevard
Anchorage, Alaska 99503
(907) 277-7622

Tony Knowles
Mayor

Owned by the Municipality
of Anchorage

March 7, 1983

Senator Eliason
Chairman, Labor & Commerce
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: SB-67

Dear Senator Eliason:

From the perspective of water and wastewater facilities, passage of the subject legislation should not have a significant impact on the cost of municipal road improvements.

In Anchorage for example, it is rare when a municipal road improvement impacts much more than the surface or above surface water and wastewater facilities. Generally this would include moving fire hydrants, adjusting sewer manhole elevations, adjusting water valve box elevations, etc. These type of relocations cost AWWU approximately $100,000 in 1982, a year with significant road improvement activity.

An exception to the above would be a situation where a road improvement project necessitated relocating an entire stretch of water or sewer main. Generally this only occurs when the road grade is lowered so much that freezing becomes a potential problem for an existing facility. In these cases relocation could cost as much as $100 per lineal foot of pipe, including apurtenances.

If the Anchorage Water and Wastewater Utility can provide any further information please contact either myself or Brian Crewdson at 265-5561.

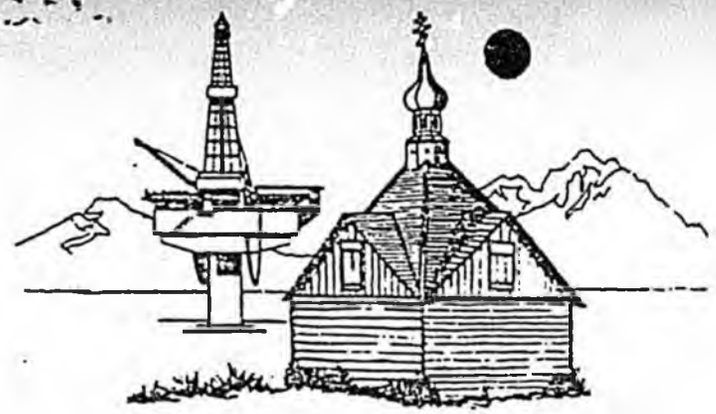
Sincerely,

Robert E. Smith

ROBERT E. SMITH
General Manager
Anchorage Water & Wastewater Utility

RES/BIC/slr
H/SE

cc: Alaska Municipal League
Patrick Anderson
John Harshman



CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

March 3, 1983

Honorable Frank Ferguson
Chairman, Senate Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska

RE: CSSB 67

Dear Senator Ferguson:

Our community is concerned regarding the present legislation to amend AS 19.25.020 in such a manner that the cost of changes for relocations of utilities caused by road construction would be paid by the municipalities.

As you will recall, Senate Bill No. 871 introduced March 22, 1982, proposing an amendment to AS 19.25.020 that would have imposed a financial burden of utility relocates on the municipalities was not passed. While the present bill differs, the primary thrust is the same in that it is an attempt at legislation in derogation of the common law principle set forth in the overwhelming weight of case law as summarized in Section 232 of of 39 Am Jur which states:

> Rights in streets or highways granted to individuals or corporations are at all times held in subordination to the superior rights of the public. The Grantee takes them subject to the paramount right of the public authorities to grade and improve the way and to make such requirements and regulations as are necessary and reasonable in order to make it suitable and convenient for the use of the travelling public, and the Grantee may be required to abandon the use granted, or to remove or change the location of structures erected under the grant, when demanded by the public necessity, convenience, or welfare. This power of the public authority cannot be limited by contract.

Presently, under AS 42.05.251 a utility company is entitled to a permit to use of the streets, alleys and other public ways "upon payment of a reasonable permit fee and on reasonable terms and conditions and with reasonable exceptions" required by the City. Absent a contractual relationship to the contrary the applicable law is stated at 12 McQuillim Municipal Corporations, Section 3472 in that "the Grantee of a franchise to use the streets takes it subject to the right of the municipality to make public improvements whenever and wherever the public interest demands, and if the improvement causes injury to the company, as by requiring it to relay or change the location of its pipes, tracts, or poles, or otherwise, the Grantee of the franchise cannot recover damages from a municipality therefor." McQuillim further maintains in Section 34.74 (a) that "the fundamental common-law right applicable to franchises and streets is that the utility company must relocate its facilities and public streets when changes are required by public necessity. Accordingly, it is generally held that the municipality may require a change in the location of pipes or other underground facilities of the Grantee of the franchise where public convenience or security requires it, even at the Grantee's own expense,....".

The recent success of the utility industry in the case of Chesapeak and Potomac Telephone Company of Virginia vs. Landrieu 674 Fed Second 298 (1982) wherein public utilities created under state law were found to qualify as "displaced persons" under the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970, so as to entitle them to reimbursement for relocation costs seems to have precipitated some sort of concerted activity on the utility industry's part to change the ingrained long standing common law rules of the game. The copy of the attached communication from the National Institute of Municipal Law Officers dated January 26, 1983, is indicative of a national concern regarding the potential economic impact of assessing municipalities for utility relocates.

We respectfully request that no legislation be passed which would burden municipalities with the cost of utility relocates. Thank you in advance for your assistance and cooperation in this matter.

Respectfully yours,

Tim Rogers
City Attorney

TR/dg

cc: Senator Don Gilman
Senator Paul Fischer
Representative Milo Fritz
Ginny Chitwood, Alaska Municipal League

THE HEART OF THE MATANUSKA VALLEY

CITY OF PALMER

COUNCIL-MANAGER GOVERNMENT
P.O. BOX 1368 • PHONE (907) 745-3271
PALMER, ALASKA 99645

February 7, 1983

The Honorable Richard Eliason
Alaska State Senate
State Capitol
Pouch V
Juneau, Alaska 99811

RE: SB ~~69~~ 67

Dear Senator Eliason,

The City of Palmer opposes SB ~~69~~ 67 in its entirety and for good reason.

Matanuska Telephone Association (MTA) has operated since 1972 without a franchise with the City of Palmer after the original franchise lapsed after twenty years. During the last ten years plus, MTA has embarked upon an underground burial program without obtaining permits or approval of the City for use of their right of way.

While Matanuska Electric Association has had a franchise since 1952 and renewed this in 1972. The MEA franchise stipulates that all relocations will be at their expense.

MTA's burial program may have not been too bad if they would have stayed adjacent to the property line as the municipal code spells out, but this was not the case.

Last September, we let contracts for paving of various streets using per capita money as seed money for special assessment districts. From the onset of construction we had problems. In one street, we had cable buried, from the left to right at 6'-0"±, 12'-0"± and 18'0"± in a sixty (60) foot right of way. Since this street according to our Comprehensive Plan is designated as a residential collector street its design width is forty four (44) feet back of curb to back of curb. The bill MTA has sent to the City of Palmer for relocating approximately six hundred (600) feet in this situation is $19,329.06.

In addition to this sum, we received a bill from the cable television installation company for damages too.

Now, this brings up another item. Prior to the cable television installation, we advised the contractor along with MTA representatives that the cable should be buried no more than six (6) feet from the property line and all street crossings to be a minimum three (3) feet deep. This was sent formally to MTA in the form of a letter. Since MTA hired a private contractor for this work, it was the private contractor's goal to bury as much as soon as possible. Even though every single parcel of land in the City has been surveyed at one time or the other, neither MTA nor the private contractor took the time to locate any property pins. There were instances we had them relocate cable since they were well beyond the six feet. Their reasoning was that they measured off the centerline of our dirt streets. Even so, the centerline of a street is not always the centerline of the right of way. This is especially true of non-permanent streets.

Further, the cable drop services to the residents which crossed the street were buried less than one (1) foot deep. MTA was advised of this fact and they said to cut the service as they are in the wrong.

On another street that was bid in the September street bid package, MTA has billed us $22,248.55 for relocation expense when the cable meandered through the right of way up to twelve (12) feet into the right of way and was from six (6) inches to two (2) feet deep.

On another street, we were billed $2,414.79 for cable relocation that varied from being on private property to ten (10) feet into the right of way to avoid bushes and branches. The reason for these costs being so small is that the street was not located in the center of the right of way and the shifting of the street did not cause as much relocation as normal, besides it was in an open area lacking of vegetation.

These costs will add between five and fifteen (5-15%) percent to the project cost depending upon street design. Each street will vary with the degree of encroachment.

We would agree that if utilities were placed in accordance with a permit issued by the City or Municipality and relocation was at our request, then we would be willing to pay for the costs. But to absolve the utilities, as in our case, Matanuska Telephone Association and Matanuska Electric Association, of prior helter skelter installation is inequitable and unjustified.

This naturally is a concern to the utility companies as they, in most cases, have gone about placing their utilities without care for proper placement.

Now with the possibility of natural gas being brought into many parts of the Matanuska Valley, utility corridor placement plays a larger role especially in the City of Palmer.

When the City of Palmer installs water, sewer or storm sewer, we engage the services of a professional engineer to design and stake out the construction to insure proper alignment and grade. It increases our costs marginally, but this is what all utilities should be required to do and we wouldn't have the conflicts that now exist. Anyone can draw lines on paper but the field installation is where it counts.

The problems and costs previously cited caused contractor delays which may or may not show up in the final construction costs since only the excavation and sub-base were completed last fall.

As City Manager of Palmer and Secretary-Treasurer of the Alaska Municipal Manager's Association, I urge you to vote against this bill in its present form.

Should you have any questions, please contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

cc: Senator Jalmar Kerttula
Representative Ron Larson
Representative Barbara Lacher
Ginny Chitwood, AML

National Institute of Municipal Law Officers

1000 Connecticut Avenue, N.W., Suite 800, Washington, D.C. 20036 (202) 466-5424

National Municipal Litigation Center of the National Municipal Legal Defense Fund

PRESIDENT
HENRY W. UNDERHILL, JR.
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Charlotte, North Carolina

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ROY D. BATES
City Attorney
Columbia, South Carolina

GENERAL COUNSEL
CHARLES S. RHYNE
Washington, D.C.

TRUSTEES:

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City Attorney
San Francisco, California

JAMES B. BRENNAN
City Attorney
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St. Louis, Missouri

WALTER M. POWELL
Municipal Counselor
Oklahoma City, Oklahoma

FREDERICK A. O. SCHWARZ, JR.
Corporation Counsel
New York, New York

WILLIAM H. TAUBE
Corporation Counsel
Kankakee, Illinois

WILLIAM Y. THORNTON, JR.
City Attorney
Durham, North Carolina

MAX P. ZALL
City Attorney
Denver, Colorado

January 26, 1983

Dear NIMLO Member:

We are compiling information about the potential economic impact of a recent Fourth Circuit decision on municipalities nationwide. The decision in C&P Telephone Co. v. Landrieu, 674 F.2d 298 (4th Cir. 1982), if upheld, will mean that public utilities created under state law may qualify as "displaced persons" under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, so as to entitle them to reimbursement for the cost of removing equipment from public rights-of-way to accommodate projects funded with federal monies. On January 17, 1983, the United States Supreme Court granted certiorari to review the Fourth Circuit ruling in this case (Norfolk Redevelopment and Housing Authority v. C&P Telephone Co. of Virginia, No. 81-2332).

There is concern about the potential impact of the decision on the availability of redevelopment funds if, contrary to state common law, utilities are to be reimbursed for the cost of relocating utility facilities from project areas. For example, in the NRHA v. C & P Tel. Co. case, projections are that the utility's claim could reach $1 million with interest accrued since the mid-1970's.

In order to determine the implications of the Fourth Circuit ruling, we ask that all NIMLO members take time to answer, either affirmatively or negatively, the questions in the short survey on the back of this letter. The information gathered from your responses will be compiled for use either in any NIMLO amicus brief that may be approved and prepared or by the petitioner Authority or other amici involving in the case. BECAUSE THE BRIEFING SCHEDULE REQUIRES THAT ANY SUCH INFORMATION TO BE CONSIDERED BY THE COURT MUST BE PRESENTED BY MARCH 3, WE REQUEST THAT YOUR RESPONSES BE MAILED TO THE NIMLO WASHINGTON OFFICE AT THE ABOVE ADDRESS BY FEBRUARY 10 (postmark date).

While we realize that this is a short turnaround time, we hope that you will understand the circumstances and need for urgency. As in the past, the information provided to the court by NIMLO members may have significant persuasive value in this case.

Sincerely,

Charles S. Rhyne

Charles S. Rhyne
General Counsel

CSR:crj

RECEIVED
FEB 7 1983

1. Does state law provide that public utilities are responsible for the costs of removing their equipment from public rights-of-way at the request of the municipality? ☐ yes ☒ no ☐ don't know

   a.) Are relocation costs considered by the state regulatory agency responsible for approving utility rates? ☐ yes ☐ no ☒ don't know

2. Does the grant of a franchise to a public utility by your municipality carry an express provision concerning liability for the cost of removing above ground utility equipment at the municipality's request? ☐ yes ☒ no ☐ don't know

   If so,

   a.) The utility must bear the cost. ☐ yes ☐ no ☐ don't know

   b.) The municipality will reimburse the utility for relocation cost. ☐ yes ☐ no ☐ don't know

   c.) Does the same provision apply to removal of underground equipment? ☐ yes ☐ no ☐ don't know

3. Has a public utility ever requested reimbursement of relocation costs from your municipality or any separate governmental entity serving part of your municipality? ☒ yes ☐ no ☐ don't know

   If so, equipment above ground ☒ underground ☐ don't know ☐
   name of action _____
   highest level of decision Presently before the the Alaska Public Utilities Commission
   cite, if reported case _____
   disposition, including any amounts awarded _____

4. Are any such claims (see #3) for relocation expenses currently pending? ☒ yes ☐ no

   If so, equipment above ground ☒ underground ☐ don't know ☐
   a.) name of action _____
   court or agency in which filed Alaska Public Utilities Commission
   date claim filed _____

   ** AMOUNT OF CLAIM $0,000+

   b.) Did the 4th Circuit decision in C&P Tel. Co. v. Landrieu served as a catalyst to encourage this claim? ☐ yes ☐ no ☒ don't know

5. Do you forsee a possibility of any such claims (see #3) being made in connection with specific projects? ☒ yes ☐ no ☐ don't know

   If so, equipment above ground ☒ underground ☒ don't know ☐
   kind of project _____
   category of federal funding _____
   **potential amount of claim (will not be reported publicly with any specific reference as to origin) unknown

6. Comments or suggestions:

   ENCLOSED PLEASE FIND A COPY OF SB 67 PRESENTLY BEFORE THE ALASKA LEGISLATURE

Signed: name Tim Rogers title City Attorney
municipality City of Kenai date 2/8/83

-- Please return to: NDLO, Suite 800, 1000 Connecticut Avenue, N.W., Washington, DC 20036

C. R. BALDWIN
ATTORNEY
P. O. BOX 4210
KENAI, ALASKA 99611
TELEPHONE (907) 283-7167

March 18, 1983

Senator Don Gilman
Pouch V, Mail Stop 3100
Juneau, Alaska 99811

Re: SB 67

Dear Don:

I note that the above bill is now in the Community and Regional Affairs Committee. Please give serious consideration to a favorable report to the bill. Homer Electric has gotten into a real bind with the City of Kenai due to the significant increase in road construction which has been funded primarily by the State. The City has not allocated any portion of those proceeds to the costs of relocating utilities and has called upon Homer Electric to move the utilities and to bear the costs. Obviously the costs don't go_away they just spread over a larger rate base. Fortunately the rest of the cities on the Peninsula have not taken this position but just a quick review of the Common Law convinces me that they might be within their legal rights to do so.

At the present time the claim by HEA against the City is well over $150,000.00, and the matter is being determined by the Public Utilities Commission which has jurisdiction over the purchase contract between HEA and the City. Any determination by the PUC will not affect the relationship of HEA with the other cities because basically the PUC is only being asked to interpret the contract under which HEA is purchasing the old KCL system.

It makes more sense and will be less expensive in the long run if the cities will fund the costs of relocation up front instead of requiring the Utilities to do the work, advance the money, and then attempt at some later date to

collect that money thru a rate increase.

Thanks for your attention to a subject which is a vital concern to Homer Electric.

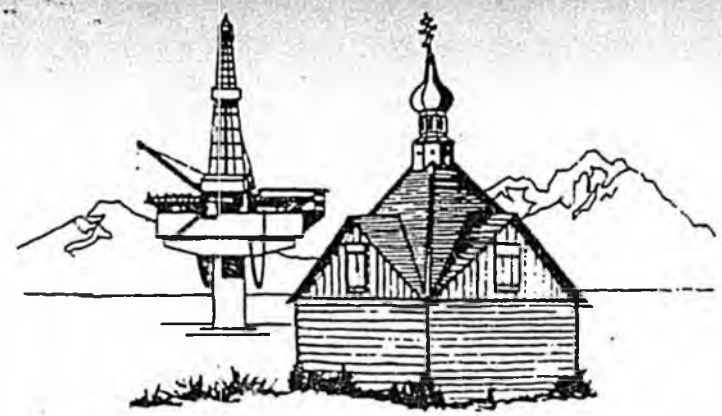
Very truly yours

C. R. BALDWIN

CRB/hs

cc: B. Kent Wick, General Manager
Homer Electric Association, Inc.

Sen. Paul Fischer
Rep. Milo Fritz
Rep. Hugh Malone
Rep. Bette Cato



CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

March 21, 1983

Honorable Richard Eliason
Chairman, Senate Labor & Commerce Committee
Pouch V
Juneau, AK 99811

Dear Senator Eliason:

Per request of the Kenai City Council, I am forwarding to you a copy of:

> Resolution 83-32 - Requesting the Legislature not to burden local government with additional and unnecessary costs in building, maintaining or repairing roads which are the responsibility of local government by passing SB 67 which forces municipalities to pay the costs of relocating utility poles and/or lines in conjunction with any of the municipalities' road projects.

Sincerely,

Janet Whelan

Janet Whelan
City Clerk

jw

Suggested by: City Council

CITY OF KENAI

RESOLUTION NO. 83-32

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA REQUESTING THE THIRTEENTH LEGISLATURE OF THE STATE OF ALASKA NOT TO BURDEN LOCAL GOVERNMENT WITH ADDITIONAL AND UNNECESSARY COSTS IN BUILDING, MAINTAINING OR REPAIRING ROADS WHICH ARE THE RESPONSIBILITY OF LOCAL GOVERNMENT BY PASSING SB 67 WHICH FORCES MUNICIPALITIES TO PAY THE COSTS OF RELOCATING UTILITY POLES AND/OR LINES IN CONJUNCTION WITH ANY OF THE MUNICIPALITIES' ROAD PROJECTS.

WHEREAS, the common law in the State of Alaska has always been that when a municipality requested a utility to move its poles or lines in conjunction with a road project undertaken by said municipality, that cost has been borne by the utility company, and

WHEREAS, the passage of SB 67 will only burden local taxpayers with additional costs which in the past have not been borne by the local taxpayers, and

WHEREAS, electric utilities have been provided an easement along said roads by municipalities without any cost to the utility,

WHEREAS, the utility will be a major benefactor from SB 67 at the expense of the local taxpayers, and

WHEREAS, transferring the burden of the cost of relocating utility transmission lines and poles to the public sector is contrary to the public good and welfare of the taxpaying public, and

WHEREAS, there is a strong possibility that with the passage of SB 67 it would discourage municipalities in many cases from trying to make appropriate and adequate repairs to existing streets because of the additional burden and therefore be detrimental and perhaps even dangerous to the motoring public in many municipalities.

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 defeat SB 67 on the basis that it appears not to be in the best interests of the citizens of the State of Alaska, and further that immediately after the adoption of this resolution the Clerk of the City of

Kenai shall mail copies thereof to Governor William J. Sheffield, Senators Don Gilman and Paul Fischer, Representatives Hugh Malone, Milo Fritz, Bette Cato and Vern Hurlbert; in addition, the Chairman and Vice-Chairman of the House Labor and Commerce Committee, Representatives Walt Furnace and Rick Uehling and Chairman and Vice-Chairman of the Senate Labor and Commerce Committee, Senators Richard Eliason and Bob Pelcahy as well as the Alaska Municipal League.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA this 16th day of March, 1983.

Ronald A. Malston, Mayor

ATTEST:

Janet Whelan, City Clerk

Anchorage Telephone Utility

600 EAST 36TH AVENUE, ANCHORAGE, ALASKA 99503-6041
TELEPHONE (907) 564-1000
Telex 090-25-100
Facsimile (907) 561-1703

Tony Knowles, Mayor

Owned by the Municipality of Anchorage

March 18, 1983

Senator Eliason
Chairman, Labor & Commerce
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SB-67

Dear Senator Eliason:

The passage of SB 67 will resolve a long standing disparity between the Federal and State laws on one hand, and local government policies on the other hand, as to reimbursements to utilities when they are required to relocate installed facilities to accommodate road and highway construction.

The Federal and State governments have historically reimbursed local utilities all reasonable costs associated with such relocation requests. The Municipality of Anchorage, for one, has refused such reimbursement.

Passage of SB 67 will be of significant, positive benefit to all Municipal utilities and their customers. No longer will the utilities have to bear unreasonable expenses incurred due to the failure of local governments to properly absorb relocation costs as a rightful part of their projects. Also rectified is the improper assignment of such relocation costs to all customers of a particular utility when only those living within a particular road improvement district or along a particular street may actually receive the benefits.

Cordially,

ANCHORAGE TELEPHONE UTILITY

A. C. Pistorius
General Manager

cc: Patrick Anderson, Legislative Affairs
Gary Tucker, Assistant Municipal Attorney
Executive Manager, Public Utilities
Alaska Municipal League

W10 AA1

THE HEART OF THE MATANUSKA VALLEY

CITY OF PALMER

COUNCIL-MANAGER GOVERNMENT
P.O. BOX 1368 • PHONE (907) 745-3271
PALMER, ALASKA 99645

March 21, 1983

The Honorable Richard I. Eliason
State Capitol
Pouch V
Juneau, Alaska 99811

RE: CS for Senate Bill No. 67

Dear Senator Eliason,

During our discussion this past Saturday, March 19, 1983 in Anchorage, I pointed out a question of service life of a facility.

Since the majority of the state is under the Rural Electrification Administration rules, the service life of a facility is thirty-five (35) years. In a relocation that may be borne either by the State or Municipality, there is no credit allowed for the expanded service life of a facility.

I would recommend that your committee consider this service life in your bill so that this credit is included in the applicable relocation costs. Beyond the service life, there should be no relocation costs.

Should you have any questions, please contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

DLS/cac

cc: Senator Kerttula
Representatives Larson and Lacher
Alaska Municipal League

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH Z
JUNEAU, ALASKA 99811
(TELEX 45-328)

April 27, 1983

Re: CSSB 67 (L&C) am

The Honorable Frank R. Ferguson
Chairman, Community and Regional
Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Attached is the Department's position on CSSB 67 am relating to relocation of utility facilities due to municipality roadway construction.

This legislation would provide utility relocation standards in municipalities similar to those presently required for our Department's highway construction. This bill, however, does not affect this Department's current operations and construction procedures.

While we see a need for this bill and can support it as it is presently written, we recommend that contact be made with the Alaska Municipal League and the individual Alaska municipalities for their views.

Sincerely,

Daniel A. Casey
Commissioner

DAC/JJS/BRF/ps

Attachment

cc: Alaska Municipal League
Emil Notti, Legislative Assistant
Office of the Governor
Bruce R. Freitag, Stand. & Tech. Svs, Statewide
Fred J. Seeger, Deputy Commissioner
John J. Simpson, Acting Director,
Standards and Technical Services

25A-T1LH

POSITION PAPER OF DOT&PF ON CSSB 67 (L&C) am
(Utility Relocation)

This legislation in its present form (CSSB 67 (L&C) am) will not affect the current State Statutes regulating the procedures and operation of the Department of Transportation and Public Facilities.

It would require municipalities to treat utility relocation, incident to roadway construction, in a manner similar to that currently required for construction of State highways and should provide the following:

1. Faster project completion since the utility would be assured of relocation funds thus reducing potential delays caused if the utility is required to find its own funding to perform the required relocation work;

2. Protection for the utility consumer from rate increases that could be caused from utility relocation expenses; and

3. Better assurance that original utility facility installations would be made to proper standards and that the applicable utility permts/ easements would be obtained for those facilities within roadway rights-of-way.

Since this legislation requires municipalities to pay the costs for any change, relocation, or removal of utility facilities necessitated by roadway construction, the Alaska Muncipal League and the individual Alaska municipalities should be contacted for their views.

It should be noted that the Department has had trouble with the present wording of Sec. 4. AS 19.25.020 (c) as the phrase "...notwithstanding the terms or provisions of any existing permit, agreement, regulation or statute to the contrary." has been interpreted that no special condition regarding relocation costs on previously issued permits would be valid. This may also then affect municipalities which have allowed conditional utility installation permits within their rights-of-way to provide for certain rapid system expansions where code wasn't in all cases followed. If this situation exists within a municipality, they may, under the proposed statute, be liable for higher relocation costs than would normally be allowed. Therefore, it is recommended that the phrase in question be deleted from any new legislation .

SENATE AMENDMENT

BY Senator Gilman

To: Committee Substitute for SENATE BILL No. 67 (L&C)

To: _____ HOUSE BILL No. _____

PAGE: 2 AFTER LINE: 11

Insert new section 5.

*Section 5. A.S. 19.45.001(4) is amended to read:

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be substracted from the entire cost any salvage value derived from the old facility; if a facility's service life is extended by the work done to change or relocate it, a percentage equal to the percentage of extension of the facility's service life shall be subtracted from the cost;

Renumber the following sections accordingly.

Chapter 45. Miscellaneous Provisions.

Section
01. Definitions
02. Penalties
15. Highway construction near airports

Sec. 19.45.001. Definitions. In AS 19.05 — 19.40

(1) "commissioner" means the commissioner of transportation and public facilities;

(2) "construction" or any derivation means construction, reconstruction, alteration, improvement or major repair;

(3) "controlled-access facility" means a highway especially designed for through traffic, and over, from, or to which owners or occupants of abutting land or other persons have either no right or easement or only a controlled right or easement of access, light, air, or view;

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be subtracted from the entire cost any salvage value derived from the old facility;

(5) "department" means the Department of Transportation and Public Facilities;

(6) "excess lands" means land acquired by the state in excess of land required for a highway, when the remaining portion of a parcel of land so acquired is left in such shape or condition as to be of little or no value to its owner, or to give rise to claims or litigation concerning severance or other damage;

(7) "federal-aid primary, federal-aid secondary, and interstate system" include any highway which is a part of the federal-aid systems as provided in the Federal-Aid Highway Act of 1956, and any laws amending or supplementing it;

(8) "highway" includes a highway (whether included in primary or secondary systems), road, street, trail, walk, bridge, tunnel, drainage structure and other similar or related structure or facility, and right-of-way thereof, and further includes a ferry system, whether operated solely inside the state or to connect with a Canadian highway, and any such related facility;

(9) "maintenance" means the preservation of each type of highway, roadside structure and facility as nearly as possible in its original condition as constructed, or as subsequently improved, and the operation of highway facilities and services to provide satisfactory and safe highways;

(10) "municipality" means an incorporated city or political subdivision which has jurisdiction over highways in its incorporated area;

SB
85

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

April 5, 1983

TO: Senate Community and Regional Affairs Committee Members

FROM: McKie Campbell
Committee Staff

SUBJECT: CSSB 85

Attached is a brief history of the certificate of need in Alaska prepared by staff to the Committee and an accompanying excerpt from a paper prepared by the Alaska Health Coalition that very briefly describes how the C.O.N. process works in Alaska.
Immediately beneath these is a position paper and fiscal note from the Department of Health and Social Services. These documents are the only new additions to the informational packet since last Tuesday's meeting.

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

BRIEF HISTORY OF ALASKAN CERTIFICATE OF NEED

In the early 1970's, Certificate of Need appears to have been a topic much on the minds of hospital administrators and other health care professionals.

In Alaska the issue mainly centered on the situation in Anchorage. Providence Hospital was trying very hard to become a major referral hospital where patients from Alaska with serious medical problems could be referred instead of being sent down south. Anchorage Community Hospital was in the process of transforming itself into Alaska Hospital while at the same time coping with a relatively high vacancy factor.

In this same period the federal government had passed PL 93-641, the federal C.O.N. law, and plans for Lake Otis Hospital were being discussed. There was strong feeling among the administration at Providence Hospital that it needed to achieve a certain size or critical mass to be able to support the special programs and attract the doctors necessary to be a major referral hospital. This feeling was mixed with concern that the creation of a new hospital (Lake Otis) would seriously hinder Providence's effort to reach the size it felt necessary. There was speculation that the C.O.N. process might prevent the creation of Lake Otis.

In 1976 Alaska's C.O.N. statute (18.07.031-18.07.111) was proposed. This was in response to the potential cutoff of federal health care aid if Alaska did not enact such a law. During this period the C.O.N. process was vigorously supported by the Carter Administration.

Representatives of the Hospital Association state that the Association was opposed to C.O.N. when Alaska passed its bill in 1976, but felt that federal pressure made passage of the bill inevitable. Senators who were here in 1976 can evaluate this assertion. Because of this perceived inevitability, the Association says it supported the C.O.N. bill in an attempt to get the most favorable bill possible. Even with its present C.O.N. law Alaska is not in full compliance with federal law.

In 1981 the Board of Directors of the Alaska Hospital Association passed a motion committing the Association to working towards the repeal of C.O.N. in Alaska. It is worth pointing out that a change in the national political climate had occurred with the Reagan administration in office and strongly opposed to the C.O.N. process. The threatened cutoff of federal health care funds (approximately five million dollars for Alaska) had also been suspended by a continuing resolution of Congress. Though it is certainly a gamble, many observers are convinced that the cutoff of federal funds will not be imposed if Alaska repeals its C.O.N. law.

Today a number of changes have taken place in Alaska and particularly in Anchorage that affect the Hospital Association's views on C.O.N. Providence has become a major referral hospital for Alaska. Anchorage Community Hospital became Alaska Hospital and is now Humana Hospital. Lake Otis, contrary to some expectations, received the first C.O.N. issued in Alaska. Lake Otis still has its C.O.N. but due to financial and legal problems has not yet been built.

If C.O.N. is repealed it appears likely that financing to construct Lake Otis would be extremely difficult to obtain.

CERTIFICATE OF NEED PROGRAM

PURPOSE

The most controversial aspect of the health planning effort, in Alaska and nationwide, has been the Certificate of Need (CON) program. Borrowed from public utility regulations, the earliest CON program was enacted by New York in 1964. Twenty-six other states instituted CON programs in the next ten years, and, with the passage of Public Law 93-641, CON was mandated for all states. Alaska's Certificate of Need statute (18.07.031-.111) was enacted by the State Legislature in 1976 and amended in 1981.

As originally designed, the CON program was implemented to curb rapidly escalating costs of health care by stemming uncontrolled capital investments in new health-care facilities, services, and high-technology equipment. To accomplish this goal, the CON program had several primary objectives: 1) to prevent unnecessary duplication of services and facilities; 2) to reduce the number of available hospital beds or at least not allow the growth of hospital beds to exceed guidelines established in the State Health Plan; 3) to promote an equitable and efficient allocation of resources; and 4) to determine if less costly alternatives to expensive capital expenditures were available to accomplish the same purpose.

WHO MUST APPLY

The State of Alaska requires approval of capital expenditures for projects which meet or exceed certain thresholds:

1. Capital expenditures in excess of $150,000 toward building, improving, or purchasing a health care facility, including lease or purchase of equipment, costs of any study surveys, designs, and site acquisitions and preparations.

2. Any change within a two-year period in the licensed bed capacity of a health care facility amounting to 10 beds or 10 percent, whichever is the lesser, which increases or decreases the number of beds or redistributes beds among different categories of service.

3. Any addition or elimination of a major type of service offered in or through the health care facility.

A project meeting or exceeding these thresholds is required to obtain a Certificate of Need from the State of Alaska prior to implementation.

THE PROCESS

An applicant enters the CON review process by submitting a "Letter of Intent" to the Department of Health and Social Services (DHSS) and to the appropriate health systems agency describing briefly the scope of the proposed activity. If the DHSS determines that the project is subject to CON review, the applicant develops a formal application and submits it to the State agency and the regional health systems agency. In most cases, a pre-application conference is scheduled with the applicant to minimize any potential misunderstandings and to achieve an agreement on what would represent a successful application. Once the State agency certifies that the application is "complete" -- that it contains sufficient information necessary to conduct an objective review -- the agency has 90 days to review the application and to submit an analysis to the Commissioner of DHSS for final action. Within the 90-day review period, the regional health planning agency has 60 days to review and seek public comments on the appropriateness of the proposed application. The HSA submits its findings and recommendations to the Commissioner. Once the Commissioner has considered the information that has been submitted, he decides whether or not to issue a Certificate of Need to the applicant. The Commissioner notifies the applicant in writing of the decision. Copies of the decision are sent to the Health Systems Agency and are published in regional newspapers.

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Norma Lang
Legislative Liaison
Department of Health &
Social Services

DATE: 31 March 1983

FROM: McKie Campbell
Professional Assistant
Senate Community & Regional
Affairs Committee

SUBJ: CSSB 85(HESS)

This is a written follow-up of my request of April 24 for a fiscal note and position paper on CSSB 85(HESS). This bill will be in front of committee again on Tuesday, April 5, 1983.

It would be most helpful if the Department would detail the fiscal impact of this bill by section, showing potential savings to the state as well as costs.

In last Tuesday's committee meeting Senator Sackett requested a history of Certificate of Need. Senator Sackett also said it was his impression that in the late 1970's and very early 1980's Providence Hospital and the then Alaska Hospital had supported the C.O.N. process. Both Providence and Humana hospitals are now supporting the repeal of the C.O.N. Senator Sackett requested an explanation of this apparent reversal of policy. Any assistance you can provide the committee on this history or explanation would be appreciated.

JOE P. JOSEPHSON
DISTRICT G · ANCHORAGE
1526 F STREET
ANCHORAGE, ALASKA 99501
(907) 277-4419

COMMITTEES
HEALTH, EDUCATION & SOCIAL SERVICES (CHAIR)
JUDICIARY (VICE-CHAIR)
FINANCE
MAJORITY CAUCUS (CHAIR)

ALASKA STATE SENATE

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4907
(907) 465-4525

MAR 2 3 RECD.

21 March 1983

Hon. Frank Ferguson
Chairman
Committee on Community & Regional Affairs
Alaska State Senate
Juneau

FOR HAND DELIVERY

Dear Frank:

The HESS Committee considered SB 85, relating to the Certificate of Need program, and voted to replace SB 85, whose original sponsor was Senator Faiks, with CSSB 85, which is now in possession of your Committee on Community and Regional Affairs.

The HESS committee substitute has widespread support, including support from the Alaska State Hospital Association and the administration. In addition, the committee substitute will save considerable money, as described in the attached exhibit entitled "Fiscal Effects of CS For SB 85 (HESS)".

I would be glad to explain this rather complex legislation to you and your staff, or to appear at a committe hearing. Because of the need of health care facilities to know whether or not they must proceed with certificate-of-need processes for planned construction, I would urge the earliest possible consideration of the bill in your committee.

With best wishes,

Sincerely,

Joe P. Josephson

enclosure

cc: Senator Faiks

FISCAL EFFECTS OF CS FOR SB 85 (HESS)

SUSPENSION OF HOSPITAL CONSTRUCTION FUNDING -AS 29.90

$46.4 million dollars of state hospital construction funding will be saved for the $185.6 million expansion of Providence Hospital, and untold millions of dollars for any other hospital expansion project during the period of suspension.

CAP ON HOSPITAL REVENUE SHARING

By limiting available revenue sharing to 250 acute care beds per facility, the state will save a yearly amount of $150,000 on the pla ied expansion of Providence Hospital - 150 beds.

PROSPECTIVE PAYMENT PROGRAM

Projected to save 1-3% of growth in Medicaid and General Relief Medical Programs, Prospective Payment would save the state between $437,000 and $1,311,700, based on FY 84 payment levels of these programs to hospitals and nursing home facilities ($43,726.2 from the Governor's proposed budget).

POSITION PAPER/Department of Health & Social Services

Position Paper
C.S. for Senate Bill 85

An Act suspending the certificate of need program, amending provisions related to assistance for health facility construction, Medicaid and general relief medical assistance, and providing for an effective date.

I. General Overview

Hospital and Nursing home rates in Alaska have traditionally been established retrospectively, that is, costs are estimated at the beginning of a fiscal year and an "interim payment" determined. At the end of the fiscal year, the total of interim payments made is compared to the allowable costs of the facility. The difference is either collected from or paid to the facility. This process is referred to as "cost settlement".

Prospective payment, on the other hand, provides for establishment of the payment rate prior to the fiscal year as a result of discussions between each facility and the State, each facility must then operate and provide care at this predetermined rate for the fiscal period.

While the retrospective method assures providers that all of their allowable costs will be reimbursed,a fundamental weakness of these retrospective systems is the lack of incentives to control staffing levels, equipment purchases, wage increases, and service expansion.

In view of reduced federal revenues and a new state spending limit, Alaska needs improved cost containment and predictability from its medical reimbursement system. The system must not only consider price, but also eligible groups and service coverages before the budget year commences. It also must consider the differences in "rural" and "urban" health delivery problems.

II. Problems with Retrospective Cost-Based Reimbursement Systems

- Tendency toward ineffective cost containment -- The key problem with a retrospective system is the lack of incentives to control expenditures so that unnecessary costs are avoided.

- Dependence upon auditing and monitoring procedures -- A retrospective system must have a tight, effective auditing system to monitor costs in order to curb abuses of the system.

- Tendency of the system to become inflexible -- Decisions are often made by accountants based on "generally acceptable accounting principles" rather than on the merits of each individual facility's situation.

- State is uncertain of total program costs until the fiscal period is well over -- Final cost figures may not be known to the State until 6 months after a fiscal year ends.

DISCUSSION PAPER/Department of Health & Social Services

- Cost Shifting occurs where unallowable costs under Medicaid are borne by other payors (insurance and private payors).

III. Advantages of a Prospective Payment System

- Based on the principle that predetermined rates will result in lower costs. A 1982 study by THE URBAN INSTITUTE concluded that prospective systems lower the rate of increase in hospital spending by several percentage points a year, after an initial start-up period.

- Predictability of costs to the State. Prices are agreed upon by the facilities and the State before the fiscal period starts.

- Predictability of revenues to the facilities. The industry can negotiate wages, purchases and other business decisions with a set service price in mind.

- The technique encourages development of more sophisticated budgeting and cost monitoring capabilities. These are desirable management tools and will permit the State to see how a facilities' budget is built and discuss their assumptions in each of the major cost categories.

IV. Disadvantages of a Prospective Payment System

- Administrative costs are generally greater than those of a retrospective system. However, administrative costs vary greatly according to the design of the system, and as such, this factor is not of significant concern when compared to the total dollars being monitored in the health area.

- Arbitrary cost limiters ("FREEZES", "LIDS") may be introduced into the prospective system to balance costs versus revenues. This eventually places hospitals and nursing homes in a "no win" situation since the rates do not fairly reflect efficiently run facilities' costs.

- If rates are not applied industry wide, cost shifting can still occur if Medicaid rates are set unrealistically low by the State based on arbitrary limiters.

V. Operation of a Prospective Payment System

There are a wide variety of prospective payment systems operated in the acute-care and long-term care sectors around the nation.

A common element of a prospective rate payment setting mechanism is an allowable rate of increase in per diem cost for the following year. This percentage is normally calculated through application of economic indicator such as U.S. Department of Labor wholesale and consumer price

DISCUSSION PAPER/Department of Health & Social Services

indexes. The percentage is then routinely applied to actual cost from the previous period to arrive at the prospective rate. Determination of allowable rates of increase can be undertaken either on an individual facilities or groups of facilities.

Another element of a prospective payment system is more precisely defined cost categories combined with a uniform method of reporting costs to the State. A common cost breakdown would be labor vs. non-labor with further categorization inside these areas. The following example uses "natural" expense categories in reporting facility costs.

- Labor expenses
  - physician's fees
  - management
  - clerical
  - technical (e.g., LPNs'; therapists)
  - registered nurses
  - household services (e.g., dietary, housekeeping workers)

- Non-labor expenses
  - food
  - utilities
  - drugs and supplies
  - maintenance of personnel
  - other

While some level of categorization is necessary to assure accuracy of prediction, the model outlined above may require an excessive level of accounting time and expertise for some of Alaska's smaller facilities. The compromise approach shown below may suffice:

- Salaries and fringe benefits

- Non-labor expenses
  - administrative and general
  - household and maintenance
  - dietary
  - professional care

VI. State Reimbursement Trends

To date, approximately thirty-four states have instituted a prospective system of reimbursement for nursing home services under Medicaid, and sixteen states have instituted a prospective system of reimbursement for hospital services under Medicaid. These prospective systems have taken many forms, each state's structure is a little different. However, they share the same philosophical purposes: "to encourage economy and efficiency, and to establish a uniform system of accounting, budgeting, and reporting in determining a health facility's future reimbursement".

DECISION PAPER/Department of Health & Social Services

VII. Why Alaska Should Consider Prospective Payment Now

1. Total overall spending is growing at 20% each year in Medicaid/GR Medical.

In any period, total spending is always a function of, 1) the number of recipients, the volume of services used, and the unit price of service. With an automatic cost-of-living increase that expands Alaska's eligible population, coupled with no unit price control or volume limits, Alaska currently has no ability to effectively control growth in medical costs.

According to a recent study by THE URBAN INSTITUTE, Medicaid payments rose at an annual rate of 15.5 percent from FY73 to FY79 nationally. Alaska had the highest annual rate of increase at 41.8 percent during this same period. Since FY79, costs have increased in excess of 20% annually in Alaska.

These three factors (recipients, volume, and unit price) need to be considered collectively in any fiscal year. Currently, critical decisions concerning eligible populations, service coverages and unit price are handled independent of each other and do not produce a final cost figure until the fiscal year is past. If total spending is to be contained at a level below 20%, these factors must be considered collectively before each fiscal year starts.

2. Federal funding for Medicaid is reduced in FY84 and later years. The State is facing an unknown dollar cutback in federal funding for FY84. Unless additional State funding replaces these lost federal revenues, critical decisions must be made to bring program spending in line with available resources.

3. Prospective Systems reduce costs in the long term. The Urban Institute recently concluded that "a consensus is now developing that prospective rate setting is effective in lowering the rate of increase in hospital spending by several percentage points a year, at least in mature rate setting programs after an initial start-up period".

VIII. Why Doesn't the Department of Health and Social Services Simply Adopt Prospective Payment by Regulation?

The Legislature must specifically endorse adoption of a prospective system in Alaska. The Alaska Attorney General has ruled in a 1982 opinion that present Alaska Statutes prevent adoption of a prospective payment system by regulation. The Legislature must change Alaska Statutes to clearly authorize the Department to adopt a prospective system.

SECTION PAPER/Department of Health & Social Services

IX. What Options Exist?

1. Do Nothing. This strategy would leave reimbursement in the present retrospective environment and require the Department to pass reductions in federal revenues on to hospitals and nursing homes through reduced rates. Most recent calculations place hospital and nursing home revenue reductions at 8% and 24% respectively for FY84. This strategy would not require any additional funds beyond the FY84 Governor's request for Medical Assistance but would severly impact Alaska facilities.

2. Remain on retrospective system and replace lost federal revenues with State funds, if State law permits. This strategy will require replacement funds and may require a statute change as well. There is some doubt whether the present statutes would permit the Department to pay rates in excess of the federal limits.

3. Same as option #2 but reduce persons eligible and medical services available. Under existing Alaska law, the Department is empowered to eliminate certain medical services and certain eligibility groups if funds were deemed inadequate for FY84. If it were determined that the Department could pay in excess of new federal limits with all State funds, or legislation were passed to permit this, the Department could make reductions in services and eligible groups to stay within its FY84 request.

4. Adopt Prospective System and replace lost federal revenues with State funds. This strategy will cost roughly the same as Option #2 but FY84 costs could be predicted with greater certainty. Assuming no changes were made in medical services covered or persons eligible, this option would save the State from 1 to 3% annually compared to Option #2 after the initial start-up period.

5. Adopt Prospective System but reduce persons eligible and medical services available. Herein lies the true value of a prospective system. Once the prospective rules are established and the rates (unit price) for services agreed upon for the fiscal year, eligible groups and medical services are then balanced against unit price to operate within the available appropriation. If no changes were made in persons covered or services offered, the price for this option would be the same as Option #4. If major reduction in eligibles or services were made, the costs for this option could be reduced proportionately.

6. Seek Relief from Congress. This is always an option but not one with as much potential in light of Alaska's present financial image. Nonetheless, there is provision within the new federal changes for special negotiation with the Secretary of Health and Human Services regarding "rural" hospitals. Alaska could pursue this option in conjunction with one of the strategies described in Option 1 through 5 above.

POSITION PAPER/Department of Health & Social Services

X. Summary

Alaska must balance eligible populations, medical services covered and unit price against available funds to define an affordable FY84 medical program. While a prospective system will not in and of itself make this totally possible, it could provide a business environment in which critical decisions will be made before the fiscal year starts.

OSITION PAPER/Department of Health & Social Services

XI. MAJOR PROVISIONS OF SB 85

Section 1: An excellent declaration of policy.

Section 6: Deletes that portion of AS 29.89.030 that provides payment of $1,000 per bed to a municipality that has the power to provide hospital facilities and services, but leaves the alternative payment of $250,000 per hospital in place. The provision of a $250,000 payment is primarily based upon the premise that most Alaskan hospitals are small in size with significant occupancy problems and, consequently, significant financial shortfalls.

Section 7: Provider authority to the Medicaid Rate Commissioner to determine prospectively a rate of payment to health facilities and establishes factors that must be considered in setting rate.

Section 8: Provides for Uniform Accounting, Budgeting and Financial Reporting, requires. Requires reports by the health facilities and the Rate Commissioner and provides for audits and appeals.

Section 10: Establishes the Medicaid Rate Commission, its composition, appointment of members, term of membership and employment of personnel.

Section 12: Provides authority for the Department to establish an interim system of prospective payments for the period 7/1/83 to 6/30/84.

Section 14: Suspends the operation of the certificate of need program for a period of seven years. The Administration has previously supported legislation which would repeal the certificate of need program. The Department views the provision in CSSB85 as an alternative which is similar to repeal.

Section 15: Repeals the definition of "Cost settlement" in AS 47.07.080(1).

Section 17: Establishes an effective date.

OSTION PAPER/Department of Health & Social Services

Department's Position

The Department of Health and Social Services supports this legislation as proposed.

4/4/83
Date

Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health and
Social Services

4/4/83
Date

John Pugh
John Pugh, Deputy Commissioner
for Social Services
Department of Health and
Social Services

4/4/83
Date

Daniel N. Meddleton
Dan Meddleton, Director
Division of Planning, Policy and
Program Evaluation

4/4/83
Date

Rod Betit
Rod Betit, Director
Division of Public Assistance

I. REQUEST

Bill/Resolution No.: [redacted]85

Title: Prospective Rate Setting

Sponsor:

Requestor:

II. FISCAL DETAIL

Agency Affected: Health and Social Servic

Program Category Affected: Medical Assis

BRU, Program of Subprogram(s) Affected: Medicaid/General Relief Medical

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		84,693	90,621	96,965	103,753	111,015
200 TRAVEL		27,000	28,890	30,912	33,076	35,391
300 CONTRACTUAL		70,000	20,000	20,000	20,000	20,000
400 COMMODITIES		2,000	2,140	2,290	2,450	2,621
500 EQUIPMENT		6,000	1,000	1,000	1,000	1,000
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		189,693	142,651	151,167	160,279	170,027
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		99,115	74,535	78,985	83,745	88,839
FEDERAL FUNDS		90,578	68,116	72,182	76,534	81,188
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Robert Ogden Miller [illegible] Phone: 465-3355

Division: Public Assistance Date: 4/4/83

Approved by Commissioner: Violet Fenton Smith, Ph.D. Date: 4/5/83

Department: H&SS

Distribution:

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(if different from Sponsor)

Fiscal Note Review

100 Personal Services				
1) Executive Director	R24	$4,251 X 12	=	51,012
2) Clerk Typist III	R8	1,487 X 12	=	17,844
				68,856
	Benefits .23%			15,837
				$84,693
200 Travel and Per Diem				
5 Commission Members X 12 meetings				
x average cost of $450			=	27,000
300 Contractual (Data Processing Assistance)				70,000
400 Commodities				2,000
500 Equipment				
1) Desks, Chairs and Files				6,000
Word Processor				
				$189,693

Three existing Auditor III positions from the Division of Public Assistance will be transferred for Commission use as well as travel funds, etc.

POSITION PAPER AND FISCAL NOTE FOR

CSSB 85 (HESS)

Attached is a position paper and fiscal note for SB 85 from the Department of Health and Social Services.

The Department has been asked to provide a position paper and fiscal note on the HESS Committee Substitute, however, the administration's Legislative Budget Review Committee has not considered the CS. The Legislative Liaison for the Department has said they are not allowed to comment in writing on the CS until the LBRC has reviewed it.

Dan Meddleton, Phoebe Lindsey and Rod Betit from DHSS are scheduled to be at the committee meeting today and available to answer questions.

POSITION PAPER/Department of Health & Social Services

Position Paper

on

Senate Bill 85

"For an Act repealing the certificate of need program; and providing for an effective date."

Senate Bill 85 repeals those portions of AS 18.07.021 which provide the statutory authority for the Department to administer a certificate of need program and repeals references to certificate of need in other sections of the Statute as well.

The Administration supports Senate Bill 85 as it is currently written.

The Department recommends that the Committee review statutory provisions which relate to health facility development including the following:

Medicaid Programs

The state's participation in the Medicaid program (State dollars fund approximately 52 percent of total program costs) has grown from $1 million in 1972 to nearly $38 million in FY 82 and total costs including federal participation have grown from $2 million to nearly $74 million in this same period. Ninety-two percent of patients in Alaska's long term care facilities are supported by the Medicaid program which means that the state (and federal) government has nearly the full burden of all operational costs for the facility. These Medicaid costs increase when additional beds are added, new equipment is purchased or new services (including new types of manpower) are offered. The Division of Public Assistance must effect a provider agreement with any qualified provider who seeks this agreement.

Capital Budget

Alaska has provided substantial financial assistance in the development of health care facilities. The 12th Legislature provided more than $36.6 million by line item appropriation to expand one hospital, replace two others and provide planning assistance to rural hospitals. The number of requests for state funding steadily increased.

Revenue Sharing

Alaska has a revenue sharing program (AS 29.90.010) which provides 25 percent plus interest of hospital construction costs to all non-profit hospitals. This program, administered by the Department of Community and Regional Affairs, provides further support for hospital construction projects in addition to any front-end capital funds provided by the state. This additional health facility construction resource underscores the importance of determining the actual need

for construction, before the State is committed to pay for a major portion of such construction.

Non-profit hospitals each receive a quarter of a million dollars in operating assistance each year through the state's revenue sharing program (AS 29.89.030). Nursing homes and other health facilities also receive assistance based on the number of beds they have. There are no specific requirements as to how such funds are to be expended. Not only are existing health facilities assured of these funds in addition to other state support, but new facilities are encouraged by the availability of these funds.

Recommended by: Phoebe A. Lindsey

Phoebe A. Lindsey, Director
Division of Planning, Policy
and Evaluation

Date: 2/16/83

Approved by: for John R. Smith

Robert London Smith, Ph.D.
Commissioner
Department of Health and
Social Services

Date: 2/16/83

PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: Senate Bill 85 Date on Bill: 1/27/83
Title: An Act repealing the certificate of need program;and providing for an effective date
Sponsor: Senators Faiks, P. Fischer, and Pettyjohn
Requestor:

1. Estimated fiscal impacts on:

a. Expenditures:

			FY 83	FY 84	FY 85	FY 86			
Capital			0	0	0	0			
Operating			0	0	0	0			
Total			0	0	0	0			

b. Revenues:

Revenue			0	0	0	0			

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 does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Dave W. Williams DW Phone: 465-3038
Division: State Health Planning and Development Date: 2-14-83

Approved by Commissioner: Date: 2/16/83
Department: Health and Social Services Date:

6. Distribution:
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STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

+165

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Prepared By: Dave W. Williams DW Phone: 465-3038
Division: State Health Planning and Development Date: 2-14-83

Approved by Commissioner: Date: 2/16/83
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LAKE OTIS CLINIC, INC. P.O. BOX 4-1539 ANCHORAGE, ALASKA 99509

(907) 276-3166

THE LAKE OTIS COMMUNITY HOSPITAL

March 18, 1983

Senator Frank Ferguson
Pouch V
Juneau, Alaska 99811

Dear Senator Ferguson:

Enclosed is a opy of my letter to Representative Adams regarding HB 19.

In order to be fair to all parties affected by CON legislation, I think something other than repeal of the law is indicated.

Sincerely,

Dr. Mike Beirne
President
Lake Otis Clinic, Inc.

MB/cm

Enclosure: cc of Adams letter, dated 3-18-83



LAKE OTIS CLINIC, INC. P.O. BOX 4-1539 ANCHORAGE, ALASKA 99509

(907) 276-3166

THE LAKE OTIS COMMUNITY HOSPITAL

March 18, 1983

Representative Al Adams
Chairman of Finance Committee
Pouch V
Juneau, Alaska 99811

Re: HB 19
Repeal of Certificate of Need

Dear Representative Adams:

This Bill would permit Providence Hospital to "neuter" my hospital franchise. Neutering can be evil. I object to neutering. Please do not pass this Bill. If passed it not only would mean the end of our Lake Otis Hospital Project in Anchorage, but in addition all small hospitals would have to step aside and leave the field to the big corporations exclusively. This is not in the public interest.

The Certificate of Need law, in effect since 1977, does help to control hospital expansions and therefore "costs" to the patient, or whoever pays the bills including the State. The present law should be modified, however, to permit hospitals to spend up to One Million Dollars without a permit. But the law should require a permit whenever new beds are added.

In effect, in Alaska we have the "franchise" system. And it works well. The record is clear. All 50 states have this system under federal guidelines.

In 1977, Lake Otis was issued a Certificate of Need (the franchise) by the State in compliance with the new law. Shortly thereafter Providence Hospital and others initiated a series of legal maneuvers effectively creating a "legal cloud" on this particular Certificate of Need which blocked access to all financing "until such time as all litigation ceases".

Since the Certificate of Need was issued in 1977, five major lawsuits have been filed against us. To date, we have won three of these lawsuits. A fourth case is now awaiting decision. The fifth and last lawsuit has perhaps another year to go in Superior Court. This is the case filed by Providence Hospital more than three years ago. We won this case in the trial courts on Summary Judgment! Providence took it to the Supreme Court which at first concurred with the trial court, but then on petition from Providence agreed to send the case back to the trial court for review of a single point. We will win this case. It is a great world.

During these past five years, the big hospital corporations have maintained that there was no need for addition beds in the community. Now they claim there is a "crisis". In addition, now the big hospital corporations are asking you to repeal the CON law so that they may expand their hospital and serve the public which so desperately needs their beds now. What they obviously cannot win in court, and they can't, they now seek to obtain by "neutering" our franchise. This is not very nice at all.

We have proceeded on this project in good faith. Our Certified Public Accountants have testified in two separate courts that I have personally invested more than Two Million Dollars in this project. I estimate that an equal amount has been consumed by this project as provided by me and others over the years, exclusive of my time and my personal services. The State has repeatedly testified that our CON (franchise) is valid. The State is even a co-defendant with us in the Providence lawsuit. We just want to proceed with our project.

So, in closing, let me remind you that "neutering" can be a mortal sin. A person with a mortal sin on his soul is not admitted to Heaven. Please don't let Providence and the others commit that sin. Do not repeal Certificate of Need law.

Sincerely,

Your humble and devoted tax payer

Mike Beirne

Dr. Mike Beirne
President
Lake Otis Clinic, Inc.

MB/cm

alaska state hospital association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790

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Humana Hospital Alaska
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Delegate to the American Health Care Association
Jack Buck
St. Ann's Nursing Home
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Homer

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Kodiak Island Hospital
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Moe Kadish
Trustee, Providence Hospital
Anchorage

Alternate Trustee Delegate to American Hospital Association
Robert Jensen
Central Peninsula Hospital
Soldotna

Physician Member of the Board
Keith Brownsberger, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

March 25, 1983

Frank Ferguson
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Ferguson:

CSSB 85 (HESS) is before the Community and Regional Affairs Committee for consideration. The Alaska State Hospital Association wishes to inform you of our support for this measure.

CSSB 85 (HESS) does four things. It suspends the certificate of need program (AS 18.07) and the aid to construction revenue sharing (AS 29.90) for a period of 7 years. It limits operational revenue sharing at $250,000 which is consistent with CSSB 37. Finally, it creates a prospective rate system for the Medicaid and General Relief Medical programs. I have attached papers on certificate of need repeal and prospective payment for your review.

The Alaska State Hospital Association respectfully requests your prompt and favorable action on this measure.

Sincerely,

Dennis L. DeWitt
President

alaska state hospital association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790

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Juneau

Sectional Analysis: SB 85

1. Suspends certificate of need for 7 years (sections 2-5, 14 & 16)

   This will permit time to evaluate activities of those currently regulated and any changes which might occur in the system.

2. Caps operational aid to hospitals at its current maximum. This is consistent with C&RA Committee action on CSSB 37 (section 6).

3. Creates a prospective rate system for the Medicaid and General Relief/Medical programs which includes determination of the rate by an independant commission, basic principles of reimbursement, and a fair appeals process, (sections 7-12, 15).

4. Suspends aid to construction revenue sharing for 7 years, (section 13). This is consistent with our commitment to deal with AS 29.90 in the same fashion as certificate of need.

DeWITT

R Betit

DIVISION OF PUBLIC ASSISTANCE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
STATE OF ALASKA

Rod Betit, Director
February 28, 1983

PROSPECTIVE VS. RETROSPECTIVE PAYMENT IN RELATION TO MEDICAL ASSISTANCE BUDGETING

I. General Overview

Hospital and Nursing home rates in Alaska have traditionally been established retrospectively, that is, costs are estimated at the beginning of a fiscal year and an "interim payment" determined. At the end of the fiscal year, the total of interim payments made is compared to the allowable costs of the facility. The difference is either collected from or paid to the facility. This process is referred to as "cost settlement".

Prospective payment, on the other hand, provides for establishment of the payment rate prior to the fiscal year as a result of discussions between each facility and the State, each facility must then operate and provide care at this predetermined rate for the fiscal period.

While the retrospective method assures providers that all of their allowable costs will be reimbursed, a fundamental weakness of these retrospective systems is the lack of incentives to control staffing levels, equipment purchases, wage increases, and service expansion.

In view of reduced federal revenues and a new state spending limit, Alaska needs improved cost containment and predictability from its medical reimbursement system. The system must not only consider price, but also eligible groups and service coverages before the budget year commences. It also must consider the differences in "rural" and "urban" health delivery problems.

II. Problems with Retrospective Cost-Based Reimbursement Systems

- Tendency toward ineffective cost containment -- The key problem with a retrospective system is the lack of incentives to control expenditures so that unnecessary costs are avoided.

- Dependence upon auditing and monitoring procedures -- A retrospective system must have a tight, effective auditing system to monitor costs in order to curb abuses of the system.

- Tendency of the system to become inflexible -- Decisions are often made by accountants based on "generally acceptable accounting principles" rather than on the merits of each individual facility's situation.

- State is uncertain of total program costs until the fiscal period is well over -- Final cost figures may not be known to the State until 6 months after a fiscal year ends.

- Cost Shifting occurs where unallowable costs under Medicaid are borne by other payors (insurance and private payors).

III. Advantages of a Prospective Payment System

- Based on the principle that predetermined rates will result in lower costs. A 1982 study by THE URBAN INSTITUTE concluded that prospective systems lower the rate of increase in hospital spending by several percentage points a year, after an initial start-up period.

- Predictability of costs to the State. Prices are agreed upon by the facilities and the State before the fiscal period starts.

- Predictability of revenues to the facilities. The industry can negotiate wages, purchases and other business decisions with a set service price in mind.

- The technique encourages development of more sophisticated budgeting and cost monitoring capabilities. These are desirable management tools and will permit the State to see how a facilities' budget is built and discuss their assumptions in each of the major cost categories.

IV. Disadvantages of a Prospective Payment System

- Administrative costs are generally greater than those of a retrospective system. However, administrative costs vary greatly according to the design of the system, and as such, this factor is not of significant concern when compared to the total dollars being monitored in the health area.

- Arbitrary cost limiters ("FREEZES", "LIDS") may be introduced into the prospective system to balance costs versus revenues. This eventually places hospitals and nursing homes in a "no win" situation since the rates do not fairly reflect efficiently run facilities' costs.

- If rates are not applied industry wide, cost shifting can still occur if Medicaid rates are set unrealistically low by the State based on arbitrary limiters.

V. Operation of a Prospective Payment System

There are a wide variety of prospective payment systems operated in the acute-care and long-term care sectors around the nation.

A common element of a prospective rate payment setting mechanism is an allowable rate of increase in per diem cost for the following year. This percentage is normally calculated through application of economic indicator such as U.S. Department of Labor wholesale and consumer price

indexes. The percentage is then routinely applied to actual cost from the previous period to arrive at the prospective rate. Determination of allowable rates of increase can be undertaken either on an individual facilities or groups of facilities.

Another element of a prospective payment system is more precisely defined cost categories combined with a uniform method of reporting costs to the State. A common cost breakdown would be labor vs. non-labor with further categorization inside these areas. The following example uses "natural" expense categories in reporting facility costs.

- Labor expenses
  - physician's fees
  - management
  - clerical
  - technical (e.g., LPNs', therapists)
  - registered nurses
  - household services (e.g., dietary, housekeeping workers)

- Non-labor expenses
  - food
  - utilities
  - drugs and supplies
  - maintenance of personnel
  - other

While some level of categorization is necessary to assure accuracy of prediction, the model outlined above may require an excessive level of accounting time and expertise for some of Alaska's smaller facilities. The compromise approach shown below may suffice:

- Salaries and fringe benefits

- Non-labor expenses
  - administrative and general
  - household and maintenance
  - dietary
  - professional care

VI. State Reimbursement Trends

To date, approximately thirty-four states have instituted a prospective system of reimbursement for nursing home services under Medicaid, and sixteen states have instituted a prospective system of reimbursement for hospital services under Medicaid. These prospective systems have taken many forms, each state's structure is a little different. However, they share the same philosophical purposes: "to encourage economy and efficiency, and to establish a uniform system of accounting, budgeting, and reporting in determining a health facility's future reimbursement".

VII. Why Alaska Should Consider Prospective Payment Now

1. Total overall spending is growing at 20% each year in Medicaid/GR Medical.

   In any period, total spending is always a function of, 1) the number of recipients, the volume of services used, and the unit price of service. With an automatic cost-of-living increase that expands Alaska's eligible population, coupled with no unit price control or volume limits, Alaska currently has no ability to effectively control growth in medical costs.

   According to a recent study by THE URBAN INSTITUTE, Medicaid payments rose at an annual rate of 15.5 percent from FY73 to FY79 nationally. Alaska had the highest annual rate of increase at 41.8 percent during this same period. Since FY79, costs have increased in excess of 20% annually in Alaska.

   These three factors (recipients, volume, and unit price) need to be considered collectively in any fiscal year. Currently, critical decisions concerning eligible populations, service coverages and unit price are handled independent of each other and do not produce a final cost figure until the fiscal year is past. If total spending is to be contained at a level below 20%, these factors must be considered collectively before each fiscal year starts.

2. Federal funding for Medicaid is reduced in FY84 and later years. The State is facing an estimated $4 to 5 million dollar cutback in federal funding for FY84. Unless additional State funding replaces these lost federal revenues, critical decisions must be made to bring program spending in line with available resources. These decisions must be made before FY84 starts if any real savings are to be achieved.

3. Prospective Systems reduce costs in the long term. The Urban Institute recently concluded that "a consensus is now developing that prospective rate setting is effective in lowering the rate of increase in hospital spending by several percentage points a year, at least in mature rate setting programs after an initial start-up period".

VIII. Why Doesn't the Department of Health and Social Services Simply Adopt Prospective Payment by Regulation?

The Legislature must specifically endorse adoption of a prospective system in Alaska. The Alaska Attorney General has ruled in a 1982 opinion that present Alaska Statutes prevent adoption of a prospective payment system by regulation. The Legislature must change Alaska Statutes to clearly authorize the Department to adopt a prospective system.

IX. What Options Exist to Address the FY84 Shortfall?

1. Do Nothing. This strategy would leave reimbursement in the present retrospective environment and require the Department to pass reductions in federal revenues on to hospitals and nursing homes through reduced rates. Most recent calculations place hospital and nursing home revenue reductions at 8% and 24% respectively for FY84. This strategy would not require any additional funds beyond the FY84 Governor's request for Medical Assistance but would severly impact Alaska facilities.

2. Remain on retrospective system and replace lost federal revenues with State funds, if State law permits. This strategy will require $4 to 5 million in replacement funds and may require a statute change as well. There is some doubt whether the present statutes would permit the Department to pay rates in excess of the federal limits.

3. Same as option #2 but reduce persons eligible and medical services available. Under existing Alaska law, the Department is empowered to eliminate certain medical services and certain eligibility groups if funds were deemed inadequate for FY84. If it were determined that the Department could pay in excess of new federal limits with all State funds, or legislation were passed to permit this, the Department could make reductions in services and eligible groups to partially offset this $4 to 5 million shortfall.

4. Adopt Prospective System and replace lost federal revenues with State funds. This strategy will cost roughly the same as Option #2 but FY84 costs could be predicted with greater certainty. Assuming no changes were made in medical services covered or persons eligible, this option would save the State from 1 to 3% annually compared to Option #2 after the initial start-up period.

5. Adopt Prospective System but reduce persons eligible and medical services available. Herein lies the true value of a prospective system. Once the prospective rules are established and the rates (unit price) for services agreed upon for the fiscal year, eligible groups and medical services are then balanced against unit price to operate within the available appropriation. If no changes were made in persons covered or services offered, the price for this option would be the same as Option #4. If major reduction in eligibles or services were made, the costs for this option could be reduced proportionately.

6. Seek Relief from Congress. This is always an option but not one with as much potential in light of Alaska's present financial image. Nonetheless, there is provision within the new federal changes for special negotiation with the Secretary of Health and Human Services regarding "rural" hospitals. Alaska could pursue this option in conjunction with one of the strategies described in Option 1 through 5 above.

X. Summary

Because of the new state spending limit and concurrent reductions in federal funding, Alaska is facing a $4 to 5 million shortfall in FY84 in its low income medical assistance programs. If passed on to hospitals and nursing homes, FY84 rates would be reduced 8% and 24% respectively. This could severely cripple if not force closure of several smaller rural facilities in the State.

Alaska must balance eligible populations, medical services covered and unit price against available funds to define an affordable FY84 medical program. While a prospective system will not in and of itself eliminate the shortfall, it could provide a business environment in which critical decisions will be made before the fiscal year starts. If implemented with reasonable cost limiters, minimal cost-shifting to other payors would occur.

alaska state hospital association

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Dennis L. DeWitt
Juneau

Alaska State Hospital Association

Position Paper

Certificate of Need Repeal

The Certificate of Need program in Alaska (AS.07) should be repealed. It is both inequitable and unnecessary. Its basic presumption is that the Department of Health and Social Services can make better decisions for hospitals and nursing homes than can the facilities themselves.

Basic Issues

1. Equity

- While controlling non-state construction of skilled nursing facilities (SNF's) and intermediate care facilities (ICF's), the prgram exempts these beds constructed in Pioneers' Homes. Thus any determination of need based on the current program is flawed because forces external to the program can and have - in Anchorage, Juneau, and Ketchikan - altered the factual situation.

- Alaska Native Health Service and the Armed Forces facilities are also exempt from coverage. Their activities have a direct bearing on many other facilities in terms of both service area and referrals.

- Physician office construction and equipment purchase are also exempt.

The inequities are clearly illustrated in the Anchorage area: Providence Hospital, Humana Hospital, Nakoyia Health Care Center, Hope Cottages and the Alaska Treatment Center are included in the CON program while the Alaska Native Health Service Hospital, Elmendorf AFB Hospital, the Anchorage Pioneers's Home and the Diamond Emergency Center are not included. All of these facilities share the same basic service area.

2. Unnecessary

Market place economics and competition should be the determinant of capital expansion for health facilities. In Anchorage, the Municipal Health Commission as well as open board meetings provide the public input into a facility's planning process. In smaller communities the city council or borough assembly who own the facility provide the public input opportunity.

Alaska is a developing state of many isolated regions without any appeal for duplication of services or need to limit access to health care, which is the basic intent of the CON program.

3. Conformity

42 USC 300 m-(d) requires that states conform to the federal program or face a reduction of specified public health service funds.

- Conformity is not achievable without the inclusion of the Pioneers' Homes.

- There are 30 states, including New York and California as well as Alaska, which are not in conformity.

- The penalties have been deferred every year since passage. In December of 1982 they were deferred until October 1, 1983.

- The Reagan Administration is not supportive of continuing this program. Congress is working to create a state optional program without penalties. Thus the likelihood of imposition of penalties is remote at best and the across the board elimination of CON would not change Alaska's current status.

4. Other States

- Louisiana does not have a certificate of need law.

- According to the American Hospital Association, 30 states currently do not conform.

- At least seven states have termination clauses or specific sunset provisions.

5. Attachments

- Alaska State Hospital Association Policy Paper on Repeal of Certificate of Need

- Providence letter to Mayor Knowles explaining opposition to CON.

- U.S. Department of Health and Human Services letter to Dennis DeWitt discussing Alaska's non-conformity.

(Attachments cont.)

- Alaska Department of Administration letter to Representative Don Clocksin discussing Pioneers' Homes exemption, conformity problem, and potential for penalties.

- 42 USC 300m-(d)

- Alaska Department of Health and Social Services letter to Representative Mike Beirne indicating lack of compliance with federal program.

- Alaska State Medical Association Resolution calling for the repeal of certificate of need.

- Alaska State Hospital Association letter to Stevens on CON repeal.

- Governor Sheffield's response to the Association letter to Senator Stevens.

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. Pavellas
Humana Hospital Alaska
Anchorage

Chairman-Elect
Mark Hawkins
Sitka Community Hospital
Sitka

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Fairbanks Memorial Hospital
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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.
Moti Kadish
Trustee, Providence Hospital
Anchorage

Alternate Trustee Delegate to American Hospital Association
Robert Jensen
Central Peninsula Hospital
Soldotna

Physician Member of the Board
Keith Brownsberger, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

POLICY STATEMENT

CERTIFICATE OF NEED

Position: The Alaska State Hospital Association advocates the repeal of the certificate of need (CON) law, AS 18.07.

Rationale: The CON process has proven costly, wasteful, and unnecessary. The program has become excessively bureaucratic to the point that it undermines economic incentives throughout the decision-making process and so increases the cost of capital projects it takes valuable dollars from patient care. The certificate of need process also removes community control from local jurisdictions in respect to municipally-owned facilities and local advisory boards in respect to corporate ownership.

An alternative approach to state control would permit marketplace economics to control expansion and would rely on local decision-makers to make decisions for their own communities. We see a value in state government continuing its planning function with input from regional and local groups.

Note: This does not contemplate repeal of construction or licensure standards.

PROVIDENCE
HOSPITAL

3200 PROVIDENCE DRIVE - POUCH 6604
ANCHORAGE, ALASKA 99502
PHONE: (907) 276-4511

SISTERS OF
PROVIDENCE

SERVING IN THE WEST SINCE 1856

December 27, 1982

Mayor Tony Knowles
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Knowles:

Thank you for the opportunity on December 13 to share Providence's plans and some of our concerns with you.

One point came up during our discussion regarding Certificate of Need (CON). I would like to elaborate for you in more detail why the health care providers in Alaska oppose CON and have so strongly supported its repeal.

As you know, the CON law was passed in this and most other states as a requisite to receive Federal funds. The major impetus for the law were:

1. Excess hospital beds in many large cities, and
2. rising health care costs.

The belief was that by controlling the number of beds, capital expenditures and new services, costs would be contained. The results have been much less than desired throughout the country. The law is cumbersome, wasteful and, in fact, costly.

The lack of "success" is especially true in Alaska for some basic reasons:

1. The process which the law sets in place is cumbersome and wasteful. The institution must:
   - submit a letter of intent at least 60 days prior to an application (for no apparent reason);
   - submit an elaborate, repetitive application (most are well over 100 pages). There are 12 separate "criteria" which must be addressed in any application;
   - wait to be declared complete (minimum 20 days; several of our applications were delayed months);
   - then go through a 90-day review process--with three or four public meetings.

2. The costs of CON to the institution are enormous to prepare this cumbersome document (at least 35 copies) and submit to the minimum 110-day process. There are also the institutional costs of delaying implementation and watching the price of a piece of equipment or construction project increase several percent points with inflation.

   The cost to the public is also great in the state, regional and local staff needed to coordinate the program, prepare staff analyses and hold public meetings.

3. The dollar limit for what must be reviewed has been ridiculously low--$150,000. The federal law has allowed that limit to be raised to $400,000 and $600,000 although the Alaska legislature failed in its last session to raise the limits. Some states have raised the limit to $1 million or more. To have a limit of $150,000 or even $600,000 when the hospital's annual operating budget is $75,000,000 (such as Providence's) is overkill.

   In just 1982 alone, Providence has prepared 6 CON applications, including two equipment replacements (for a CT Scanner and a Cath Lab), a $250,000 computer enhancement for an x-ray machine and most absurd, a $167,000 replacement incinerator (25 years old, replacement required by State and EPA codes!). The State did not give final approval on the incinerator until the 90th day.

4. The law itself is overkill in Alaska. Designed for areas of heavy population, excess hospital beds and competition, the law does not work for Alaska for several reasons:

   - The law only covers private facilities--not public health, nor state owned (API or Pioneer Homes), nor military.

   - Alaska has only one city with more than one hospital and only three private ("eligible") hospitals of over 100 beds.

5. The law is reactive to existing decision making processes. Most hospitals in the State already have local public review and approval designed in their own budget review processes. Many hospitals are owned by municipalities, and all have governing or advisory boards of local citizens. These citizens should have control of the expansion and budgetary decisions of their own institutions. Several other layers are unnecessary. Hospitals and their boards are capable of making sound financial and program decisions.

As the attached Policy Statement of the Alaska State Hospital Association (ASHA) notes, we are supportive of state and local planning for the health care needs. The process should be positive and proactive-- encouraging institutions to respond to needs in the community rather than reactive, cumbersome and negative.

We encourage the city to support the ASHA position on repealing the state CON law. Your own Municipal Health Commission is a strong local planning body which helps identify health needs and encourages solutions. It also serves to review public expenditures in health. Those roles are appropriate. It should be freed from the cumbersome CON review.

Thank you for giving me the opportunity to share our concerns with you.

Best wishes for a prosperous 1983.

Sincerely,

Al M. Camosso
Administrator

Enclosure

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Region X
M/S 829 Arcade Plaza Building
1321 Second Avenue
Seattle WA 98101

June 22, 1982

Re: 10P 550016
Alaska SHPDA

Dennis L. DeWitt
President
Alaska State Hospital Association
319 Seward Street
Juneau, Alaska 99801

Dear Mr. DeWitt:

Your letter dated June 11, 1982, requested information about Region X's intentions as a result of the failure of the Alaska Legislature to pass amendments proposed to bring the State Certificate of Need program into compliance with the Federal planning law, as amended. Our course of action is quite clear. We will continue to fullfill our mandated responsibilities guided by actions and time frames specified in the law.

Under the existing provisions of Title XV of the Public Health Service Act, as amended, current law requires (in order to be fully designated) that a SHPDA must meet all requirements for full designation, including that of having a complying Certificate of Need program.

If a SHPDA is not eligible for full designation by a certain date (which for Alaska is January 19, 1983) the Department must invoke the statutory penalty of reducing most Public Health Service grants and contracts to any entity in the State by 25% the first year, 50%, 75%, and 100% over the next three years. Amendments contained in PL 97-35 extended the date by which a State must have a fully designated SHPDA to avoid imposition of the penalty. However, PL 97-35 also amended Section 1521(b)(2)(B) by specifying that a conditional designation agreement could not extend beyond a State's penalty date.

Fully designated SHPDAs (such as Alaska) which do not have complying CON programs but continue to meet other requirements, will be returned to conditional designation. As noted above, PL 97-35 prohibits the conditional designation of any SHPDA from extending beyond its penalty date. Any SHPDA which remains conditionally designated on its penalty date must be terminated. Therefore, we will send a termination notice to any conditionally designated SHPDA 90-days prior to its penalty date, if it still has not demonstrated that it has a complying CON program.

The enclosed copy of a letter to Commissioner Beirne, from the Regional Health Administrator, further emphasizes the critical nature of having a complying CON program in Alaska.

Also the enclosed copy of a 1981 letter addressed to Mr. Ivan Lawner, Esq. concerning Pioneer Homes Certificate of Need review issues, reflects our unchanged position.

I hope the facts in this letter provide the detail of information required to understand the situation. Please call or write, should you need further assistance.

Sincerely,

John D. Whitney
Director
Department of Health
Resources Development
Region X

Enclosures (2)

JUN 21 1982

Re: IOP 550015
Alaska SHPDA

Helen D. Beirne, Ph.D.
Commissioner
Department of Health and
Social Services
Pouch H 01
Juneau, Alaska 99811

Dear Dr. Beirne:

The State of Alaska's Department of Health and Social Services full designation agreement with the Department of Health and Human Services is being extended for three months, until September 30, 1982. As you know, because Alaska's Certificate of Need Program does not comply with Federal requirements, it is necessary that the SHPDA be returned to conditional designation. As required by statute, this 90-day extension of your current designation is being given to allow you to request and prepare for a hearing, if you should want one. Letters from the Bureau of Health Planning to you and to the Governor will further explain this process.

The following conditions are to be considered a part of the extended full designation agreement:

1. If the Agency is unable to retain full designation after September 30, 1982, it will be returned to conditional designation for the period October 1, 1982 to June 30, 1983.

2. The designation of the Agency will automatically terminate when the Agency reaches its penalty date, if the Agency still has not achieved full designation.

You may at any time prior to your penalty date (1-19-83, per PPM 82-12) submit documentation which you believe contains evidence that the State's CON program complies with the minimum Federal requirements, or a certification by the State's Attorney General, attesting to the program's compliance

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Please sign both copies of this letter, indicating your acceptance of this extension with conditions. Return one copy to this office. As soon as we receive the signed copy, we will issue a Notice of Grant Award for the extended designation period.

Sincerely,

Dorothy H. Mann, M.P.H.
Regional Health Administrator
Region X

Helen D. Deirne, Ph.D.
Commissioner
Alaska Department of Health

Date

DHRD:ROSS:vw:6/21/82

The Department of Health and Social Services, in recent licensing inspections, has advised a significant number of residents in the ambulatory sections of all the Pioneers' Homes should be designated intermediate care patients. Intermediate care requires both a certificate of need and a significant increase in staffing, installation of call buttons or other signalling devices, and closer attention to patients when taking medications, etc. The number of patients which might be considered in need of intermediate care are: thirty at Sitka, twenty at Fairbanks, twenty at Palmer and forty at Anchorage (in the new wing).

Funding to provide intermediate care was not included in the FY 82 operating budget. Although a dollar figure is not available at the present time, a significant increase will be necessary if we must comply with the certificate of need program. Passage of SB 225 would eliminate this situation.

In summary:

1. Administration believes the Legislature had always intended to exclude Pioneers' Homes from certificate of need;

2. The certificate of need process is not appropriate for Alaska;

3. There needs to be planning for health care facilities and a more responsive process needs to be developed;

4. Grandfathering the nursing wing at Anchorage and the new Pioneers' Home at Ketchikan will not solve the complex problems existing at the Fairbanks, Palmer, and Sitka Pioneers' Home; and,

5. Passage of CSSB 225 will eliminate the potential for pain and suffering by allowing Pioneers' Homes residents to remain in their home.

If I can be of any further assistance to you or your committee, please give me a call.

Sincerely,

Frederick B. Muller
Deputy Commissioner for
Personnel Management

FBM/mjc
cc: Honorable Charles Parr
Honorable Robert Ziegler
Honorable Jalmar Kerttula
Honorable Patrick Rodey
Pioneers' Homes Advisory Board
Dennis Dewitt, Executive Director
Alaska State Hospital Association

accordance with subsection (b)(2), or (b)(3) of this section (as the Secretary determines appropriate), enter into another agreement with the Governor for the designation of a State Agency.

Failure to designate State Agency within specified period; reduction in allotment, grant, loan, loan guarantee, or contract

(d)(1) If an agreement under subsection (b)(3) of this section for the designation of a State Agency for a State is not in effect upon the expiration of—

(A) the fourth fiscal year which begins after 1975; or

(B)(i) if the legislature of the State is in a regular session on December 17, 1980 and the legislature will be in session for at least twelve months from such date, twenty-four months from such date, or

(ii) if the legislature of the State is in session on December 17, 1980, but twelve months do not remain in such session after such date or if the legislature of the State is not in session on such date, twenty-four months after the beginning of the first regular session of the legislature beginning after such date,

whichever occurs later, the Secretary shall take the action prescribed by paragraph (2).

(2) If upon the expiration of the period applicable under paragraph (1) an agreement is not in effect for the designation of a State Agency for a State, the Secretary shall until such an agreement is in effect take the following action:

(A) During the first twelve months after the date of the expiration of the applicable period, the Secretary shall reduce by 25 percent the amount of each allotment, grant, loan, and loan guarantee made to and each contract entered into with an individual or entity in such State during such period under this chapter or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

(B) During the second twelve months after such expiration date, the Secretary shall reduce by 50 percent the amount of each such allotment, grant, loan, loan guarantee, and contract.

(C) During the third twelve months after such expiration date, the Secretary shall reduce by 75 percent the amount of each such allotment, grant, loan, loan guarantee, and contract.

(D) After the expiration of thirty-six months after such expiration date, the Secretary may not make or enter into any such allotment, grant, loan, loan guarantee, or contract.

(July 1, 1944, c. 373, Title XV, § 1521, as added Jan. 4, 1975, Pub.L. 93-641, § 3, 88 Stat. 2242, and amended Aug. 1, 1977, Pub.L. 95-83, Title I, § 106(*l*), (m), 91 Stat. 385; Dec. 19, 1977, Pub.L. 95-215, § 6(b), 91 Stat. 1507; July 16, 1979, Pub. L. 96-33, 93 Stat. 86; Oct. 4, 1979, Pub.L. 96-79, Title I, § 123(a), (b)(1)(A), (2), (d), (f), (g)(2), 93 Stat. 624-627; Oct. 17, 1979, Pub.L. 96-88, Title V, § 509(b), 93 Stat. 695; Dec. 17, 1980, Pub.L. 96-538, Title III, § 303(b), 94 Stat. 3190; Aug. 13, 1981, Pub.L. 97-35, Title IX, §§ 902(g)(5), 936(b), 95 Stat. 561, 572.)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

POUCH H 01
JUNEAU, ALASKA 99811
PHONE: 465-3030

May 10, 1982

The Honorable Mike Beirne
Chairman
House HESS Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Rep. sentative Beirne:

I am enclosing a Program Policy Notice we recently received from the Bureau of Health Planning in the U. S. Department of Health and Human Services. This Notice emphasizes that states which do not have State Health Planning and Development Agencies which fully comply with federal requirements will lose federal support for health planning efforts and will also lose most federal Public Health Service dollars. Alaska currently receives some $5 million annually in such federal funds. Our lack of compliance would result in one quarter of these funds being withheld for four years until certain federal public health service funds are no longer available to Alaska.

We appreciate the hearing you conducted on House Bill 195. We believe this bill, with the amendments we offered, would bring our State Health Planning and Development Agency into full compliance with federal requirements. Your assistance in helping to move this legislation would be very much appreciated.

We appreciate your assistance and support in this matter.

Sincerely,

Helen D. Beirne

Helen D. Beirne
Commissioner

Enclosure

cc: Phoebe A. Lindsey

F32LH

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Pioneer Homes Lynns Room

Region X
M/S 829 Arcade Plaza Building
1321 Second Avenue
Seattle WA 98101

Re: 10P 550007-05

RCVD
12 1981
RECEIVED

Mr. Ivan Lawner, Esq.
Hellen & Partnow
524 G Street
Suite 710
Anchorage, Alaska 99501

Dear Mr. Lawner:

This is to respond to your recent letter concerning Certificate-of-Need review of a skilled nursing facility addition to the Pioneer Home in Anchorage. In that correspondence you raised two issues: the need for clarification of our 1978 letter to Howard Gabriel regarding C/N coverage of Pioneer Homes, and the compliance of the Alaska C/N program with federal standards. These matters will be addressed separately.

1. In our September 11, 1978 letter to Howard Gabriel, Director of the Southeast Alaska HSA, we were assuming that Pioneer Homes were only residential or domiciliary care facilities; there was no understanding that inpatient skilled nursing care was provided in these institutions. Given this understanding of the nature and services of Pioneer Homes at that time we were correct in concluding that they would not be included in the federal definition of "health care facilities" which would require coverage under Certificate-of-Need programs. If indeed skilled nursing services are provided in these institutions, they would be considered "health care facilities" as defined by our C/N regulations. The 1978 letter did not consider a Pioneer Home to be such a facility.

2. We have reviewed the Alaska C/N statute and implementing regulations to determine whether Pioneer Homes would be included in the definition of a health care facility. We found that:

   a. The Alaska C/N statute defines a "health care facility" as:

      A private, municipal. . . hospital, psychiatric hospital, turberculosis hospital, skilled nursing facility. . . . (Sec. 18.07.111(7)).

   b. The Alaska C/N regulations, in turn, define "health care facility" as:

      Any of those listed in AS 18.07.111, as defined, where appropriate, in 42 CFR 123.401 (adopted 1/21/77). (7AAC07.130)

c. The State's C/N statute and regulations, taken together and including the cross reference to 42 CFR 123.401, would provide coverage of a distinct part of an institution and would, therefore, meet the federal definition of a skilled nursing facilities, i.e., an institution or a distinct part of an institution which is primarily engaged in providing inpatient skilled nursing care and related services for patients who require medical or nursing care . . . . (42 CFR 123.401)

From the above points, it would appear that the Alaska C/N program adequately defines "heath care facility" and "skilled nursing facility." It is the responsibility of the state to follow its own C/N statute and regulations. If there is an on-going and sustained pattern of not following their statute and regulations, we would certainly assess the state's overall C/N program and then take appropriate action.

Please call us should you have further questions.

Sincerely yours,

John D. Whitney, Director
Division of Health Resources
Development PHS, Region X

cc: Ron Hammett, Director, SCHPD
Howard Gabriel, Director, SEAHSA

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

465-2200

May 29, 1981

Honorable Donald E. Clocksin
Chairman, Health, Education and
Social Services
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Clocksin:

This is in response to your request to put in writing my verbal testimony before your committee on CSSB 225. I will try and confine my remarks to the major issues.

Administration's position is that the Legislature has always implicitly exempted Pioneers' Homes from the certificate of need program. The Senate has concurred with this position as evidenced by CSSB 225. We are asking that the House members be afforded the same opportunity to express their will as the Senate.

There appears to be some confusion existing with the recent State Supreme Court decision of South Central Health Planning and Development, Inc. vs the Department of Administration, on certificate of need. At issue was whether or not the Legislature exempted Pioneers' Homes from certificate of need. The court found that there is no language in State statutes which can reasonably be read as exempting skilled nursing facilities from the certificate of need process when they are contained in Pioneers' Homes. Consequently, whether or not the Legislature intended to exempt Pioneers' Homes now becomes moot. The Legislature's intent can now be established only through the legislative process of amending existing law to allow this exemption.

There has been a substantial amount of discussion centering around the need for proper planning so that health facilities in Alaska are not overbuilt. This is an admirable and worthy objective, and I can assure you that this Department supports health facility planning. However, the existing system under the certificate of need program is fraught with inequities and frustrations; further, it does not represent a comprehensive planning effort.

2-89LH

There are three providers of health facilities; the federal government, the State government, and the "private sector." However, the federal health facilities don't come under the certificate of need program, and in most states this wouldn't pose any problem. The military contingent in California, for instance, would represent a small portion of the state's total population and as such would not greatly impact the planning process for certificate of need. In Alaska, the opposite is true. The federal government is a major provider of health care and facilities. Roughly one-fourth of the state's population are eligible to use federal health facilities (military base, Public Health, Indian Health, etc.). This has a devasting effect on trying to logically plan for state and "private sector" health facilities when a critical component is missing.

In addition, if we look closely at the "private sector" we see that it is not truly private. A substantial portion of the revenues of private nursing homes and health facilities originate through state and federal programs. State and federal rules, regulations, requirements, and laws, guide and govern, in minute detail, the construction and operation of private health facilities. This includes the proper ratios of professional staff to patients, the type of equipment allowed, size of hallways, reporting procedures, and many others. In effect, the "private sector" is part of the "public sector." Consequently, the charge that the State, through the establishment of Pioneers' Homes, is unfairly competing with the private sector is a fallacious argument.

There has also been considerable discussion on the impact of granting Pioneers' Homes an exemption from certificate of need as it relates to federal programs. Mr. Vern Perry, Director of the Division of Pioneers' Benefits spoke with Mr. Jim Egan, Regional Project Officer of the Office of Health Planning, Region X, U. S. Department of Health, Education and Welfare, on Wednesday May 27, regarding the certificate of need program.

QUESTION: What effect would there be on the State of Alaska if Pioneers' Homes were exempted from the certificate of need program?

ANSWER: It would have no effect on medicare, medicaid, AFDC or Indian Health Service. It could only affect categorical programs such as alcoholism, EMS, Neighborhood Health Clinics, Mental Health Clinics, Day Care, etc.

QUESTION: Would the federal government actually discontinue such programs as alcoholism and mental health if Pioneers' Homes were exempted from the certificate of need program?

ANSWER: No! Absolutely not. In his opinion, under the new administration, there would be no federal sanctions whatsoever in health care programs, especially since the responsibility for this is being turned over to the states.

Further, discussions were held with the States of California and Washington regarding their certificate of need programs. In California, Mr. Ken Umbach (916/323-6955) of the Office of Statewide Health Planning and Development was contacted. He stated that California has been out of conformance with the federal certificate of need program since 1969. Their latest date for coming into conformance is October. He stated that if they did not meet the deadline that the feds would probably extend it. Mr. Jim Bettridge of Washington Health Care Facilities Authority (206/753-6185) indicated that the feds were withdrawing total support from the certificate of need program by 1983.

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These conversations indicate that:

i. The federal government is not inclined to impose sanctions on a State for nonconformance with the certificate of need program;

ii. There are states which are nonconforming, and have been nonconforming for a number of years, on which federal sanctions have not been imposed; and

iii. The federal government is withdrawing total support for the certificate of need program by 1983. If the state wants to continue a planning process for health facility development it will have to provide for the process by using General Funds monies. Based on the aforementioned problems, now would be the appropriate time to revise this planning process to make it more meaningful.

Finally, a compromise position has been mentioned in which the new nursing wing at the Anchorage Pioneers' Home and the new Pioneers' Home in Ketchikan would be totally grandfathered into law and not made subject to certificate of need. This compromise does not address a truly complex problem.

The Fairbanks Pioneers' Home presently is serving twelve skilled nursing beds in unlicensed beds. Unless a certificate of need is issued which allows licensing of these beds, these twelve pioneers would have to be discharged.

The Fairbanks and Palmer Pioneers' Homes are full to capacity with skilled nursing patients at the present time. If we are to accommodate anticipated need in the near future, additional skilled nursing facilities will have to be constructed within the next few years. This expansion would be impossible unless a certificate of need is issued.

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. Pavelias
Humana Hospital Alaska
Anchorage

Chairman-Elect
Mark Hawkins
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Anchorage

Alternate Trustee Delegate to American Hospital Association
Robert Jensen
Central Peninsula Hospital
Soldotna

Physician Member of the Board
Keith Brownsberger, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

November 4, 1982

The Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Similar letter sent to:
Senator Murkowski and
Congressman Young

Dear Senator Stevens:

As you are well aware the State of Alaska is not in conformity with the National Health Planning and Development Act and without federal action in 1982 faces penalties in grant monies under the Public Health Service Act and the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. To avoid this penalty it is imperative that Congress repeal 42 U.S.C. 300m-(d) (copy attached).

This Association as well as the Alaska State Medical Association (resolutions attached) are opposed to the continuation of the state Certificate of Need law. Both are committed to its repeal in 1983. Repeal of 42 U.S.C. 300m-(d) will greatly assist our efforts.

We have communicated our support for various measures considered by this Congress to restructure the federal law. It appears however, that a full reform may be a consideration which must be left to the next Congress. If that is so, it is imperative that you secure repeal of 42 U.S.C. 300m-(d) before the current Congress adjourns in December.

All of those concerned with this issue including Congressman Waxman, the National Governors Conference, the American Hospital Association, etc., agree on removing sanctions against states which do not conform to the federal program. The notion of further delay of the sanctions does not assist anyone, it simply prevents states such as Alaska from dealing with its own law on anything beyond a temporary basis.

For these reasons we urge you to secure the repeal of 42 U.S.C. 300m-(d). This will permit the legislature of the State of Alaska to deal with its law in whatever manner it deems appropriate. Further, we urge that this repeal be secured prior to the adjournment of the 97th Congress.

Sincerely,

Dennis L. DeWitt
President

DLD:lf
cc: Friday Mailing
Alaska State Medical Society
Governer Jay Hammond
Governer Elect Sheffield
Lt. Governer Terry Miller
Lt. Governer Elect McAlpine
American Hospital Association - Lynn Hart
Federation of American Hospitals

BILL SHEFFIELD, GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

December 22, 1982

Mr. Dennis L. DeWitt
President
Alaska State Hospital Association
319 Seward Street
Juneau, Alaska 99801

Dear Mr. DeWitt:

Thank you for sending me a copy of your letter to Senator Stevens regarding the state Certificate of Need law.

As you know, I am in agreement with you in your opposition to this law. Please keep me posted as to what I can do to change the law in Alaska.

Best regards.

Sincerely,

Bill Sheffield
Governor

Law Department
151 Farmington Avenue
Hartford, CT 06156

James E. Brown
Counsel
Government Relations
(203) 273-0343

February 14, 1983

Senator Joe Josephson, Chairman
Health, Education and Social Services Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Josephson:

It is my understanding that your committee will be considering S. B. 85, An Act Repealing the Certificate of Need Program, at a hearing to be held on Wednesday, February 16, 1983. While it is not possible for me to attend in person, I would appreciate your reviewing the enclosed statement in opposition to this bill and entering it into the hearing record.

On behalf of the Ætna Life Insurance Company, I thank you for considering our comments.

Sincerely,

JEB/jcm

Enclosure

RECEIVED
FEB 17 1983
Josephson

STATEMENT OF

ÆTNA LIFE INSURANCE COMPANY

IN OPPOSITION TO

S.B. 85

As a major writer of commercial health insurance, the Ætna Life Insurance Company has for years been deeply concerned about health care cost increases and has consistently supported viable health planning programs. We strongly oppose S.B. 85, An Act Repealing the Certificate of Need Program. We believe that enactment of this legislation would represent a large step backward in Alaska's effort to realize an efficient and effective health care delivery system.

Health planning is one of the elements in the armamentarium of programs that are necessary to help in the reduction of the escalation of health costs and to ensure that the health care delivery system of the future is one that has been rationally and systematically planned.

We feel that it is most important that there be a mechanism in place for participation in the planning and development of health programs to improve the distribution of health services, ensuring that services are available to those citizens who need them, while restricting the investment in unnecessary facilities and services.

An important portion of a viable health planning program is state certificate of need legislation. We find it is essential to have such legislation in order that the necessity of capital expenditures can be determined, because of the two-pronged effect on the growth of health care costs. In the short run, the purchase, installation, and financing of expenditures increases annual health care expenditures. In the long run, operation and maintenance of capital expenditures continue to add to health care costs, to increased use of highly skilled labor (for maintenance and operation) and non-labor inputs (i.e., energy, supplies, etc.).

It has been estimated that every dollar of capital investment adds an additional 50¢ to annual operating cost. An important element in today's economy, which has had a dramatic effect on health care costs related to capital expenditures, is the interest rate now being charged on the finance debt. Efforts must be made to ensure that all capital expenditures made today are necessary and consistent with the goals of Alaska's Health Systems Plan and necessity for such expenditures.

Alaska's Certificate of Need Program is an important tool for implementation of the area health plan. We urge that this program be continued.

DRAFT

All C.O.N. Reviews in history of State

Activity Report
December 30, 1982
for Certificate of Need
Health Resources Development
State Health Planning and Development

A. CERTIFICATE OF NEED REVIEWS COMPLETED

1. Lake Otis Clinic, Anchorage -- "Grandfathered CON" for 125 general acute care hospital; (issued 7/27/77)

2. Sitka Community Hospital, Sitka -- Review status of "Grandfathered CON" for new facilty; (six-month extension issued 12/31/78)

3. Lake Otis Clinic, Anchorage -- Review of status of "Grandfathered CON" for new facility; (six-month extension issued 12/31/78)

4. Fairbanks Memorial Hospital, Fairbanks -- Purchase and installation of laboratory information system; (information in archives)

5. Fairbanks Memorial Hospital, Fairbanks -- Application to Medical Facility Authority for bond sale; (information in archives)

6. Alaska Hospital and Medical Center, Anchorage -- Provide 21 bed chemcial dependency unit; (information in archives)

7. Juneau Regional Rehabilitation Facility, Juneau -- Construction of a 16 bed drug abuse/detoxification and rehabilitation facility; $654,000. (issued 6/7/79)

8. Providence Hospital, Anchorage -- Purchase and instalation of a simulator for radiation therapy; $195,365. (issued 9/4/79)

9. Providence Hospital, Anchorage -- Purchase and installation of a G.E. flouricon system; $285,000. (issued 2/14/80)

10. Lake Otis Clinic, Anchorage -- Review to determine status of "Grandfathered C/N"; (Bonified certificate status continued 3/10/80)

11. Fairbanks Memorial Hospital, Fairbanks -- Remodel of labor, delivery, and nursery areas; $540,000. (issued 2/26/80)

12. Central Peninsula Hospital, Soldotna -- expansion and improvement of facility (phase one); $6,762,646. (issued 4/2/80)

13. Providence Hospital , Anchorage -- Purchase and installation of a linear accelerator; $1,785,000. (issued 5/15/80)

14. Valdez Community Hospital, Valdez -- Purchase and installation of replacement radiology room; $150,000. (issued 5/15/80)

15. Seward General Hospital, Seward -- several energy saving construction projects; $286,113. (issued 10/6/80)

16. Valley Hospital, Palmer -- Minimal expansion and remodeling of facility; $2,000,000. (issued 6/9/80)

17. South Peninsula Hospital, Homer -- expansion and improvement of facility; $6,472,300. (issued 10/28/80)

18. Faith Hospital, Glennallen -- Expansion of outpatient areas of facility; $700,000. (issued 11/3/80)

19. Providence Hospital, Anchorage -- "Grandfathered C/N" for 250 bed acute care facility; (issued 5/1/81)

20. Alaska Hospital and Medical Center, Anchorage -- "Grandfathered C/N" for 199 bed acute care facility; (issued 12/4/81)

21. Sitka Community Hospital, Sitka -- 1122 review of diagnostic ultrasound services; $79,320. (five year lease with option to purchase) (issued 11/5/80)

22. Providence Hospital, Anchorage -- Replacement of radiology room; $236,000. (issued 12/26/80)

23. Juneau Regional Rehabilitation Facility, Juneau -- Remodel facility to meet hospital standards; $250,000. (issued 2/21/81)

24. Central Peninsula Hospital, Soldotna -- Purchase and installation of radiographic and fluorscopic imaging system; $305,899. (issued 5/21/81)

25. Wrangell General Hospital, Wrangell -- Renovation and Expansion of facility; $6,870,000. (issued 7/13/81)

26. Providence Hospital, Anchorage -- Purchase of replacement radiology room; $230,000. (issued 7/20/81)

27. Providence Hospital, Anchorage -- Construction of hostel for outpatients and family of inpatients; $900,000. (issued 7/29/81)

28. Petersburg General Hospital, Petersburg -- Renovation and expansion of facility; $7,150,000. (issued 8/11/81)

29. Alaska Hospital and Medical Center, Anchorage -- Purchase adjacent professional office building for expansion of chemical dependancy unit and other hospital areas; $15,236,000. (issued 9/24/81)

30. Central Peninsula Hospital, Soldotna -- Expansion of surgery and other areas of facility (phase two); $5,849,000. (issued 11/10/81)

31. Family Centered Birth, Juneau -- Construction of a birthing center; Review terminated following a Department of Law Opinion regardng applicability of C/N statute to birthing centers; (review terminated 12/22/81)

32. Alaska Treatment Center, Anchorage -- Construction of a new free-standing inpatient rehabilitation facility; $11,400,000. (denied, 1/22/82)

33. Valley Hospital, Palmer -- Construction of a new hospital adjacent to existing facility; $10,570,000. (issued 2/19/82)

34. Cordova Hospital, Cordova -- Construction of a new hospital at a new site; $15,075,000. (issued 4/13/82)

35. Providence Hospital, Anchorage -- Purchase and installation of a laboratory computer; $440,000. (issued 4/23/82)

36. Petersburg General Hospital, Petersburg -- Modification of previously issued CON, increase in space and expenditure; $2,005,000. (issued 5/18/82)

37. Fairbanks Memorial Hospital, Fairbanks -- Construction of new 5 floor patient tower, increase in acute care beds; $26,200,000. (issued 6/2/82)

38. Humana Hospital, Anchorage - Application for temporary certificate for expansion of chemical dependency unit; $1,000,000. (denied 6/28/82)

39. Providence Hospital, Anchorage -- Purchase and install replacement hospital incinerator; $200,000. (issued 7/20/82)

40. Humana Hospital Alaska, Anchorage -- Purchase and install CT full body scanner to replace CT head scanner; $848,000. (issued 10/1/82)

41. Advanced Health Systems, Anchorage -- Construct new free-standing Raleigh Hills alcoholism treatment hospital; $3,700,000. (issued 11/16/82)

42. Charter Medical Corporation -- Construct new free-standing psychiatric and substance abuse hospital; $12,248,000. (issued 11/16/82)

43. Providence Hospital, Anchorage -- Purchase and install replacement CT full body scanner; $832,000. (issued 11/16/82)

44. Providence Hospital, Anchorage -- Purchase and install new digital fluorography system; $256,000. (issued 11/30/82)

3. CERTIFICATE OF NEED APPLICATIONS RECEIVED AND IN PROCESS OF REVIEW

1. Providence Hospital, Anchorage -- Purchase and install new hospital information system; $2,698,000.

2. Providence Hospital, Anchorage -- Construct new 160 bed patient tower, increase acute care beds, add inpatient rehabilitation program, expand ancillary departments; $79,754,000.

3. Surgery Center, Inc., Anchorage -- Construct new free-standing ambulatory surgery center to replace current facility; $2,698,000.

4. Humana Hospital Alaska, Anchorage -- Renovation and expansion of emergency department; $1,012,200.

5. Humana Hospital Alaska, Anchorage -- Construction of new patient tower adjacent to existing hospital, 73 bed increase in acute care beds, addition of 20 bed inpatient rehabilitation program; $20,000,000.

6. Lake Otis Hospital, Anchorage -- Hearing to determine whether CON should be revoked; cost of project not identified. Decision - pending.

C. ADDITIONAL LETTERS OF INTENT RECEIVED BUT NOT REVIEWED AS APPLICATIONS

1. Valley Hospital, Palmer -- Termination of skilled nursing services. No further action by VH. (LOI dated 12/13/79)

2. Metlakatla Indian Community, Metlakatla -- construction of long term care facility. $200,000. No further action by MIC. (LOI dated 12/26/79)

3. Lake Otis Clinic, Anchorage -- Construction of 265 bed acute care/chemical deependancy hospital. $7,000,000.+ No further action by LOC. (LOI dated 2/14/80)

4. Providence Hospital, Anchorage -- Construction of 132 bed addition and expansion of services. $25,400,000. No further action by Providence. (LOI dated 3/31/80)

5. Health Care Services - Alaska, Anchorage -- Sale of Nakovia Health Care Center. $14,200,000. No further action by HCS. (LOI dated 6/6/80)

6. Alaska Kidney Foundation, Anchorage -- Construction of a new facility for Alaska Kidney Center. Capitalized five year lease = $200,000. No further action by AKC. (LOI dated 6/23/80)

7. Norton Sound Regional Hospital, Nome -- Provision of family services unit. No further action by NSRH. (LOI dated 9/25/80)

8. Kodiak Island Hospital, Kodiak -- Offering of diagnostic ultrasound services. Decision - diagnostic radiology is a part of radiology department and not a new service; therefore, is not subject to CON review. (LOI dated 10/14/80)

9. Alaska Hospital and Medical Center, Anchorage -- Addition of 21 beds to chemical dependancy unit. No further action by AHMC. (LOI dated 10/21/80)

10. Alaska Hospital and Medical Center, Anchorage -- Purchase of professional office building for facility expansion; $10,000,000. (LOI dated 12/28/80)

11. Ketchikan Genceral Hospital, Ketchikan -- Replacement of computer system. $103,000. Decision - not subject to CON review. (LOI datded 2/11/81)

12. Ketchikan General Hospital, Ketchikan -- provision of recompression chamber. $55,000. Decision - not subject to CON review. (LOI dated 7/21/81)

13. Akeela House, Anchorage -- new building for residential drug abuse therapy program. $460,000. Decision - not subject to CON review. (LOI dated 8/4/81)

14. Ketchikan General Hospital, Ketchikan -- Offering of diagnostic ultrasound services. $70,000. Decision - not subject to CON review. (LOI dated 8/19/81)

15. Providence Hospital, Anchorage -- Predevelopment application for large construction project; $4,000,000. (withdrawn 10/8/81)

16. Humana, Anchorage -- Purchase of Alaska Hospital and Medical Center by Humana. $65,000,000. Decision - not subject to CON review. (LOI dated 11/13/81)

17. Comprehensive Care Corporation, Anchorage - Establishment of a 50 bed alcoholism and chemical dependency hospital in Anchorage. Letter of intent still valid through 2/16/83, however letter received from applicant // indicates that application was not expected to be submitted. (LOI dated 2/17/82)

18. Providence Hospital, Anchorage -- Offering of home health services; cost uncertain. Decision - subject to CON review. (LOI dated 1/19/82)

19. Kodiak Island Hospital, Kodiak - Purchase of gamma camera, $90,000. Decision - not subject to CON review. (LOI dated 2/10/82)

20. Humana Hospital, Anchorage - Relocation and expansion of chemical dependency unit, increase CDU from 21 beds to 36 beds; $1,000,000. Letter of intent withdrawn. (LOI dated 5/10/82)

21. Anchorage Community Mental Health, Anchorage - Establishment of residential transitional facility. Decision - not subject to CON review. (LOI dated 6/14/82)

22. Humana Hospital, Anchorage, Purchase of hospital data processing services; Decision - not subject to CON review. (LOI dated 10/11/82)

23. Penninsula Addiction Center, Inc., Soldotna - Establishment of new freestanding 12 to 24 bed substance abuse treatment facility; cost undetermined. Application anticipated. (LOI dated 5/14/82)

24. Bartlett Hospital, Juneau -- Construction of new patient tower, increase in acute care beds; $20,000,000. Application anticipated. (LOI dated 7/21/82)

25. Providence Hospital, Anchorage -- Purchase of new cardio-vascular imaging system; $820,000. Application anticipated. (LOI dated 10/1/82)

26. Providence Hospital, Anchorage - construction of employee child care center; $1,400,000. Decision - not subject to CON review. (LOI dated 10/14/82)

27. Sisters of Providence, Inc. Seattle - Purchase of Nakoyia Health. Care Center Applicability of certificiate of need requirement under review by Department of Law. (LOI dated 12/10/82)

SB

98

COMMITTEE REPORT

SENATE

1/31/83

FURTHER: FINANCE

Date: 3-2-83

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SENATE BILL NO. 98

Supplemental appropriation to the Department of Community and Regional Affairs for the unincorporated community assistance program; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

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 98

SPONSOR: Senator Sackett

Program Effects of Bill

The measure provides a supplemental appropriation of $2,500,000 to fully fund the Aid to Unincorporated Communities program for FY'83. This 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 (commonly referred to as the SB 168 Program). The Department does not endorse utilizing funds from its current budget to fully fund the program; such funds are not available. 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 capital. This disparity would be eliminated if this measure were adopted.

21-P1LH

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 98 Date on Bill: 1/31/83
Title: Supplemental Approp. to the unincorporated community aid program.
Sponsor: Sackett
Requestor: Senate Comm. & 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-					
Operating			-0-					
Total			-0-					

b. Revenues:

Revenue								

2. Source of funds to offset fiscal impact of bill:
The sponsor does not indicate a source of offset funds. The Department does not have additional funds available within its current budget to allocate to this program.

3. Assumptions:

The appropriation would be made to an existing Department program and would not effect the operation of that 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 RR Phone: 465-4703
Division: Commissioner's Office Date: 2/15/83

Approved by Commissioner: 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

SB168 STATUS REPORT - JANUARY 1, 1983

Communities under Contract or Agreement

Community	Organi-zation	Entitle-ment	Contract Amount	Balance	Comments
Arctic Village	IRA		111,000	-0-	Closing report due.
Birch Creek	NP		32,000	7,000	Expense Report due.
Cantwell	NP		89,000	64,000	Expense Report in, need review.
Cold Bay	NP	228,000	192,000	153,600	Expense Report due. Need to Amend. amount from 192,000 to 228,000.
Dry Creek	NP		118,000	11,198	Expense Report due (?).
Elfin Cove	NP		28,000	3,000	Expense Report due.
Healy	NP		522,000	279,752	Amend Expire. dates on contract.
Healy Lake	NP		33,000	8,000	Expense Report due & addition budget.
Icy View	NP		125,000	1,320	Amend. sent - warrant sent.
Igiugig	NP		33,000	-0-	Brief narrative report due before closing.
Kongiganak	NP		239,000	239,000	Warrrent for $109,000 has been ordered.
Levelock	NP		79,000	-0-	Brief narrative report due before closing.
Metlakatla	IRA		1,056,000	1,034,880	Want to add Annette Island. CDP for 139,000.
Minto	IRA		153,000	3,400	Expense Report's due.
Nikoslki	IRA		50,000	25,000	Expense Report in, needs review.
Noatak	IRA		273,000	177,258.79	Expense Report 's due.
Pedro Bay	NP		33,000	-0-	Closing report due.
Pitka's Point	NP	88,000	49,800	49,800	Warrant requested.
Saint George	IRA		158,000	74,589	Expense Report needs review & reply.
Stevens Village	IRA		96,000	66,000	
Takotna	NP		48,000	11,260	Amendment Drafted.
Tanacross	IRA		117,000	48,195	
Tatitlek	IRA		68,000	18,000	
Thorne Bay	NP.		320,000	240,000	Letter requesting amendment needs reply.
Tok	NP		589,000	504,784.60	Need reply to request for Amendment.
Venetie	IRA		132,000	-0-	Need closing report.

Contracts in Process

Community	Organi-zation	Entitle-ment	Contract Amount	Comments
Atka	IRA	93,000	93,000	Contract written and signed by Atka. Oil subsidy plan to be reviewed. Signed purchase order (per contract) received.
Chistochina	NP	55,000	27,500	Contract being written Community notified of approval.

Contracts in Process (Continued)

Community	Organization	Entitlement	Contract Amount	Comments
Manley Hot Springs	NP	61,000	30,500	Contract being written. Community notified of approval.
Mentasta	NP	59,000	29,500	Contract being written for one project - others not approved.

Need Additional Information on Part II

Community	Organization	Entitlement	Comments
Cape Pole	NP	29,000	Letter requesting additional information sent 11/18.
Glennallen	NP	511,000	Letter responding to Part II being drafted. Art. need amending & projects clarified.
Paxson	NP	30,000	Letter responding to Part II being drafted. Articles need amending & clarification on project.

Part II Received, Needs Review

Community	Organization	Entitlement	Comments
Kenny Lake	NP	342,000	
Klukwan	IRA	135,000	
Perryville	IRA	111,000	
Point Baker	NP	64,000	Need approval of census agreement & projects.
Port Protection	NP	56,000	Need to check purpose of NP, approval of census agreement and projects.
Tuntutuliak	NP	216,000	

Sent Part II

Community	Organization	Entitlement	Comments
Chicken	NP	37,000	Sent 11/12/82.
Chignik	NP	178,000	Working on Part II per call 11/30.
Chitina	NP	42,000	Sent 7/8/82.
Gustavus	NP	98,000	Sent 7/8/82.
Hyder	NP	77,000	Sent 7/15/82.
Kipnuk	NP	371,000	Sent 8/4/82.
Nelson Lagoon	NP	59,000	Sent 9/1/82.
Rampart	NP	50,000	Sent 7/12/82.
Slana	NP	49,000	Sent 7/14/82.

Information Needed on Part I

Community	Organi-zation	Entitle-ment	Comments
Beaver	None	66,000	Need Legal Entity.
Chalkyitsik	None	100,000	Need Legal Entity. Letters requesting 6/82, 10/82.
Circle	NP	81,000	Need to check on Article Amendments
Copper Center	NP	213,000	Need to check legal entity
Eagle		54,000	Letter requesting additional information sent 11/82.
Egegik	NP	75,000	Need certificate and Articles & Bylaws.
Game Creek	NP	135,000	Need Legal Entity.
Iliamna		94,000	Need Certificate, Public Hearing & Certificate of Approval.
Kwigillingok	NP	354,000	Need Public Hearing & Resolution Letters sent 5/13-10/11.
McKinley Park	NP	32,000	Problems with Articles, Resolution, Public Hearing and Certification.
Pilot Point	NP	66,000	Need Legal Entity
Port Alice	NP	69,000	Need Incorporation, Public Hearing, Census Eligible community questionable
Red Devil	NP	39,000	Need Legal Entity, Forming NP
Sleetmute	NP	107,000	Need Legal Entity, Forming NP Letter sent 11/82
Stony River	NP	62,000	Need Legal Entity

Part I Received, Needs Review

Community	Organi-zation	Entitle-ment	Comments
Northway		112,000	Need review of community boundaries and census.
Coffman Cove		193,000	Need review of Part I and Certificate.

Part I sent - No Reply

Community	Organi-zation	Entitle-ment	Comments
Central	(?)	$36,000	Part I sent 3/22/82. No response to date.
Chignik Lake	(?)	$138,000	Part I sent. No response to date.
Chignik Lagoon	(?)	$48,000	Part I sent. No response to date.
Dot Lake	None	$67,000	Sent Part I - no response.
Evansville	(?)	$94,000	Part I sent 4/2/82 No response to date.
False Pass	NP(?)	$70,000	Part I sent 4/2/82 No response to date
Gakona	(?)	$87,000	Part I sent 4/2/82 No response to date.
Gulkana	(?)	$104,000	Part I sent. No response to date.
Ivanoff Bay	(?)	$40,000	Part I sent 4/2/82. No response sent.
Kokhanok	(?)	$83,000	Part I sent 4/2/82. No response to date.
Koliganek	(?)	$117,000	Part I sent 4/2/82. No response to date.
Lime Village	(?)	$48,000	Part I sent 4/2/82. No response to date.
Lower Tonsina	(?)	$40,000	Part I sent 4/2/82. No response to date.
Nebesna "White River"	(?)	(?)	Part I sent 4/2/82. No response to date.
Oscarville	(?)	$56,000	Part I sent 4/2/82. No response to date.
Portage Creek	(?)	$48,000	Part I sent 4/2/82. No response to date.
Tazlina	(?)	$31,000	Part I sent 4/2/82. No response to date.

Part I sent - No Reply (Continued)

Community	Organi-zation	Entitle-ment	Comments
Telida	(?)	$33,000	Part I sent 4/2/82. No response to date.
Tetlin	IRA	$107,000	Part I sent 4/2/82. No response to date
Tonsina	(?)	$135,000	Part I sent 4/2/82. No response to date.
Twin Hills	(?)	$70,000	Part I sent 4/2/82. No response to date

Denied or Declined Funds

Community	Organi-zation	Entitle-ment	Comments
Big Delta"Deltana"	NP	$1,635,000	Letter addressing "community" needs attention
CRNA	(?)	None	Application denied - Non eligible Applicant
Eyak	(?)	None	Denied. Eyak included in Cordova.
Meyers Chuck	(?)	$50,000	COMMUNITY DECLINED FUNDS
Point Lay	IRA	None	Not eligible - within Borough

5 DAY NOTICE	DATE	BILL	TITLE	SPONSOR	ACTION	FURTHER REFERRALS
1-19-83	1-19-83	SB 1	TITLE 29	P. FISCHER, HALFORD & PETTYJOHN	GILMAN Passed out CS "Do Pass" 2-22-83	FINANCE
1-19-83	1-19-83	SB 15	SPECIAL APPROPRIATION	GILMAN, STURGULEWSKI & P. FISCHER	HALFORD Passed out "Do Pass" 1/25/83	FINANCE
1-19-83	1-19-83	SB 17	SPECIAL APPROPRIATION FOR MUNICIPAL ASSISTANCE	GILMAN, STURGULEWSKI, KELLY, VIC FISCHER & P. FISCHER	HALFORD Passed Out "Do Pass" 1-27-83	FINANCE
1-19-83	1-19-83	SB 21	WATER & SEWER GRANTS	KERTTULA, FERGUSON & JOSEPHSON	FERGUSON Passed Out as "CS" 1/25/83	FINANCE
1-19-83	1-19-83	SB 37	STATE AID FOR MUNICIPALITIES	SACKETT & FERGUSON	GILMAN	FINANCE
1-19-83	1-19-83	SB 50	ESTABLISHMENT OF DOWNTOWN DEVELOPMENT AUTHORITY BY MUNICIPALITIES	RAY & VIC FISCHER	GILMAN	FINANCE
1-19-83	1-19-83	SB 53	AUTHORIZING MUNICIPALITIES TO EXEMPT BUSINESS INVENTORIES FROM TAXATION	MULCAHY & KELLY	GILMAN Passed Out "Do Pass" 2-22-83	FINANCE
	1-21-83	SB 65	OPTIONAL EXEMPTION FOR CERTAIN REAL PROPERTY FROM MUNICIPAL TAXATION	P. FISCHER & MOSS	GILMAN	FINANCE
1-28-83	1-28-83	SB 89	ESTABLISHING THE RURAL RESOURCE INVESTMENT FUND	FERGUSON	HALFORD	FINANCE

5 DAY NOTICE	DATE	BILL	TITLE	SPONSOR	ACTION	FURTHER REFERRALS
1-28-83	1-28-83	SB 90	APPROPRIATION TO DEPARTMENT OF REVENUE INTO RURAL RESOURCE INVESTMENT FUND	FERGUSON	HALFORD	FINANCE
1-31-83	1-31-83	SB 98	APPROPRIATION TO C & RA FOR UNINCORPORATED COMMUNITY ASSISTANCE PROGRAM	SACKETT, FERGUSON & MULCAHY	HALFORD	FINANCE
2-8-83	2-8-83	SB 103	STATE AID FOR MUNICIPALITIES AND UNINCORPORATED COMMUNITIES	BENNETT	GILMAN	
	2-15-83	SB 125	ANNULLING A REGULATION RELATING TO SUBDIVISION PLAN REVIEW	P. FISCHER	FERGUSON	

SB
103

ALASKA

STATE LEGISLATURE

MEMORANDUM

November 4, 1982

TO: Billy Berrier
Director, Division of Legal Services

FROM: Senator Don Bennett

Pleas draft for me, for pre-filing, an appropriately updated bill that ould duplicate the benefits to municipalities and unincorporated commu ities contained in HCS CSSB 168 (Fin) from 1981-chapter 60 Session Laws of 1981-with these exceptions:

1. The amount of money in Sections 1(b) and 2(b) will be $1,500.

2. The population determination in Section 3(a) will be based on the annual population determination performed by the Department of Community and Regional Affairs.

Don Bennett

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 103 Date on Bill: February 2, 1983
Title: Act relating to State aid for municipalities and unincorporated communities
Sponsor: by Bennett
Requestor: Senate C & R A Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86	
Capital				656,989.5	-0-	-0-	
Operating				376.0	406.1	438.6	
Total			-0-	660,749.5	406.1	438.6	

b. Revenues:

Revenue			-0-	-0-	-0-	-0-	

2. Source of funds to offset fiscal impact of bill: State General Funds

3. Assumptions: In the 12th Legislature, SB 168 appropriated funds adequate to pay $750 per capita for Department of Administration grants to municipalities and DCRA grants to unincorporated communities. The Department of Administration administered 151 grants, which averaged state-wide 8 projects per grant. Obviously, local involvement was high in the municipal planning activity, and there was a strong stimulus to local construction. Additionally, most municipalities used a portion of their grant to fund social services programs which would otherwise have been foregone unless paid by local revenues. Using the February 7, 1983 Population Determination by Commissioner Mark Lewis, the Department of Administration census for this bill will be not less than 437,993. Multiplying this population by the $1,500 per capita legislation will cost $656,989,500 for the Capital appropriation plus the $376,000 operating costs incurred by the Department. A bill of this fiscal magnitude must obviously be considered as an alternative to the Governor's Municipal CIP Budget rather than an addendum.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor.

Prepared By: Kenneth R. Ryals Ken R Phone: 465-2277
Division: Administrative Services Date: February 14, 1983

Approved by Commissioner: Dick Rudd Date: 2/23/83
Department: Administration

Reviewed by OMB: Date:
Phone:

5. Distribution:
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7/0223-01/BDGSF1

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 17, 1983

POSITION PAPER

RE: SB 103
SPONSOR: Senator Bennett

PROGRAM EFFECTS
This bill would distribute $1500 per capita to every community in the state (both incorporated and unincorporated communities). The Department of Administration would distribute funds to municipalities and the Department of Community and Regional Affairs would handle the unincorporated communities.

COMMENTS
While the Department recognizes the need for capital improvements in the communities of the state, we feel the administration supported capital improvement process that involves the Communities, the Legislature and the Administration is preferable. It is our feeling that the per capita program outlined in this bill would not fully address the needs of small communities. During the operation of the Aid to Unincorporated Communities program (SB 168) the Department encountered several problems that should be considered along with this bill.

1) SB 168 and this bill both require that the Department deal with "an incorporated entity or a federally chartered entity...". While this ensures that the Department deals with a legally established entity it ignores traditional native governments. Although we are not aware of a legal way to include these traditional councils, we do feel that the problem warrants attention.

2) Another major problem revolves around the population question. SB 168 required use of 1980 census populations and this bill would require the Department to annually determine the population of these unincorporated communities. In the case of the 1980 Census figure many "Communities" in Alaska were not identified by the Census Bureau. That left us in a position of trying to determine what the population of those communities might have been.

This bill requires an annual population determination in the unincorporated communities; this is not currently being done by any state agency and would be relatively expensive. Is it the intention of the sponsor to have this requirement continue even though the grants appear to be one time appropriations? If that is the intent then additional fiscal impact would result.

21-P1LH

3) Further, the SB 168 program was a first experience in government and grants administration for many of these unincorporated communities. That experience emphasized the need for technical assistance in these communities. It also dramatically illustrated that the Department's staff resources were inadequate to respond to those needs.

4) One additional concern that has surfaced over the past couple of years revolves around operation and maintenance of facilities constructed in unincorporated communities. These communities do not have any sort of taxing authority and must rely on state grants or private donations for such expenses. It seems logical that consideration of operation & maintenance costs should be included in discussions of this bill.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 103 Date on Bill: 2/2/83
Title: Relating to State Aid to Municipalities & Unincorporated Communities
Sponsor: Senator Bennett
Requestor: Senate 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				19,500.0				
Operating				380.1				
Total				19,880.1				

b. Revenues:

Revenue								

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

Sponsor did not indicate.

3. Assumptions:

There are 13,000 people currently living in unincorporated communities of 25 or over. This statement of fiscal impact deals only with those communities and those people and does not apply to the municipal portion of the bill administered by another Department.

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: Terry Earley Phone: 465-4730
Division: Local Government Assistance Date: 2/9/83

Approved by Commissioner: Date: 2/18/83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
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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

Fiscal Analysis SB 103

13,000 est. population of eligible unincorporated communities.
13,000 x $ 1500 = $19,500,000

Administration

The Division of Local Government Assistance administers the current $1000 per capita program to unincorporated communities and in doing so has learned some hard lessons. Those lessons taught us that there is a severe need for technical assistance in the unincorporated communities. Before this type of a program can be successful, additional staff is required to provide necessary training. Although the need and the desire for programs and services this money would bring exist, the expertise in dealing with community projects and services does not. A new community building or a new land fill can do very little good without the human resources to manage them after completion.

Based on the division's experience with unincorporated communities the following is our estimate of additional administrative costs resulting from this type of program.

Fairbanks Field Office

2 LGS IV's RG 19(Salaries and Fringes)	$105,268
Office Space	$ 9,000
Telephone	$ 1,360
Travel	$ 12,000
One time items(office furniture, etc.)	$ 1,800
TOTAL	$129,428

Bethel Field Office

1 LGS IV RG 19(salary and fringes)	$62,386
Office space	$ 4,500
Telephone	$ 650
Travel	$ 6,000
One time items(office furniture etc.)	$ 900
TOTAL	$74,436

2:-P1LH

Anchorage Office

1 LGS IV RG 19(salary and fringes)	$ 49,264
1 Project Assistant RG 16(salary and fringes)	$ 39,901
1 Administrative Assistant RG 12(salary and fringes)	$ 30,602
1 Clerk Typist III RG 8(salary and fringes)	$ 24,089
Office space	$ 18,000
Telephone	$ 4,800
Travel	$ 6,000
One time items(office furniture etc.)	$ 3,600
TOTAL	$176,256

Total Administrative Costs $19,880,120

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 8, 1983

POSITION PAPER

KP for Mark Lewis

RE: CSSB 103

SPONSOR: Senate Community & Regional Affaris

PROGRAM EFFECTS

This bill would distribute $400 per capita to every community in the state (both incorporated and unincorporated communities).

COMMENTS

The Department recognizes the need for Capital improvements in the communities of the state. We feel this approach is a good one as part of an overall Capital improvement plan. This type of a program would provide communities with local control of their capital projects. This local control is felt to be desirable by the Department.

1) SB 168 and this bill both require that the Department deal with "an incorporated entity or a federally chartered entity...". While this ensures that the Department deals with a legally established entity it ignores the traditional native governments. Although we are not aware of a legal way to include these traditional councils, we do feel that the problem warrants attention.

2) Another major problem revolves around the population question. SB 168 required use of 1980 census populations and this bill would require the Department to annually determine the population of these unincorporated communities. In the case of the 1980 Census figure many "Communities" in Alaska were not identified by the Census Bureau. That left us in a position of trying to determine what the population of these communities might have been.

   This bill requires an annual population determination in the unincorporated communities; this is not currently being done by any state agency

   The cost of instituting this new population program is included in the statement of fiscal impact.

Postion Paper
March 8, 1983

3) Further, the SB 168 program was a first experience in government and grants administration for many of these unincorporated communitites. That experience emmphasized the need for technical assistance in these communities. It also dramatically illustrated that the Department's staff resources were inadequate to respond to those needs. The statement of fiscal impact that accompanies this bill would go along way toward satisfying that need.

4) Many of the Department of Administration problems are solved by the audit provisions of this bill. Many more will be solved if sufficient administrative personnel are added.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CS For SB 103 Date on Bill: 3/2/'83
Title: State Aid For Municipalities & Unincorporated Communities
Sponsor: Community & Regional Affairs
Requestor: Community & Regional Affairs

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				227,099.4				
Operating				668.4				
Total								

b. Revenues:

Revenue								

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

Sponsor Did Not Indicate.

3. Assumptions:

See Attached.

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 Early Phone: 465-4730
Division: Local Government Assistance Date: 3/7/'83

Approved by Commissioner: Date: 3/7/'83
Department: Community & Regional Affairs

5. Distribution:
Original to Legislative Finance
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2/15/83

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

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

FISCAL ANALYSIS OF CS SB 103

MUNICIPAL AID

446,414 estimated population f Municipalities
13,000 estimated population of Unincorporated communities

446,414	@ $400 X COLA =	$221,899,400
13,000	@ $400 X COLA =	5,200,000
TOTAL GRANTS		$227,099,400

Administration

This bill actually proposes four (4) changes to existing proceedures.

First, it would transfer the existing Municipal Grants Program from the Department of Administration to the Department of Community and Regional Affairs. We do not believe it is the intention of the sponsor to transfer any existing grants and we have not reflected any transfer in this fiscal note.

Second is the establishment of a Municipal Aid Program within the Department of Community and Regional Affairs. This would be similar to the Municipal Aid Program established by SB 168 within the Department of Administration. After reviewing their experiences we are hopeful of learning from these efforts. This statement of fiscal impact is based on what we have learned from them.

Third is the reestablishment of the Aid to Unincorporated Communities Program, which this Department administered as a result of SB 168. In administering the SB 168 program, the Department learned some hard lessons. Those lessons taught us that there is a severe need for technical assistance in the unincorporated communities. Before this type of a program can be successful, additional staff is required to provide necessary training.

Although the need and the desire for programs and services this money would bring exist, the expertise in dealing with community projects and services does not. A new community building or a new land fill can do very little good without the human resources to manage them after completion.

Finally, this bill would require the Department to annually determine the population of municipalities and unincorporated communities. This would increase the number of communities that the Department would have to determine the population for annually by approximately 100. Due to the fact that that requirement is different from the Grants Programs it will be treated separately.

Barrow Office

LGS IV RG 19 (Salaries & Fringes)	$ 62,386
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items	900
	$ 74,436

Dillingham Field Office

LGS III RG 17 (Salaries & Fringes)	$ 54,610
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 66,660

Fairbanks Field Office

LGS III RG 17 (Salaries & Fringes)	$ 45,976
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 58 026

Bethel Field Office

LGS III RG 17 (Salary & Fringes)	$ 54,610
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 66,660

Anchorage Office

LGS IV RG 19 (Salary & Fringes)	$ 49,264
2 Grants Administrator/Auditors RG 17 (Salaries & Fringes)	85,503
1 Project Assistant RG 16 (Salary & Fringes)	39,901
1 Administrative Assistant RG 13 (Salary & Fringes)	30,602
1 Clerk Typist III RG 8 (Salary & Fringes)	24,089
Office Space	27,000
Telephone	4,800
Travel	24,000
One Time Items (Office Furniture, etc.)	5,400
	$290,559

Juneau Office

1 Accounting Technician RG 12 (Salary & Fringes)	$ 30,602
Office Spoace	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 42,652

Population Estimation

LGS II RG 15 (Salary & Fringes)	$ 37,179
Clerk Typist III RG 8 (Salary & Fringes)	24,089
Office Space	9,000
Telephone	1,300
Travel	6,000
One Time Items (Office Furniture, etc.)	1,800
	$ 69,368

TOTAL ADMINISTRATIVE COSTS	$668,361

Submitted by M. Clyde Stoltzfus
Copper Center, Alaska

Testimony for a Hearing on SB 103

Thank you very much for the opportunity to speak to some of the issues I feel are important considerations in programs such as the one addressed in SB 103. The general concept of SB 103, that of per capita revenue sharing, is, I think, a laudable concept. However, my experience in the unincorporated communities with SB 168 taught me that a good concept in legislation does not necessarily equate to a good program at the local level.

In basically well-intended legislation that goes amok at the local level, the missing element, or at least, the element which causes the subversion of legislative intent is the administering agency. That is to say, often well-intended legislation does not take into account the administration of the program, and, consequently, the administrating agency develops its own procedure, which may or may not mirror the intent of the legislation.

As I previously mentioned, my experience is with the administration of SB 168. It was my understanding that, in part, SB 168 was designed to encourage people within a community in the unincorporated area to work together toward common goals. In fact, the administration of that program created friction and division within affected communities that may take many years to heal.

It is this problem -- the division of communities previously considered a distinct unit into separate units under the administration of SB 168 -- that is my concern today with SB 103. I feel the legislators must address this issue specifically in legislation or their efforts to unite communities, in some instances, may well be defeated. This is especially true in communities where there has been no previous experience with defining their population base. In other words, to made this legislation an effective tool in developing communities accountable for their own needs, this legislation must clearly address the definition of a community. In my opinion, defining boundaries for a community which has not established boundaries is a political decision which most agencies are not equipped to handle.

To illustrate my concern in the SB 168 example, one community in the Copper River Basin could not agree on the uses for SB 168 monies. To solve this problem, the administrating agency, Department of Community and Regional Affairs, decided to draw a boundary through the community and thus create two communities. For the agency, the division of this

community provided an easy way out. But, for local community leaders, it created a nightmare and left much bitterness between the two segments of a previously homogeneous community. To alleviate this problem, it is my opinion that language which stipulates the accepted means for defining a communities boundaries should be inserted into the unincorporated section of this legislation. This language could be based on such things as census boundaries, fire service boundaries, or election districts. Any one or any combination of these would give at least some guidance to the agency charged with the administration of this legislation to follow. At the very least, this legislation should state that only previously existing boundaries should be used to define a community.

Respectfully submitted,

M. Clyde Stoltzfus

M. Clyde Stoltzfus
Box 119
Cepper Center, Alaska

fairbanks north star borough

BILL ZYBACH
Special Assistant
To The Mayor

p.o. box 1267 520 fifth ave.
fairbanks, alaska 99707
907-452-4761

te Committee regarding Senate Bill 103.

Senate Bill 103 is one of the most important and critical measures for the rational development of capital projects by local government. Not only does the legislation help meet the capital requirements as mandated through the constitutional amendment on the budget which passed last November, it addresses what we believe is the intent of that vote - to provide development of infrastructure. SB 103 provides the best possible means of developing our community's basic capital needs through local determination. Our community has set up a systematic approach to the development of capital projects on both the short term and the long term. This system is currently being implemented and will include thorough public participation, participation by our legislators, local government leaders, experts, public and private agencies and interest groups concerned with capital project development. Senate Bill 103 provides a funding mechanism to implement our local capital planning process as well as the planning efforts of many communities throughout the state. It also provides the opportunity for each legislator to lend support to the various local communities and constituencies they represent via the local planning process.

We are also pleased with the development of this piece of legislation for it indicates that there is an intent to develop a system which will provide local communities with a better planning tool - a tool which they can use for planning purposes. The most disruptive factor in the planning process is not being able to anticipate levels of funding from year to to year. We believe this type of legislation is a step in the right direction toward identifying funding sources and we hope to further develop mechanisms for identifying a

reasonable amount of income from the state. We want to be realistic in this process, too, and we understand that a funding mechanism that is set up such as this in Senate Bill 103 may be funded at different levels from time to time to recognize different economic conditions. We would hope that if this legislation is passed that a system of projecting appropriations for one or two years in advance will be developed.

Our community fully support SB 103.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 103 Date on Bill: February 2, 1983
Title: Act relating to State aid for municipalities and unincorporated communities
Sponsor: by Bennett
Requestor: Senate C & R A Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86	
Capital				656,989.5	-0-	-0-	
Operating				376.0	406.1	438.6	
Total			-0-	660,749.5	406.1	438.6	

b. Revenues:

Revenue			-0-	-0-	-0-	-0-	

2. Source of funds to offset fiscal impact of bill: State General Funds

3. Assumptions: In the 12th Legislature, SB 168 appropriated funds adequate to pay $750 per capita for Department of Administration grants to municipalities and DCRA grants to unincorporated communities. The Department of Administration administered 151 grants, which averaged state-wide 8 projects per grant. Obviously, local involvement was high in the municipal planning activity, and there was a strong stimulus to local construction. Additionally, most municipalities used a portion of their grant to fund social services programs which would otherwise have been foregone unless paid by local revenues. Using the February 7, 1983 Population Determination by Commissioner Mark Lewis, the Department of Administration census for this bill will be not less than 437,993. Multiplying this population by the $1,500 per capita legislation will cost $656,989,500 for the Capital appropriation plus the $376,000 operating costs incurred by the Department. A bill of this fiscal magnitude must obviously be considered as an alternative to the Governor's Municipal CIP Budget rather than an addendum.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor.

Prepared By: Kenneth R. Ryals Phone: 465-2277
Division: Administrative Services Date: February 14, 1983

Approved by Commissioner: Date:
Department: Administration

Reviewed by OMB: Date:
Phone:

5. Distribution:
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2/8/83

7/0223-01/BDGSF1

SB 103
Position Paper

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 under AS 37.05.315.

The Department questions the historical practice promoted under AS 37.04.315 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.

Prepared by: Kenneth R Ryals Date: 2/24/83

Commissioner's Office Review by: [illegible] Date: 2/24/83

1/0223-02/RM3

SEN. GILMAN

W O R K D R A F T

Original sponsor: Sackett and Ferguson

IN THE SENATE BY

CS FOR SENATE BILL NO. 37 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state aid for municipalities and other recipients; and providing for an effective date."

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

*Section 1. AS 29.88.010(c)(1)(C) is amended to read:

(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];

*Sec. 2. AS 29.88.010(c)(1)(D) is amended to read:

(D) special assessments received during the preceding fiscal year; [AND]

*Sec. 3. AS 29.88.010(c)(1) is amended by adding a new sub-paragraph to read:

(F) electric and telephone cooperative taxes received by the municipality under AS 10.25.570;

*Sec. 4. AS 29.88.032 is amended by adding a new section to read:

Sec. 29.88.032. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The Department of Community and Regional Affairs shall pay to each unincorporated community an entitlement of $50,000 each fiscal year to be used for a public purpose.

"(b) 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.

(c) 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. If there is more than one qualified entity in an unincorporated community, the Department of Community and Regional Affairs shall select the entity that the department finds most qualified to receive and spend the money.

(¢) After selecting an entity under (b) of this section the Department of Community and Regional Affairs shall provide public notice of the selection. The notice shall indicate that the selection is preliminary and other qualified entities may be nominated to receive the entitlement by filing a petition with the department. A petition must be signed by a number of voters of the unincorporated community equal to or greater than 15 percent of those who voted during the last general election in the community. The department shall provide a sample petition upon request.

(d) If the Department of Community and Regional Affairs receives within 30 days after notice is provided under (b) of this section a sufficient petition nominating an entity other than the entity selected by the department, the department shall hold an election with the assistance of the director of elections to determine which entity shall receive the entitlement. The election shall be held within 90 days after notice is provided under (b) of this section. The department shall provide public notice of the date of the election.

(e) All voters who reside within the boundaries established for the purposes of determining the population of the unincorporated community are qualified to vote in an election held under this section. The name of the entity selected by the Department of Community and Regional Affairs under (b) of this section and the name of each entity nominated under (c) of this section shall be placed on the ballot. The department shall pay the entitlement for that year to the entity receiving the greatest number of votes.

(f) 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. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council."

(g) 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. 5. 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 municipalities to fulfill each municipality's share authorized under AS 29.88.010 and to unincorporated communities to fulfill each unincorporated community's share authorized under AS 29.88.032. If the amount allocated to the account is not sufficient to pay all entitlements under AS 29.88.010 and AS 29.88.032, after payment of minimum entitlements under AS 29.95.020, the [The] amount allocated to the account shall be distributed by the department pro rate among eligible municipalities.

*Sec. 6. AS 29.89.030 (a)(1) is amended to read:

(1) to a municipality that [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 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;

*Sec. 7. AS 29.89.030(a)(3) is amended to read:

(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; money received under this paragraph may be used only for health facilities and shall be apportioned among qualifying health facilities as the municipality determines.

*Sec. 8. AS 29.89.070(a) is amended to read:

(a) Payments to a municipality or other eligible recipient under AS 29.89.020 - 29.89.040 [29.89.030] shall reflect area cost-of-living differentials. Payments shall be based upon the sum of per capita, per mile and per bed or facility grants due each municipalty 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 application of this section.

*Sec. 9. AS 29.95.010(b) is amended to read:

(b) Money in the miscellaneous services account established in AS 29.89.080 that [WHICH] exceeds the amount required to fully fund distributions authorized by AS 29.89 shall be reallocated to the tax equalization account established in AS 29.88.035 and distributed according to the provisions of AS 29.95.030 [AS 29.88].

*Sec. 10. AS 29.95.010(c) is amended to read:

(c) Money in the hospital construction assistance account established in AS 29.90.020 that [WHICH] exceeds the amount required to fully fund distributions authorized by AS 29.90 shall be reallocated to the tax equalization account established in AS 29.88.035 and distributed according to the provisions of AS 29.95.030 [AS 29.88].

*Sec. 11. AS 29.95.020 is repealed and reenacted to read:

AS 29.95.020. (a) During each fiscal year a (A) municipality qualifying for an entitlement under AS 29.88 shall receive a minimum payment of $100,000 plus an area cost of-of-living differential or the amount it received under AS 29.88, AS 29.95.020, and AS 43.20.016 during the fiscal year ending June 30, 1982, whichever is greater, ($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 of the governing body are held in the municipality in accordance with the requirements of AS 29.23.060 and AS 29.23.210 d[illegible]e fiscal year preceding the year for which payment of an en[illegible]nt 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;

[with a population of more than 2000,

(5) the municipality has spent at least 50 percent of the money it received under this section during the previous fiscal year to provide for at least three of the following:

(A) municipal administration;

(B) police protection;

(C) fire protection;

(D) pollution control;

(E) solid waste collection and disposal;

(F) land use planning;

(G) parks and recreation

(H) street maintenance;

(I) hospitals;

(J) health facilities;

(K) airports;

(L) wharves and harbors;

(M) libraries, museums and cultural facilities.]

(b) An unincorporated community qualifying for an entitlement under AS 29.88 shall receive a minimum payment of $50,000 plus an area cost-of-living differential for each fiscal year.

(c) [(b)] The area cost-of-living differential payable to each municipality and unincorporated community 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) or (b) 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 [Gov]ernor September 3, 1965.

(d) [(c)] The Department of Community and Regional Affairs shall pay to each municipality and unincorporated community eligible to receive a minimum payment under this section an amount equal to the difference between the minimum payment determined under (a), (b) and (c) [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.

(e) [(d)] A payment under this section may be prorated and reduced under AS 29.95.030.

(f) [(e)] Payments under this section shall be made from the money allocated to the tax equalization account established in AS 29.88.035.

*Sec. 12. AS 29.95.030 is repealed and reenacted to read:

Sec. 29.95.030. DISTRIBUTION AND PRORATION OF PAYMENTS. If the amount of money allocated to the tax equalization account established in AS 29.88.035 is not sufficient for all payments authorized under AS 29.88, AS 29.95.020, the Department of Community and Regional Affairs shall distribute minimum payments to all municipalities and unincorporated communities under AS 29.95.020. After minimum payments have been distributed, money remaining in the account shall be adjusted and distributed under AS 29.88 to municipalities that qualify for more than the amount of the minimum payment. If the amount of money allocated to the tax equalization account is not sufficient for minimum payments to all municipalities and unincorporated communities, the Department of Community and Regional Affairs shall adjust the payments distributed under AS 29.95.020 and distribute no money under AS 29.88. Payments shall be adjusted by prorating amounts payable by a factor that, when applied, reduces all payments in equal proportion.

*Sec. 13. AS 29.88.020(b), AS 29.89,050, and AS 43.20.016 are repealed.

*Sec. 14. This Act takes effect July 1, 1983.

MEMORANDUM State of Alaska

TO: Peter McDowell
Director
Office of Management and Budget

DATE: February 22, 1983

FILE NO:

TELEPHONE NO: 465-3600

FROM: Joe Geldhof
Assistant Attorney General
Department of Law

SUBJECT: State Grant Accountability

This will follow up on my previous correspondence of February 11, 1983 regarding problems the Department of Law perceives with state grant accountability. The Department of Law considers this matter sufficiently serious to warrant additional study. Steps should be taken to coordinate grant procedures including the monitoring and auditing of grants.

The state currently makes numerous grants to a wide variety of entities. These range from municipalities and unincorporated governmental units to non-profit organizations. Because we have opposed direct appropriations to nongovernmental entities, several ingenious methods for providing money to various entities have been devised. We believe that direct appropriations without substantial oversight by a state agency violate the "public purpose" doctrine of the Alaska Constitution.

State statutes were recently amended to provide a mechanism for dispensing money to specified entities through the various state agencies. Numerous state agencies including the Departments of Transportation, Administration, Community and Regional Affairs, Health and Social Services and the Department of Public Safety all administer grants. In our opinion, the current procedures for grant administration lack coordination and consistency. The state should consider development of a consistent grant format in conjunction with a unified grant administration program, possibly under the auspices of a single agency. A sensible grant administration program should also include a reasonable method for auditing state grants and investigating possible misuse of grant monies.

Perhaps an example will illustrate some of the problems which currently exist in this area. During a previous legislative session, the City of Kotzebue successfully obtained an appropriation for the renovation of a roof at the Senior Citizens Center in Kotzebue. A grant was made for this renovation which appeared in the Department of Transportation budget. In addition

a similar grant appeared in the Municipal Grant Program which is administered by the Department of Administration. DOT paid for the roof renovation. Subsequently the City of Kotzebue received payment under Municipal Grant Program. We are informed that the second grant was used for additional improvements to the building. This matter is currently the subject of investigation by the Department of Administration.

The Department of Law also perceives several other problems with grant administration. Currently, recouping funds which are misspent is difficult because the state does not have the ability to withhold future appropriations conditioned on a failure to repay previously misspent funds. Passage of legislation providing for set off against future appropriations would greatly benefit collection efforts in situations like the Kotzebue roof case.

The state must also develop a consistent policy for grant administration to federally recognized unincorporated governmental entities. These entities should waive the defense of sovereign immunity and other procedural claims as a condition of grant reception in our opinion. In the absence of these waivers, liability of the state is unreasonably compromised.

Finally, the state increasingly makes grants to private non-profit entities for capital construction projects. We have argued that it is a violation of the "separation of powers" doctrine for the legislature to designate grant recipients. This is an executive function. Also, in many instances the state has no guarantee that the non-profit entity will continue to exist. In order to pass muster with the letter and spirit of the "public purpose" provision in the Constitution, the state must receive reasonable assurances that the entities will provide services to the public for a reasonable period of time. At the very least, the state should obtain a secured interest in any capital project. While the state does not need to operate a facility funded with capital funds, the project should revert to state ownership if the non-profit entity ceases to function.

Several lawsuits related to grant administration are currently pending. We believe these cases underscore the need for some reform in this general area. It is our belief that a series of meetings convened by your office among the various agencies currently involved with these programs would eliminate the problems to a considerable degree and allow OMB to begin formulating a coherent policy concerning grants. The Department of Law would be delighted to send representatives with specific knowledge of grant program abuses to any meeting you may convene.

JG:vrb

cc Norman C. Gorsuch
Attorney General

Ronald W. Lorensen

SENATE BILL 103

"State Aid for Municipalities." Bennett.

Municipal entitlement of $1500 per capita. For cities of more
han 1,000 can be used only for social services or capital
projects. Less than 1,000 can <u>also</u> be used for operating
expenses.

Notes:

1. Attorney - Tam Cook

ALASKA

STATE LEGISLATURE

MEMORANDUM

November 4, 1982

TO: Billy Berrier
Director, Division of Legal Services

FROM: Senator Don Bennett

Please draft for me, for pre-filing, an appropriately updated bill that would duplicate the benefits to municipalities and unincorporated communities contained in HCS CSSB 168 (Fin) from 1981-chapter 60 Session Laws of 1981-with these exceptions:

1. The amount of money in Sections 1(b) and 2(b) will be $1,500.

2. The population determination in Section 3(a) will be based on the annual population determination performed by the Department of Community and Regional Affairs.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 103 Date on Bill: February 2, 1983
Title: Act relating to State aid for municipalities and unincorporated communities
Sponsor: by Bennett
Requestor: Senate C & R A Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86	
Capital				656,989.5	-0-	-0-	
Operating				376.0	406.1	438.6	
Total			-0-	660,749.5	406.1	438.6	

b. Revenues:

Revenue			-0-	-0-	-0-	-0-	

2. Source of funds to offset fiscal impact of bill: State General Funds

3. Assumptions: In the 12th Legislature, SB 168 appropriated funds adequate to pay $750 per capita for Department of Administration grants to municipalities and DCRA grants to unincorporated communities. The Department of Administration administered 151 grants, which averaged state-wide 8 projects per grant. Obviously, local involvement was high in the municipal planning activity, and there was a strong stimulus to local construction. Additionally, most municipalities used a portion of their grant to fund social services programs which would otherwise have been foregone unless paid by local revenues. Using the February 7, 1983 Population Determination by Commissioner Mark Lewis, the Department of Administration census for this bill will be not less than 437,993. Multiplying this population by the $1,500 per capita legislation will cost $656,989,500 for the Capital appropriation plus the $376,000 operating costs incurred by the Department. A bill of this fiscal magnitude must obviously be considered as an alternative to the Governor's Municipal CIP Budget rather than an addendum.

4. Disclaimer:
This statement has not been reviewed by the OMB in the Office of the Governor.

Prepared By: Kenneth R. Ryals Ken R Phone: 465-2277
Division: Administrative Services Date: February 14, 1983

Approved by Commissioner: Mark Rudd Date: 2/23/83
Department: Administration

Reviewed by OMB: _____ Date: _____
Phone: _____

5. Distribution:
Original to Legislative Finance
Copy to OMB
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2/8/83

7/0223-01/BDGSF1

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 17, 1983

POSITION PAPER

RE: SB 103
SPONSOR: Senator Bennett

PROGRAM EFFECTS
This bill would distribute $1500 per capita to every community in the state (both incorporated and unincorporated communities). The Department of Administration would distribute funds to municipalities and the Department of Community and Regional Affairs would handle the unincorporated communities.

COMMENTS
While the Department recognizes the need for capital improvements in the communities of the state, we feel the administration supported capital improvement process that involves the Communities, the Legislature and the Administration is preferable. It is our feeling that the per capita program outlined in this bill would not fully address the needs of small communities. During the operation of the Aid to Unincorporated Communities program (SB 168) the Department encountered several problems that should be considered along with this bill.

1) SB 168 and this bill both require that the Department deal with "an incorporated entity or a federally chartered entity...". While this ensures that the Department deals with a legally established entity it ignores traditional native governments. Although we are not aware of a legal way to include these traditional councils, we do feel that the problem warrants attention.

2) Another major problem revolves around the population question. SB 168 required use of 1980 census populations and this bill would require the Department to annually determine the population of these unincorporated communities. In the case of the 1980 Census figure many "Communities" in Alaska were not identified by the Census Bureau. That left us in a position of trying to determine what the population of those communities might have been.

This bill requires an annual population determination in the unincorporated communities; this is not currently being done by any state agency and would be relatively expensive. Is it the intention of the sponsor to have this requirement continue even though the grants appear to be one time appropriations? If that is the intent then additional fiscal impact would result.

21-P1LH

3) Further, the SB 168 program was a first experience in government and grants administration for many of these unincorporated communities. That experience emphasized the need for technical assistance in these communities. It also dramatically illustrated that the Department's staff resources were inadequate to respond to those needs.

4) One additional concern that has surfaced over the past couple of years revolves around operation and maintenance of facilities constructed in unincorporated communities. These communities do not have any sort of taxing authority and must rely on state grants or private donations for such expenses. It seems logical that consideration of operation & maintenance costs should be included in discussions of this bill.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 103 Date on Bill: 2/2/83
Title: Relating to State Aid to Municipalities & Unincorporated Communities
Sponsor: Senator Bennett
Requestor: Senate 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				19,500.0				
Operating				380.1				
Total				19,880.1				

b. Revenues:

Revenue								

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

Sponsor did not indicate.

3. Assumptions:

There are 13,000 people currently living in unincorporated communities of 25 or over. This statement of fiscal impact deals only with those communities and those people and does not apply to the municipal portion of the bill administered by another Department.

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: Terry Earley Phone: 465-4739
Division: Local Government Assistance Date: 2/9/83

Approved by Commissioner: 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

MEMORANDUM State of Alaska

TO: Peter McDowell
Director
Office of Management and Budget

DATE: February 22, 1983

FILE NO:

TELEPHONE NO: 465-3600

FROM: Joe Geldhof
Assistant Attorney General
Department of Law

SUBJECT: State Grant Accountability

This will follow up on my previous correspondence of February 11, 1983 regarding problems the Department of Law perceives with state grant accountability. The Department of Law considers this matter sufficiently serious to warrant additional study. Steps should be taken to coordinate grant procedures including the monitoring and auditing of grants.

The state currently makes numerous grants to a wide variety of entities. These range from municipalities and unincorporated governmental units to non-profit organizations. Because we have opposed direct appropriations to nongovernmental entities, several ingenious methods for providing money to various entities have been devised. We believe that direct appropriations without substantial oversight by a state agency violate the "public purpose" doctrine of the Alaska Constitution.

State statutes were recently amended to provide a mechanism for dispensing money to specified entities through the various state agencies. Numerous state agencies including the Departments of Transportation, Administration, Community and Regional Affairs, Health and Social Services and the Department of Public Safety all administer grants. In our opinion, the current procedures for grant administration lack coordination and consistency. The state should consider development of a consistent grant format in conjunction with a unified grant administration program, possibly under the auspices of a single agency. A sensible grant administration program should also include a reasonable method for auditing state grants and investigating possible misuse of grant monies.

Perhaps an example will illustrate some of the problems which currently exist in this area. During a previous legislative session, the City of Kotzebue successfully obtained an appropriation for the renovation of a roof at the Senior Citizens Center in Kotzebue. A grant was made for this renovation which appeared in the Department of Transportation budget. In addition

a similar grant appeared in the Municipal Grant Program which is administered by the Department of Administration. DOT paid for the roof renovation. Subsequently the City of Kotzebue received payment under Municipal Grant Program. We are informed that the second grant was used for additional improvements to the building. This matter is currently the subject of investigation by the Department of Administration.

The Department of Law also perceives several other problems with grant administration. Currently, recouping funds which are misspent is difficult because the state does not have the ability to withhold future appropriations conditioned on a failure to repay previously misspent funds. Passage of legislation providing for set off against future appropriations would greatly benefit collection efforts in situations like the Kotzebue roof case.

The state must also develop a consistent policy for grant administration to federally recognized unincorporated governmental entities. These entities should waive the defense of sovereign immunity and other procedural claims as a condition of grant reception in our opinion. In the absence of these waivers, liability of the state is unreasonably compromised.

Finally, the state increasingly makes grants to private non-profit entities for capital construction projects. We have argued that it is a violation of the "separation of powers" doctrine for the legislature to designate grant recipients. This is an executive function. Also, in many instances the state has no guarantee that the non-profit entity will continue to exist. In order to pass muster with the letter and spirit of the "public purpose" provision in the Constitution, the state must receive reasonable assurances that the entities will provide services to the public for a reasonable period of time. At the very least, the state should obtain a secured interest in any capital project. While the state does not need to operate a facility funded with capital funds, the project should revert to state ownership if the non-profit entity ceases to function.

Several lawsuits related to grant administration are currently pending. We believe these cases underscore the need for some reform in this general area. It is our belief that a series of meetings convened by your office among the various agencies currently involved with these programs would eliminate the problems to a considerable degree and allow OMB to begin formulating a coherent policy concerning grants. The Department of Law would be delighted to send representatives with specific knowledge of grant program abuses to any meeting you may convene.

JG:vrb

cc: Norman C. Gorsuch
Attorney General

Ronald W. Lorensen

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

Fiscal Analysis SB 103

13,000 est. population of eligible unincorporated communities.
13,000 x $ 1500 = $19,500,000

Administration

The Division of Local Government Assistance administers the current $1000 per capita program to unincorporated communities and in doing so has learned some hard lessons. Those lessons taught us that there is a severe need for technical assistance in the unincorporated communities. Before this type of a program can be successful, additional staff is required to provide necessary training. Although the need and the desire for programs and services this money would bring exist, the expertise in dealing with community projects and services does not. A new community building or a new land fill can do very little good without the human resources to manage them after completion.

Based on the division's experience with unincorporated communities the following is our estimate of additional administrative costs resulting from this type of program.

Fairbanks Field Office

2 LGS IV's RG 19(Salaries and Fringes)	$105,268
Office Space	$ 9,000
Telephone	$ 1,360
Travel	$ 12,000
One time items(office furniture, etc.)	$ 1,800
TOTAL	$129,428

Bethel Field Office

1 LGS IV RG 19(salary and fringes)	$62,386
Office space	$ 4,500
Telephone	$ 650
Travel	$ 6,000
One time items(office furniture etc.)	$ 900
TOTAL	$74,436

1-P1LH

Anchorage Office

1 LGS IV RG 19(salary and fringes)	$ 49,264
1 Project Assistant RG 16(salary and fringes)	$ 39,901
1 Administrative Assistant RG 12(salary and fringes)	$ 30,602
1 Clerk Typist III RG 8(salary and fringes)	$ 24,089
Office space	$ 18,000
Telephone	$ 4,800
Travel	$ 6,000
One time items(office furniture etc.)	$ 3,600
TOTAL	$176,256

Total Administrative Costs $19,880,120

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 8, 1983

POSITION PAPER

KP for Mark Lewis

RE: CSSB 103

SPONSOR: Senate Community & Regional Affaris

PROGRAM EFFECTS

This bill would distribute $400 per capita to every community in the state (both incorporated and unincorporated communities).

COMMENTS

The Department recognizes the need for Capital improvements in the communities of the state. We feel this approach is a good one as part of an overall Capital improvement plan. This type of a program would provide communities with local control of their capital projects. This local control is felt to be desirable by the Department.

1) SB 168 and this bill both require that the Department deal with "an incorporated entity or a federally chartered entity...". While this ensures that the Department deals with a legally established entity it ignores the traditional native governments. Although we are not aware of a legal way to include these traditional councils, we do feel that the problem warrants attention.

2) Another major problem revolves around the population question. SB 168 required use of 1980 census populations and this bill would require the Department to annually determine the population of these unincorporated communities. In the case of the 1980 Census figure many "Communities" in Alaska were not identified by the Census Bureau. That left us in a position of trying to determine what the population of these communities might have been.

   This bill requires an annual population determination in the unincorporated communities; this is not currently being done by any state agency

   The cost of instituting this new population program is included in the statement of fiscal impact.

3) Further, the SB 168 program was a first experience in government and grants administration for many of these unincorporated communitites. That experience emmphasized the need for technical assistance in these communities. It also dramatically illustrated that the Department's staff resources were inadequate to respond to those needs. The statement of fiscal impact that accompanies this bill would go along way toward satisfying that need.

4) Many of the Department of Administration problems are solved by the audit provisions of this bill. Many more will be solved if sufficient administrative personnel are added.

STATE OF ALASKA

PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CS For SB 103 Date on Bill: 3/2/'83

Title: State Aid For Municipalities & Unincorporated Communities

Sponsor: Community & Regional Affairs

Requestor: Community & Regional Affairs

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				227,099.4				
Operating				668.4				
Total								

b. Revenues:

Revenue								

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

Sponsor Did Not Indicate.

3. Assumptions:

See Attached.

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 Early Phone: 465-4730

Division: Local Government Assistance Date: 3/7/'83

Approved by Commissioner: Date: 3/7/'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

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

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

FISCAL ANALYSIS OF CS SB 103

MUNICIPAL AID

446,414 estimated population f Municipalities
13,000 estimated population of Unincorporated communities

446,414	@ $400 X COLA =	$221,899,400
13,000	@ $400 X COLA =	5,200,000
TOTAL GRANTS		$227,099,400

Administration

This bill actually proposes four (4) changes to existing proceedures.

First, it would transfer the existing Municipal Grants Program from the Department of Administration to the Department of Community and Regional Affairs. We do not believe it is the intention of the sponsor to transfer any existing grants and we have not reflected any transfer in this fiscal note.

Second is the establishment of a Municipal Aid Program within the Department of Community and Regional Affairs. This would be similar to the Municipal Aid Program established by SB 168 within the Department of Administration. After reviewing their experiences we are hopeful of learning from these efforts. This statement of fiscal impact is based on what we have learned from them.

Third is the reestablishment of the Aid to Unincorporated Communities Program, which this Department administered as a result of SB 168. In administering the SB 168 program, the Department learned some hard lessons. Those lessons taught us that there is a severe need for technical assistance in the unincorporated communities. Before this type of a program can be successful, additional staff is required to provide necessary training.

Although the need and the desire for programs and services this money would bring exist, the expertise in dealing with community projects and services does not. A new community building or a new land fill can do very little good without the human resources to manage them after completion.

Finally, this bill would require the Department to annually determine the population of municipalities and unincorporated communities. This would increase the number of communities that the Department would have to determine the population for annually by approximately 100. Due to the fact that that requirement is different from the Grants Programs it will be treated separately.

Barrow Office

LGS IV RG 19 (Salaries & Fringes)	$ 62,386
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items	900
	$ 74,436

Dillingham Field Office

LGS III RG 17 (Salaries & Fringes)	$ 54,610
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 66,660

Fairbanks Field Office

LGS III RG 17 (Salaries & Fringes)	$ 45,976
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 58 026

Bethel Field Office

LGS III RG 17 (Salary & Fringes)	$ 54,610
Office Space	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 66,660

Anchorage Office

LGS IV RG 19 (Salary & Fringes)	$ 49,264
2 Grants Administrator/Auditors RG 17 (Salaries & Fringes)	85,503
1 Project Assistant RG 16 (Salary & Fringes)	39,901
1 Administrative Assistant RG 13 (Salary & Fringes)	30,602
1 Clerk Typist III RG 8 (Salary & Fringes)	24,089
Office Space	27,000
Telephone	4,800
Travel	24,000
One Time Items (Office Furniture, etc.)	5,400
	$290,559

Juneau Office

1 Accounting Technician RG 12 (Salary & Fringes)	$ 30,602
Office Spoace	4,500
Telephone	650
Travel	6,000
One Time Items (Office Furniture, etc.)	900
	$ 42,652

Population Estimation

LGS II RG 15 (Salary & Fringes)	$ 37,179
Clerk Typist III RG 8 (Salary & Fringes)	24,089
Office Space	9,000
Telephone	1,300
Travel	6,000
One Time Items (Office Furniture, etc.)	1,800
	$ 69,368

TOTAL ADMINISTRATIVE COSTS	$668,361

Submitted by M. Clyde Stoltzfus
Copper Center, Alaska

Testimony for a Hearing on SB 103

Thank you very much for the opportunity to speak to some of the issues I feel are important considerations in programs such as the one addressed in SB 103. The general concept of SB 103, that of per capita revenue sharing, is, I think, a laudable concept. However, my experience in the unincorporated communities with SB 168 taught me that a good concept in legislation does not necessarily equate to a good program at the local level.

In basically well-intended legislation that goes amok at the local level, the missing element, or at least, the element which causes the subversion of legislative intent is the administering agency. That is to say, often well-intended legislation does not take into account the administration of the program, and, consequently, the administrating agency develops its own procedure, which may or may not mirror the intent of the legislation.

As I previously mentioned, my experience is with the administration of SB 168. It was my understanding that, in part, SB 168 was designed to encourage people within a community in the unincorporated area to work together toward common goals. In fact, the administration of that program created friction and division within affected communities that may take many years to heal.

It is this problem -- the division of communities previously considered a distinct unit into separate units under the administration of SB 168 -- that is my concern today with SB 103. I feel the legislators must address this issue specifically in legislation or their efforts to unite communities, in some instances, may well be defeated. This is especially true in communities where there has been no previous experience with defining their population base. In other words, to made this legislation an effective tool in developing communities accountable for their own needs, this legislation must clearly address the definition of a community. In my opinion, defining boundaries for a community which has not established boundaries is a political decision which most agencies are not equipped to handle.

To illustrate my concern in the SB 168 example, one community in the Copper River Basin could not agree on the uses for SB 168 monies. To solve this problem, the administrating agency, Department of Community and Regional Affairs, decided to draw a boundary through the community and thus create two communities. For the agency, the division of this

community provided an easy way out. But, for local community leaders, it created a nightmare and left much bitterness between the two segments of a previously homogeneous community. To alleviate this problem, it is my opinion that language which stipulates the accepted means for defining a communities boundaries should be inserted into the unincorporated section of this legislation. This language could be based on such things as census boundaries, fire service boundaries, or election districts. Any one or any combination of these would give at least some guidance to the agency charged with the administration of this legislation to follow. At the very least, this legislation should state that only previously existing boundaries should be used to define a community.

Respectfully submitted,

M. Clyde Stoltzfus

M. Clyde Stoltzfus
Box 119
Cepper Center, Alaska

fairbanks north star borough

BILL ZYBACH
Special Assistant
To The Mayor

p.o. box 1267 520 fifth ave.
fairbanks, alaska 99707
907-452-4761

ce Committee regarding Senate Bill 103.

Senate Bill 103 is one of the most important and critical measures for the rational development of capital projects by local government. Not only does the legislation help meet the capital requirements as mandated through the constitutional amendment on the budget which passed last November, it addresses what we believe is the intent of that vote - to provide development of infrastructure. SB 103 provides the best possible means of developing our community's basic capital needs through local determination. Our community has set up a systematic approach to the development of capital projects on both the short term and the long term. This system is currently being implemented and will include thorough public participation, participation by our legislators, local government leaders, experts, public and private agencies and interest groups concerned with capital project development. Senate Bill 103 provides a funding mechanism to implement our local capital planning process as well as the planning efforts of many communities throughout the state. It also provides the opportunity for each legislator to lend support to the various local communities and constituencies they represent via the local planning process.

We are also pleased with the development of this piece of legislation for it indicates that there is an intent to develop a system which will provide local communities with a better planning tool - a tool which they can use for planning purposes. The most disruptive factor in the planning process is not being able to anticipate levels of funding from year to to year. We believe this type of legislation is a step in the right direction toward identifying funding sources and we hope to further develop mechanisms for estimating a

reasonable amount of income from the state. We want to be realistic in this process, too, and we understand that a funding mechanism that is set up such as this in Senate Bill 103 may be funded at different levels from time to time to recognize different economic conditions. We would hope that if this legislation is passed that a system of projecting appropriations for one or two years in advance will be developed.

Our community fully support SB 103.

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 10, 1983

Honorable Don Gilman
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: Residential tax exemption
Our file: 366-430-83

Dear Senator Gilman:

You have inquired whether a residential tax exemption may be passed by municipal voters directly by initiative. AS 29.53.025(a) provides for such an exemption "by ordinance ratified by the voters at a regular or special election." (Emphasis added.) Put another way, must there first be council or assembly action which the voters might ratify, or may the voters simply create the exemption directly, by initiative?

In its current form, AS 29.53.025(a) casts a long shadow across the notion of municipal tax exemption by initiative. The problem is the word "ratified," and its reference to "ordinance."

As one court has put it, "[r]atification refers to ... the adoption of a past act or transaction as his own act...." First National Bank v. Allen, 14 So. 335, 337 (Ala. 1893). Virtually all ratification cases reference an antecedent contract, transaction, or other act which is confirmed, adopted, or sanctioned by the ratifier.

The Massachusetts Supreme Judicial Court faced a similar situation in Revere Water Co. v. Inhabitants of the Town of Winthrop, 78 N.E. 497 (Mass. 1906). Though the case is distinguishable in one or two important respects, what the court said is instructive:

> The word "ratified" as used in the statute [requiring voter approval] plainly means that when the selectmen issue the warrant they are supposed to have taken appropriate precedent action, otherwise there is no proposal of purchase in existence which can be made the subject of ratification, and which by the ratifying act thereupon becomes and existing contract.

Id. at 501.

It may well be argued that the legislature intended that municipal tax exemption be a two-step process, i.e., that the assembly first bring its expertise and judgment to bear to draft, debate, and enact a bill, after which the voters would act affirmatively to adopt the bill passed by the assembly. On the other hand, it could, with conviction and force, be argued that the heart and sense of AS 29.53.025(a) is the voter approval provision, and that assembly action was not intended to be a condition precedent to direct voter action.

As rough as the fit may be, we believe that the court cases cited above require assembly action first, followed by voter approval. If a different process is preferred, we would be happy to assist you in drafting an amendment to AS 29.53.025(a).

Sincerely yours,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: Thomas M. Jahnke
Thomas M. Jahnke
Assistant Attorney General

TMJ/pjg

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

M E M O R A N D U M

February 10, 1983

SUBJECT: Optional tax exemption questions
(Work Order No. 13-0721)

TO: Senator Donald E. Gilman

FROM: Richard C. Folta
Legislative Counsel

The following is in response to your inquiry of February 7th, on optional property tax exemptions.

(1) No, the exemption tax option would be subject to initiative. Article XI, section 7 of the Alaska Constitution provides for the restrictions against the use of the initiative, one of which is "appropriations" initiatives. A tax exemption which operates to limit tax revenues, cannot be considered an appropriation, in my opinion. (The Thomas V. Bailey case, 595 P.2d 1 is the Alaska case which discusses the appropriation restriction on initiatives by the people.) The tax exemption limits the tax revenues collectable by the municipality, but cannot be defined any closer than that to appropriations. In the Thomas case, the giving away of land in the homestead initiative was construed by the Court to be really an appropriation measure restricted by the constitution.

(2) There could be a substantial impact on the bonding ability of a municipality, since the full faith and credit of a municipality is pledged for the payment of principal and interest on general obligation bonds (AS 29.58.180). The passage of an initiative for the exemption could decrease the municipality's ability to bond since the tax base is reduced. There may be an instance where an initiative for the exemption could impair existing indebtedness and thus be subject to legal attack.

RCF:ljb

SENATOR
DON GILMAN
Juneau Ph.
(907) 465-4934

Alaska State Legislature

HOME ADDRESS
P.O. BOX 630
KENAI, ALASKA 99611
(907) 283-4162

DURING SESSION
POUCH V
JUNEAU, ALASKA 99811

State Senate

February 7, 1983

Memorandum

To: Billy G. Berrier
Director
Division of Legal Services

From: Senator Don Gilman

Thank you for the response by Richard C. Folta to our recent inquiry (Work Order No. 13-0721). This concerned whether the optional $100,000 property tax exemption proposed by SB 65 is libel to placement on municipal ballots by elections.

Based on that response, I would like to inquire on two other points.

1) Because any limitation on a municipality's ability to tax affects its ability to appropriate, could this exemption be ruled not subject to initiative on the municipal level because it affects a municipality's ability to appropriate?

2) If, as indicated in the first response, the exemption may be placed on the ballot by initiative, what effect would this have on the bonding ability of municipalities? In particular, what effect would this have on their ability to pledge full faith and credit?

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 3, 1983

SUBJECT: Optional exemption bill subject to referendum (Work Order No. 13-0721)

TO: Senator Donald E. Gilman

FROM: Richard C. Folta
Legislative Counsel

If SB 65, allowing for an optional exemption for certain real property from municipal taxation, becomes law, would it be subject to a referendum by the people of Alaska? The answer to your question as I understand it, is yes.

Article XI, section 1, of the Alaska Constitution provides that the people may propose and enact laws by the initiative, and approve or reject acts of the legislature by the referendum. In Municipality of Anchorage v. Frohne, 568 P.2d 3 (1977), the Court held that the subject of the petition must constitute such legislation as the legislative body to which it is directed has the power to enact. The power is liberally construed.

Local or special legislation is exempted from both petitions. Wolf v. Alaska State Housing Authority, 514 P.2d 233.

The subject matter of SB 65 is clearly general legislation in that it affects all of the people in a municipality, not just some. It is not required legislation, like AS 29.53.-020 which mandates certain exemptions. It is an optional exemption. The legislature has the power to legislate tax exemptions.

In summary, SB 65 is subject to a ballot by the people if it passes.

RCF:ljb

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1983

Billy G. Berrier
Director
Division of Legal Services
Legislative Affairs Agency
Pouch Y
Juneau, AK 99811

Dear Mr. Berrier:

Attached is a copy of Senate Bill 65. This bill establishes an optional property tax exemption for a portion of the value of residential property.

We request an opinion on whether, if this bill becomes law, the optional exemption it creates would be subject to being placed on the ballot by petition.

Sincerely,

Don

Don Gilman
State Senator

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1983

Norman Gorsuch
Attorney General
Department of Law
Pouch K
Juneau, AK 99811

Dear Mr. Gorsuch:

Attached is a copy of Senate Bill 65. This bill establishes an optional property tax exemption for a portion of the value of residential property.

We request an opinion on whether, if this bill becomes law, the optional exemption it creates would be subject to being placed on the ballot by petition.

Sincerely,

Don

Don Gilman
State Senator

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

Position Paper

Re: SB 65

Sponsor: Paul Fischer

Program Effects

This bill would raise the optional municipal real property tax exemption, permitted by statute, from the current $10,000 to $100,000.

Comments

The Department is in favor of increased control at the local government level. This Bill would expand that local control. To the extent that municipalities might exempt residential property under the proposed language, taxes would increase on commercial properties. In municipalities which have a substantial amount of oil and gas property, that increase would result in a proportionate decrease in State collected revenues.

Passage of this Bill could result in a small minority of taxpayers paying the majority of local property taxes if the increased optional exemption was employed by the community. This shift of tax burden could result in a weakening of local government. If the populace has no monetary stake in their local government, their interest and participation may well wane. From a standpoint of maintaining local interest and control other methods of tax relief may be preferable.

SB

125

COMMITTEE REPORT

SENATE

2/15/83

FURTHER:

Date: _____

Mr. President:

The Committee on C&RA has had SB 125

An Act annulling a regulation relating to subdivision plan review.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

ANNULMENT OF SUBDIVISION PLAN REVIEW

This regulation reuqires that subdividers submit a sewage/drinking water plan for proposed subdivisions to the Dept. of Environmental Conservation for review and approval.

The "argument"over the regulation:

Subdividers and Kenai residents maintain the DEC review is unnecessary because banks will later require that sewage/water systems on individual lots be reviewed before home loans on those lots are approved. The two reviews duplicate each other.

DEC maintains the reviews are different. The first determines what kinds of systems are possible and safe for the subdivision; the second, that the systems installed are acceptable and functionning.

Governor Sheffield supports the regulation because it fulfills DEC's responsibility to protect the public health.

For more extensive information see attached materials and letter from the Governor on the issue.

The following is a summary of the three main issues surrounding the Department of Environmental Conservation's waste water and drinking water regulations, and AHFC's proposed regulation requiring DEC approval of individual waste and drinking water systems.

1.) DEC's required Subdivision Plan Review (18 AAC 72.065). This plan has already been adopted as a permanent regulation, effective 12/30/82. The regulation requires that subdividers submit a plan to DEC to determine that a proposed subdivision is capable of handling waste water and drinking water systems. The plan also shows what kinds of systems are possible for the subdivision, given the soil and topographical conditions, layout of the streets and sewers, etc. If the plan meets the public health standards of DEC, then the plat for the subdivision is approved, and the approval put directly on the plat.

DEC has the authority to establish waste water and drinking water standards, and to approve subdivision plans. But DEC doesn't have the authority to issue "home" permits or to review and approve each individual waste water and drinking water system before they are installed by a homeowner within a subdivision. AHFC, and banks, however, require that each individual home system be certified as being in compliance with the DEC regulations before they finance a home loan. Because of this AHFC requirement, the following situation occurs:

> Mr. Smith buys a lot in a subdivision, which has been approved by DEC for certain kinds of wastewater and drinking water systems. Mr. Smith builds a house, but before AHFC or a bank will approve the loan, Mr. Smith has to hire a professional engineer to test his system for being in compliance with DEC requirements.

The land surveyors and subdividers maintain that the initial Subdivision Plan Review by DEC is unnecessary because each individual lot will be reviewed by an engineer as a requirement for getting a mortgage. The reviews duplicate each other and are costly.

DEC maintains that the two "reviews" are different and serve different purposes. The Subdivision review determines what systems are possible; the lot review determines that the systems installed are acceptable and functioning. In addition, they have a responsibility to set standards to protect the public health, although they lack the authority (and manpower and money) to review each individual home for compliance. (See Governor Sheffield's letter to Mayor Thompson regarding the Subdivision Review Process, as well).

It is important to note that the second review is not required by DEC--it is a requirement of all lending institutions, AHFC included. In fact, DEC lacks "express" statutory authority for certifying individual homes for sewage and water systems; however, they are the only available public health agency in most parts of the state qualified to do this.

Before AHFC was created, the DEC did these kinds of certifications for banks and home buyers as a courtesy. But the creation of AHFC created a "housing boom" and DEC, in order to handle the increased cer-

tification load, developed the "On-Lot Technical Assistance Program". This program allows certified professional engineers to conduct the tests on individual sewage/water systems, rather than DEC, who lacked manpower and money. Under this program, the professional engineers file the results of their tests with DEC; DEC then issues a certificate for the lending institution stating the systems are in compliance. Because DEC is liable for whatever they certify, DEC wants to be assured that the methods used by the professional engineers are in accord with good engineering practices. DEC has established the "adequacy test" (attached) for use by engineers. (It is important to note that engineers are free to use other test methods, provided those methods are reviewed by DEC).

2.) This test is the second issue. DEC's testing requirements are not established by regulation. DEC has outlined general procedures that should be followed by engineers when conducting the tests. Those procedures are attached. Again, other methods can also be used, provided DEC reviews the methods first.

The debate here is a rather technical one, between the professionals in the field. Some of the engineers have maintained that the test will damage the sewage system; DEC maintains that the method has been used successfully for years, in Anchorage and elsewhere, and if done properly, will not damage a system. This debate seems to center on the amount of water injected into a system. Too much water can flush solid waste into the leechfield, which would cause damage. DEC stated that professional engineers would know how much water to inject after their initial tests and that this kind of "error" would be extremely rare. If, however, an engineer did damage a system during a test, the engineer, and not DEC, would be liable for it.

Another problem surrounding the test is the cost. Engineers in some parts of the state are charging home buyers very high fees for the test.

3.) The third "issue" is the proposed AHFC regulation. This regulation will make it mandatory for any home buyer to have a DEC certificate stating that the home has adequate sewage/water systems before AHFC will approve their application for a loan.

Before now, AHFC has required DEC certification as a policy. They are just now adopting it as a regulation. AHFC apparently has a potential risk of half a million dollars in one subdivision alone, where the homes have inadequate sewage systems. Sewage systems are expensive to repair and it is often easier, and cheaper, for a homeowner to walk away from a home then to repair the system. This has happened in several places already and AHFC has assumed a loss.

AHFC maintains that they are justified in requiring DEC certificates to protect their investments and because the statutes instruct them to adopt the procedures and policies of independent lending institutions. All lending institutions require inspection and certification of sewage/water systems before they approve a mortgage loan.

file no. 1.27.004

BILL SHEFFIELD, GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1983

The Honorable Stan Thompson
Mayor
Kenai Peninsula Borough
Box 850
Soldotna, AK 99669

Dear Mayor Thompson:

Thank you for your January 18, 1983 letter regarding the Department of Environmental Conservation's (DEC) involvement with subdivision plan review. As you have pointed out, boroughs have platting approval authority under AS 29.33. That authority, however, does not convey with it the responsibility for approval of a subdivision's method of sewage disposal. That responsibility lies with DEC under AS 46.03.090, since one of DEC's main functions is to protect public health.

The department's wastewater disposal regulation is the vehicle they use to prevent serious diseases that are spread either by contamination of drinking water systems with sewage, or by sewage surfacing in a yard. It is also DEC's responsibility, as a branch of State government, to guard against the need for the State to fund expensive remedial construction of subdivision wastewater disposal systems which were improperly designed. That results in the kind of poor planning for capital projects which I am determined to change.

I definitely agree that the primary responsibility for all aspects of subdivision plan review should be with local governments. I understand that, through your help, major changes were made to DEC's regulations which greatly facilitate the ability of local government to assume the subdivision sewage disposal plan review program. I expect DEC to aggressively pursue delegation of this program to local governments willing to accept it. Until that occurs, however, some entity must regulate sewage disposal in subdivisions to ensure protection of public health. In the meantime, the opinions of engineers, surveyors, realtors, and local officials will be carefully considered as DEC fulfills its duties under the law.

A review of all these matters has led me to believe that a stay of the regulations would not be in the best public interest at this time. I assure you that Commissioner Neve' will closely oversee this matter to ensure that the concerns expressed by you and residents of your area are addressed by his staff.

Sincerely,

Bill Sheffield
Governor

bcc: Department of Environmental Conservation

Environmental Management
Deena Henkins
Bob Martin
Alex Viteri
Billie Trent

CTS: 3024733

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

January 18, 1983

RECEIVED
JAN 21 '83
GOVERNORS OFFICE

The Honorable William J. Sheffield
Governor of the State of Alaska
Pouch V, Mail Stop 0101
Juneau, AK 99811

Dear Governor Sheffield:

I am requesting that the new Department of Environmental Conservation regulations 18 AAC 72.065 appearing in Register 84 be stayed pending a review by your administration.

The authority cited is AS 46.03.020, .050, and .090. Section .020 (Part 10) is the general grant of authority to adopt regulations; Section .050 is the grant of jurisdiction to prevent and abate pollution; and Section .090 is the authorization to require submission of plans for sewage disposal treatment.

There is no statutory authority for DEC regulation of subdivision plats. That authority was granted to the Borough in Chapter 33 of Title 29.

An example of the arbitrary nature of these regulations is the exemption for isolated subdivisions without an exemption for subdivisions completely within cities on DEC approved public water and sewer systems.

I would suggest that rather than trying to "band aid" existing regulations, that the Department first identify the problems and then look for efficient measures to prevent and cure. Perhaps professionals in the field, such as engineers, real estate brokers, surveyors, and subdividers could assist in drafting outlines for new regulations.

I am sure that there are a number of professionals in all parts of our Great Land who would be willing to help without cost to the State.

Sincerely,

Stan Thompson
Mayor

ST:bl

cc: The Department of Environmental Conservation
The Alaska State Legislators

SENATE BILL 125

"Annulling a regulation dealing with subdivision plan review."
P. Fischer.

Annuls a regulation dealing with subdivision plan review. The regulation requires that subdividers submit a sewage/drinking water plan to DEC.

ANNULMENT OF SUBDIVISION PLAN REVIEW

This regulation reuqires that subdividers submit a sewage/drinking water plan for proposed subdivisions to the Dept. of Environmental Conservation for review and approval.

The "argument"over the regulation:

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file no. 1.27.004

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OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1983

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Sincerely,

Bill Sheffield
Governor

bcc: Department of Environmental Conservation

Environmental Management
Deena Henkins
Bob Martin
Alex Viteri
Billie Trent

CTS: 3024733

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

January 18, 1983

RECEIVED
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Pouch V, Mail Stop 0101
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Sincerely,

Stan Thompson
Mayor

ST:bl

cc: The Department of Environmental Conservation
The Alaska State Legislators

SB

147

POSITION PAPER

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
SB 147

March 2, 1982

The Departmant does not support passage of this bill. We are concerned about the many bills that would expand property tax exemptions. We are also concerned at the lack of an overall State direction in the area of property tax exemptions. Continuing without some type of overall plan will lead to a local tax structure that lacks cohesiveness and will be both hard to understand and difficult to administer.

Another consideration is the cost of municipal administration. Existing exemption programs will require processing about 6,000 applications in FY 83; this program will add an estimated 2,100. It is evident that there will be additional cost burdens placed on municipalities. Those additional costs would have to come from the local general fund, adding burden to the nonexempt portion of the tax base.

The fiscal note has taken into consideration the tax reductions caused by Chapter 6 SLA 1981. However, it doesn't take into consideration any of the other measures before the Legislature that would reduce local taxes.

tle/TLE - 06690

100 PERSONAL SERVICES

Increase current clerk typist II part time position to full time will adequately provide for handling additional applicants which increases current program activity by about 50%.

Clerk Typist II part time, Range 07		
Salary 1,319/month (659.5 part time)	$ 7,914	
Benefits	1,216	
FICA (per current position)		
Health Insurance	924	
		$ 10.1

Travel to the major population centers will be required for the first 2 years of operation to assure that eligible applicants are aware of the new benefits and to prepare appropriate agencies to assist applicants.

200 TRAVEL

Expenses	950	
Per Diem	525	
		$ 1.5

300 CONTRACTUAL

Postage	$ .3	
Printing & advertising - first year	1.8	
Printing & advertising - annual	.4	
Copier	.2	
First year total		$ 2.3
Annual total		.9

400 COMMODITIES $ .3

100-400 based on FY 82 estimates, 10% annual increase was used to project subsequesnt years.

500 EQUIPMENT

5-drawer file cabinet	$ .3

Total first year administration	$14.5
Annual Administration	$13.1

700 GRANTS

FY 82 DATA

% of DISABILITY	VETERANS	76.85%*	82% **	AVG PMT.	TOTAL
0	72	55	--	--	--
10	1190	916	752	60	45,120
20	607	467	383	120	45,960
30	445	342	280	179	50,120
40	253	194	159	238	37,842
50	147	113	93	298	27,714
60	164	126	103	358	36,874
70	73	56	46	417	19,182
80	40	31	25	477	11,925
90	11	8	7	536	3,752
100	80	61	50	596	29,800
	3,082	2,369	1,898	162	308,289

* Alaska 1980 population, a preliminary overview, released January 1, 1981 by the Alaska Department of Labor indicates that 3.15% of the civilian population is age 65 or over and can be presumed to be currently participating in the senior citizen exemption.

The operation of the senior citizen property tax exemption program indicates that about 30% of the total seniors do not participate generally because they are in institutions or other housing not subject to property tax. Assuming seniors are more likely to be residing in institutions and subsidized housing, it appears reasonable to reduce this figure to 20% when applied to veterans.

$$\begin{array}{r} 3.15\% \\ \underline{20.00\%} \\ 23.15\% \end{array}$$

$$100.00\% - 23.15\% = 76.85\%$$

** Analysis of the aplicants for senior citizen homeowner exemption and renter payment shows that 82% of the total applicants own their home and 18% are renters.

Assume less than half the increase in number of applicants annually for this population segment when compared with the senior population, or about 5% increase per year.

Assume similar annual increase in average payment per applicant to senior programs, or 10% increase per year.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 147
Title Providing for exemption of the residence of disabled veteran from...property
Requested by Community & Regional Affairs Date March 2, 1982 tax...

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Social - Economic Assistance to the Aged
BRU, Program, Or Subprogram(s) Affected Senior Citizen Tax Relief
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		10.1	11.1	12.2	13.4	
200 TRAVEL		1.5	1.7	0	0	
300 CONTRACTUAL		2.3	3.9	1.2	1.3	
400 COMMODITIES		.3	.5	.4	.4	
500 EQUIPMENT		.3	0	0	0	
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.		308.3	354.9	407.7	468.9	
TOTAL		322.8	368.5	421.5	484.0	

FUNDING (Thousands of Dollars)

GENERAL FUND		322.8	368.5	421.5	484.0	
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME		1	1	1	1	
TEMPORARY						

III. ANAL

Sec

SB
186

COMMITTEE REPORT

SENATE

3/15/23

FURTHER: ~~XXXXXX~~ FINANCE

Date: 3-24-23

Mr. President:

The Committee on CS/BA has had SB 266

Relating to named recipient grants; 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

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

March 25, 1983

POSITION PAPER

RE: Senate Bill 186

SPONSOR: Senator Sackett

Program Effects

This bill amends AS 37.05.316, deleting the option allowing a Department assigned to administer a grant to a named recipient to issue requests for proposals from qualified persons other than the named recipient to carry out the intent and purpose of the grant.

Comments

This Department withholds comment on its position on this bill pending review by the Department of Law on separation of powers issues that were first raised by the previous Administration. On its face, this bill does appear to infringe the Executive branch's power to execute the implementation of projects, services, and programs by limiting how it selects persons to provide goods and services. The process by which public funding is awarded should be open and accountable. The request for proposal process is important to insure that all qualified persons are free to participate in the awarding of State grants. The RFP process also provides a check to provide some guarantee that projects are awarded on the basis of merit and that the best possible product is delivered to satisfy the intent of the Legislature and the good of the public.

Mark Lewis
Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 186
Title: Named Recipient Grants
Sponsor: Senator Sackett
Requestor: Senate C&RA

II. FISCAL DETAIL

Agency Affected: DCRA
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: LGAD

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	-0-	-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: 3/25/83

Approved by Commissioner: Date:
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

Introduced: 3/18/83
Referred: Community and Regional Affairs and Finance

IN THE SENATE BY SACKETT AND FERGUSON

SENATE BILL NO. 186

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to named recipient grants; and providing for an effective date."

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

* Section 1. AS 37.05.316 is amended by adding new subsections to read:

Sec. 37.05.316. GRANTS TO NAMED RECIPIENTS. (a) When an amount is appropriated or allocated to a department as a grant for a named recipient which is not in 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

SERVICES, OR BOTH, SHALL BE IN ACCORDANCE WITH AS 37.05.230(1)(c).]

(b) The department to which the appropriation or allocation is made shall have the right to audit records of the named recipient for a grant made under this section.

(c) The named recipient shall be required to post a bond in the percentage of the amount of the grant which is received from the department.

(d) The named recipient shall waive the right of immunity from legal action by the department for purposes of the grant made under this section.

(e) The named recipient shall qualify to receive state grants if they are certified under 26 U.S.C. 501(3)(4).

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-10.070(c).

SB
204

COMMITTEE REPORT

SENATE

3/24/83

FURTHER: Finance

Date: _____

Mr. President:

The Committee on C & BA has had SB 204

Limiting the exemption from taxation for an abode of a resident 65 years of age or older to $ 50,000 of the assessed value; and 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

ENCLOSURES FOR SENATE BILL 204

1. Position Paper from the Older Alaskans Commission
2. Letter from the Older Alaskans Commission opposing Senate Bill 204
3. Fiscal Note from the Department of Administration
4. Position Paper and Fiscal Note from the Department of Community and Regional Affairs.
5. Press Release from Senator Faiks
6. Senior Citizens Tax Relief Budget Summary - FY 84
7. Senior Citizens Tax Relief Budget Summary - FY 85

SENATE BILL 204.

"Limiting property tax exemption for senior citizens". Faiks.

Limits property tax exemption for senior citizens to $150,000.

ALASKA STATE LEGISLATURE

..13th.. Legislature ..FIRST Session

SENATE ..BILL..... NO. .204...

By FALKS.....

"An Act limiting the exemption from taxation for an abode of a resident 65 years of age or older to $150,000 of the assessed value; and providing for an effective date."

Introduced in the Senate ..3/24..., 19.83

HISTORY IN THE SENATE

1983		
		Read first time and referred to Committee on
3	24	C&RA and Finance
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		
		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. .....

31-001

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

FEB 1 X 1984

February 7, 1984

The Honorable Frank Ferguson
State Capitol
Pouch V (M.S. 3100)
Juneau, AK 99811

Dear Senator Ferguson:

SENATE BILL 204, PROPERTY TAX EXEMPTION, WHICH WOULD CHANGE THE SENIOR CITIZEN'S PROPERTY TAX EXEMPTION PROGRAM TO PROVIDE THAT NO MORE THAN $150,000 OF ASSESSED VALUES BE EXEMPT FROM TAXATION.

Please oppose this bill. It is not a bill that is wise at this time.

In our borough we have many homesteaders that have been on their land for some period of time. They like their property and they want to keep their property, but due to the fact of our oil industry, etc., our assessed values have gone up to where their land may be worth as much as $2,000 to $5,000 per acre. Many of them would like to stay on their homesteads. They gave a good deal of their life and hard work for it. They may only have a house that is of comparatively small value, but they like their property and they don't want to sell it; however, as they become senior citizens they would be forced to sell it under this bill. I don't think that we should be forcing people to dispose of their property. It seems that the senior citizen's tax exemption should be not a welfare measure, but a measure to show appreciation to the senior citizens that have lived here for some period of time. The tax exemption is one way that we can do so. Let's continue to exempt the property they live on, whether its a palatial home or a miserable shack on 160 acres, or whatever it may be.

Please oppose the property tax exemption change.

Thank you,

Stan Thompson
Kenai Peninsula Borough Mayor

ST:lc

POSITION PAPER

OLDER ALASKANS COMMISSION

Bill Number: SB 204 Date: April 5, 1983

Title: "An Act limiting the exemption from taxation for an abode of a resident 65 years of age or older to $150,000 of the assessed value; and providing for an effective date."

The Older Alaskans Commission has a statutory mandate to make recommendations directly to the Governor and Legislature with respect to legislation. While the proposed act would pose no direct impact upon Commission programs, it would directly impact older Alaskans. According to information provided to the legislature by the Department of Community and Regional Affairs, 197 older Alaskans would have been affected in 1982 and the state would have gained $99,236 in additional tax revenue.

Property assessment is not a valid method of determining need or one's ability to pay taxes. Few could argue against basing state programs upon need. To do so, one's ability to pay taxes should be based upon income not assets or property assessment.

The State of Alaska places a high value on maintaining the independence of older Alaskans. In addition, the state can realize an economic benefit from programs which contribute to independence including those like property tax exemption which enable older persons to remain in their own homes. Housing is one of the state's major problems. Older Alaskans have noted this in hearings conducted by the Commission throughout the state. Nearly 65 percent of elderly Alaskans own their own homes. The Older Alaskans Commission Comprehensive Statewide Plan Segment One report states,

> "For many elders, the cost requirements associated with housing are causing them to make trade-offs between housing and such other basic needs as food and clothing. Nationally, over one-third of the average elder's income goes toward housing costs (rent/mortgage, maintenance and operation, and utilities). At the same time, the buying power of the relatively fixed income elders continues to shrink as rents, maintenance, fuel and other housing costs rise. Since 60 percent of the nation's elders reside in dwellings built prior to 1950 (U.S. Senate, 1980), many elders reside in structures which are more in need of maintenance and are less energy efficient than those of other age groups. For rural Alaskans, the cost of housing has an even more severe impact on income. The long months of cold weather coupled with extraordinarily high energy costs mean that for many 60 percent or more of income from October through April is devoted to meeting housing costs.
>
> "It is not surprising then that housing issues ranked high among the priorities of each of the regional forums and community meetings."

The Older Alaskans Commission is opposed to the changes proposed for the current tax exemption program.

Jon B. Wolfe — Date 4/5/83
Executive Director
Older Alaskans Commission

Lisa Rudd — Date 4/7/83
Commissioner
Department of Administration

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C, M.S. 0209
JUNEAU, ALASKA 99811
PHONE: (907) 465-3250

OLDER ALASKANS COMMISSION

February 7, 1984

Senator Frank Ferguson, Chairman
Senate Community and Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Ferguson:

The Older Alaskans Commission opposes Senate Bill 204. This bill would limit the exemption from taxation to $150,000 of the assessed value of a dwelling owned and occupied as a permanent place of abode by a resident 65 years or older.

While this bill would have no direct impact on Older Alaskans Commission programs, it would directly impact a number of older Alaskans who own their own homes. The Older Alaskans Commission is mandated to help senior citizens maintain independent lives. Under the current property tax exemption program, seniors are encouraged to live independently in their own homes without the financial burden of property taxes. We have no difficulty with attempts to limit the program. However we are concerned that persons may be forced out of their homes due to their inability to pay property taxes. Therefore, the method used to limit the program must be carefully considered.

Over the past decade, home and property values have increased at a rapid rate. Senior citizens who purchased homes ten or more years ago have seen the value of their property double or triple over the original purchase price. At the same time, the fixed incomes on which many senior citizens live have not kept pace with these increases in property values of the cost of living in general. Because of the disparity between property value and fixed incomes, property assessment alone is not a valid measure of a senior's ability to pay taxes.

The Older Alaskans Commission believes that taxes on property assessment in excess of $150,000 could present a financial burden to seniors in Alaska which could threaten their independent living. For that reason, the Commission opposes SB 204 as written. If a limitation on property tax exemptions is desired, the Commission recommends net income and cost of living as determination factors.

Thank you for your consideration.

Sincerely,

Hove McKeel

For Hazel Heath
Chair

02-B26LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 204
Title: "An Act limiting the exemption from taxation... 65 years."
Sponsor: FAIKS
Requestor: Senate C & RA

II. FISCAL DETAIL

Agency Affected: Department of Administration
Program Category Affected: Social/Economic
BRU, Program of Subprogram(s) Affected: Assistance for the Aged
Older Alaskans Commission

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						
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: Jon B. Wolfe
Division: Older Alaskans Commission
Phone: 465-3250
Date: April 5, 1983

Approved by Commissioner:
Department: Administration
Date: 4/7/83

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)

3/2/83

IV. ANALYSIS:

The Bill as proposed would have no fiscal impact upon the Older Alaskans Commission.

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

April 18, 1983

POSITION PAPER

RE: SB 204

SPONSOR: Senator Faiks

Program Effects of Bill

This Bill amends AS 29.53.020(e) by placing a limit on the exemption to $150,000 of the assessed value of property of a resident 65 years of age or older. Only $150,000 of the assessed value would be exempt from taxation, the resident would pay taxes on the remaning value.

Comments

The Department supports the concept of limiting the exemption, however, we believe any limitation should take into account the actual need of the Senior Citizen. Although property value does, in most cases reflect the wealth of the individual, we believe consideration of income would be a more appropriate measure of need.

Generally, the Department has a concern for the senior citizen whose property value has appreciated over the years and currently exceeds the $150,000 limit. Said property value may be high, however, their income may be low, placing a hardship on the senior citizen.

We suggest some appropriate gross or net income figure be used as an additional criterion for the allowance of property tax exemptions for Seniors.

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 204
Title: Limiting Senior citizen exemption
Sponsor: Senator Jan Faiks
Requestor: Senate Community & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community & Regional Affai
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	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

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:

Sponsor did not indicate.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry Earley Phone: 465-4730
Division: Local Government Assistance Date: 4/18/83

Approved by Commissioner: Date: 4/18/83
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

FISCAL ANALYSIS OF SB 204

The bill would affect 197 senior citizens currently in the Senior Citizen Exemption Program.

The savings to the state would be $99,236 broken down by municipality as follows:

	MUNICIPALITY	NUMBER OF SENIOR CITIZENS RECEIVING AN EXEMPTION IN 1982	TAXES WHICH WOULD BE PAID BY SENIOR CITIZENS (SAVINGS TO THE STATE)
1.	Anchorage	108	$65,588.58
2.	Juneau	15	6,305.00
3.	Haines	1	111.00
4.	Kodiak	3	1,615.00
5.	Sitka	6	1,426.98
6.	Ketchikan	7	884.50
7.	Mat-Su	23	4,895.17
8.	Fairbanks	17	16,028.00
9.	Kenai	17	2,382.00
	Total	197	$99,236.00

FOR IMMEDIATE RELEASE:
March 24, 1983

FAIKS LEGISLATION WOULD CLOSE ALASKA PROPERTY TAX LOOPHOLE

JUNEAU, AK. -- A bill (S.B. 204) which would close a loophole in Alaska's property tax laws for senior citizens was introduced in the State Senate today by Anchorage Senator Jan Faiks.

Currently, Alaskans 65 years of age or older are exempt from property taxes on their homes, regardless of the value of that property. Under the Faiks bill only the first $150,000 of assessed property value would be exempt from the state's personal property tax.

"The present property tax law was originally designed to make it easier for our senior citizens to remain in Alaska, which they helped to build, after their retirement," Faiks explained. "But there are several senior Alaskans who really don't need this kind of financial assistance."

The Anchorage Republican said she sees nothing wrong with the state helping those senior citizens who genuinely need financial assistance. "But it seems unfair for the state to subsidize those few senior citizens who are financially secure and are more than capable of paying property taxes without curtailing their lifestyles in the least."

(more)

Faiks said one Anchorage resident has an estate assessed at about $2 million but that this resident now pays nothing in property taxes. "It just seems to me that anyone with a $2 million estate should be able to come up with the $12,700 in property taxes," Faiks said.

She said the attorney general's office will not allow the Department of Community and Regional Affairs to release the names of senior citizens in this category because they feel that disclosure of the information would violate the rights of the people exempted.

"Nonetheless, I would be happy to sit down and talk to anyone who feels that paying taxes on property assessed in excess of $150,000 would be a financial burden for them," Faiks said. "I think my bill will effectively remove an inequity from our present system of personal property taxation."

The Anchorage senator said that only about 100 senior citizens in Anchorage would be affected by the new bill.

-30-

For further information, contact:
Allen Tosch, Tel.: 465-4738

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
CATEGORY: SOCIAL SERVICES

PROGRAM: SENIOR CITIZENS TAX RELIEF
SUB-PROGRAM: HOMEOWNERS' PROPERTY TAX EXEMP

FISCAL YEAR 1984

EXPENDITURES & FUNDING	(01) FY82 ACT	(02) FY83 ATH	(03) FY83 RP	(04) FY83 SUP	(05) CONT.	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.FI
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	1753.6	2055.3			2158.6	2158.6		2158.6					
08 MISC.													
** TOTAL EXPEND	1753.6	2055.3			2158.6	2158.6		2158.6					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1753.6	2055.3			2158.6	2158.6		2158.6					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL TIME													
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS													

BRU: Senior Citizen Tax Relief

COMPONENT: Homeowner Property Tax Exemption

DESCRIPTION: State reimburses municipalities for loss in revenues due to exemption of senior citizen's homes from local property taxes.

IMPACT: 5449 senior citizen homeowners

FUNDING:	FY'84 ADJ	GOVERNOR'S
GF:	$2,158,600	$2,158,600
TOTAL:	$2,158,600	$2,158,600

POSITIONS: No positions.

FEB 14 1984

POSITION PAPER
SB 204

This bill would limit the exemption from taxation to $150,000 of the assessed value of a dwelling owned and occupied as a permanent place of abode by a resident 65 years or older.

While this bill would have no direct impact on Older Alaskans Commission programs, it would directly impact a number of older Alaskans who own their homes. The Older Alaskans Commission is mandated to help senior citizens maintain independent lives. Under the current property tax exemption program, seniors are encouraged to live independently in their own homes without the financial burden of property taxes. We have no difficulty with attempts to limit the program to persons who need it most. However, we are concerned that the bill as currently written may force persons out of their homes due to their inability to pay property taxes. We, therefore, urge that cautious consideration be used to determine the method of limiting the program.

Over the past decade, home and property values have increased at a rapid rate. Senior citizens who purchased homes ten or more years ago have seen the value of their property double or triple over the original purchase price. At the same time, the fixed incomes on which most senior citizens live have not kept pace with these increases in property values nor with the cost of living. Because of the discrepancy between property assessments and fixed incomes, property assessment alone is not a valid measure of a senior's ability to pay taxes.

The Older Alaskans Commission believes that the payment of taxes on property assessments in excess of $150,000 could present a financial burden to seniors in Alaska which could threaten their independent living. For that reason, the Commission opposes SB 204 as written. If a limitation on property tax exemptions is desired, the Commission recommends net income and cost of living as determination factors. The State must also consider that the costs of administering a limited program will be greater than required in the current program.

Jon B. Wolfe

Jon B. Wolfe, Executive Director
Older Alaskans Commission

February 9, 1984
Date

for Commissioner Lisa Rudd
Department of Administration

2/9/84
Date

FEB 14 1984

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 204
Title: limiting the exemption from taxation
Sponsor: Faiks
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Dept. of Administration
Program Category Affected: Older Alaskans Commission
BRU, Program or Subprogram(s) Affected: Social & Economic Assistance for the aged

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, Executive Director filed for Phone: 465-3250
Division: Older Alaskans Commission Date: 2/3/84

Approved by Commissioner: Lisa Rudis E. Amiss Date: 2/10/84
Agency: Administration

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

POSITION PAPER
SB 204

This bill would limit the exemption from taxation to $150,000 of the assessed value of a dwelling owned and occupied as a permanent place of abode by a resident 65 years or older.

While this bill would have no direct impact on Older Alaskans Commission programs, it would directly impact a number of older Alaskans who own their own homes. The Older Alaskans Commission is mandated to help senior citizens maintain independent lives. Under the current property tax exemption program, seniors are encouraged to live independently in their own homes without the financial burden of property taxes. We have no difficulty with attempts to limit the program. However we are concerned that persons may be forced out of their homes due to their inability to pay property taxes. Therefore, the method used to limit the program must be carefully considered.

Over the past decade, home and property values have increased at a rapid rate. Senior citizens who purchased homes ten or more years ago have seen the value of their property double or triple over the original purchase price. At the same time, the fixed incomes on which many senior citizens live have not kept pace with these increases in property values of the cost of living in general. Because of the disparity between property value and fixed incomes, property assessment alone is not a valid measure of a senior's ability to pay taxes.

The Older Alaskans Commission believes that taxes on property assessment in excess of $150,000 could present a financial burden to seniors in Alaska which could threaten their independent living. For that reason, the Commission opposes SB 204 as written. If a limitation on property tax exemptions is desired, the Commission recommends net income and cost of living as determination factors.

Barbara McPherson for Jon B. Wolfe — 2/7/84
Jon B. Wolfe, Executive Director — Date
Older Alaskans Commission

for Commissioner Lisa Rudd — 2/10/84
Commissioner Lisa Rudd — Date
Department of Administration

SB

213

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

DRAFT COPY OF SUBSTITUTE FOR SB 213

BILL ANALYSIS

RE: SB 213

SPONSOR: Senator Ferguson

Program Effects of Bill

Sec. 1 would require the Department to "advise and assist community and regional governments on matters of assessment..."

Sec. 2 would require all local assessment records be available to the State Assessor.

Sec. 3 would require that if the State Assessor notifies a municipality of major procedural errors under Sec. 1, then those errors must be corrected by the beginning of the next fiscal year.

This section also provides that the state shall collect from a municipality any revenues lost due to a procedural error.

Comments

If the state government is going to get into the business of monitoring local assessments and assessment rolls, this appears to be the least objectionable way.

If the substitute version of SB 213 were to pass, we would envision on appeal process within the Department. A municipality would be able to appeal a notice received pursuant to AS 29.53.105 (a), as found in the substitute.

Finally, the "advise and assist" language in Sec. 1 might, at some time (although not projected at this time) cause a need for increases above the current 2 person professional staff contained within the office of State Assessor.

Terry Earley, State Assessor

Mark Lewis, Commissioner

21-P1LH

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: Substitute for SB 213
Title: An Act Relating to Property Tax
Sponsor: Senator Ferguson
Requestor: Senate Community & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community & Regional Affairs
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		0				
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						
		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: Terry Earley
Division: Local Government Assistance
Phone: 465-4730
Date: 4/11/83

Approved by Commissioner:
Department: Community & Regional Affairs
Date: 4/11/83

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

SB

228

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

M E M O R A N D U M

May 6, 1983

SUBJECT: Aid for Indian tribes (CSSB 228 (C&RA)

SENATE COMMUNITY & REGIONAL AFFAIRS
POUCH V
JUNEAU, ALASKA 99811

TO: Senator Frank Ferguson
Chairman, Senate Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

Here is the sectional analysis that you requested for the draft of CSSB 228 (C&RA).

Section 1. The term municipality is deleted and the term local government is inserted. This has been done consistently for all provisions in AS 29.88 (Tax Equalization) because that program, under this draft, applies to certain Indian tribes as well as municipalities. The word municipality is defined for AS 29 to include only subdivisions of the state incorporated under state law as municipalities (AS 28.78.010(8)).

Section 2. The term municipality is deleted and the term local government is inserted.

Section 3. The term local taxes is substituted for the term municipal taxes for consistency and to reflect the fact that Indian tribes may have the power under federal law to levy taxes.

Section 4. Local government replaces use of municipality and reference to municipal officials is replaced by the general reference to the appropriate local official because an Indian tribe does not have municipal officials.

Section 5. The reference to municipality is deleted.

Section 6. The references to municipality are replaced with references to local government.

MAY 0 9 RECD

Section 7. A reference to local taxes replaces the statutory citation to provisions dealing with municipal taxation.

Section 8. The Department of Community and Regional Affairs is required to determine an estimated full and true assessed property value for Indian reserves in the way that it makes the determination for second class cities.

Section 9. Reference to municipality is replaced by reference to local government.

Section 10. The provision dealing with use of revenue for areawide or nonareawide purposes is clearly made applicable only to municipalities. The distinction between areawide and nonareawide does not apply to an entity such as an Indian tribe.

Sections 11, 12, 13, 14, and 15. References to municipality are replaced with references to local government.

Section 16. The definition of taxing unit is expanded to include an Indian tribe located on a federally established Indian reserve. Indian reserve is defined under Sec. 17 of this draft.

Section 17. A definition of local government is added. This includes municipalities and Indian tribes located on federally established Indian reserves. Indian reserve is defined to mean a federally established Indian reserve that existed before enactment of the Alaska Native Claims Settlement Act and continued in existence under the terms of that Act. Under this draft Metlakatla Indian Community qualifies for aid currently provided only to municipalities.

Section 18. References to municipality are replaced with references to "local government". Under this draft an Indian tribe qualifies for aid in the manner of a municipality for purposes of AS 29.89 (Aid [illegible] Miscellaneous Purposes).

Sections 19, 20, and 21. References to municipality are replaced with local government.

Section 23. The section providing for aid to Native village governments formed under the Indian Reorganization Act is altered to exclude those governments of Indian tribes located on federally established Indian reserves since these

entities receive aid under this draft as is now provided for municipalities.

Section 24. A definition of local government is added for purposes of determining which entities qualify for aid under AS 29.89. These are municipalities, as under existing law, and Indian tribes located on federally established Indian reserves in existence prior to enactment of the Alaska Native Claims Settlement Act and continued in existence under that Act.

Section 25. Minimum payments provided to municipalities under the aid program commonly referred to as revenue sharing are also provided to Indian tribes that qualify for aid under that program.

Section 26. The provision for area cost-of-living differential payments to municipalities is extended to include payments to Indian tribes.

Section 27. The method of determining the amount of a minimum payment is made applicable to Indian tribes as well as to municipalities.

Section 28. The program of municipal assistance administered by the Department of Revenue is made applicable to Indian tribes as well as municipalities.

Section 29. The provision dealing with the method of distribution of municipal aid applies to Indian tribes as well as to municipalities.

Section 30. A method of determining the base amount of aid to be distributed to Indian tribes is added. Indian tribe is defined for purposes of the municipal aid program to include Indian tribes located on federally established Indian reserves existing prior to enactment of the Alaska Native Claims Settlement Act and continued in existence under the Act.

Section 31. An effective date of July 1, 1983 is provided to tie this draft to the fiscal year.

TBC:ljb
18/010

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)

3/8/83

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

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

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 Joseph 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.

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 $98,5[illegible] in revenue sharing for fiscal year 1982.

STATE PROGRAMS FOR WHICH THE 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.

MK/3483
F3/MIC/ELIG/P

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

By:
Robert E. Price
Assistant Attorney General

SUBJECT: Metlakatla Indian Community grant eligible under AS 46.03.030

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

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
[illegible]tan		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				
Atmautlauk	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						
Biorka		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
Chuloonawick		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
[illegible]ta 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	DETERMINED 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			
nof 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
Kasigluk	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	BIA 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	
[illegible]ik			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						
Louden	X								
Lower Kalskag		X	X		X	X			X
McGrath	X	X	X		X	X			X
M[illegible]k		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	
Nenana		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			
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
R[illegible]part	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
Shagtoolik (Shaktoolik)		X	X	X		X			X
Sheldons Point		X	X		X	X			X
Shishmaref	X	X	X	X		X			X
[illegible]ngnak	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			y
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 BH
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 = 0.43407506040690
CHAPTER 89 PRORATION FACTOR = 0.92865022020026
CHAPTER 90 PRORATION FACTOR = 0.83123348099043
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	TOTAL FY 1982 ENTITLE.
BOROUGHS AND SERVICE AREAS								
0010	ANCHORAGE A.W.	180,740	6.25	$6,005,670	$7,565,322	$0	$0	$13,570,993
0020	CITY S.A.	53,410	0.48	$161,606	$0	$0	$157,448	$319,055
0030	EAGLE RIVER	7,639	0.78	$37,384	$60,281	$0	$0	$97,666
0040	CHUGIAK	5,105	0.76	$24,416	$0	$0	$11,921	$36,338
0060	GIRDWOOD	539	1.13	$3,818	$24,446	$0	$0	$28,265
0070	GLEN ALPS	245	2.13	$3,245	$24,562	$0	$0	$27,807
0080	FIRE S.A.	148,761	1.28	$1,189,204	$0	$0	$86,312	$1,275,517
0090	ROADS & DRAINAGE	130,845	1.18	$962,464	$0	$0	$0	$962,464
0095	LIMITED ROAD S.A.	5,172	0.77	$25,002	$0	$0	$0	$25,002
0100	POLICE S.A.	146,004	1.87	$1,699,341	$0	$0	$414,200	$2,113,542
0110	PARKS & REC	148,710	0.57	$531,369	$0	$0	$342,741	$874,111
0120	P & R/CHUGIAK	13,789	0.60	$51,969	$0	$0	$10,290	$62,260
0130	SOLID WASTE S.A.	149,215	0.32	$299,716	$0	$0	$0	$299,716
0140	CHUGIAK/SOLID WASTE	13,789	0.16	$14,342	$0	$0	$0	$14,342
0150	BUILDING SAFETY	148,676	0.17	$157,829	$0	$0	$0	$157,829
0160	CITY SA ROADS & DRAINAGE	53,410	0.08	$26,958	$0	$0	$1,226	$28,185
0170	SERVICE AREA 35	77,435	0.58	$282,266	$0	$0	$0	$282,266
0175	UPPER O'MALLEY	1	0.00	$0	$33,863	$0	$0	$33,863
0180	PORT OF ANCH.	180,740	0.35	$397,677	$0	$0	$0	$397,677
0185	ROADS	1	0.00	$0	$134,897	$0	$0	$134,897
0190	AIRPORT S.A.	180,740	0.01	$17,127	$0	$0	$0	$17,127
0195	PUBLIC TRANSIT	180,740	0.09	$108,844	$0	$0	$0	$108,844
0200	PARKING S.A.	180,740	0.13	$150,294	$0	$0	$0	$150,294
	TOTAL			$12,150,548	$7,843,375			$21,018,066
0210	BRISTOL BAY BOROUGH	1,182	26.97	$198,205	$59,031	$0	$0	$257,237
0230	FAIRBANKS BOROUGH	51,659	8.21	$2,613,784	$251,551	$0	$0	$2,865,335
0240	ESTER F.P.	944	0.76	$4,468	$0	$0	$0	$4,468
0250	NORTH STAR F.P.	5,575	1.05	$36,425	$0	$0	$19,636	$56,062
0260	UNIVERSITY F.P.	6,156	1.49	$57,199	$0	$0	$4,702	$61,902

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1982

TOTAL APPROPRIATION = $55,707,600
CHAPTER 88 APPROPRIATION = $24,913,800
CHAPTER 89 APPROPRIATION = $14,047,800
CHAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 6.434075060406 90
CHAPTER 89 PRORATION FACTOR = 0.92865022020026
CHAPTER 90 PRORATION FACTOR = 0.83123348099043
MINIMUM ENT. PRORATION FACTOR = 0.96709754619341
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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 1982 ENTITLE.
BOROUGHS AND SERVICE AREAS								
	TOTAL			$2,711,877	$251,551			$2,987,768
0270	HAINES BOROUGH	1,712	5.85	$62,294	$0	$0	$0	$62,294
0280	FIRE DISTRICT	394	1.89	$4,632	$0	$0	$0	$4,632
	TOTAL			$66,926	$0			$66,926
0290	JUNEAU BOROUGH A.W.	21,080	14.81	$1,932,690	$424,736	$0	$0	$2,357,427
0300	S.A. 1	4,883	12.35	$374,886	$33,005	$0	$0	$407,892
0310	S.A. 2	1,378	6.60	$56,586	$11,782	$0	$0	$68,368
0320	S.A. 3	14,819	1.18	$109,615	$89,692	$0	$0	$199,307
0330	S.A. 4	1,848	0.56	$6,482	$0	$0	$5,450	$11,933
0340	S.A. 5	10,822	1.57	$106,234	$0	$0	$0	$106,234
0350	S.A. 6	855	1.01	$5,406	$0	$0	$338	$5,745
0360	S.A. 7	326	0.76	$1,554	$0	$0	$0	$1,554
0370	S.A. 8	695	0.28	$1,219	$0	$0	$3,077	$4,297
	TOTAL			$2,594,675	$559,217			$3,162,759
0380	KENAI PENINSULA BOROUGH	26,520	4.01	$649,435	$6,965	$0	$0	$656,401
0385	CENTRAL PENINSULA HOSPITAL	15,921	2.60	$257,865	$249,662	$0	$0	$507,528
0390	NIKISKI F.P.	3,136	1.53	$29,891	$0	$0	$0	$29,891
0395	SOUTH PENINSULA HOSPITAL	6,027	1.33	$50,135	$249,662	$0	$0	$299,798
0400	NORTH KENAI REC.	2,344	0.58	$8,571	$0	$0	$11,971	$20,543
0410	BEAR CREEK F.P.	674	2.82	$11,830	$0	$0	$0	$11,830
	TOTAL			$1,007,729	$506,291			$1,525,992
0420	KETCHIKAN BOROUGH	11,373	9.12	$643,174	$0	$0	$0	$643,174
0430	SHORELINE S.A.	504	0.99	$3,128	$0	$0	$2,144	$5,273

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BOROUGHS AND SERVICE AREAS								
	TOTAL			$646,302	$0			$648,447
0440	KODIAK ISLAND BOROUGH	8,358	6.84	$355,490	$375,493	$0	$0	$730,984
0450	FIRE DISTRICT I	1,480	2.01	$18,560	$0	$0	$0	$18,560
0455	SERVICE DISTRICT	1,207	1.16	$8,748	$0	$0	$0	$8,748
0460	ROAD DISTRICT	230	4.00	$5,727	$37,449	$0	$0	$43,176
	TOTAL			$388,527	$412,942			$801,469
0470	MAT-SU BOROUGH	19,123	7.42	$831,340	$0	$0	$0	$831,340
0480	WASILLA F.P.	3,201	0.50	$10,019	$0	$0	$20,163	$30,183
0490	BUTTE F.P.	2,068	0.68	$8,839	$0	$0	$10,659	$19,499
0500	GREATER PALMER F.P.	2,498	0.49	$7,635	$0	$0	$20,182	$27,818
0510	SUTTON F.P.	675	2.32	$9,754	$0	$0	$0	$9,754
0520	NON AREA-WIDE	14,695	0.51	$47,458	$0	$0	$0	$47,458
0525	TALKEETNA FLOOD S.A.	254	1.21	$1,912	$0	$0	$0	$1,912
0530	TALKEETNA F.P.	371	0.61	$1,420	$0	$0	$0	$1,420
0540	GARDEN TERRACE	65	1.62	$654	$0	$0	$0	$654
0541	MIDWAY	1	0.00	$0	$1,417,588	$0	$0	$1,417,588
0550	LAKES F.P.	1,485	1.35	$12,551	$0	$0	$0	$12,551
	TOTAL			$931,588	$1,417,588			$2,400,182
0560	NORTH SLOPE BOROUGH	7,098	9.71	$428,833	$258,665	$0	$0	$6[illegible]499
0570	SITKA BOROUGH	7,927	13.58	$669,578	$311,990	$0	$0	$9[illegible]568
FIRST CLASS CITIES								
1000	BARROW	2,539	5.98	$94,458	$0	$0	$0	$94,458
1010	CORDOVA	2,223	29.61	$409,286	$317,530	$0	$0	$726,817
1020	CRAIG	560	31.15	$108,455	$33,654	$0	$0	$142,110

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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.
FIRST CLASS CITIES								
1030	DILLINGHAM	1,670	24.03	$249,506	$23,318	$0	$0	$272,824
1040	FAIRBANKS	25,568	15.67	$2,492,152	$1,850,514	$0	$0	$4,342,666
1050	GALENA	805	22.08	$110,500	$28,363	$0	$0	$136,199
1060	HAINES	1,017	23.97	$151,555	$26,064	$0	$0	$177,619
1070	HOMER	2,588	13.27	$213,571	$45,188	$0	$0	$258,760
1080	HOONAH	799	5.38	$26,768	$9,995	$0	$28,312	$65,077
1090	HYDABURG	356	4.79	$10,622	$7,352	$6,421	$0	$24,396
1100	KAKE	583	16.78	$60,829	$12,441	$0	$0	$73,270
1110	KENAI	4,558	23.13	$655,599	$130,498	$0	$0	$786,098
1120	KETCHIKAN	7,200	28.29	$1,266,560	$348,215	$0	$0	$1,614,775
1140	KING COVE	513	21.13	$67,388	$18,906	$0	$0	$86,295
1150	KLAWOCK	389	2.93	$7,094	$11,341	$6,091	$0	$24,527
1160	KODIAK	4,678	17.83	$518,592	$36,650	$0	$0	$555,243
1170	NENANA	592	21.76	$80,097	$41,289	$0	$0	$121,386
1180	NOME	3,039	16.96	$320,508	$418,924	$0	$0	$739,433
1190	NORTH POLE	928	8.19	$47,302	$28,810	$0	$0	$76,112
1200	PALMER	2,275	17.10	$241,893	$287,228	$0	$0	$529,121
1210	PELICAN	172	22.30	$23,852	$10,735	$0	$0	$34,587
1220	PETERSBURG	3,001	22.62	$422,028	$286,554	$0	$0	$708,583
1230	SAND POINT	697	22.08	$95,676	$34,632	$0	$0	$130,308
1240	SAINT MARY'S	432	28.36	$76,165	$53,732	$0	$0	$129,897
1250	SELDOVIA	505	15.15	$47,585	$23,742	$0	$0	$71,328
1260	SEWARD	1,943	16.45	$198,785	$439,281	$0	$0	$638,067
1270	SKAGWAY	819	12.30	$62,654	$31,707	$0	$0	$94,361
1280	SOLDOTNA	2,445	15.43	$234,580	$61,866	$0	$0	$296,447
1290	UNALASKA	1,944	36.39	$439,880	$124,905	$0	$0	$564,786
1300	VALDEZ	3,279	6.38	$130,103	$331,793	$0	$0	$461,897
1330	WRANGELL	2,345	23.04	$335,932	$273,199	$0	$0	$609,131
1360	YAKUTAT	430	16.92	$45,233	$16,253	$0	$0	$61,486
SECOND CLASS CITIES								
5000	AKHIOK	103	0.00	$0	$9,986	$16,341	$0	$19,870

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

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SECOND CLASS CITIES								
5010	AKIACHAK	435	3.23	$8,763	$31,760	$0	$1,115	$39,154
5020	AKIAK	197	0.00	$0	$9,964	$22,790	$0	$32,755
5030	AKOLMIUT	695	4.30	$18,600	$103,534	$0	$0	$111,734
5040	AKUTAN	189	##.##	$151,277	$0	$0	$0	$151,277
5050	ALAKANUK	534	14.26	$47,349	$37,365	$0	$0	$84,715
5060	ALEKNAGIK	152	0.00	$0	$9,603	$21,965	$0	$31,569
5070	ALLAKAKET	158	0.00	$0	$8,722	$25,207	$0	$33,929
5080	AMBLER	198	8.05	$9,919	$27,200	$0	$0	$37,120
5090	ANAKTUVUK PASS	235	0.00	$0	$0	$0	$0	$0
5100	ANDERSON	500	3.75	$11,659	$16,152	$6,362	$0	$34,173
5110	ANGOON	445	1.43	$3,983	$12,476	$9,034	$13,274	$38,768
5120	ANIAK	338	5.28	$11,100	$93,361	$0	$0	$104,461
5130	ANVIK	110	3.94	$2,698	$10,337	$20,946	$0	$33,982
5140	ATMAUTLUAK	226	1.13	$1,598	$9,973	$21,214	$3,613	$35,614
5150	BETHEL	3,549	23.43	$516,963	$255,489	$0	$0	$772,453
5160	BREVIG MISSION	149	7.11	$6,590	$10,337	$17,054	$0	$33,982
5170	BUCKLAND	211	6.03	$7,917	$0	$25,724	$0	$33,642
5180	CHEFORNAK	230	7.61	$10,887	$9,964	$11,903	$0	$32,755
5190	CHEVAK	491	2.55	$7,811	$11,521	$13,473	$0	$32,806
5200	CHUATHBALUK	104	5.72	$3,700	$34,889	$0	$0	$24,704
5210	CLARK'S POINT	78	12.74	$6,177	$9,603	$15,788	$0	$31,569
5220	DEERING	155	18.80	$18,118	$10,337	$5,526	$0	$32,592
5230	DELTA JUNCTION	945	0.00	$0	$37,876	$0	$4,987	$42,863
5240	DIOMEDE	149	2.35	$2,181	$0	$29,071	$0	$31,253
5250	EAGLE	186	2.11	$2,450	$6,423	$19,325	$0	$28,199
5260	EEK	226	0.00	$0	$0	$0	$0	$0
5270	EKWOK	76	0.00	$0	$0	$0	$0	$0
5280	ELIM	228	3.93	$5,571	$15,507	$13,076	$0	$30,754
5290	EMMONAK	568	6.32	$22,318	$34,594	$0	$0	$56,913
5300	FORT YUKON	599	10.86	$40,465	$43,611	$0	$0	$84,077
5310	FORTUNA LEDGE	243	3.87	$5,856	$25,533	$1,877	$0	$33,267

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 = 0.434075060406 90
CHAPTER 89 PRORATION FACTOR = 0.92865022020026
CHAPTER 90 PRORATION FACTOR = 0.83123348099043
MINIMUM ENT. PRORATION FACTOR = 0.967097546193 41
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	TOTAL FY 1982 ENTITLE.
SECOND CLASS CITIES								
320	GAMBELL	480	3.91	$11,681	$0	$21,960	$0	$33,642
330	GOLOVIN	94	6.93	$4,050	$10,337	$19,594	$0	$32,010
340	GOODNEWS BAY	167	0.00	$0	$0	$0	$0	$0
350	GRAYLING	202	0.00	$0	$0	$0	$0	$0
360	HOLY CROSS	233	5.16	$7,477	$23,259	$3,670	$0	$34,407
370	HOOPER BAY	624	2.45	$9,513	$0	$22,913	$0	$32,427
380	HOUSTON	583	0.11	$416	$73,996	$0	$0	$74,413
390	HUGHES	71	0.00	$0	$0	$0	$0	$0
400	HUSLIA	230	0.00	$1	$67,517	$0	$0	$67,519
410	KACHEMAK	425	2.06	$5,461	$0	$20,538	$0	$25,999
420	KAKTOVIK	201	0.25	$323	$0	$33,318	$0	$33,642
430	KALTAG	239	0.00	$0	$0	$0	$0	$0
440	KASAAN	64	0.10	$43	$7,422	$16,933	$0	$24,398
460	KIANA	356	2.64	$5,856	$17,444	$10,915	$0	$34,216
470	KIVALINA	249	4.16	$6,441	$0	$27,200	$0	$30,994
480	KOBUK	64	0.00	$0	$0	$0	$0	$0
490	KOTLIK	339	3.48	$7,339	$9,964	$15,451	$0	$32,755
500	KOTZEBUE	2,250	14.66	$205,125	$56,856	$0	$0	$261,981
510	KOYUK	203	5.40	$6,817	$16,120	$11,235	$0	$34,172
520	KOYUKUK	95	8.75	$5,167	$13,568	$15,352	$0	$34,088
530	KUPREANOF	49	0.00	$0	$0	$0	$0	$0
540	KWETHLUK	451	0.00	$0	$0	$0	$0	$0
550	LARSEN BAY	167	0.00	$0	$0	$25,939	$0	$25,939
555	LOWER KALSKAG	244	2.81	$4,270	$100,339	$0	$0	$98,540
560	MANOKOTAK	290	1.51	$2,737	$10,894	$17,980	$0	$31,611
570	MCGRATH	343	1.71	$3,666	$45,711	$0	$0	$49,378
580	MEKORYUK	176	7.90	$8,646	$9,964	$14,144	$0	$32,755
590	MOUNTAIN VILLAGE	580	13.89	$50,109	$54,492	$0	$0	$104,601
600	NAPAKIAK	283	7.25	$12,764	$17,686	$2,558	$0	$33,009
610	NAPASKIAK	242	0.00	$0	$9,964	$22,791	$0	$32,755
620	NEWHALEN	135	0.39	$335	$9,603	$21,630	$0	$31,569

FY 1982 MUNICIPAL REVENUE SHARING ENTITLEMENTS

FEBRUARY 22, 1982

TOTAL APPROPRIATION = $55,707,600
CHAPTER 88 APPROPRIATION = $34,913,800
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CHAPTER 90 APPROPRIATION = $6,746,000

CHAPTER 88 PRORATION FACTOR = 6.434075060406 90
CHAPTER 89 PRORATION FACTOR = 0.92865022020026
CHAPTER 90 PRORATION FACTOR = 0.83123348099043
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.
SECOND CLASS CITIES								
5630	NEW STUYAHOK	327	0.00	$0	$9,603	$21,965	$0	$30,819
5640	NEWTOK	175	0.81	$891	$9,964	$21,899	$0	$32,755
5650	NIGHTMUTE	135	7.12	$5,977	$9,964	$16,814	$0	$32,755
5660	NIKOLAI	88	0.00	$0	$0	$0	$0	$0
5670	NONDALTON	171	0.18	$197	$14,105	$17,414	$0	$31,717
5680	NOORVIK	508	2.89	$9,152	$18,155	$6,932	$0	$34,239
5690	NULATO	338	2.07	$4,362	$29,074	$1,162	$0	$34,599
5700	NUIQSUT	271	0.00	$0	$0	$0	$0	$0
5710	OLD HARBOR	334	0.18	$387	$11,110	$14,867	$0	$26,365
5720	OUZINKIE	170	1.39	$1,473	$7,739	$17,041	$0	$26,254
5730	PILOT STATION	323	5.17	$10,398	$6,227	$16,005	$0	$32,632
5740	PLATINUM	55	13.59	$4,653	$0	$27,805	$1,294	$33,752
5750	POINT HOPE	531	1.03	$3,412	$0	$30,229	$0	$33,642
5760	PORT ALEXANDER	90	2.59	$1,450	$0	$23,609	$0	$25,060
5770	PORT HEIDEN	91	1.08	$613	$89,432	$0	$0	$90,046
5780	PORT LIONS	218	8.99	$12,189	$8,463	$5,624	$0	$26,278
5790	QUINHAGAK	409	3.01	$7,660	$13,856	$11,366	$0	$28,372
5800	RUBY	190	0.60	$715	$0	$32,927	$0	$33,642
5810	RUSSIAN MISSION	168	0.00	$0	$0	$0	$0	$0
5820	SAINT MICHAEL	258	2.33	$3,750	$10,337	$19,894	$0	$33,982
5830	SAINT PAUL	591	8.45	$31,051	$112,541	$0	$0	$143,592
5840	SAVOONGA	530	6.59	$21,734	$10,337	$1,910	$0	$33,982
5850	SAXMAN	276	0.00	$0	$7,422	$16,976	$0	$24,398
5860	SCAMMON BAY	249	2.36	$3,667	$3,892	$24,995	$0	$32,555
5870	SELAWIK	372	0.00	$0	$0	$0	$0	$0
5880	SHAGELUK	127	0.92	$730	$6,460	$26,663	$0	$33,855
5890	SHAKTOOLIK	177	2.88	$3,172	$56,533	$0	$0	$59,705
5900	SHELDON POINT	103	5.67	$3,636	$9,964	$19,154	$0	$32,755
5910	SHISHMAREF	425	3.06	$8,092	$6,396	$19,363	$0	$33,852
5920	SHUNGNAK	208	1.96	$2,546	$10,337	$21,098	$0	$32,658
5930	STEBBINS	357	3.79	$8,432	$1[illegible]337	$15,212	$0	$28,960

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 = 0.92865022020026
CHAPTER 90 PRORATION FACTOR = 0.83123348099043
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	TOTAL FY 1982 ENTITLE.
SECOND CLASS CITIES								
3940	TANANA	463	3.08	$8,866	$102,374	$0	$0	$111,240
3950	TELLER	229	7.51	$10,695	$19,027	$4,545	$0	$34,268
3980	TENAKEE SPRINGS	132	2.33	$1,912	$12,513	$11,046	$0	$25,472
3990	TOGIAK	511	2.69	$8,559	$24,609	$0	$0	$17,045
4000	TOKSOOK BAY	331	6.48	$13,351	$9,964	$9,439	$0	$32,755
4010	TULUKSAK	234	2.93	$4,265	$119,882	$0	$0	$124,147
4015	TUNUNAK	301	1.92	$3,611	$9,964	$19,179	$0	$32,755
4020	UNALAKLEET	672	6.36	$26,608	$41,091	$0	$0	$67,700
4030	UPPER KALSKAG	128	2.52	$2,007	$36,827	$0	$0	$38,834
4040	WAINWRIGHT	410	0.00	$0	$0	$0	$0	$0
4050	WALES	143	1.21	$1,079	$0	$30,174	$0	$31,253
4060	WASILLA	1,928	0.33	$4,026	$124,026	$0	$0	$128,052
4070	WHITE MOUNTAIN	135	10.18	$8,549	$14,165	$9,004	$0	$31,719
4080	WHITTIER	211	33.93	$44,509	$16,125	$0	$0	$60,635
4090	EXT FIRE AREAS	7,443	0.00	$0	$69,053	$0	$0	$69,053
5100	NATIVE VILLAGE GOVT	1	0.00	$0	$1,275,683	$0	$0	$1,275,683
	TOTAL			$32,610,625	$20,774,190	$1,147,716	$1,175,067	$55,627,711

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

FEBRUARY 22, 1982

	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENT.	HOSPITAL ENT.
	0.00	0.00			
	0.00	0.00	$0	$0	$0
	0.00	0.00			
	0.00	0.00	$0	$0	$0
	0.00	0.00	$0	$0	$0
	14.60	0.00	$0	$0	$0
	0.00	0.00			
	0.00	0.00	$0	$0	$0
	0.00	0.00	$0	$0	$0
	6.87	0.00			
	93.60	0.00			
	0.00	0.00			
NORTHSTAR P.P.	0.00	0.00	$0	$0	$0
UNIVERSITY F.P.	0.00	0.00	$0	$0	$0
HAINES BOROUGH	0.00	0.00	$0	$0	$0

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

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (#2) FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
0280	FIRE DISTRICT	0.00	0.00	$0	$0	$0
0290	JUNEAU BOROUGH A.W.	0.00	0.00	$231,942	$159,576	$33,217
0300	S.A. 1	14.23	0.00	$0	$0	$0
0310	S.A. 2	5.08	0.00	$0	$0	$0
0320	S.A. 3	38.67	0.00	$0	$0	$0
0330	S.A. 4	0.00	0.00	$0	$0	$0
0340	S.A. 5	0.00	0.00	$0	$0	$0
0350	S.A. 6	0.00	0.00	$0	$0	$0
0360	S.A. 7	0.00	0.00	$0	$0	$0
0370	S.A. 8	0.00	0.00	$0	$0	$0
0380	KENAI PENINSULA BOROUGH	2.79	0.00	$0	$0	$0
0385	CENTRAL PENINSULA HOSPITAL	0.00	0.00	$249,662	$0	$0
0390	NIKISKI F.P.	0.00	0.00	$0	$0	$0
0395	SOUTH PENINSULA HOSPITAL	0.00	0.00	$249,662	$0	$0
0400	NORTH KENAI REC.	0.00	0.00	$0	$0	$0
0410	BEAR CREEK F.P.	0.00	0.00	$0	$0	$0
0420	KETCHIKAN BOROUGH	0.00	0.00	$0	$0	$0
0430	SHORELINE S.A.	0.00	0.00	$0	$0	$0
0440	KODIAK ISLAND BOROUGH	0.00	0.00	$249,662	$125,830	$0
0450	FIRE DISTRICT I	0.00	0.00	$0	$0	$0
0455	SERVICE DISTRICT	0.00	0.00	$0	$0	$0
0460	ROAD DISTRICT	15.00	0.00	$0	$0	$0
0470	MAT-SU BOROUGH	0.00	0.00	$0	$0	$0
0480	WASILLA F.P.	0.00	0.00	$0	$0	$0
0490	BUTTE F.P.	0.00	0.00	$0	$0	$0
0500	GREATER PALMER F.P.	0.00	0.00	$0	$0	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (#2)

FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
0510	SUTTON F.P.	0.00	0.00	$0	$0	$0
0520	NON AREA-WIDE	0.00	0.00	$0	$0	$0
0525	TALKEETNA FLOOD S.A.	0.00	0.00	$0	$0	$0
0530	TALKEETNA F.P.	0.00	0.00	$0	$0	$0
0540	GARDEN TERRACE	0.00	0.00	$0	$0	$0
054[illegible]	MIDWAY	581.89	12.00	$0	$0	$0
055[illegible]	LAKES F.P.	0.00	0.00	$0	$0	$0
0560	NORTH SLOPE BOROUGH	54.47	0.00	$0	$82,700	$0
0570	SITKA BOROUGH	16.05	0.00	$240,640	$32,727	$0
	FIRST CLASS CITIES					
1000	BARROW	0.00	0.00	$0	$0	$0
1010	CORDOVA	8.55	0.00	$268,751	$25,800	$0
1020	CRAIG	4.91	0.00	$0	$22,266	$0
1030	DILLINGHAM	7.77	0.00	$0	$0	$0
1040	FAIRBANKS	87.20	0.00	$268,751	$165,551	$1,181,859
1050	GALENA	5.58	0.00	$0	$10,337	$0
1060	HAINES	10.44	0.00	$0	$0	$0
1070	HOMER	11.70	0.00	$0	$15,978	$0
1080	HOONAH	4.00	0.00	$0	$0	$0
109[illegible]	HYDABURG	3.17	0.00	$0	$0	$0
1100	KAKE	5.17	0.00	$0	$0	$0
1110	KENAI	45.87	0.00	$0	$15,978	$0
1120	KETCHIKAN	16.60	0.00	$231,942	$37,110	$40,659
1140	KING COVE	3.10	0.00	$0	$9,603	$0
1150	KLAWOCK	1.69	0.00	$0	$7,422	$0
1160	KODIAK	14.68	0.00	$0	$0	$0
1170	NENANA	13.26	0.00	$0	$0	$0
1180	NOME	13.60	0.13	$323,049	$51,687	$0
1190	NORTH POLE	10.72	0.00	$0	$0	$0
1200	PALMER	19.36	0.00	$240,640	$0	$0
1210	PELICAN	1.10	0.00	$0	$7,989	$0
1220	PETERSBURG	9.48	0.00	$240,640	$23,101	$0
1230	SAND POINT	8.34	0.00	$0	$9,603	$0
1240	SAINT MARY'S	7.93	10.21	$0	$9,964	$0
1250	SELDOVIA	6.31	0.00	$0	$7,989	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (#2) FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
1260	SEWARD	18.35	0.00	$249,662	$143,805	$0
1270	SKAGWAY	9.50	0.00	$0	$7,989	$0
1280	SOLDOTNA	24.78	0.00	$0	$0	$0
1290	UNALASKA	38.42	0.00	$0	$9,603	$0
1300	VALDEZ	15.80	0.00	$278,818	$8,922	$0
13[illegible]	WRANGELL	7.13	0.00	$240,640	$15,400	$0
1360	YAKUTAT	3.31	0.00	$0	$7,989	$0
SECOND CLASS CITIES						
5000	AKHIOK	4.00	0.00	$0	$0	$0
5010	AKIACHAK	1.59	9.00	$0	$9,964	$0
5020	AKIAK	0.00	0.00	$0	$9,964	$0
5030	AKOLMIUT	0.00	44.75	$0	$19,928	$0
5040	AKUTAN	0.00	0.00	$0	$0	$0
5050	ALAKANUK	4.00	8.00	$0	$9,964	$0
5060	ALEKNAGIK	0.00	0.00	$0	$9,603	$0
5070	ALLAKAKET	2.70	0.00	$0	$0	$0
5080	AMBLER	5.22	0.00	$0	$10,337	$0
50[illegible]	ANAKTUVUK PASS	0.00	0.00	$0	$0	$0
5100	ANDERSON	5.00	0.00	$0	$0	$0
5110	ANGOON	5.18	0.00	$0	$0	$0
5120	ANIAK	8.10	24.00	$0	$20,675	$0
5130	ANVIK	0.00	0.00	$0	$10,337	$0
5140	ATMAUTLUAK	0.00	0.00	$0	$9,964	$0
5150	BETHEL	10.85	48.00	$0	$132,026	$0
5160	BREVIG MISSION	0.00	0.00	$0	$10,337	$0
5170	BUCKLAND	0.00	0.00	$0	$0	$0
5180	CHEFORNAK	0.00	0.00	$0	$9,964	$0
5190	CHEVAK	0.50	0.00	$0	$9,964	$0
5200	CHUATHBALUK	4.00	6.00	$0	$10,337	$0
5210	CLARK'S POINT	0.00	0.00	$0	$9,603	$0
5220	DEERING	0.00	0.00	$0	$10,337	$0
5230	DELTA JUNCTION	10.88	0.00	$0	$8,600	$0
5240	DIOMEDE	0.00	0.00	$0	$0	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (#2) FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
3250	EAGLE	2.39	0.00	$0	$0	$0
3260	EEK	0.00	0.00	$0	$0	$0
3270	EKWOK	0.00	0.00	$0	$0	$0
3280	ELIM	1.60	0.00	$0	$10,338	$0
3290	EMMONAK	3.41	7.50	$0	$9,964	$0
33[illegible]	FORT YUKON	13.50	0.00	$0	$0	$0
331[illegible]	FORTUNA LEDGE	5.00	0.00	$0	$9,964	$0
3320	GAMBELL	0.00	0.00	$0	$0	$0
3330	GOLOVIN	0.00	0.00	$0	$10,337	$0
3340	GOODNEWS BAY	0.00	0.00	$0	$0	$0
3350	GRAYLING	0.00	0.00	$0	$0	$0
3360	HOLY CROSS	4.00	0.00	$0	$10,337	$0
3370	HOOPER BAY	0.00	0.00	$0	$0	$0
3380	HOUSTON	30.75	0.00	$0	$0	$0
3390	HUGHES	0.00	0.00	$0	$0	$0
3400	HUSLIA	17.70	0.00	$0	$10,337	$0
3410	KACHEMAK	0.00	0.00	$0	$0	$0
3420	KAKTOVIK	0.00	0.00	$0	$0	$0
3430	KALTAG	0.00	0.00	$0	$0	$0
3440	KASAAN	0.00	0.00	$0	$7,422	$0
3460	KIANA	2.20	0.00	$0	$10,337	$0
3470	KIVALINA	0.00	0.00	$0	$0	$0
34[illegible]	KOBUK	0.00	0.00	$0	$0	$0
3490	KOTLIK	0.00	0.00	$0	$9,964	$0
3500	KOTZEBUE	15.50	3.50	$0	$0	$0
3510	KOYUK	1.79	0.00	$0	$10,337	$0
3520	KOYUKUK	1.00	0.00	$0	$10,337	$0
3530	KUPREANOF	0.00	0.00	$0	$0	$0
3540	KWETHLUK	0.00	0.00	$0	$0	$0
3550	LARSEN BAY	0.00	0.00	$0	$0	$0
3555	LOWER KALSKAG	3.86	40.00	$0	$10,337	$0
3560	MANOKOTAK	0.43	0.00	$0	$9,603	$0
3570	MCGRATH	10.95	0.00	$0	$10,337	$0
3580	MEKORYUK	0.00	0.00	$0	$9,964	$0
3590	MOUNTAIN VILLAGE	3.50	18.00	$0	$9,964	$0
3600	NAPAKIAK	2.48	0.00	$0	$9,964	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (#2) FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
5610	NAPASKIAK	0.00	0.00	$0	$9,964	$0
5620	NEWHALEN	0.00	0.00	$0	$9,603	$0
5630	NEW STUYAHOK	0.00	0.00	$0	$9,603	$0
5640	NEWTOK	0.00	0.00	$0	$9,964	$0
5650	NIGHTMUTE	0.00	0.00	$0	$9,964	$0
56[illegible]	NIKOLAI	0.00	0.00	$0	$0	$0
5670	NONDALTON	1.50	0.00	$0	$9,603	$0
5680	NOORVIK	2.42	0.00	$0	$10,337	$0
5690	NULATO	5.80	0.00	$0	$10,337	$0
5700	NUIQSUT	0.00	0.00	$0	$0	$0
5710	OLD HARBOR	4.45	0.00	$0	$0	$0
5720	OUZINKIE	3.10	0.00	$0	$0	$0
5730	PILOT STATION	2.00	0.00	$0	$0	$0
5740	PLATINUM	0.00	0.00	$0	$0	$0
5750	POINT HOPE	0.00	0.00	$0	$0	$0
5760	PORT ALEXANDER	0.00	0.00	$0	$0	$0
5770	PORT HEIDEN	26.60	0.00	$0	$9,603	$0
5780	PORT LIONS	3.39	0.00	$0	$0	$0
5790	QUINHAGAK	1.25	0.00	$0	$9,964	$0
5800	RUBY	0.00	0.00	$0	$0	$0
5810	RUSSIAN MISSION	0.00	0.00	$0	$0	$0
5820	SAINT MICHAEL	0.00	0.00	$0	$10,337	$0
58[illegible]	SAINT PAUL	37.50	0.00	$0	$0	$0
5840	SAVOONGA	0.00	0.00	$0	$10,337	$0
5850	SAXMAN	3.20	0.00	$0	$0	$0
5860	SCAMMON BAY	1.25	0.00	$0	$0	$0
5870	SELAWIK	0.00	0.00	$0	$0	$0
5880	SHAGELUK	2.00	0.00	$0	$0	$0
5890	SHAKTOOLIK	3.50	18.00	$0	$10,337	$0
5900	SHELDON POINT	0.00	0.00	$0	$9,964	$0
5910	SHISHMAREF	1.98	0.00	$0	$0	$0
5920	SHUNGNAK	0.00	0.00	$0	$10,337	$0
5930	STEBBINS	0.00	0.00	$0	$10,337	$0
5940	TANANA	31.69	0.00	$0	$0	$0
5950	TELLER	2.69	0.00	$0	$10,337	$0
5980	TENAKEE SPRINGS	2.00	0.00	$0	$7,700	$0

FY 1981 MUNICIPAL REVENUE SHARING ENTITLEMENTS (#2) FEBRUARY 22, 1982

TOTAL ENTITLEMENT = $55,707,600

KEY	COMMUNITY	PUBLIC ROAD MILES	ICE ROAD MILES	HOSPITAL ENTITLEMENT	HEALTH FACILITIES ENTITLEMENT	HOSPITAL CONST. AID
5990	TOGIAK	5.00	0.00	$0	$9,603	$0
6000	TOKSOOK BAY	0.00	0.00	$0	$9,964	$0
6010	TULUKSAK	9.50	43.00	$0	$9,964	$0
6015	TUNUNAK	0.00	0.00	$0	$9,964	$0
6020	UNALAKLEET	9.52	0.00	$0	$10,337	$0
6030	UPPER KALSKAG	1.50	16.50	$0	$0	$0
6040	WAINWRIGHT	0.00	0.00	$0	$0	$0
6050	WALES	0.00	0.00	$0	$0	$0
6060	WASILLA	45.14	0.00	$0	$15,400	$0
6070	WHITE MOUNTAIN	1.52	0.00	$0	$9,603	$0
6080	WHITTIER	6.00	0.00	$0	$0	$0
6090	EXT FIRE AREAS	0.00	0.00	$0	$0	$61,810
6100	NATIVE VILLAGE GOVT	0.00	0.00	$0	$0	$1,141,862
	TOTAL			$4,028,354	$2,476,985	$7,943,279

SB
236

COMMITTEE REPORT

SENATE

4/7/83

FURTHER: HESS
Finance

Date: _____

Mr. President:

The Committee on C&RA has had SB 234

Allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

ALASKA STATE LEGISLATURE

..13th.. Legislature .FIRST. Session

SENATE ..BILL..... NO. 236...

By MOSS.....

"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

Introduced in the Senate ..MAY..., 19..83.

HISTORY IN THE SENATE

19		
		Read first time and referred to Committee on
4	7	CSRA, HESS and Finance
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

MAR 5 1984

House Bill #277

WE, THE UNDERSIGNED SUPPORT AND STRONGLY RECOMMEND THAT SENATE BILL #236, "AN ACT ALLOWING RETIREMENT CREDIT FOR THE UNUSED SICK LEAVE OF AN EMPLOYEE OF A POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION PARTICIPATING IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM" BE MOVED FROM COMMITTEE AND SENT TO THE FLOOR OF THE SENATE AND HOUSE FOR PASSAGE.

Name (Please Print)	Signature	Address	Date
MARY C. HELMINSKI	Mary C. Helminski	Box 4654 - Sol	2-16-84
Robert E. HIKIN	Robert E. Hikin	Box 4x3 Sol.	2-16-84
JANE M. GABLER	Jane M. Gabler	Box 1671 Sol.	2-16-84
Jerry C. Hebert	J. Hebert	Box 6 Soldotna	2-16-84
Jack Close	Jack Close	273 Arlington Soldotna	2-16-84
Goreta Bobs	Goreta Bobs	Box 3670 Sold	2-16-84
M. Darlene Harlan	M. Darlene Harlan	P.O. Box 4876	2-16-84
Victor H. Trammell	Victor H. Trammell	Rt 1 Box 359 Soldotna	2-16-84
Janice E. Layton	Janice E. Layton	Rt 3 Kenai, AK	2-16-84
WENDY A. KITCHENS	Wendy A. Kitchens	270 RANGER. SOLDOTNA	2-16-84
JUNE M. MALLETTE	June M. Mallette	Rt 2 Box 324, Soldotna	2-17-84
PATRICIA A. ROBRISON	Patricia A. Robrison	P.O. Box 2246, Soldotna	2-17-84
Karen L. Moore	Karen L. Moore	PO Box 274 Soldotna	2-17-84
Margaret A Martin	Margaret A. Martin	POBox 4252 Kenai	2-17-84
Kim L. Driskill	Kim L. Driskill	Box 2483, Soldotna	2-17-84
Judith A Dixon	Judith A. Dixon	PO Box 8528 N. Kenai	2-17-84
Dawn M LAHNUM	Dawn M. Lahnum	328 Bering Soldotna	2-17-84
Deanna Cashman	Deanna Cashman	965 Kobuk Ct. Soldotna	2-17-84
Debbie Dover	Debbie Dover	Box 2972, Soldotna	2-17-84
Sharyl Morris	Sharyl Morris	Box 4270 Soldotna	2-17-84
Terry A. Jindra	Terry A. Jindra	145 Shady Lane #2, Soldotna	2-17-84
Edward A. Bush	Edward A. Bush	Box 1538 Soldotna	2-17-84

Senate Bill # 236

WE, THE UNDERSIGNED SUPPORT AND STRONGLY RECOMMEND THAT HOUSE BILL #277, "AN ACT ALLOWING RETIREMENT CREDIT FOR THE UNUSED SICK LEAVE OF AN EMPLOYEE OF A POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION PARTICIPATING IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM" BE MOVED FROM COMMITTEE AND SENT TO THE FLOOR OF THE SENATE AND HOUSE FOR PASSAGE.

Name (Please Print)	Signature	Address	Date
Julia G. Lee	Julia Lee	PO Box 621 Sterling	2/17/84
Diane McDonough	Diane McDonough	PO Box 3217 Soldotna	2/17/84
Teresa Neely	Teresa Neely	c/o General Del. Soldotna	2/17/84
Dorothy R Harris	Dorothy R. Harris	Box 956 Soldotna	2/17/84
FRANK LAZEL	Frank D Laz	Box 4001 SOLDOTNA	2/17/84
Monte Barnett	Monte Barnett	Box 1882 SOLDOTNA	2/17/84
Herbert E. Wilborg	Herbert E Wilborg	Box 431 Soldotna	2/17/84
BRENDA Rozell	Brenda Rozell	PO Box 866 VBS Kenai	2/17/84
RUTH LOPERENA	Ruth Loperena	P.O Box 1203 Soldotna	2/17/84
ROBERT E. HEAVILIN	Robert E Heavilin	P.O. Box 4360 KENAI	2/17/84

FEB 9 1984

Box 931
Soldotna, AK 99669
February 6, 1984

The Honorable Frank Ferguson, Chairman
Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Ferguson,

I am writing about House Bill #277, "An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees retirement system."

I would solicit your help in bringing this bill to the floor for a vote by the Senate.

School teachers have had this benefit for a number of years, and certainly, public employees are as deserving as school teachers in gaining this benefit. I work in a public school and feel classified employees are as worthy as certified to receive this benefit.

Public employees deserve equity on this issue.

Cordially,

Susan Stephan

Susan Stephan

cc: Don Gilman
Paul Fischer

FEB 9 1984

P. O. Box 2558
Kenai, Alaska 99611
February 3, 1984

The Honorable Frank R. Ferguson, Chairman
Community and Regional Affairs
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Ferguson:

I would like to call your attention to Senate Bill #277, "An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

This bill has been kept from the floor for at least two years, and I would like to ask your help in bringing it to the floor for a vote by the full house.

In the interest of fairness, I believe public employees are as deserving as school teachers in gaining this benefit. You know school teachers have had this benefit for a number of years. I am in the position of working in a public school, yet am designated as "less worthy" of this benefit when compared with teachers.

Public employees deserve equity on this issue.

Cordially,

Marlene Frates

Marlene Frates

FEB 16 1984

Feb. 5, 1984

PO Box 1683
Soldotna, Alaska 99669

Frank R. Ferguson
Box 131
Kotzebue, Alaska 99752

Subject: Senate Bill 236

Dear Frank:

I am a custodian for the Kenai Peninsula School District, at Redoubt Elementary School. In a few years I shall retire from the working class. I have some 80 day of accumulated sick leave coming to me. The way things are now I shall loos this sick leave when I retire. Borough administrators and School administrators and teachers, including my wife, Eunice, who is retired from teaching now, they all will get or have gotten credit into their retirement for their accumulated sick leave, yet we, the classified people of our Borough will not get this, Bill 236, will give this to us.

I would like to ask that you do all you can to get this bill out of committee and moving onto the floor for passagy by vote.

Anything you can do along this line will be appreciated.

Might I hear from you on the above matter.

Thank you.

Sincerely,

Roy J. Gordon

Roy J. Gordon

Position Paper

SB 236

The treatment of sick leave is an area to be addressed through the collective bargaining process by individual employers; retirement benefits are not. We do not feel it is appropriate for the legislature to force this type of liability on employers in the system through a change in retirement law. Other avenues such as personal leave or various forms of cash pay out are available and can be exercised locally taking into account differences that exist in both practice and philosophy.

The department is opposed to this bill for these reasons and the dangerous precedent it would establish.

J.K. Humphreys

J.K. Humphreys, Director, Division of Retirement & Benefits

4/22/83

Date

Lisa Rudd

Lisa Rudd, Commissioner of Administration

4/22/83

Date

STATE OF ALASKA
FISCAL NOTE

Revision Date . 1983

I. REQUEST

Bill/Resolution No.: SB 236
Title: "An act allowing retirement credit"..
Sponsor: Moss
Requestor:

II. FISCAL DETAIL

Agency Affected: No state agencies are affecte
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-
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: J.K. Humphreys, Director
Phone: 465-4460
Division: Retirement & Benefits
Date: 4-21-83

Approved by Commissioner: Commissioner Lisa Rudd
Date: 4-21-83
Department: Administration

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

SB 236

IV Analysis:

The cost of this bill will be borne entirely by the PERS employers. The individual employer contribution rates will increase on an average of .24% of their PERS payroll.

The total costs to employers who are participating in PERS is expected to be as follows:

FY 84	FY 85	FY 86	FY 87	FY 88
$767.0	$828.4	$894.7	$966.3	$1,043.6

If this bill becomes law, the funding ratio in PERS will decrease by .2%.

The total actuarial present value of cost of this bill is $1,854,000.

SB
268

COMMITTEE REPORT

SENATE

FURTHER:

5/19/83

Date: _____

Mr. President:

The Committee on CRRA has had SB 260

Sale of Prudhoe Bay royalty oil by the State of Alaska to the Tesoro Alaska Petroleum Company; 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

COMMITTEE REPORT

SENATE

4/19/83

C+PA

FURTHER: Finance

Date: 5-18-83

Mr. President:

The Committee on Resources has had SB 268

~~Relating to the~~ sale of Prudhoe Bay royalty oil by the State of Alaska to the Tesoro Alaska Petroleum Company; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass my [ ] 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 _____ Committee

MEMBERS SIGNING
DO PASS

Caileen Stringer Tu.

V. Kerttula

Paul Fischer

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Markey Mokie

Dillye Fahrenkamp
CHAIRMAN

SB 265

BILL SHEFFIELD
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 19, 1983

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which provides for legislative approval of a royalty oil contract between the state and Tesoro Alaska Petroleum Company for the sale of Prudhoe Bay royalty oil.

This contract is described in the findings entitled "Proposed Disposition of Royalty Oil, Tesoro Alaska Petroleum Company" issued by the Department of Natural Resources on March 16, 1983. Copies of these findings have been made available to the legislature and the public for review.

This contract is being submitted for legislative approval for two reasons. First, although this and the previous administration have consistently taken the position that the statutory requirement of legislative approval of royalty oil contracts is unconstitutional (AS 38.06.055), as a matter of comity I respect the legislature's desire to have a direct voice in major disposals of royalty oil. Therefore, this contract contains provisions requiring approval by the legislature before it becomes effective. Second, this bill would ratify the agreement for the sale of oil. This ratification would cure any procedural defect that may have occurred in the process of entering into this contract.

Although we believe that all necessary steps have been taken, the statutes and regulations governing the disposal of royalty oil represent often conflicting desires and goals, both procedural and substantive. For example, even if statutorily requiring legislative approval were constitutional, the present statutes provide, on the one hand, that the legislature is to approve the contract by enacting legislation (AS 38.06.055(a)), but, on the other

hand, they also provide that a report of the Royalty Board "shall be submitted for legislative review at the time of [sic] resolution for legislative approval of a proposed disposition of royalty oil and gas is introduced in the legislature" (AS 38.06.070(c)). Since legislative approval is required anyway as a matter of contract, I believe it only prudent to present this contract for legislative approval and ratification at this time.

Sincerely,

Bill Sheffield
Governor

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB268
Title: Tesoro Prudhoe Bay Unit Royalty Oil ~~Agreement~~
Sponsor: Governor
Requestor: Governor

II. FISCAL DETAIL

Agency Affected: Natural Resource Mgmt.
Program Category Affected: Mgmt. of Energy
BRU, Program of Subprogram(s) Affected: Res. Oil and Gas Management

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		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)	0	0	0	0		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						
	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: Mark Wittow — Mark Wittow — Phone: 465-2400
Division: Commissioner's Office, DNR — Date: 4/8/83

Approved by Commissioner: Mary Nelson — Date: 4/8/83
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
Copy to Requestor (if different from Sponsor)

3/8/83

ALASKA STATE LEGISLATURE

..13th.. Legislature ..FIRST Session

SENATE ...BILL..... NO. .268...

By THE·RULES·COMMITTEE·BY····· REQUEST OF THE GOVERNOR

"An Act relating to the sale of Prudhoe Bay royalty oil by the State of Alaska to the Tesoro Alaska Petroleum Company; and providing for an effective date."

Introduced in the Senate ...4/19., 1983.

HISTORY IN THE SENATE

19		
83		Read first time and referred to Committee on
4	28	CVEA added
4	19	Resources and Finance
5	19	Reported back with Resources recommendation that 4 do pass, /no rec to CVEA
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		
		Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

31-001

Senator Frank Ferguson

APR 17 1984

From Rep. Cowdery

Debt-plagued Charter to sell insurance company

Associated Press

Miami — Charter Co. announced it secured a New York investment banking firm to sell its insurance company, with the proceeds going to help pay debts of the the Jacksonville-based conglomerate, officials said.

Company spokeswoman Joanne Stone said Donaldson, Lufkin & Jenrette Inc. would assist in selling the insurance operation to a third party.

"The purpose is ... to protect Charter Security Life (Insurance Co.) and its policyholders from negative publicity directed at Charter, and to use the proceeds of the sale to reduce existing indebtness of Charter," Stone said.

Charter Security Life policyholder accounts are unaffected by the action, she said.

A Tennessee newspaper, in its Sunday editions, reported that Charter also planned to sell its oil company to raise cash.

The Nashville Tennessean quoted sources close to the company as saying that the business is planning to adjust financial statements to reflect losses of up to $30 million over the last three years.

Charter on Friday asked the New York Stock Exchange to suspend trading of its stock after more than 266,000 shares changed hands. The last trade was at $5.375, off $1 from Thursday.

The unusual volume of trading was caused by "insiders" who are familiar with alleged problems at Charter, The Tennessean said.

Charter is the controlling stockholder of Nashville's McDowell Enterprises. McDowell earlier this month announced 1983 losses of $2.1 million, or 89 cents per share, compared with $1.1 million, or 47 cents per share, lost in 1982.

Kenneth L. Fisher, a money manager in Burlingame, Calif., who owns about 1 percent of the company's stock, said the reason for the trading halt could be the possible sale of Charter's oil refinery in the Bahamas. But another reason might be the reporting of a first-quarter loss in excess of $4.5 million, Fisher said.

The company blamed reduced earnings from its insurance subsidiary operation for most of the deficit. Charter Security Life two weeks ago announced that redemptions in mid-March outnumbered sales of annuities by 10-to-1.

Charter also Sunday reported that its subsidiary oil operations have experienced an "unanticipated and severe" loss of trade credit during the last two weeks. The company is currently discussing with its lenders means by which the lost trade credit could be replaced.

The Charter Oil Group alone is losing approximately $25 million per quarter, the newspaper said.

A minority stockholder from Key Biscayne has filed a class action suit in Jacksonville alleging the company attempted to conceal adverse information about Charter's financial condition.

SB
273

COMMITTEE REPORT

SENATE

4/21/83

FURTHER: Transportation
Finance

Date: _____

Mr. President:

The Committee on CSRA has had SB 273

Making a special appropriation for payment as a grant to the Municipality of Anchorage for road improvements, right-of-way acquisition, traffic control, police facilities and water projects; and 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 Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

ALASKA STATE LEGISLATURE

..13th. Legislat.. ..FIRST Session

SENATE . ..BILL..... NO. ..273.

By STERGLEWSKI,..KELLY,..GILMAN, P.FISCHER, PETTYJOHN, RODEY

"An Act making a special appropriation for payment as a grant to the Municipality of Anchorage for road improvements, right-of-way acquisition, traffic control, police facilities and water projects; and providing for an effective date."

Introduced in the Senate ....4/21, 19..83

HISTORY IN THE SENATE

1983		
		Read first time and referred to Committee on
4	21	CSFA, Transportation and Finance
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		
		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. .....

31-001

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, 1984

POSITION PAPER

RE: SB 273
SPONSOR: Senators Sturgulewski, Kelly, Gilman et al

PROGRAM EFFECTS:

This bill would make a special appropriation to the Municipality of Anchorage for road improvements, traffic control, police facilities, water projects and right-of-way acquisition.

COMMENTS:

This bill has no impact on Community and Regional Affairs. The grant would go through the Department of Administration.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-P1LH

SB

285

COMMITTEE REPORT

SENATE

FURTHER:

5/19/83

Date: _____

Mr. President:

The Committee on CE&A has had SB 285

Sale of Cook Inlet royalty oil by the State of Alaska to the Tesoro Alaska Petroleum Company; 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)

[ ] same title

[ ] replace with CS for _____ [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

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_____

CHAIRMAN

ALASKA STATE LEGISLATURE

13.h... Legislature ..F.... Session

SENATE ..... NO. 335...

By T.E.A.M. BY REQUEST OF THE GOVERNOR

"An Act relating to the sec. 1 Code relating to [illegible] State of Alaska to the Texas Alaska Petroleum Company; and providing for an effective date."

Introduced in the Senate ...4/...., 19..3.

HISTORY IN THE SENATE

19		
5	2	Read first time and referred to Committee on CRA advisory
4	30	[illegible] Finance
5	19	Reported back with recommendation that 5 do pass, 1 more to CRA
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

COMMITTEE REPORT

SENATE

4/30/83

FURTHER: C+RA Finance

Date: 5-18-83

Mr. President:

The Committee on Resources has had SB 285

~~Relating to the~~ sale of Cook Inlet royalty oil by the State of Alaska to the Tesoro Alaska Petroleum Company; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Caleb Pungowiyi

V. Fischer

Paul Fisher

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Mulcahy No Rec

Dellys Fahrenkamp
CHAIRMAN

SB285

BILL SHEFFIELD
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 29, 1983

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which provides for legislative approval of a royalty oil contract between the state and Tesoro Alaska Petroleum Company for the sale of Cook Inlet royalty oil.

This contract is described in the findings entitled "Proposed Disposition of Royalty Oil, Tesoro Alaska Petroleum Company" issued by the Department of Natural Resources on February 22, 1983. Copies of these findings have been made available to the legislature and the public for review.

This contract is being submitted for legislative approval for two reasons. First, although this and the previous administration have consistently taken the position that the statutory requirement of legislative approval of royalty oil contracts is unconstitutional (AS 38.06.055), as a matter of comity I respect the legislature's desire to have a direct voice in major disposals of royalty oil. Therefore, this contract contains provisions requiring approval by the legislature before it becomes effective. Second, this bill would ratify the agreement for the sale of oil. This ratification would cure any procedural defect that may have occurred in the process of entering into this contract.

Although we believe that all necessary steps have been taken, the statutes and regulations governing the disposal of royalty oil represent often conflicting desires and goals, both procedural and substantive. For example, even if statutorily requiring legislative approval were constitutional, the present statutes provide, on the one hand, that the legislature is to approve the contract by enacting legislation (AS 38.06.055(a)), but, on the other hand, they also provide that a report of the Royalty Board

"shall be submitted for legislative review at the time of [sic] resolution for legislative approval of a proposed disposition of royalty oil and gas is introduced in the legislature" (AS 38.06.070(c)). Since legislative approval is required anyway as a matter of contract, I believe it only prudent to present this contract for legislative approval and ratification at this time.

Sincerely,

Bill Sheffield
Governor

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB285
Title: Approving Cook Inlet royalty oil agreement
Sponsor: Governor
Requestor: Governor

II. FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: Mgmt. of Energy Res
BRU, Program of Subprogram(s) Affected: Oil & Gas Mgmt.

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			
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
	0	0	0			

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						
	0	0	0			

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mark Wittow Mark Wittow Phone: 465-2400
Division: Commissioner's Office, DNR Date: 3/30/83

Approved by Commissioner: Mary Sue Calloway Date: 3/30/83
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
Copy to Requestor (if different from Sponsor)

3/8/83

BusinessWeek
MARCH 5 1984 A McGRAW-HILL PUBLICATION $2.00

MAR 14 1984

EXECUTIVE SUITE

BEHIND THE BREAKUP AT CHARTER

Since its birth in the 1960s, Charter Co. has tried its hand at oil, land development, banking, insurance, and even operating the now-defunct *Philadelphia Bulletin*. The resulting mishmash of operations—and confusing financial reporting practices—bewildered Wall Street analysts and scared off big institutional investors. Charter stock now trades at a low price-earnings ratio of 7 and at a 61% discount to the company's $29 book value.

Now, Charter has announced that it will split itself into separate energy and insurance companies, gambling that investors will find a better-focused approach more appealing.

"Our insurance company happened to be in a business with negative publicity that has hurt the oil company, and the oil operations have confused people who try to look at us as an insurer," says Chief Executive Raymond K. Mason. "This spinoff should end the confusion."

'A REAL TOBOGGAN.' The bid for respectability on Wall Street could backfire on the $5.7 billion Jacksonville (Fla.) company. Without its large and profitable insurance operations, the parent—to be renamed Charter Oil Co.—will have nowhere to hide should its volatile, low-margin crude-oil marketing and refining businesses run into earnings trouble.

"With today's excess refining capacity, any independent refiner that doesn't have its own crude-oil supplies is not going to be able to sustain good margins," warns Dillard P. Spriggs, president of Petroleum Analysis Ltd. in New York. "Refining, for an independent, can be a real toboggan," Spriggs says.

Under the proposed breakup, holders of each of Charter's 22.8 million shares will receive one share of Charter Financial Co. later this spring. Charter Financial will own Charter's three insurance units, including the No. 1 issuer of single premium deferred annuities (SPDAs)—annuities that allow purchasers to place lump-sum investments in high-yielding accounts free of taxes until withdrawal. The newly independent Charter Financial will have $4.5 billion of policies in force and no long-term debt but will issue $129 million in preferred stock to Charter Oil. The oil company hopes to sell the stock later. Also, about $100 million in Charter Co. assets will be put on the block prior to restructuring.

After the breakup, it is doubtful whether the "new" Charters will be managed differently than they are now. The companies will share the same three top managers, with Mason continuing as chief executive of both. And investors may not be thrilled with their clearer view of the Charter progeny.

In the wake of the financial collapse of SPDA giant Baldwin United Corp. and concern over Charter Security Life Insurance Co.'s investment portfolio (BW—Nov. 21), Mason says that worried customers have cashed in approximately $700 million of Charter SPDAs. While the redemption stampede has subsided, new annuity sales are sluggish, and Charter Financial officials concede that the company may never replicate the insurance units' spectacular 540% asset growth since 1980.

ADVERSE PUBLICITY. Charter's core energy business has been a lackluster performer. Last year the energy operations recorded operating profits of $21 million after write-downs, far short of the heady days of the late 1970s, when Charter earned roughly $1 million a day on the strength of its huge Bahamian refinery alone. Last year, however, the refinery, owned jointly with Standard Oil Co. of California, operated at only 20% of capacity.

Much of the oil operation's woes had been overshadowed by hefty profits at the insurance units, which earned $107.3 million in 1983, despite adverse publicity in the latter part of the year. And parent Charter Co.'s 1983 net income of $61.7 million included $80.8 million in nonrecurring gains from contract settlements, stock swaps, and inventory adjustments.

Observers agree the future profitability of Charter Oil hinges on how quickly Mason can steer the company from the depressed refining business, which currently accounts for 35% of sales. An energy-related acquisition, possibly financed with proceeds of the planned sale of Charter Financial preferred shares, may be Mason's most expeditious solution. "The oil company will surprise everybody," Mason insists. Given the stiff competition and slim margins for both marketing and refining on the East Coast, Mason will have to be right.

SB
305

COMMITTEE REPORT

SENATE

6/1/83

FURTHER: Judiciary

Date: _____

Mr. President:

The Committee on _____ has had SB 205

Providing that the Alaska coastal management program and additions, revisions, or amendments to the program are subject to approval by law.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

ALASKA STATE LEGISLATURE

13th Legislature FIRST Session

SENATE BILL NO. 305

By GILL

"An act providing that the Alaska coastal management program and additions, revisions, or amendments of the program are subject to approval by law."

Introduced in the Senate 6/1, 1983.

HISTORY IN THE SENATE

1983	
6	Read first time and referred to Committee on C&RA and Judiciary
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

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 16, 1984

POSITION PAPER

RE: SB 305
SPONSOR: Senator Gilman

Program Effects:

SB 305 would subject additions, revisions, or amendments to the Alaska Coastal Management Program to approval by the Legislature.

Comments:

The Alaska Coastal Management Act and its implementing regulations provide for a lengthy review process by individuals, local Districts, State and Federal agencies, and private entities. The process is intended to gather both public and expert opinion; to assure program compliance with the standards and guidelines of the Alaska Coastal Management Program; and to assure that District and Agency interests and priorities are represented. Typically, a large number of people are party to the review, which culminates in revision to the draft program, and preparation of a concept-approved draft for submittal to the Coastal Policy Council.

The Department feels that current review and approval procedures provide sufficient checks and balances to produce a document which is in the public interest. The additional legislative approval could prove to be time-consuming.

Legislative approval could also result in program amendments and ultimate program approval differing from local objectives. The Department does not support passage of SB 305.

Emil Notti, Commissioner

21-P1LH

MAR 8 1984

ALASKA MINERS ASSOCIATION, INC.

FAIRBANKS BRANCH
P.O. Box 73069
Fairbanks, Ak 99707

March 3, 1984

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Fairbanks, Alaska 99701
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P.O. Box 55698
North Pole, Alaska 99705
(907) 488-6453

RUDY VETTER
P.O. Box 342
Fairbanks, Alaska 99707

Senator Frank Ferguson
Pouch V.
Juneau, Ak 99811

Dear Legislator;

We would like to take this opportunity to invite you to attend our 6th Annual Conference on Placer Mining. The Conference will take place on March 27-29 at the University of Alaska - Fairbanks.

There are many issues that will have an impact on placer mining. As you know, it is estimated that placer mining accounts for up to $244 million dollars of the economy of the state of Alaska, which does not include the sale of gold or other materials.

Of particular interest should be the Miners Meeting scheduled for Tuesday, March 27 at 7 P.M. At this time, many issues of current status will be discussed.

I would urge you to attend the Conference if it is possible. If you are unable to do so, I would urge that you send a representative. I have enclosed a copy of the preliminary brochure and registration form. If you have any questions, please call.

Sincerely yours,

Rose Rybachek, Conference Vice-chairman

"GOLD FEVER" - ALASKA '84
SIXTH ANNUAL CONFERENCE ON ALASKAN PLACER MINING
UNIVERSITY OF ALASKA - FAIRBANKS
MARCH 27 - 29, 1984

School of Mineral Engineering, University of Alaska

SPONSORS

Alaska Miners Association, Inc.

THE CONFERENCE Papers will be presented on a number of topics, including Placer Geology and Exploration, Concentration and Recovery systems, Case Histories of Arctic Mines, Turbidity and Stream Reclassification. The conference will be held in the University,Fine Arts Concert Hall. There will be an indoor and outdoor Trade Show.

PRELIMINARY PROGRAM

TUESDAY, MARCH 27, 1984

6:00 pm Registration, Fine Arts Concert Hall, UAF.
7:00 pm Miners Meeting, Fine Arts Concert Hall. This informational and strategy session is open to all Conference registrants and AMA members. Resolutions are welcomed.

WEDNESDAY, MARCH 28, 1984

8:00 am Registration. Coffee and rolls. Fine Arts Concert Hall.
8:40 am Welcome: Nolan J. Aughenbaugh, Dean, School of Mineral Engineering, UAF; Patrick O'Rourke, Chancellor, University of Alaska-Fairbanks; Bill Allen, Mayor, Fairbanks North Star Borough; Earl Beistline, President, Alaska Miners Association.

MORNING SESSION - Chairman, John Sims, Director, Office of Mineral Development, State of Alaska, Department of Commerce and Economic Development.

9:00 am Placer Potential in the Fairbanks District, Paul Metz, M.I.R.I., University of Alaska-Fairbanks.
9:30 am Yukon Placer Deposits - Their Formation, Evaluation and Exploration, Ruth Debicki, Geological Consultant, Vancouver, B.C.
10:00 am Coffee.
10:15 am Placer Mining on Doyon Lands - An Equitable Deal, Bob Rodrigues,
10:45 am Placer Geology of the Wiseman area, Ed Armstrong,Vice President of Exploration and Development, Tri-Con Mining Company.
11:45 am Deep Placer Potential of Central Alaska, with reference to Water Jetting, Jim Barker, Bureau of Mines, and Frank Skudrzyk, School of Mineral Engineering, University of Alaska-Fairbanks.
12:00 pm Luncheon - Wood Center Ballroom.
Speaker - Esther Wunnicke, Commissioner, Department of Natural Resources, and the Director of the Division of Mines.

AFTERNOON SESSION - Chairman, Del Ackels, President, Circle Mining District, Miner, Director AMA.

1:30 pm Excavating Frozen Muck in Circle Mining District, Fred Wilkinson, Miner.
2:00 pm Mining on Deadwood Creek, Circle District, George Horner.
2:30 pm Mining on Porcupine Creek, Circle District, Helen Warner, Miner.
3:00 pm Coffee.
3:15 pm Mining on Olive Creek in the Livengood District, Ed Montgomery, miner and Roger Mechon, Director AMA.
3:45 pm Underground Water Laser Technology, Dr. Hugh B. Pitt,Miner.
6:15 pm Reception - Fine Arts Concert Hall.
7:00 pm Banquet - Wood Center Ballroom.
Speaker - Honorable Ted Stevens, United States Senator.

THURSDAY, MARCH 29, 1984

7:00 am Mining Districts Breakfast Meeting, Wood Center, Chairman, Don Stein, Director AMA.

MORNING SESSION - James Madonna, Assistant Professor of Mining Extension, School of Mineral Engineering, University of Alaska-Fairbanks. Director AMA.

9:00 am Recovery Systems, Jack Donkers and Leo Van Der Veen.
9:30 am Sluice Recovery, Will Godbey, Student, UAF.
10:00 am Coffee.
10:15 am Mining and Recovery on Eagle Creek, Douglas Colp, Placer Consultant.
10:45 am Sediment after Recovery, Dr. Ernest Wolff, Retired Professor, M.I.R.I., UAF, Miner.
11:15 am Mining at Flat, Alaska, John Miscovich, Miner.
12:00 pm Luncheon - Wood Center Ballroom.
Film presentation: Geology of Whitwaterstrand, Africa.

AFTERNOON SESSION - Jeffrey Burton, Mining Engineer, Division of Mining, State of Alaska.

2:00 pm Education and the Mining Industry, James Madonna,Assistant Professor of Mining Extension, School of Mineral Engineering, UAF.
2:20 pm Stream Reclassification, Joe Cladouhos, Department of Environmental Conservation.
2:40 pm Stream Classification in the Yukon, Jack Nickel, Water Resources, Yukon Territory.
3:00 pm Coffee.
3:15 pm Water Quality Concerns, E.P.A.
3:35 pm Technical Solution of Turbidity, Dr. David Maneval, School of Mineral Engineering, University of Alaska-Fairbanks.
3:55 pm Questions and Answers.
4:15 pm Conference Summary, Earl Beistline, President, AMA.
5:00 pm Conference Commencement, Wood Center Pub, Refreshments provided by Mining and Transportation Engineering B.V. and Canadian Dredge and Crane, Ltd. Everyone welcome.

REGISTRATION FORM

INFORMATION

Early registration is recommended. Please complete the enclosed registration form and return with your check or money order to: Alaska Miners Association, P.O. Box 73069, Fairbanks, AK 99707. You will receive a confirmation by mail. The Registration Deadline is MARCH 15. Registration will be accepted after March 15 if there is sufficient room at full rate. Refunds will be made if requested by mail prior to March 20. A $10 processing fee will be withheld from all refunds. Name Badges will be required during all conference sessions. For information about the Trade Show please write: Trade Show Chairman, 504 College Rd., Fairbanks, Alaska 99701.

ACCOMODATIONS

The Fairbanks Inn is providing Special Conference Rates for those needing lodging.

Fairbanks Inn
1521 South Cushman Street
Fairbanks, Alaska 99701
(907) 456-6602

TRANSPORTATION

Shuttle Bus service will be available from Fairbanks Inn to the University during the Conference.

Mail Registration Forms to:
ALASKA MINERS ASSOCIATION, INC.
P.O. BOX 73069
FAIRBANKS, ALASKA 99707

NAME .....

REPRESENTING .....

ADDRESS .....

.....

DAY TELEPHONE .....

FEES

Pre-Registration (prior to March 15)	40.00 ( )
Registration (after March 15)	60.00 ( )
Keynote Luncheon (Wed, March 28)	10.00 ( )
Banquet (Wed, March 28)	20.00 ( )
Luncheon (Thurs, March 29)	10.00 ( )
Proceedings (Publication)	10.00 ( )

Extra Luncheon Tickets .. ( )

Extra Banquet Tickets .... ( )

Total Amount Enclosed ..... ( )

Check Money Order

For more information:
(907) 456-2569 or (907) 488-6453

SIXTH ANNUAL CONFERENCE ON ALASKAN PLACER MINING

"GOLD FEVER" - ALASKA '84

MARCH 27 - 29, 1984

University of Alaska - Fairbanks

Alaska Miners Association
P.O. Box 73069
Fairbanks, AK 99707

SIXTH ANNUAL CONFERENCE ON ALASKAN PLACER MINING
MARCH 27 - 29, 1984
University of Alaska Fine Arts Complex

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ALASKA MINERS ASSOCIATION, INC.
P.O. Box 73069
FAIRBANKS, ALASKA 99707

CENTRAL COUNCIL
tlingit and haida indian tribes of alaska
One Sealaska Plaza - Suite 200
Juneau, Alaska 99801

MAR 8 1984

The Central Council
Tlingit and Haida Indian Tribes of Alaska

Announces completion and occupancy of its offices
at the new
TH / ANB Building
320 West Willoughby
Juneau, Alaska

Dedication Program at ANB Hall
Suite 100 TH / ANB Building
Thursday, March 8, 1984
2 p.m.

Reception following, with
Open house at Central Council Headquarters
Suite 300 TH / ANB Building

Architect: Lee Loveland Associates, Seattle
Contractor: Mountain Pacific Company, Seattle
T&H Inspectors: Zeigler/Rowe, Associates, Seattle
T&H Project Coordinator: Percy E. Hope, Juneau

TELEPHONE: 907/ 586-1432, 586-3616

SB
314

Introduced: 3/20/81
Referred: Community & Regional Affairs and Finance

IN THE SENATE

BY RODEY, DANKWORTH AND KERTTULA

SENATE BILL NO. 314

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to exemptions from municipal property taxation and from special road assessments; and providing for an effective date."

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

* Section 1. AS 29.53.020(h) is amended to read:

(h) Except as provided in (g) of this section, nothing in (e) - (i) or (k) - (m) 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).

* Sec. 2. AS 29.53.020 is amended by adding new subsections to read:

(k) One motor vehicle 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.-411(c).

Dept. amendment

(l) The state shall reimburse a municipality for tax revenues lost to it under (k) of this section.

(m) The Department of Community and Regional Affairs shall adopt regulations to implement the provisions of (g), (k), and (l) of this section.

* Sec. 3. AS 29.63.065(a) is amended to read:

(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 his permanent abode which

Delete

is a single-family residence, is exempt from (1) special sewer assessments levied by a home rule or general law municipality after September 2, 1975, [AND] (2) special water assessments levied by a home rule or general law municipality after September 2, 1975, and (3) special road assessments levied by a home rule or general law municipality after July 1, 1981. 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 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.

* Sec. 4. AS 28.10.411(d) is repealed.

* Sec. 5. This Act is retroactive to January 1, 1981.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).

State of Alaska
Department of Community & Regional Affairs

Date: March 4, 1982

POSITION PAPER

Requested by: Senate Community and Regional Affairs

Subject: Regarding exemption from property tax and special road assessments.

Departmental Position: Support

Remarks:

Sections 1 and 2 of HB 314 would correct some problems that exist with the current statute. These problems involve the exemption of senior citizens' motor vehicles and state reimbursement to municipalities for that exemption.

There are currently three procedures in practice within the state regarding taxation of motor vechicles. The present statute was written to cover 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. This is the way the program was intended to work.

One of the problems is in a municipality where a local property tax is levied on motor vehicles. Based on current statute the state reimburses these municipalities. However, Title 29 currently does not allow the municipalities to exempt the seniors, therefore a double payment to a municipality exists.

The second problem is in municipalities that do not tax motor vehicles. Under statute, the state still reimburses these municipalities for revenues they might have lost.

The Department strongly supports the bill but recommends amendment of (l) to read as follows:

(l) The state shall reimburse a municipality for revenues lost to it under (k) 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, as prescribed by the Department of Public Safety, is submitted.

Currently, the senior citizens fill out the exemption form when they buy their license plates. That form is forwarded to the Department of Community and Regional Affairs. The affected municipality is reimbursed based on the schedule located in AS 28.10.431(b).

The existing language in (1) of HB 314 would require reimbursement based on a local levy. That form of reimbursement would require completion of another form by the Senior, another request by the municipality and an additional payment procedure by the state. The Department would recommend the above amendment in order to continue the current very simple and inexpensive administrative process.

Section 3 of the bill deals with a different program. That program currently defers senior citizens' special assessments for sewer and water improvements for as long as the senior citizen resides on the property.

This section of the bill would expand that program to include special road assessments. As with the sewer and water assessments the large bills for special road assessments places a tremendous burden on the limited budget of many senior citizens. Therefore, the Department supports that language. The attached fiscal note is based on estimations prepared by municipalities.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 314
Title Regarding exemption from property tax and special road assessments.
Requested by Senate Community & Regional Affairs Date 3/3/82

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Health & Social Services
BRU, Program, Or Subprogram(s) Affected Senior Citizen tax relief
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		290.0	319.0	350.9	386.0	424.6
700 GRANTS,CLAIMS,ETC.						
TOTAL		290.0	319.0	350.9	386.0	424.6

FUNDING (Thousands of Dollars)

GENERAL FUND		290.0	319.0	350.9	386.0	424.6
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)

No impact is anticipated from Section 1 and 2 of the bill. Section 3 of bill would require the state to pay special road assessments. Forty-five municipalities were asked to estimate probable impact of the proposed legislation in the respective communities. Only nineteen responses were received and only five of those were able to estimate impact. Based on that limited response it appears that the program would cost approximtely $290,000 if first year. That reimbursement could be handled with existing staff. Subsequent years assume increases of 10% per year.

IV. DATE March 3, 1982 PREPARED BY Terry L. Farley
AGENCY Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

SB

333

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/31/84

Date: _____

Mr. President:

The Committee on CCA has had SB 153

State aid for volunteer fire departments; efd.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

13th Legislature SECOND Session

SENATE BILL NO. 333

By MOSS

"An Act relating to state aid for volunteer fire departments; and providing for an effective date."

Introduced in the Senate 1/9, 19 84

HISTORY IN THE SENATE

19 84 Read first time and referred to Committee on

1 9 Community and Regional Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
E used	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

31-001

MAR 2 1981

Senator Frank Ferguson

Whereas Senate Bill No. 333 introduced an act relating to State Aid for Volunteer Fire Departments.

Whereas this Bill would be beneficial to the citizens served by the Bayside Volunteer Fire Department.

And therfore, be it resolved tnat the Bayside Volunteer Fire Department supports Senate Bill No. 333 and urges its prompt adoption.

John Shank, President
Bayside Volunteer Fire Department

ljm

Bayside Volunteer Fire Department
Star Route 3670
Kodiak, Alaska 99615

KODIAK
AM

MAR 2 1984

Alaska State Legislature

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 405
Kodiak, Alaska 99615
(907) 486-5254

WHILE IN JUNEAU
Pouch V
Juneau, Alaska
99811
(907) 465-4986
465-4968

House of Representatives

DISTRICT 27:
Akhiok
Bells Flats
Chignik
Chignik Lagoon
Chignik Lake
Chiniak
Ivanof Bay
Karluk
Kodiak
Larsen Bay
Old Harbor
Ouzinkie
Perryville
Port Lions

February 29, 1984

John Shank, President
Bayside Volunteer Fire Department
P.O. Box 3366
Kodiak, AK 99615

Dear John;

Thank you for the Public Opinion Message with the Resolution adopted by the Bayside Volunteer Fire Department supporting Senate Bill 333.

The bill sponsored by Senator Pappy Moss has unfortunately not seen much action in the Senate. It is still in the first committee of referral, the Senate Community and Regional Affairs Committee, waiting to be scheduled for a hearing. You may wish to contact that committee's chairman, Senator Frank Ferguson, and the vice-chairman, Senator Don Bennett to show your support and request that the bill be heard by the committee. I feel it is a good bill and will do what I can to spur its progress. I have sent to Senator Ferguson a copy of your POM and my response to you in hopes of expediting action on this bill.

I appreciate hearing from you and hope that you will contact me again if I can be of further assistance.

Sincerely,

Fred F. Zharoff

Fred F. Zharoff
Representative

cc: Senator Frank Ferguson, Chair
Senate Community and Regional Affairs Committee

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: SB 333

SPONSOR: Senator Moss

COMMENTS: The Department recognizes the need to adequately support fire prevention and suppression and related rescue services. However, there are several flaws in SB 333 which prompts the Department to oppose the bill as written.

In 1980 the State Revenue Sharing program was altered and subsequently expanded. One of the major changes made in the program was the elimination of all per capita categories in favor of a tax equalization formula. In general, block funding under this formula provided substantially greater funding to municipalities than the sum of the per capita categories it replaced. In effect, the State provided a higher level of funding to municipalities and allowed them to decide how the money should be allocated to support local services. SB 333 marks a return to the per capita formula. It does not replace the block grant, but rather adds substantially more aid to the present funding now going to municipalities and unincorporated communities.

Section 1 of the bill significantly increases the per capita amount going to recipients. Under the old State Revenue Sharing formula, municipalities received only $7.50 per capita adjusted for cost-of-living. This bill provides $20 per capita.

The major flaw in the bill is the involvement of the State Fire Marshal in the administration of the State Revenue Sharing Program. The bill appears to place responsibility for administration of these grants with the State Fire Marshal, however, the vehicle used to do this is the State Revenue Sharing program which is the responsibility of this Department. Specifically, Section 1, lines 19-21, bases the per capita distribution on population served by the volunteer fire department as determined by the State Fire Marshal.

Within that same chapter, under AS 29.89.060, the responsibility for population is given to this Department. Section 2 of the bill establishes a supplementary grant program that appears to require application to this Department (based on the definition of "department" for this chapter found in AS 29.89.100(1)), however, the application is to be received by the State Fire Marshal and theprogram is to administered by that office under the statutory authority of the State Revenue Sharing program. There is a another reference to "department" on page 3, line 8 of the bill which appears to require this Department to simply make a payment in the amount determined by the State Fire Marshal. This clouds responsibility for the State Revenue Sharing program by involving the State Fire Marshal in administration of a portion of it.

The Department believes a program of this type, which is intended to assist volunteer fire departments rather than municipalities and unincorporated communities per se, would best be handled as a separate program under a different portion of the statutes. As presented in this bill, the program only serves to confuse the administration of the existing State Revenue Sharing program.

The bill does affect the major entitlement program of the Department, we have have computed what we would expect this bill to cost if fully funded. This fiscal note was prepared independently from the State Fire Marshal.

Approved: Emil Notti
Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 333
Title: "...state aid for volunteer fire departments..."
Sponsor: Senator Moss
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Community Development
BRU, Program or Subprogram(s) Affected: Statewide Assistance & Entitlement Prog.

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		10,068.4	10,571.8	11,100.4	11,655.4	
800 MISCELLANEOUS						
TOTAL OPERATING		10,068.4	10,571.8	11,100.4	11,655.4	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		10,068.4	10,571.8	11,100.4	11,655.4	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: Sponsor did not indicate where funding would come from to offset impact.

ANALYSIS: Attach a separate page for analysis

Prepared By: Nesta Crago/Doug Griffin Phone: 465-4707
Division: Municipal and Regional Assistance Date: 1/23/84

Approved by Commissioner: Date: 1/30/84
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

Fiscal Note Analysis

Assumptions:

1) Number of volunteer fire department in existence in 1980 adjusted for population growth in service area up to July 1, 1983 population.

2) Information provided by State Marshall office also followed to provide estimate of grant cost.

No additional operational funding for the Department of Community and Regional Affairs is anticipated.

700 Grants:

AS 29.89.040 (a)(1) -- $20 capita for persons served by volunteer fire departments:

Boroughs	(11)	6,132,860	
Home Rule/1st Class Cities	(33)	1,830,440	
2nd Class Cities	(99)	760,840	
VFDs in unorganized borough that applied for FY84 funding	(29)	188,460	
		8,912,600	
Less VFDs already funded		94,230	
		8,818,370	(440,919) (persons served)

AS 29.89.040 (a)(2) -- $5,000 for each operating fire and rescue station

$5,000 X 250 stations:	1,250,000
Total amount to fully find	10,068,370

Increase in FY86-88 reflect 5% increase in population and fire station construction.

No fiscal analysis done for the supplementary grant portion of the program since that appears to be a discretionary grant program.

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER

SB 333 / HB 442

This bill has a major impact on the means which provide for the operation of volunteer fire departments.

It is the policy of this Administration to encourage local governments to determine their own needs and priorities. While the Administration is cognizant of the unresolved problem regarding the development of local government in rural Alaska, we do not believe this bill is a constructive approach to a solution.

Simply put, the bill will place the State in the position of providing fire protection. Planning, decision making and fiscal controls will become a responsibility of the State Fire Marshal.

The bill has the potential of usurping the powers of local political subdivisions as provided by AS 29.48.030, that "municipalities may provide fire protection." The bill will provide financial aid for any volunteer fire department regardless of local jurisdictional authority to operate. It, further, provides that additional unspecified services will be considered for supplementary grant purposes.

Article 1 of AS 18.70 does not provide for the State to control local fire protection groups and services. Yet this bill requires the State Fire Marshal to determine operational objectives and to finance same. Without question, many controls will need to accompany this approach in order to achieve fiscal responsibility.

It is the position of the Department of Public Safety to support Sec. 29.89.040(a) 1, raising the per capita state aid to $20 in recognition of increased costs.

We do not support the language of Sec. 29.89.040(a) which extends the authority to provide fire protection beyond that of local government.

We oppose the section that provides $5,000 for each operating fire and rescue station. What is to prevent each members' personal garage from being declared an operating station. In addition, this would place the State in the position of providing operating funds, as does the subsection on supplementary grants.

Robert J. Sundberg
Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 333
Title: Aid to Volunteer Fire Departments
Sponsor: Moss
Requestor: Senate C&RA
Date of Request: 1-24-84

FISCAL DETAIL
Agency Affected: Public Safety
Program Category Affected: Life & Property Protection
BRU, Program or Subprogram(s) Affected: Fire Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 39
OPERATING						
100 PERSONAL SERVICES		400.3	424.3	449.8	476.8	505.4
200 TRAVEL		110.0	116.6	123.6	131.0	138.9
300 CONTRACTUAL		29.0	30.7	32.6	34.5	36.6
400 SUPPLIES		15.0	15.9	16.9	17.9	18.9
500 EQUIPMENT		17.0	18.0	19.1	20.2	21.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		*				
800 MISCELLANEOUS						
TOTAL OPERATING		571.3	605.5	642.0	679.4	721.3
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		571.3	605.5	642.0	679.4	721.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		9	9	9	9	9
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

* Grant monies determined and approved by the State Fire Marshal would be granted by Department of Community & Regional Affairs.

ANALYSIS: Attach a separate page for analysis

Prepared By: G.E. Brunton
Phone: 465-4331
Division: Fire Prevention
Date: 1/23/84

Approved by Commissioner: [signature]
Date: 1-25-84
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

1. POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
	Grants Administrator			17 - C	G				
2. TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
P E	12				Anchorage				

3. CONTINUATION LEVEL [ ] ADDITION [ ]

4. TYPE OF EXPENDITURE		2	AMOUNT 3
1			
PERSONAL SERVICES			
5. Salary		35760	
6. Benefits		6436	
7. Supplemental Benefits		2550	
8. Fixed Benefits		2724	
9. TOTAL PERSONAL SERVICES	01		59180
10. Travel	02		5000
11. Contractual	03		5000
12. Commodities	04		4000
13. Equipment	05		7500
14. Other			
15. TOTAL COST			80680

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		C.F. Match	1003	
18.		General Funds	1004	80680
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR BSM USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will handle the administrative responsibilities of the supplementary grant program for local fire departments.

It will develop evaluation criteria and evaluation methods for measuring fire/rescue services, promulgate regulations for the program.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

01-113617.021-13

1.	POSITION TITLE: Realty Officer			RANGE/STEP: 18 - C	BARG. UNIT: G	FORM 12 PAGE/LINE	GOV.	APPROV. / DISAPP.
2.	TYPE OF POSITION: PE	STAFF MONTHS: 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.

3. CONTINUATION LEVEL | | ADDITION | |

4. TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES		
5.	Salary	38124	
6.	Benefits	6834	
7.	Supplemental Benefits	2337	
8.	Fixed Benefits	2728	
9.	TOTAL PERSONAL SERVICES	01	50023
10.	Travel	02	10000
11.	Contractual	03	3000
12.	Commodities	04	1000
13.	Equipment	05	1000
14.	Other		
15.	TOTAL COST		65023

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	65023
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR OMB USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position will support the fire department supplementary grant program and will develop property values of properties protected by local fire departments.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

1. POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
Field Coordinator				16 - C	G				
2. TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
PE	12				Anchorage				

3. CONTINUATION LEVEL | | ADDITION |

4. TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
5. Salary	33084	
6. Benefits	5930	
7. Supplemental Benefits	2028	
8. Fixed Benefits	2728	
9. TOTAL PERSONAL SERVICES 01		43770
10. Travel 02		20000
11. Contractual 03		3000
12. Commodities 04		1000
13. Equipment 05		1000
14. Other		
15. TOTAL COST		68770

RECEIPT CODE	FUNDING SOURCE	
16.	Federal Receipts 1002	
17.	G.F. Match 1003	
18.	General Funds 1004	68770
19.	I-A Receipts 1005	
20.	Program Receipts 1028	
21.	Other	

FOR OMB USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

	POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
1.	Field Coordinator				16 - C	G				
2.	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
	PE	12				Anchorage				

	CONTINUATION LEVEL		ADDITION	
3.				

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	33084	
6.	Benefits	5930	
7.	Supplemental Benefits	2028	
8.	Fixed Benefits	2728	
9.	TOTAL PERSONAL SERVICES	01	43770
10.	Travel	02	20000
11.	Contractual	03	3000
12.	Commodities	04	1000
13.	Equipment	05	1000
14.	Other		
15.	TOTAL COST		68770

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	68770
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

01-1136(7.82)-13

1.	POSITION TITLE: Field Coordinator			RANGE/STEP: 16 - C	BARG. UNIT: G	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION: PE	STAFF MONTHS: 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Fairbanks	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION							

4. TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES		
5.	Salary 2965 x 12	35580	
6.	Benefits	6377	
7.	Supplemental Benefits	2181	
8.	Fixed Benefits	2728	
9.	TOTAL PERSONAL SERVICES	01	46866
10.	Travel	02	20000
11.	Contractual	03	3000
12.	Commodities	04	1000
13.	Equipment	05	1000
14.	Other		
15.	TOTAL COST		71866

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	71866
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR B&M USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

13 REQUEST FOR NEW POSITION

AGENCY: DEPARTMENT OF PUBLIC SAFETY

PROGRAM: Life & Property Protection

BRU: Fire Prevention

COMPONENT: Fire Prevention

Page of

Revised Date

FY 85

	POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
1.	Field Coordinator				16 - C	G				
2.	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
	PE	12				Fairbanks				

	CONTINUATION LEVEL		ADDITION	
3.				

4.	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
	PERSONAL SERVICES			
5.	Salary 2965 x 12		35580	
6.	Benefits		6377	
7.	Supplemental Benefits		2181	
8.	Fixed Benefits		2728	
9.	TOTAL PERSONAL SERVICES	01		46866
10.	Travel	02		20000
11.	Contractual	03		3000
12.	Commodities	04		1000
13.	Equipment	05		1000
14.	Other			
15.	TOTAL COST			71866

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	71866
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will be responsible for monitoring the various activities of local fire departments which apply for supplementary grants.

Frequent travel to bush locations is anticipated.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

01 113617 02/-13

1. POSITION TITLE				RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
	Field Coordinator			16 - C	G				
2. TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
P E	12				Juneau				

3. CONTINUATION LEVEL | | ADDITION | |

4. TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
5. Salary	33084	
6. Benefits	5930	
7. Supplemental Benefits	2028	
8. Fixed Benefits	2728	
9. TOTAL PERSONAL SERVICES 01		43770
10. Travel 02		15000
11. Contractual 03		3000
12. Commodities 04		1000
13. Equipment 05		1000
14. Other		
15. TOTAL COST		63770

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	63770
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR OSM USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will be responsible for monitoring various activities of local fire departments which apply for supplementary grants.

Frequent travel is anticipated to bush communities.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

.01-1136(7.82)-13

	POSITION TITLE			RANGE/STEP	BARG. UNIT	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
1.	Clerk Typist III			8 - C					
2.	TYPE OF POSITION: P E	STAFF MONTHS: 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION: Anchorage	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	19884	
6.	Benefits	3777	
7.	Supplemental Benefits	1193	
8.	Fixed Benefits	2728	
9.	TOTAL PERSONAL SERVICES 01		27582
10.	Travel 02		-
11.	Contractual 03		3000
12.	Commodities 04		4000
13.	Equipment 05		2500
14.	Other		
15.	TOTAL COST		37082

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	37082
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR B&M USE ONLY
4A KEY NUMBER __ __ - __ __ - __ __ - __ __ - __ __

JUSTIFICATION

This position will provide the clerical support for the fire department supplementary grant program.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

	POSITION TITLE	RANGE/STEP	BARG. UNIT	FORM 12 PACE/LINE	COV.	APPROV.	DISAPP.
1.	Accountant I	14 - C	G				

	TYPE OF POSITION	STAFF MONTHS	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
2.	P E	12				Anchorage				

3. CONTINUATION LEVEL | | ADDITION | |

4.

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES		
5. Salary	28776	
6. Benefits	5156	
7. Supplemental Benefits	1764	
8. Fixed Benefits	2728	
9. TOTAL PERSONAL SERVICES 01		38424
10. Travel 02		-
11. Contractual 03		3000
12. Commodities 04		1000
13. Equipment 05		1000
14. Other		
15. TOTAL COST		43424

	RECEIPT CODE	FUNDING SOURCE		
16.		Federal Receipts	1002	
17.		G.F. Match	1003	
18.		General Funds	1004	43424
19.		I-A Receipts	1005	
20.		Program Receipts	1028	
21.		Other		

FOR BSM USE ONLY
4A KEY NUMBER — — - — — - — — - — — - — —

JUSTIFICATION

This position will provide accounting services to support the supplementary grant program for local fire departments.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF PUBLIC SAFETY

PROGRAM Life & Property Protection

BRU Fire Prevention

COMPONENT Fire Prevention

Page of

Revised Date

FY 85

SB
376

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/25/04

Date: 2-7-04

Mr. President:

The Committee on CCRA has had SB 376

relating to power cost equalization; and.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[X] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

S 60 (Rev. 12/78)

SENATE AMENDMENT

By SENATOR FERGUSON

To: _____ SENATE BILL No. SB 376

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 12

After "by" INSERT "at least".

Alaska State Legislature

Senate

Committee on Finance

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1994

M E M O R A N D U M

TO: Senator Frank Ferguson
Chair, Community & Regional Affairs

FROM: Senator John Sackett JLS

Re: SB-376, Power Cost Assistance
(Rural Energy Assistance Program)

I would appreciate the above referenced bill (SB-376) being scheduled for hearing before your committee as soon as possible. I am prepared to appear before the committee and offer testimony at your convenience.

Thank you.

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 7, 1984

SUBJECT: Power cost assistance
(SB 376)

TO: Senator Frank Ferguson
Chairman, Senate Community and
Regional Affairs

FROM: Linn H. Asper
Legislative Counsel

It has been suggested by Senator Sackett that the above-referenced bill could be improved by a change on line 12 so that the bill would read:

> If the authority receives a petition requesting power cost assistance, signed by at least 25 percent. . . (emphasis added)

I agree that as the bill is now written there is a possibility, however slight, that it might be misinterpreted as requiring exactly 25 percent of the customers of the utility to sign the petition instead of 25 percent or more, which was the intention when the bill was drafted. Therefore, it is my opinion that Senator Sackett's suggested change would clarify the intent of the bill.

LHA:ojb
J3/059

ENCLOSURES FOR SENATE BILL 376

1. Proposed Amendment by Senator Ferguson
2. Memo to Senator Ferguson from Linn Asper re: purpose of proposed amendment.
3. Fiscal Note from the Department of Commerce
4. Memo to Senator Sacket re: purpose of Senate Bill 376.

   Attachments:
   a. Letter from City of Craig supporting Senate Bill 376.

   b. Letter from the Alaska Power and Telephone Company of July 22, 1981 re: nonparticipation in Power Cost Assistance Program.

   c. Letter from the Alaska Power and Telephone Company of October 7, 1981 re: nonparticipation in Power Cost Assistance Program.

   d. Letter from the Alaska Power and Telephone Company of September 11, 1981 re: nonparticipation in Power Cost Assistance program.

   e. Letter from Alaska Consumer Advocacy Program to Alaska Power and Telephone Company urging participation in Power Cost Assistance Program.

   f. "Utility Owner Sticks to principles: But Aniak electricity consumers must pay a high price." Anchorage Daily News. July 10, 1983.

5. Letter to Senator Eliason from the APUC re: The Alaska Power and Telephone Company refusal to participate in the Power Cost Assistance Program.

6. Copy of Alaska Public Utilities Commission U-82-51 Order No. 1. "In the Matter of the Investigation into the Management Practices of and Quality of Services Furnished by the Alaska Power and Telephone Company." (page 7.)

COMMITTEE TAPE LOG 1984

tape no. _____

committee: Community & Regional Affairs

date 02/07/84 to _____

bill numbers: | | SB376 | HB162 | | | | |

other information: Members present: Senator Don Gilman, Senator Frank Ferguson, Senator John Sackett

Members Absent:

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
02/07/84 3:05	000		Call to order by Chairman Ferguson
--	010	SB376	Ferguson, explanation, introduction-
	036		Senator Sackett - explained bill
			and testified, proposal - minor
			amendments
	079		Senator Gilman - ? public utilities
	103		" " specific questions
	106		Senator Sackett answers Gilman
	120		Senator Halford joins
	128		George Mattson, special assistant
	155		Senator Gilman ?
	162		Mattson continues and answers
	179		Dave Hutchins, Executive Dir.
	220		Sen. Ferguson, proposed amendment,
			memo
	229		Motion by Sackett
	233		So ordered
	237		Moved
	249	HB162	Ferguson-
	255		Repr. Ward, prime sponsor,
			Explanation of bill-
	314		Senator Gilman - ? Title 529
	325		Repr. Ward answers
	332		Gilman

COMMITTEE TAPE LOG 1984

tape no. _____

committee: Community & Regional Affairs date 02/07/84 to _____

bill numbers: SB 376 | HB162 | | | | | |

other information:

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
02/07/84 3:20		HB 162	
--	356		Repr. Ward
	366		Dillman — motion
	372		No objections
3:23	391		No other business — adjourned

SENATE COMMITTEE OBSERVER/WITNESS SIGN-UP SHEET

DATE: Feb. 7 SPONSOR: SENATE C.R.A

SUBJECT(S): SB 376, HB162

NAME	REPRESENTING	ADDRESS	PHONE	Observer	Witness		
George Matt	Commerce & Econ Dev	Powell D	465-2500		X	SB	376
~~Steve Souder~~	~~DOL~~ AARP						
Scott Burgess	Alaska Municipal League	105 Muni. Way	586 1325	✓			
Dave Hutchison	ARECA	Anchorage	276-3235		X	SB	376
Kirk Bailey	BSUP	Soldotna	262-5542	✓			
Rebecca Kuretz	AK Environ. Lobby	Juneau	~~586~~ 2345	✓			
Marcia Roderick	self	Juneau	586-6966	✓			

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 376
Title: Relating to power cost assistance
Sponsor: Sackett, Ferguson
Requestor: Senate C & RA
Date of Request:

FISCAL DETAIL
Agency Affected: Commerce & Economic Development
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected: Alaska Power 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 LAND & STRUCTURES						
700 GRANTS, CLAIMS	N/A	91.0	91.0	91.0	91.0	91.0
800 MISCELLANEOUS						
TOTAL OPERATING	N/A	91.0	91.0	91.0	91.0	91.0
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: George Matz, Special Assistant Phone: 465-2079
Division: Office of the Commissioner Date:
Approved by Commissioner: Richard A. Lyon Date: 2/7/84
Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

ANALYSIS
SB 376

A one percent increase for grant payments is expected which is approximately equal to the percentage increase in the utilities that would participate in the program.

February 6, 1984

M E M O R A N D U M

To: SENATOR JOHN SACKETT
SENATOR FRANK FERGUSON

From: Max Gifford
Administrative Aide

Subj: SB-376, POWER COST ASSISTANCE PROGRAM

This bill would create a new subsection in AS 44.83.162, permitting at least 25% of the customers of a regulated power utility to petition the Alaska Power Authority to require the utility in question to submit a power cost assistance application.

Currently, there are some customers of regulated utilities who DO NOT benefit from the power production subsidy authorized by the legislature in 1981.

The figure of 25% was selected to conform with other provisions of law (AS 42.05) relating to regulation of public utilities.

Attached are letters and articles relating to the problem.

FEB 03 1984

CITY OF CRAIG

P.O. Box 23
Craig, Alaska 99921
(907) 826-3275

SB-376

January 31, 1984

Senator John Sackett
Senator Frank Ferguson
State Capitol
Juneau, Alaska 99811

Dear Senators:

This is to support SB376 relating to the power cost assistance program.

The electric customers in Tok, Hydaburg, and Craig have tried for years to get our local utility, Alaska Power and Telephone Co. to participate in this program. Not until this month, after a costly effort and a resultant Alaska Public Utility Commission request for briefs on the subject, did AP&T apply for this program.

The enclosed letters from AP&T eloquently reflect the utility's position and our frustration.

It is unfortunate that a law like this is necessary and more unfortunate that it was not passed years ago.

Sincerely,

David R. Palmer
City Administrator

DRP/hg
cc: Liz Cuadra

Alaska Power & Telephone Company

702 WATER STREET, PORT TOWNSEND, WASHINGTON 98368
TELEPHONE (206)385-1733

RECD JUL 27 1981

ALASKA SOUTHERN POWER COMPANY
SKAGWAY POWER & LIGHT SYSTEM
TOK POWER & LIGHT SYSTEM
NATIONAL UTILITIES, INC.
ALASKA CENTRAL TELEPHONE SYSTEM
SKAGWAY TELEPHONE SYSTEM
SOUTHERN ALASKA TELEPHONE SYSTEM
ALASKA POWER & TELEPHONE CORPORATION

ARTHUR GARRETT, Chairman
NANCY GARRETT BROWN, Vice Chairman
MARGUERITE GARRETT, Secretary
MARILOU K. RAYMOND, Asst. Secretary
RALPH J. WILSON, President
VERNON L. REITZER, Vice President & Chief Engr.
ROBERT S. GRUAM, Vice President & Treasurer

July 22, 1981

Mr. Thomas H. Abel, Administrator
City of Craig
P.O. Box 23
Craig, Alaska 99921

Dear Mr. Abel:

In response to your letter of July 10, 1981, we feel that the program sets up a very dangerous situation where one person is charged one rate and another is charged a different rate. We are not sure that such discrimination is constitutional so we are not participating in the plan.

If the State is anxious to pay part of the power costs of certain people, it can make the payments directly to the people it chooses on any basis desired, thereby taking the responsibility for all questions of subsidization and discrimination upon itself, which is the proper role of a government agency.

Yours truly,

Ralph J. Wilson
President

RJW:rly

Alaska Power & Telephone Company

702 WATER STREET, PORT TOWNSEND, WASHINGTON 98368
TELEPHONE (206)385-1733

OCT 13 REC'D

ALASKA SOUTHERN POWER COMPANY
SKAGWAY POWER & LIGHT SYSTEM
[illegible] POWER & LIGHT SYSTEM
[illegible]ATIONAL UTILITIES, INC.
ALASKA CENTRAL TELEPHONE SYSTEM
SKAGWAY TELEPHONE SYSTEM
SOUTHERN ALASKA TELEPHONE SYSTEM
ALASKA POWER & TELEPHONE CORPORATION

ARTHUR GARRETT, Chairman
NANCY GARRETT BROWN, Vice Chairman
MARGUERITE GARRETT, Secretary
MARILOU K. RAYMOND, Senior Ass't Secretary
RALPH J. WILSON, President
VERNON J. NEITZER, Vice President & Chief Engineer
ROBERT S. GRIMM, Vice President & Treasurer
GAIL BROWN HOBBS, Ass't Secretary & Ass't. Treas.

October 7, 1981

Elizabeth J. Hickerson, Research Assistant
Alaska Consumer Advocacy Program
P.O. Box 1093
Anchorage, Alaska 99510

Dear Miss Hickerson:

If the State really wants to pay power costs and if you can get the payments made directly to the customer who is responsible for his charges, that would be just fine.

Yours truly,

Ralph J. Wilson
President

RJW/ry

Alaska Power & Telephone Company

702 WATER STREET, PORT TOWNSEND, WASHINGTON 98368
TELEPHONE (206)385-1733

ASKA SOUTHERN POWER COMPANY
AGWAY POWER & LIGHT SYSTEM
K POWER & LIGHT SYSTEM
TIONAL UTILITIES, INC.
ALASKA CENTRAL TELEPHONE SYSTEM
SKAGWAY TELEPHONE SYSTEM
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ARTHUR GARRETT, Chairman
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MARGUERITE GARRETT, Secretary
MARILOU K. RAYMOND, Senior Ass't. Secretary
RALPH J. WILSON, President
VERNON J. NEITZER, Vice President & Chief Engineer
ROBERT S. GRIMM, Vice President & Treasurer
GAIL BROWN HOBBS, Ass't. Secretary & Ass't. Treasurer

September 11, 1981

Ms. Elizabeth J. Hickerson, Research Assistant
Alaska Consumer Advocacy Program
P.O. Box 1093
Anchorage, Alaska 99510

Dear Ms. Hickerson:

Thank you for your letter and the copy of Mr. Ransom's letter. We provide power at Craig for less cost than the people of Klawock can get it under the program of the Alaska Power Authority and the Alaska Consumer Advocacy Program and we see no reason to change our program.

Yours truly,

Ralph J. Wilson
President

RJW:rly

ALASKA CONSUMER ADVOCACY PROGRAM
P.O. Box 1093 Anchorage. Alaska 99510 272-6355

81-113

September 29, 1981

Mr. Ralph Wilson, President
Alaska Power & Telephone Company
702 Water Street
Port Townsend, Washington 98368

Dear Mr. Wilson:

Thank you for your letter of September 11, 1981. I wish to point out again that participation in the Power Cost Assistance Program does not lower the total production cost of power but rather reduces the amount that the individual customer pays. Even if you presently provide power at Craig "for less than the people of Klawock can get it under the program" the total monthly amount due from your Craig customers would be reduced if Alaska Power and Telephone Company would participate in the program.

You might also note that the Alaska Consumer Advocacy Program does not administer the Power Cost Assistance Program. We are a state funded program designed to aid utility customers with their problems.

I again urge you to participate in the program for the economic benefit of all your customers in Tok, Dot Lake, Hydaburg, Skagway and Craig.

Sincerely,

ALASKA CONSUMER ADVOCACY PROGRAM

Elizabeth J. Hickerson

Elizabeth J. Hickerson
Research Assistant

EJH/ljm

cc: Mayor Robert Massegee
Mayor James J. Sprague
Mr. Adrian LeCornu
Mr. Robert L. Bream
Mr. Ray Wipperman
Mr. Gary Ransom

BILL SHEFFIELD, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET
SUITE 100
ANCHORAGE, ALASKA 99501
(907) 276-6222

January 5, 1984

Richard I. Eliason
Senator
Pouch V (Mail Stop 3100)
Juneau, Alaska 99811

Dear Dick:

Thank you for your letter of December 14, 1983, reiterating your concerns in regard to the service being provided to the people in Craig by Alaska Power & Telephone Company. I am enclosing a number of orders in various dockets which speak to the concerns that have been raised in regard to service provided by AP&T, request for rate increases by AP&T, and the decision of AP&T to decline to participate in the power cost assistance program. I am pleased that subsequent to the issuance of Order No. 7 in U-83-46, the utility has filed an application for power cost assistance. Staff expects to have a recommendation to the Commission on January 13, 1984 on the matter and action should be taken immediately.

Your Staff will observe that there are a number of matters still pending before the Commission in regard to not only the service being provided by this utility but the rates at which service is being provided. I estimate that the Commisson will again spend a great deal of time this year attempting to work with the utility in rectifying documented problems and in investigating further subsequent concerns brought to the Commission's attention. It is extremely important that those individuals who are dissatisfied with the service being provided to them by AP&T document their complaints as specifically as possible and provide this information not only to the Commission at the above address but provide a copy to Alaska Power & Telephone Company. Their address is:

Post Office Box 222
Port Townsend, Washington 98368.

08-H6LH

The Commission will continue to monitor the service provided by this utility; as I explained in our phone conversation, "due process" cannot be effected over night and investigations and resultant corrections do take time. The Commission is aware of the problems in this utility's service area and will continue to fulfill its responsibilities in that regard.

Please don't hesitate to contact me again if there is additional information that should be brought to our attention.

Sincerely,

Carolyn S. Guess
Chairman

Enclosures:
cc: Mr. Ralph J. Wilson, President
Alaska Power & Telephone Company

Utility owner sticks to principles

But Aniak electricity consumers must pay a high price

By ANN CONY
Daily News business reporter

ANIAK — Artie DeMandle is a soft-spoken but stubborn entrepreneur who has earned a combination of praise and bitter resentment from his customers.

DeMandle is the owner of Aniak Light & Power.

He gets kudos for providing reliable service — something many rural Alaskans don't enjoy.

But, despite repeated prodding, DeMandle refuses to participate in the state Power Cost Assistance Program. The subsidy program offers direct payment to utilities in villages where the high cost of fuel sends electric bills through the roof.

State officials say DeMandle's company is one of a handful of rural Alaska utilities

See Page A-12, UTILITY

Utility owner sticks to his beliefs while others protest

Continued from Page A-1

that are eligible for the subsidy but don't take it.

Because DeMandle shuns the program, residents of this Kuskokwim River village pay the highest electric rate of any regulated-utility customers in the state: 34.5 cents a kilowatt hour for the first 250 kilowatt hours, and 31.1 cents thereafter.

That may well be the highest unsubsidized retail electric rate in the country, according to Don Markle of the Alaska Power Authority. By contrast, Anchorage residents pay between 4.6 cents and 13.6 cents a kilowatt hour.

DeMandle has learned that in a town of 420, your customers are your neighbors. They know you by sight and cross your path frequently.

To defy the City Council or the traditional Native Council is to court ill will.

DeMandle has defied both.

The councils passed a joint resolution in April, 1982, asking him to apply for the Power Cost Assistance Program, which could cut electric bills roughly in half.

DeMandle says he has no intention of applying for the program.

Some Aniak residents say DeMandle's bullheadedness has cost him a lot of friends. But if it bothers DeMandle, he doesn't show it.

Lamont Albertson, mayor of Aniak, said he has contacted the Alaska Public Utilities Commission and learned there is nothing to be done about DeMandle's intransigence. So he and other frustrated Aniak residents have given up the fight.

But the grudge lingers.

Albertson said his home electric bill for May came to more than $370.

"He's an independent business guy," Albertson said of DeMandle. "I kind of like him. But I resent the fact that he won't take advantage of this program."

Aniak Light & Power is a family run business, and "that's another thing I like about it," Albertson said. "But he could still have the same damn thing, participate in the assistance program and save a lot of people in town a lot of money."

Some people in Aniak do get an electric-bill subsidy under a federally funded program to aid low-income families.

"Seems like the most people who are hollering about (high electric bills) have good jobs," said Margaret DeMandle, Artie's wife, who handles the company bookkeeping.

Artie DeMandle decries the paperwork that would come with participation in the subsidy, though the city has offered to pay the cost of bookkeeping, paperwork or any inconveniences he might incur as a result of the program.

He worries that participating in the program, with financial support from the city, might force him to open his books to the state, the city or both. And DeMandle doesn't want any government agency sticking its nose in his business.

"If they want a subsidy," he said, "they should give it (directly) to the people and leave me out of it."



Anchorage Daily News/Tran Duong

Artie DeMandle works on his generator in Aniak where electricty isn't cheap.

DeMandle has other arguments.

He believes the subsidy would dampen his customers' enthusiasm for energy conservation.

If electric use climbs, he may be forced to borrow money to install a new generator or make other costly plant improvements. Assuming state revenues fall off sharply, as anticipated, the legislature will kill the subsidy program. Aniak power customers would return to energy conservation with a vengeance. Then DeMandle would be stuck with shrinking sales, an oversized power plant and a fat loan to pay off.

But some Aniak residents say they don't buy DeMandle's logic.

A half mile or so from DeMandle's home and generating plant, Bobette Bush lives with her husband and their two young children in a two-bedroom house equipped with a propane cooking stove. Like many townsfolk, she has a freezer in addition to a refrigerator, but few other appliances. The family's electric bill for the month of May was $218. Even if the subsidy cut her bill in half, she would still have incentive to conserve energy, she said.

Albertson is of the same mind.

"People are going to spend that money on other things," he said of the savings the subsidy would provide. "Regardless of the cost of electricity, I'm only going to have the number of freezers I need, and I'm still going to unplug them in the wintertime."

But not everyone in Aniak is put out with DeMandle's refusal to take the subsidy.

City Manager John Hale said DeMandle is competent, hard working and conscientious.

According to Hale, the only power outages in the three years he has been in Aniak have been intentional, when DeMandle shut down the system for maintenance or repairs.

"Artie is an arbitrary guy. But his good points overshadow his bad points," Hale said. "If I had a choice between Artie DeMandle supplying our power or having the state assistance program, I'd take Artie any day."

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of Complaints Relating to the Provision by ALASKA POWER AND TELEPHONE COMPANY of Electric Utility Service in Skagway	U-78-24 ORDER NO. 4
In the Matter of Complaints Relating to the Provision by NATIONAL UTILITIES, INC., of Telephone Exchange Service in Skagway	U-78-25 ORDER NO. 3
In the Matter of the Filing of a Tariff Revision, Designated as TA103-2, by ALASKA POWER AND TELEPHONE COMPANY for General Rate Increases at Craig, Hydaburg, Skagway, and Tok	U-79-50 ORDER NO. 4
In the Matter of the Filing of a Tariff Revision, Designated as TA206-2, by ALASKA POWER AND TELEPHONE COMPANY for a Permanent Rate Increase	U-82-50 ORDER NO. 1
In the Matter of the Investigation into the Management Practices of and Quality of Service Furnished by ALASKA POWER AND TELEPHONE COMPANY	U-82-51 ORDER NO. 1
In the Matter of the Investigation into the Management Practices of and Quality of Service Furnished by NATIONAL UTILITIES, INC.	U-82-52 ORDER NO. 1

ORDER SUSPENDING OPERATION OF PERMANENT TARIFF REVISION, INSTITUTING INVESTIGATIONS AND CLOSING DOCKETS

BY THE COMMISSION:

On May 28, 1982, ALASKA POWER AND TELEPHONE COMPANY (AP&T), an electric utility, filed a tariff revision (TA206-2) in which it proposed to incorporate present fuel surcharges into the

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Phone 276-5222

base rates for all its service areas and to increase monthly charges for the Tok service area. AP&T stated that the proposed rates for Tok would increase that service area's existing rates by 19.5 percent and that the present rates in the Craig, Hydaburg and Skagway service areas would not be affected.

The filing was noticed to the public on June 3, 1982, with a closing date for comments of July 2, 1982. Two letters opposing the increase have been received by the Commission.

The Commission Staff (Staff) has reviewed AP&T's filing and has concluded that there is insufficient basis upon which to allow a rate increase at Tok. Staff has recommended that the filing be suspended for an initial five-month period to allow a comprehensive audit of AP&T's accounts and records to investigate the reasonableness and propriety of the filing in question.

Staff's review indicated that AP&T's existing rates for the Tok Service Area are not inadequate. In fact, based on a preliminary review of the filing, Staff determined that AP&T has excess revenues from Tok of $17,035. Staff's conclusion was based primarily on (1) a reduction in AP&T's reported 1981 fuel cost to reflect the most current price of fuel and (2) a reduction in rate base to reflect utilization of a 13-month average of net plant-in-service as required under 3 AAC 48.275(a). The Commission concurs with Staff's conclusion that AP&T's filing does not provide sufficient support for the Commission to immediately grant a permanent rate increase. Staff has indicated areas which require further investigation, and the Commission concurs with Staff that suspension of the permanent operation of the tariff revision is appropriate. On July 12, 1982, the utility was telephonically notified of the Commission's decision to suspend operation of the tariff revision.

In view of the significant change in rates proposed by the utility, the Commission also believes that AP&T should include

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in the next billing to each Tok customer an informative summary of the proposed rates requested at Tok. Under 3 AAC 48.280(e)(2), the Commission may require that the utility dispatch "individual notice to all customers known to be affected, either by direct mail at the expense of the utility under conditions prescribed by the Commission, or by the Commission itself using plain unsealed envelopes that have been stamped, addressed and furnished by the utility." AP&T may prepare the notice to be distributed to each customer, subject to Commission approval; or, it may mail to each customer a copy of the public notice prepared and distributed by the Commission, subject to appropriate editorial changes suggested by Staff.

Cost of Service

In granting approval of a permanent rate increase in AP&T's most recent rate case (Docket U-79-50), the Commission ordered AP&T to file a cost-of-service study in conjunction with its next request for rate relief (Order No. 3, Ordering Paragraph No. 4). AP&T has not complied with this requirement. The Commission is concerned that certain inequities between classes of consumers which appeared in that Docket, particularly with respect to fuel costs, would be perpetuated were AP&T's proposed increase to be approved. The Commission does not believe it feasible to study the cost of service only for the Tok service area as there are certain expenses which are incurred for the benefit of all AP&T's customers and, therefore, which cannot readily be segregated by service area. Therefore, the Commission will require AP&T to file, within 90 days of the date of this Order, a cost-of-service study for the Craig, Hydaburg and Skagway service areas in addition to the Tok service area. The five-month suspension period for TA206-2 should begin as of the date of filing of this cost-of-service study.

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Quality of Service

The Commission has the statutory authority and responsibility to regulate the service provided by a utility. AS 42.05.-141(2), (3), (4). To ensure the adequate, efficient and safe service and facilities which utilities are required by AS 42.05.-291(a) to provide, the Commission may prescribe the service or facilities to be furnished, including any repairs, changes, alterations, extensions, substitutions or improvements reasonably necessary for the public safety and convenience. AS 42.05.291(d).

The Commission also may impose other sanctions available for any violation of AS 42.05. These include the suspension, revocation or modification of a utility's certificate of public convenience and necessity, AS 42.05.271, or the imposition of civil penalties up to $100 per day for each continuing violation. AS 42.05.571-.581.

Both in the past and present, the Commission has received numerous informal complaints concerning AP&T, alleging poor electric service as evidenced by frequent outages, brownouts and voltage fluctuations, and inadequate customer services.

Due to the high incidence of complaints from the utility's Skagway service territory, the Commission opened Docket U-78-24 to investigate the quality of electric service being provided in that area.

On January 4, 1979, in that Docket, Staff and the utility filed a Stipulation as to Revenue Requirements and Permanent Rate Increases in which, among other things, the utility agreed to monitor voltage fluctuations and to file reports of the stops the utility was taking to assess the quality of service and to correct voltage fluctuations. On January 15, 1979, the Commission issued Order No. 3 in which it accepted the stipulation and imposed additional conditions, including the requirement to upgrade the "North End" distribution system.

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On March 9, 1979, and April 12, 1979, AP&T filed reports with the Commission stating that no significant voltage fluctuations were recorded, but it had discovered areas requiring routine upgrading. It estimated that the North End could be upgraded at a cost of $1,500 and the remaining system at a cost of $6,000. Subsequent reports indicate that the planned improvements have been completed.

The Commission continues to receive complaints from Skagway to the effect that quality of service still is a problem. The City Manager, in a letter dated February 5, 1982, stated that the quality of electric service furnished by AP&T has not improved. The allegation is supported by a petition bearing 229 signatures representing 21 percent of the total number of customers in Skagway.

On July 8, 1982, the Skagway City Manager telephoned Staff to complain of unsafe conditions in the electrical distribution system. Reference was made to inadequate vertical clearance over certain streets, driveways, and communication conductors; inadequate horizontal clearances from structures; and excessive sag in some power line segments.

The Commission also has received complaints of poor electric service from AP&T's Craig and Hydaburg service areas. Pursuant to these complaints, Staff arranged an inspection trip to investigate. Staff's report, dated May 18, 1982, which is attached to this Order as an Appendix, indicates serious deficiencies in both operations and maintenance at Craig and Hydaburg. It is alleged that plant at both sites is poorly planned, constructed, and maintained (frequently without regard for provisions of the National Electric Safety Code) and that the utility's personnel are poorly trained and supervised.

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Staff's report contains allegations that poor construction and maintenance in the Tok-Dot Lake service territory compromises the quality of service provided, as well as the safety of the utility's employees.

Based on the continuing complaints from Skagway and on Staff's report of deficiencies in the remaining service areas of AP&T, the Commission believes that it would be in the public interest to institute, as provided for in AS 42.05.141(2) and (3) and 42.05.291(a) and (d), an investigation into the quality of service provided by AP&T to customers in all of its service areas. Unresolved issues remaining in Docket U-78-24 should be subsumed in this new comprehensive docket of investigation (U-82-51). De minimis allocable costs of $8.20 should be absorbed by the Commission; and Docket U-78-24 should be closed.

Besides noting deficiencies in electric service, the May 18, 1982, Staff report alleges inadequacies in the construction, operation and maintenance of telephone plant by NATIONAL UTILITIES, INC. (NUI), in Craig, Hydaburg and Tok. Several letters of complaint have been received from customers in Craig and Tok. The adequacy of trunking between Craig and the neighboring town of Klawock has been a continuing problem and a source of frequent complaints. Further, in July, 1982, there was a two-week period in which the Hydaburg telephone system did not have access to the toll network. In response to Staff's inquiry about the reason for the delay in restoring service, the reply given by NUI management was that it lacked the tools/parts to repair the system.

Moreover, the Commission notes the tendency of NUI to purchase and install used switching and other outdated telephone equipment; e.g., acquisition of Cordova's step-by-step switch for installation at Tok rather than purchase and installation of state-of-the-art digital equipment.

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The Commission has an open proceeding (Docket U-78-25) investigating the quality of telephone service in Skagway; however, in view of the alleged inadequacies in other areas served by NUI, the Commission believes that the investigation should be expanded to the entire service area of NUI. Among other things, the Commission will examine whether NUI has been meeting the telephone service standards under 3 AAC 52.200-3 AAC 52.340. It has been alleged that NUI does not accept long distance calls from its subscribers/customers to its Port Townsend, Washington, business office as required by 3 AAC 52.210(c) when billing and other service matters cannot be resolved by on-site personnel in the local service areas. Unresolved issues in Docket U-78-25 should be subsumed in the expanded investigation (U-82-52); and Docket U-78-25, which contains no allocable costs, should be closed.

Management Practices

The Commission likewise has authority and responsibility to oversee the management practices of a utility. AS 42.05.141 and 42.05.511. If the Commission finds such practices unreasonable, it may take appropriate action or order correction of the unreasonable practices or may impose the sanctions prescribed in AS 42.05.271 and 42.05.571-.581 described above.

The Commission has received numerous inquiries from AP&T electric customers concerning the State of Alaska's Power Cost Assistance (PCA) program. This program provides financial assistance to electric consumers in the form of cash payments to utilities to be offset against a portion of each consumer's electric bill. Consumers, therefore, benefit by direct reductions in their bills each month. Application for participation in this program must be made by the utility, but AP&T has chosen not to participate. The Commission is concerned with AP&T's apparent indifference to a program beneficial to its customers. Letters to the Commission from NUI customers also allege utility management

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indifference to the quality of telephone service furnished its subscribers.

Moreover, the Commission notes AP&T's failure to, among other things, comply with filing requirements mandated by U-79-50(3); specifically, failure to file a cost-of-service study in support of TA206-2 and failure to file minutes of its monthly Operating Committee meetings as more fully discussed below. In addition, the Commission is gravely concerned about the planning and construction deficiencies and the inadequate employee training and supervision alleged in Staff's report. Therefore, under AS 42.05.141(2) and 42.05.511(a), the Commission will on its own motion initiate an investigation into AP&T's and NUI's management practices including, but not limited to, the items discussed above.

Filing Requirements Under U-79-50

In conjunction with the approval of permanent rate increases, the Commission in U-79-50(3) ordered AP&T to provide the Commission copies of the minutes of the utility's Operating Committee for an indefinite period of time. The Commission concluded that, "The subject of a reasonable procedure for the utility's Skagway customers to communicate with its operating personnel should be discussed by the Operating Committee." U-79-50(3), p. 7. Review of the minutes submitted to the Commission pursuant to that Order show that the matter was discussed in January, 1980, and that the utility established the following hours for the operating personnel to be available for customer questions or complaints: 7:30-9:30 a.m., 11:30 a.m.-12:00 noon, and 4:00-5:00 p.m.

In the past, AP&T failed to submit Operating Committee minutes on a regular basis and ceased to submit them altogether in February, 1981. Considering the continuing complaints from Skagway, the Commission will require that AP&T timely submit minutes of its Operating Committee and bring these filings up to date.

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Failure to comply with this requirement may result in the levying of civil penalties as prescribed in AS 42.05.571, in the amount of $100 a day for each infraction.

In view of the institution of these new quality-of-service/management practices investigations, the Commission believes the minutes of the Operating Committee and any other remaining procedural and substantive matters in Docket U-79-50 should be subsumed in the new dockets of investigation; allocable costs of $58.74 should be absorbed by the Commission; and Docket U-79-50 should be closed.

THE COMMISSION FINDS AND CONCLUDES:

1. AP&T and NUI are public utilities as defined in AS 42.05.701 and are subject to the regulatory jurisdiction of this Commission.

2. AP&T should be required to submit a cost-of-service study for each of its service areas within 90 days of the date of this Order.

3. AP&T's tariff revision designated as TA206-2 should be suspended for an initial five-month period to begin on the date AP&T's cost-of-service study is filed.

4. In view of the significant change in rates proposed by the utility, AP&T should include in the next billing to each Tok customer an informative summary of the proposed rates requested at Tok.

5. The Commission should institute an investigation into AP&T's management practices including, but not limited to, the non-participation of AP&T in the PCA program and into the quality of service being provided by AP&T in all of its service areas.

6. The Commission should institute an investigation into the management practices being engaged in and the quality of service being provided by NUI in all of its service areas.

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7. Remaining issues relating to the quality of service in Dockets U-78-24, U-78-25 and U-79-50 should be subsumed in the new dockets of investigation instituted by these proceedings.

8. AP&T should be required to continue providing minutes of its Operating Committee as required in U-79-50(3).

9. All other substantive or procedural matters remaining in Dockets U-78-24, U-78-25 and U-79-50 have been subsumed under the dockets of investigation opened by this Order or otherwise disposed of, and these earlier Dockets should be closed. The Commission should absorb the remaining allocable cost in these Dockets in the amount of $66.94.

10. Staff should be made a party to these proceedings.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The operation of the tariff revision, designated as TA206-2, filed by Alaska Power and Telephone Company, is suspended for an initial five-month period not to begin until a cost-of-service study for all service areas has been filed.

2. Within 90 days of the date of this Order, Alaska Power and Telephone Company shall submit a cost-of-service study for all service areas.

3. As more fully prescribed in the body of this Order, Alaska Power and Telephone Company shall include in the next billing to each Tok customer an informative summary of the proposed rates required at Tok.

4. An investigation is instituted into the management practices of and the safety and quality of electric utility service furnished by Alaska Power and Telephone Company.

5. An investigation is instituted into the management practices of and the safety and quality of local exchange telephone service furnished by National Utilities, Inc.

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Phone 276-5222

6. As part of its investigation into the quality of service and management practices of these two utilities, the Commission Staff shall conduct public hearings in Tok, Skagway, Craig, and Hydaburg for the purpose of obtaining testimony from the public.

7. Alaska Power and Telephone Company shall reinstitut and bring up to date the filing of the minutes of its Operating Committee with the Commission.

8. All remaining outstanding matters in Dockets U-78-24, U-78-25 and U-79-50 are subsumed into the dockets of investigation opened by this Order; the allocable costs of $66.94 are absorbed by the Commission; and Dockets U-78-24, U-78-25 and U-79-50 are closed.

10. The Commission Staff is made a party to these proceedings.

DATED AND EFFECTIVE at Anchorage, Alaska this 5th day of October, 1982.

BY DIRECTION OF THE COMMISSION
(Commissioner Diana E. Snowden, not participating)



(S E A L)

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Anchorage, Alaska 99501
Phone 276-5222

SB

388

COMMITTEE REPORT

SENATE

FURTHER:

Date: _____

Mr. President:

The Committee on _____ has had _____

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[ ] replace with CS for _____ [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

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_____

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

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_____

CHAIRMAN

ALASKA STATE LEGISLATURE

.13th.. Legislature SECOND Session

SENATE BILL ..... NO. 369...

By SACKETT.....

"An Act making a special appropriation for payment as a grant to the City of McGrath for the McGrath greenhouse project; and providing for an effective date."

Introduced in the Senate 1/27..., 19.84.

HISTORY IN THE SENATE

19 84	
1 27	Read first time and referred to Committee on Community & Regional Affairs & Finance
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

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, 1984

POSITION PAPER

RE: SB 388
SPONSOR: Senator Sackett

PROGRAM EFFECTS:

This bill would make a special appropriation to the City of McGrath for the McGrath Greenhouse project.

COMMENTS:

As this grant would go to the Department of Administration, Community and Regional Affairs has no position on this bill.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-P1LH

SB
428

COMMITTEE REPORT

SENATE

FURTHER: JUDICIARY

2/9/84

Date _____

Mr. President

The Committee on C&E considered SB 428

criminal statistics records.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[ ] replace with/or adopt CS for _____
[ ] new title
[ ] same title and recommends _____

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

_____

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_____

MEMBERS HAVING
OTHER RECOMMENDATIONS

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_____
Chairman

_____
Chairman recommendation

ALASKA STATE LEGISLATURE

13th Legislature SECOND Session

SENATE BILL NO. 428

By H JOSEPHSON

"An Act relating to vital statistics records."

Introduced in the Senate ...2/9..., 19..84

HISTORY IN THE SENATE

1984		
		Read first time and referred to Committee on
2	9	C&RA & Judiciary
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		
		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. .....

31-001

POSITION PAPER/Department of Health & Social Services

SENATE BILL NO. 428

"An act relating to vital statistics records"

Under the Vital Statistics Act inspection of records is limited to agents of the state or federal government, acting in the performance of official duties. Amending AS 18.50.310 by adding a new section (f) would permit inspection of the record of human vital events of a particular municipality by the principal health officer or a designee.

An agreement would be required from each health officer that the information from any vital record will be used only for research and health planning, that the records remain confidential and that after use, the information is destroyed.

In consideration of the intent to protect the integrity of vital statistics records, it is recommended that a definition of principal health officer of a municipality be included under Sec. 18. 50.370.

The Department of Health and Social Services supports passage of Senate Bill No. 428.

RECOMMENDED BY: Joan P. Brooks
JOAN P. BROOKS
STATE REGISTRAR
BUREAU OF VITAL STATISTICS

DATE: February 10, 198

RECOMMENDED BY: Daniel J. Meddleton
DANIEL J. MEDDLETON
DIRECTOR, DIVISION OF
PLANNING, POLICY AND
PROGRAM EVALUATION

DATE: February 10, 1984

APPROVED BY: Robert London Smith
ROBERT LONDON SMITH, PH.D.
COMMISSIONER

DATE: 2/16/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 428
Title: An act relating to vital statistics records
Sponsor: Josephson
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Department of Health & Social Services
Program Category Affected: Health
BRU, Program or Subprogram(s) Affected: Division of Planning, Policy and Program Evaluation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING	0	0	0	0	0	0
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: Joan P. Brandt
Division: Planning, Policy and Program Evaluation
Phone: 465-3391
Date: 2/10/84

Approved by Commissioner: Robert London Smith
Agency: Dept. of Health & Social Services
Date: 2/16/84

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

SB
451

TIME OFF FOR GOOD BEHAVIOR --

RIGHT NOW THE STATUTES GIVE ONE DAY OFF FOR EVERY THREE SERVED, FOR SOMEBODY CONVICTED OF VIOLATING STATE LAW. THIS BILI. WOULD ALSO HAVE THIS "GOOD TIME" APPLY TO PEOPLE CONVICTED OF VIOLATING LOCAL ORDINANCES.

COMMITTEE REPORT

SENATE

FURTHER: JUDICIARY

2/10/84

Date _____

Mr. President

The Committee on C&A considered SB 451

applying the computation of good time to incarcerated prisoners who have been convicted of an offense against a political subdivision.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[ ] replace with/or adopt CS for _____
[ ] new title
[ ] same title and recommends _____

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

_____

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_____

MEMBERS HAVING
OTHER RECOMMENDATIONS

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_____
Chairman

_____
Chairman recommendation

ALASKA STATE LEGISLATURE

.13th. Legislature SECOND Session

SENATE BILL..... NO. ..451..

By F.. FISCHER.....

"An Act applying the computation of good time to incarcerated prisoners who have been convicted of an offense against a political subdivision."

Introduced in the Senate ...2/10., 19.84

HISTORY IN THE SENATE

19 84

Read first time and referred to Committee on

2 10

C&RA & Judiciary

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST:
Bill/Resolution No.: Senate Bill No. 451
Title: "An Act applying...good time to prisoners of...a political subdivision.."
Sponsor: Senator V. Fischer
Requestor:
Date of Request:

FISCAL DETAIL:
Agency Affected: ADULT CORRECTIONS AGENCY
Program Category Affected: Administration of Justice
BRU, Program or Subprogram(s) Affected: Northern, Southcentral & Southeastern Regional Corrections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY84	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.						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	[159.2]	[175.1]	[192.6]	[211.9]	[233.1]

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	[159.2]	[175.1]	[192.6]	[211.9]	[233.1]
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	-0-	[159.2]	[175.1]	[192.6]	[211.9]	[233.1]

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not applicable.

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Roger C. Lange Roger C. Lange by ltr
Division: Administrative Services
Phone: 465-3376
Date: February 17, 1984

Approved by Commissioner: Joseph W. Patrell
Department: ADULT CORRECTIONS AGENCY
Date: 2/20/84

Distribution:
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency (ies)

12/1/83

ANALYSIS

During FY 1983, the Adult Corrections Agency provided 29,080 days of services for prisoners convicted of local offenses. This is approximately eighty full time equivalent placements in the State Correctional System.

The offenders serving time for local offenses would have earned 4218 days of good-time had they been eligible. This averages approximately 11.5 beds which would not have been occupied for the fiscal year.

The effect on the Adult Corrections Agency would be twofold:

1. Enactment of this legislation would help in some measure to alleviate the overcrowding of the State Correctional System (approximately 11.5 beds); and

2. There would be a loss of revenues. Each local jurisdiction reimburses the State for the care of their prisoners. The receipts are not a part of the funding source for the Adult Corrections Agency, however, as the receipts are deposited directly into the State General Fund.

   Inflation of 10% was used, as the Municipality of Anchorage has a 10% per year escalator clause and they purchase most of the service.

Enactment of Senate Bill No. 451 would give prisoners incarcerated on local charges equal treatment to that of prisoners incarcerated on State charges. It would also have the beneficial effect of reducing the number of inmates to be cared for in our overcrowded system.

SB
468

COMMITTEE REPORT

SENATE

FURTHER:

2/13/84

Date _____

Mr. President

The Committee on CJRA considered SB 463

but giving certain second class cities to adopt home rule charters.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[ ] replace with/or adopt CS for _____
[ ] new title
[ ] same title and recommends _____

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS

_____

_____

_____

_____

_____

_____

_____

Chairman

Chairman recommendation

REQUEST FROM SOME OF THE VILLAGES IN THE BETHEL AREA. THEY WANT TO HAVE THE POWER TO ADOPT HOME RULE CHARTERS SO THEY CAN EXERCISE MORE LOCAL CONTROL.

ALASKA STATE LEGISLATURE

13th... Legislature SECOND Session

SENATE ..BILL..... NO. 468...

By SACKETT.....

"An Act authorizing certain second class cities to adopt home rule charters."

Introduced in the Senate 2/13..., 19.84

HISTORY IN THE SENATE

19 84

2 13 Read first time and referred to Committee on Community and Regional Affairs

Reported back with recommendation that

Read second time and

Read third time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

31-001

MSG 84-00023725 PRTY 1 03/13/84 12:11:02 ORIG: LB00 IN= 0002 OUT= 0001
FROM: WALLY IN BETHEL TO: MAX GIFFORD
TARGET: LJAD SUBJ: FROM LYMAN HOFFMAN, CITY MANAGER PAGE 0001

A COPY OF THIS IS TO GO TO SEN. FERGUSON AND SEN. SACKETT. LYMAN HOFFMAN, CITY MANAGER FOR THE CITY OF BETHEL, WOULD ALSO LIKE THIS READ BEFORE THE SENATE C&RA COMMITTEE MEETING.

MARCH 13, 1984

THE CITY OF BETHEL STRONGLY SUPPORTS SB468 WHICH WOULD ALLOW THE CITIES TO RECLASSIFY THEIR FORM OF GOVERNMENT FROM A 2ND CLASS CITY TO A HOME RULE CHARTER.

BETHEL IS INTERESTED IN OPERATING ITS' SCHOOL DISTRICT WHICH IS ALLOWED UNDER BOTH FORMS OF GOVERNMENT, BUT BETHEL IS STRONGLY OPPOSED TO GIVING THE RIGHT TO LEVY A PROPERTY TAX TO COUNCIL. UNDER HOMERULE STATUS, BETHEL WOULD LEAVE THIS POWER UP TO THE VOTE OF THE PEOPLE. THIS ISSUE OF EMINENT DOMAIN MAY ALSO BE LEFT WITH THE PEOPLE UNDER A HOMERULE CHARTER, BUT 1ST CLASS CITIES GIVE THIS POWER TO THE COUNCIL.

MORE NXT MSG U/R/S _ PREV MSG U/R/S _ RESEND _ CANCEL _

MSG 84-00023725 PRTY 1 03/13/84 12:11:02 ORIG: LB00 IN= 0002 OUT= 0001
FROM: WALLY IN BETHEL TO: MAX GIFFORD
TARGET: LJAD SUBJ: FROM LYMAN HOFFMAN, CITY MANAGER PAGE 0002

WE SUPPORT THE OPTION OF 2ND CLASS CITIES TO GO DIRECTLY TO HOMERULE, WHICH BASICALLY GIVES MORE OPTIONS AS TO WHAT FORM OF GOVERNMENT THE PEOPLE MAY CONSIDER.

ANY SUPPORT THAT YOU AND YOUR COMMITTEE MAY GIVE TO THIS MOST IMPORTANT BILL WOULD BE GREATLY APPRECIATED.

P.S.

BETHEL IS INTERESTED IN PAYING FOR ITS' SERVICES AS OTHER COMMUNITIES. WE STRONGLY BELIEVE THAT A PROPERTY TAX WOULD BE AN UNFAIR MEANS OF PROVIDING THE DOLLARS TO SUPPORT OUR SERVICE. WE DO LEVY A 5% SALES TAX.

THANK YOU FOR YOUR CONSIDERATION TO THIS TESTIMONY.

BACK _ NXT MSG U/R/S _ PREV MSG U/R/S _ RESEND _ CANCEL _

A M E N D M E N T

Offered in the SENATE By Ferguson

TO: SB 468

Page 2, after line 2, insert a new bill section to read:

"* Sec. 3. AS 29.13 is amended by adding a new section to read:

Sec. 29.13.110. LIMITATION ON EXERCISE OF EDUCATION POWER. A second class city outside of an organized borough that adopts a home rule charter is not a city school district and may not establish, maintain, and operate a system of public schools if the city has less than 3,500 permanent residents on the date the home rule charter is adopted."

Renumber succeeding section.

Page 2, after line 15, insert a new bill section to read:

"* Sec. 5. AS 29.43.030 is amended to read:

Sec. 29.43.030. EDUCATION. Except as provided in AS 29.13.110, home [HOME] rule and first class cities outside boroughs constitute city school districts and establish, maintain, and operate a system of public schools as provided by AS 29.33.050 for boroughs."

Alaska State Legislature

SENATOR
John C. Sackett
CO-CHAIRMAN
SENATE FINANCE COMMITTEE

MEMBER
COMMUNITY & REGIONAL AFFAIRS COMMITTEE
LABOR & COMMERCE COMMITTEE
BUDGET & AUDIT COMMITTEE
REGULATION REVIEW COMMITTEE

Senate

HOME ADDRESS
P.O. BOX 11
RUBY, ALASKA 99768

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
TELEPHONE 465-3753

TO: Senator Frank Ferguson, Chairman
Senate Committee on Community & Regional Affairs

FROM: Senator John C. Sackett

DATE: March 13, 1984

RE: SB468, Home Rule Charters

Some second class cities such as Bethel wish to assume educational duties and obligations but prefer to go to home rule status rather than first class status because the home rule charter can be written to grant the city only limited powers in matters such as planning and zoning, taxation, eminent domain and the like. A home rule charter can be written so that the voting citizens rather than the city council can make substantive decisions regarding these powers.

This legislation would allow second class cities of a certain size to go to home rule status thereby avoiding first class status which would have imposed more duties and obligations on the city council. I urge the committees support of SB468.

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: Allowing second class cities to go home rule (SB 468)

TO: Senator John Sackett

FROM: Tamara Brandt Cook
Deputy Director TBC
Division of Legal Services

You have asked what obligations a second class city would be required to assume if it adopted a home rule charter. AS 29.43.040(a) requires a home rule city outside a first or second class borough to provide for planning, platting and zoning. A second class city outside a first or second class borough may do so too, but does not have to. AS 29.43.030 requires a home rule city outside a borough to operate a system of public schools. A second class city is not a school district.

You have also asked what limitations affecting only a second class city would be avoided if the city goes home rule. AS 29.53.410 limits the amount of property taxes that a second class city may levy to one-half of one percent of the assessed value of the property being taxed. Under AS 29.73.020 before a second class city may exercise the power of eminent domain it must request the Department of Community and Regional Affairs for permission to exercise the power and may not do so without the formal approval of the department. These two limitations would be avoided if a second class city adopts a home rule charter. In addition, a second class city can exercise only those powers granted by law to general law municipalities, while a home rule city may exercise any power not prohibited by law.

TBC:ojb
J4/073

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 12, 1984

POSITION PAPER

RE: SB 468
SPONSOR: Senator Sackett

PROGRAM EFFECTS:

Allows second class cities with a population of at least 400 permanent residents to adopt home rule charters and upgrade directly to home rule city status.

COMMENTS:

The provisions allowing municipalities to adopt home rule charters and govern themselves as home rule municipalities are presently cumbersome. This may, in part, explain why some medium sized cities in the unorganized borough have not availed themselves to the option of pursuing home rule status. The Department believes this is unfortunate.

The form of municipal government provided for under State law is often criticized by rural residents as not being flexible enough to meet their varied needs. Second class city government is simply not working as well as it might because the local government is restricted by powers and requirements of Title 29. Home rule status, which allows a city to do all things not expressly prohibited by law or charter, presents the best alternative under the State system of local government. The Department supports this bill because it makes it easier to involve the home rule option for rural cities. It is clear that the flexibility afforded under a home rule city should allow municipal government to work better to serve the needs of local residents, both in rural and more urban communities, and that, of course, is one of the primary goals of this department.

APPROVED: Emil Notti
Emil Notti, Commissioner

21-PBLH

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: SB 468
Title: "...second class cities to adopt home rule charters."
Sponsor: Senator Sackett
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected:
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: 465-4707
Division: Municipal & Regional Assistance
Date: 3/12/84

Approved by Commissioner:
Date: 3/12/84
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

SB
527

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to motor vehicle tax exemptions and senior citizen property tax exemptions; and providing for an effective date."

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

* Section 1. AS 29.53.020 is amended by adding new subsections to read:

(m) One motor vehicle is exempt from

(1) property tax levied under AS 29.53.010 if the vehicle is owned by a resident 65 years of age or older on January 1 of the assessment year; and

(2) the registration tax and fee as provided in AS 28.10.-411(c).

(n) The state shall reimburse a municipality for revenues lost to it because of the exemptions provided under (m)(1) of this section and under AS 28.10.411(c). Reimbursement of the registration tax to a municipality electing to levy a tax under AS 28.10.431(a) equals the amount authorized under AS 28.10.431(b) for each vehicle exempted.

(o) If appropriations are less than the amount necessary for full reimbursement to a municipality under this section, payments must be determined by prorating appropriations using a factor which, when applied, reduces all payments by an equal percentage.

(p) To the extent a municipality exempts motor vehicles from taxation under AS 29.53.025(b)(4), which would otherwise be exempt under this section, no reimbursement under (n) of this section will be made.

(q) The department shall adopt necessary regulations to implement the provisions of (g), (m), (l), and (o) of this section.

* Sec. 2. AS 29.73.060 is amended by adding new subsections to read:

(e) If appropriations are less than the amount necessary to make full tax equivalency payments under this section, adjustments of payments must be determined by prorating appropriations using a factor which, when applied, reduces all payments by an equal percentage.

(f) The department shall adopt regulations necessary to implement the provisions of (e) of this section.

* Sec. 3. AS 28.10.411(d) is repealed.

* Sec. 4. This Act takes effect January 1, 1985.

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

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 6, 1984

Mike Scott, Staff
Senate Community & Regional Affairs
Committee
Pouch Y
Juneau, Alaska 99811

Dear Mr. Scott:

Enclosed is a bill relating to tax exemptions for Senior Citizens and Motor Vehicles. The language accomplishes several things:

1. The bill corrects a problem which currently exists in the Senior Citizen motor vehicle exemption program. Under present law, the State reimburses municipalities for revenues lost through the operation of the exemption program described under AS 28.10.411(c). The State reimbursement is required under AS 28.10.411(d) which states in part:

> "The Department ...shall pay...an amount equal to the tax..regardless of whether the borough or city is eligible for the tax levied under that section."

Because of that language, the Department has been reimbursing municipalities for revenue "losses" even if the motor vehicles were not exempted under AS 28.10.411. As a result, we have reimbursed many municipalities even though they actually were not losing revenues under Title 28.

The attached language corrects the problem by allowing reimbursement only if the municipality experiences revenue losses through operation of an exemption which is required by statute.

2. The bill includes language which allows the Department to prorate payments to municipalities, or to individual applicants, if appropriations are inadequate to fully fund certain exemption programs which currently exist in Title 29. We recently faced a problem which involved inadequate funding for two of those programs (Senior Citizen Homeowners and Renters). Because current law did not allow the Department to prorate payments we were forced to use an approach which caused excessive delays in reimbursing municipalities, and which

resulted in reimbursements which we did not believe were fair to all communities. The proration language in the bill is designed to eliminate that problem should it arise in the future.

3. The bill also includes language which allows municipalities the option of exempting motor vehicles by type if they wish to do so. That language is identical to SCS for HB 537 (Rep. Grussendorf) which has already passed out of Senate Community & Regional Affairs Committee.

Sincerely,

Jeff Smith
Deputy Commissioner

Enclosure

SB
613

State of Alaska
Department of Community & Regional Affairs

Date: March 3, 1982

POSITION PAPER

Requested by: Senate Community & Regional Affairs

Subject: Sponsor Substitute Senate Bill 613

Departmental Position: OPPOSED

Remarks:

The bill appears to require a property tax reduction equal to 1/2 of the difference between money received under Sec. 1 ch 60 SLA 1981 and half of the entitlement under that section.

Based on the amount received in FY 82 that would mean (535 - 500 = 35 ÷ 2 = 17.50) a tax reduction of $17.50 per capita.

The bill is unclear as to what year the tax reduction takes effect.

If it is in effect for FY 82 it would require a rebate or a tax credit in any municipality that did not reduce taxes by $17.50 per capita below the amount it would have otherwise levied. All municipalities contacted claim to have reduced taxes by at least that amount as a result of funds received as a result of Chapter 6 SLA 1981. If rebates were to actually be mandated, administration would be extremely difficult if not impossible. 1 out of 3 people move every 5 years so locating the proper people to rebate would be difficult at best.

If it is in effect for FY 83 taxes, it would most severely impact those communities that have reduced taxes and would have the least effect on those that failed to reduce taxes. Some communities have already reduced taxes to a point that they are currently less than $17.50 per capita. Finally, the portion that reads "reduce the property tax it would otherwise levy" for all practicable purposes negates the required reduction. Municipalities have not yet set a tax rate. They would take the forced reduction into account before setting the rate.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SS SB 613
Title An Act Requiring Poperty Tax Relief
Requested by Senate Community & Regional Affairs Committee Date 3/1/82

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Development
BRU, Program, Or Subprogram(s) Affected N/A
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS,CLAIMS,ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

No fiscal Impact on this Agency

IV. DATE 3/1/82 PREPARED BY Terry L. Earley
AGENCY Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

SB
690

PROPOSED AMENDMENTS TO SB 690

]. Page 3, Line 9 - Add to subsection (f) :

The department may adopt regulations necessary to ensure compliance with the provisions of this section including, but not limited to, such regulations as may be necessary to ensure that individuals recieve only the credits authorized by this section.

2. Page 3, Line 23 - Add after the word "dwelling" :
used as a principle place of abode

3. Add a section to the bill to read:
Section ___ AS 43.05.290 is amended by adding a subsection to read:
(j) The provisions of this section apply to returns, statements or other documents required or permitted to be filed under AS 43.20.012 - AS 43.20.014.

State of Alaska
Department of Community & Regional Affairs

Date: March 2, 1982

POSITION PAPER

Requested by: Senate Community & Regional Affairs Committee

Subject: Senate Bill 690

Departmental Position: Opposed

Remarks:

Currently there is a trend toward using State revenues to reduce local property taxes. Last year the passage of Senate Bill 125 alone caused a direct reduction in local revenues statewide amounting to approximately 35%. In addition, there are numerous bills currently before the Legislature which, if passed, would either directly or indirectly (state aid to education, for example) result in additional reductions in local property taxes.

If that trend continues, the Department is concerned that the amount of taxes rebated under the proposed language would not justify the cost of the administration of such a program.

On the other hand, if state collected revenues continue to decline, the Department questions the advisability of establishing a costly program which might be abandoned because of dwindling revenues.

ANALYSIS OF SB 690

The following is a section by section analysis of SB 690 entitled "An Act providing tax credits for property taxes or tax equivalency on rent paid; and providing for an effective date.":

The first section of the bill would add a new section to AS 43.20 to provide for a refundable tax credit for a portion of local property taxes paid on a dwelling occupied by the person claiming the credit as a principal place of abode. AS 43.20.014(a)(1)(2) (Page 1, line 11) would deal with individuals who have paid <u>all</u> of the taxes or rent on the dwelling occupied as a principal place of abode, i.e. persons who did not share rent or mortgage/tax payments or who did not rent out part of their abode. These individuals would qualify for a credit equal to fifty per cent (50%) of property taxes paid up to a maximum of $300. For renters, this section applies a "tax equivalency" formula of one per cent of rent for each mill of property tax levied on the rental unit. Renters are entitled to fifty per cent of this tax equivalency amount. In other words:

For Owners:

50% x property tax paid = tax credit
(subject to the $300. limit)

For Renters:

50% x (1% per mill) x rent paid = tax credit
(subject to the $300. limit)

Persons who paid <u>all</u> taxes or rent on their dwellings and who may have both rented or owned dwellings during a year would qualify for a part year <u>owners</u> creidt <u>and</u> a part year renters credit

provided that the total received could not exceed $300. per year. For example, assume a single man or woman who owned a $100,000. condominium taxed at 8 mills for six months and rented an apartment in the same tax-rate area at $500. per month for the remaining six months. This person would be eligible for the following:

As an Owner:

50% x ($100,000 x .008) x 1/2 (for six months)
or
50% x $800. = $400 x 1/2 = $200.

PLUS

As a Renter:

50% x 8% x $3,000. =	120.
Total Credit	$320. (subject to $300. maximum)
Total allowable credit	$300.

Subsection (b) of this section (page 1, line 25) deals with persons who may have paid only part of the taxes or rent on the dwelling they occupied. Examples might be a homeowner who shares his or her home with a roommate in return for rent, or two or more persons sharing rent on a single apartment. Note that this situation is different from the situation in which a person owns a duplex and rents out a totally separate dwelling to another. In such a case the owner would be eligible to claim a full owner's credit on the portion of the structure used as his or her dwelling and the tenant in the other unit could claim a full renter's credit based on annual rent paid. Under subsection (b) each person sharing taxes or rent payments on a single dwelling could claim a credit up to a $150. maximum.

The reason for the lower maximum is to prevent, for example, two persons sharing rent on a $900./month dwelling from each receiving the $300. maximum credit while a single tenant paying the entire rent would have been limited to a total of $300. In other words, Subsection (b) attempts to ensure that persons will receive a more or less equal proportion of rent paid as a credit regardless of whether they share rent or tax payments with another.

For example, assume two single persons sharing rent on a $900./month dwelling. Each tenant would be eligible for the following:

(Assume the mill rate in the area is 8 mills)

50% x (8% x $450/month x 12) = $216.

However, Subsection (b) limits each tenant to $150. maximum. The total credit received by both tenants will therefore be $300. or the same as a single person would receive if he or she had paid all of the rent on the dwelling.

Subsection (c) (page 2, line 2) applies the same formula described in Subsection (a) to married couples. A married couple is allowed to file jointly for the credit and receive up to the $300. maximum based on taxes or rent that one or the other has paid. Subsection (d) (page 2, line 12) provides that only one dwelling may be claimed at any one time to be a principal place of abode. This subsection also provides that if a person lived in more than one place during the year, he or she must calculate their credit for each portion of the year based on taxes or rent paid for each dwelling. The $300. or $150. maximums would, of course, continued to be applied.

Subsection (b) (page 2, line 24) states that the credits would be paid directly to taxpayers by filing a return with the Department of Revenue in essentially the same manner as presently utilized for reimbursement of political contributions or child care expenses under AS 43.20.012. Persons claiming a credit would file a form according, presumably, to regulations that would be established by the Department of Revenue. The return would include an affidavit swearing that amounts claimed were based on actual taxes or rent paid or that the taxpayer is otherwise eligible. Note that it is <u>not</u> anticipated that extensive documentation would be filed with the return. Rather, taxpayers would be subject to audit and criminal or civil penalities for false filings. This method is intended to keep costs of administration to a minimum while avoiding, to the extent possible, fraudulent claims.

Subsection (g) (page 3, line 9) provides a number of definitions and is laregely self-explanatory. "Abode" is defined to include only the portion of a structure used as a dwelling. For example, if an owner resides in one unit of a duplex and his or her unit constitutes sixty per cent (60%) of the entire structure, he or she could claim a credit based on 60% of total taxes paid on the structure. The actual method of pro rating taxes or rents on buildings used for multiple purposes would be established by regulation. It would be preferable, in this regard, if such regulations could use a relatively simple formula such as the example outlined above. "Rent" to be counted toward the allowable

credit would exclude utility payments and would exclude rent paid through a public housing assistance program, i.e. not actually paid by the renter. It is also important to note that mobile home owners will be eligible to include both taxes paid on their home and space rental payments in calculating their allowable credits. See page 3, line 23.

Finally, Subsection (h) (page 4, line 5) provides that credits for property taxes or rent would be paid in the manner previously utilized for payment of income tax refunds under the now repealed Alaska individual income tax statutes.

Section 2 of the bill makes a technical amendment to allow persons to file for their property tax/renter credits in the same manner as presently used for political contributions and child care credits. Section 3 would allow payments for taxes or rent paid after December 31, 1981. In other words, persons would file returns presumably in 1983 based on all of the taxes or rent paid during 1982. Section 4 provides for a "sunset" clause terminating the program after January 1, 1985, unless extended by subsequent legislation.

In conclusion, it should be noted that the property tax/renter credit program would require an appropriation to pay for returns filed in 1983. Although a precise fiscal note has not been prepared, it is possible to estimate the maximum fiscal impact by examining residential property tax revenues raised by Municipalities during 1981. Department of Community and Regional Affairs estimates for 1981 residential property tax revenues were approximately $49 million statewide. If fifty per cent (50%) of <u>all</u> of these revenues were allowable as a credit, the

allowable maximum would be about $24.5 million. However, in many, if not the majority of cases, the $300. or $150. limit on credits established under the bill should hold the estimated actual fiscal impact of the tax credit proposal to well below this figure. Census data is available concerning the owner-occupied and rental housing units in various regions throughout Alaska. A more precise fiscal note utilizing these data and data on local tax and rental rates should be prepared in the near future.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 2, 1982

The Honorable Donald E. Gilman
Chairman
Senate Community and Regional
Affairs Committee
Room 203 - Behrends Building
Juneau, Alaska

Dear Senator Gilman:

Re: Senate Bill No. 690

Senate Bill No. 690, an Act providing tax credits for property taxes or tax equivalency on rent paid, was introduced in the Senate on January 27, 1982 and was referred to the Senate Community and Regional Affairs and Finance Committees.

For the consideration of the Senate Community and Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Phillip A. Wall, Director, Public Services Division; Ms. Marilla Gemmer, Director, Enforcement Division and Mr. John Larson, Economist, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Phillip A. Wall, Director
Public Services Division
Department of Revenue

Marilla L. Gemmer, Director
Enforcement Division
Department of Revenue

John Larson, Economist
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 690
Title Providing for tax credits for property taxes or tax equivalency on rent paid
Requested by Senate Community & Regional Affairs and Finance Committee Date 2/26/82

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection & Management
BRU, Program, Or Subprogram(s) Affected Enforcement Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		140.6	151.8	163.9		
200 TRAVEL		8.0	8.8	9.7		
300 CONTRACTUAL		26.5	28.9	31.8		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		9.0				
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		185.1	190.6	206.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		185.1	190.6	206.6		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		5/60mm	5/60mm	5/60mm		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

SB 690 is retroactive to 01-01-82, however we would not anticipate enforcement activity until the start of FY 83 since other house keeping measures such as forms preparation/distribution; press releases; computer programming etc., must be accomplished first.

This act also terminates January 1, 1985, however we assume that the wind down of the program for enforcement purposes will not be completed until the end of FY 85.

See memorandum to Joseph K. Donohue from Marilla L. Gemmer dated March 1, 1982.

Marilla L. Gemmer

IV. DATE March 1, 1982 PREPARED BY Marilla L. Gemmer, Director
AGENCY Department of Revenue - Enforcement Division
PHONE [illegible]

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor First Legislator Named

[illegible] Rev. 11/81

MEMORANDUM State of Alaska

TO: Joseph K. Donohue
Deputy Commissioner - Taxation

DATE: March 1, 1982

FILE NO:

TELEPHONE NO:

FROM: Marilla L. Gemmer
Director
Enforcement Division

SUBJECT: SB 690

SB 690 provides for individuals to receive a tax credit based on the amount of property tax paid or rent paid on a dwelling subject to property tax. The amount of credit to be received is based on several formulas set out in the bill.

An assumption is made that as with any program where individuals can apply for credits/refunds, an enforcement program will be initiated to ensure that false claims if paid, are identified and collection of these erroneously payments is accomplished.

To administer the enforcement phase we will need one Revenue Enforcement Officer II; two Tax Collection Specialists; one Accounting Technician I; and one Clerk Typist III.

Program Summary

Personal Services:		
Revenue Enforcement Officer	$35,297	
Tax Collection Specialists (2)	52,438	
Clerk Typist III	23,504	
Accounting Technician	29,372	$140,611
Travel		8,000
Contractual		26,500
Commodities		1,000
Equipment - 5 new positions		9,000
Total		$185,111

MLG:lw

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROV.	DISAPP.
1	Revenue Enforcement Officer II			15A	G	Anchorage			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
2	PFT	12							

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
3	PERSONAL SERVICES:		
4	SALARY 2295 X 12	27,540	
5	BENEFITS 27,540 X .1550	4,269	
6	SBS X.0613	1,688	
7	FIXED BENEFITS	1,800	
8	TOTAL PERSONAL SERVICES 01		35,297
9	TRAVEL 02		8,000
10	CONTRACTUAL 03		3,800
11	COMMODITIES 04		200
12	EQUIPMENT 05		1,800
13	OTHER		
14	TOTAL COST		49,097

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	49,097
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. ____

JUSTIFICATION:

This position will provide an employee at the professional level to collect the erroneous or fraudulently claimed refunds.

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT

13 **REQUEST FOR NEW POSITION**

REVISED DATE SB 690 3/1/82

FY 83

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROV.	DISAPP.
1	Tax Collection Specialist I			10A	G	Anchorage			
	TYPE OF POSITION	STAFF MONTHS	RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
2	PFT	12							

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
3	PERSONAL SERVICES:		
4	SALARY 1673 X 12	20,076	
5	BENEFITS 20,076 X .1550	3,112	
6	SBS X .0613	1,231	
7	FIXED BENEFITS	1,800	
8	TOTAL PERSONAL SERVICES	01	26,219
9	TRAVEL	02	
10	CONTRACTUAL	03	3,800
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		32,019

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	32,019
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position will provide support to the revenue enforcement officer and will also attempt to effect collection by correspondence or phone from the field office.

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT _____

3 **REQUEST FOR NEW POSITION**

REVISED DATE 3/1/82 SB 800

FY 83

	POSITION TITLE	RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROV.	DISAPP.
1	Tax Collection Specialist I	10A	G	Juneau			
2	TYPE OF POSITION: PFT / STAFF MONTHS: 12 / RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 1673 X 12	20,076	
5	BENEFITS 20,076 X .1550	3,112	
6	SBS X .0613	1,231	
7	FIXED BENEFITS	1,800	
8	-TOTAL PERSONAL SERVICES 01		26,219
9	TRAVEL 02		
10	CONTRACTUAL 03		9,800
11	COMMODITIES 04		200
12	EQUIPMENT 05		1,800
13	OTHER		
14	TOTAL COST		38,019

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	38,019
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position will provide an additional employee within the Juneau Office Collection Force. It will be this position's responsibility to contact the individual by phone and attempt collection before assigning the account to a field officer. $6,000 Contractual is for long distance toll charges.

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT _____

13 REQUEST FOR NEW POSITION

FY 83

 REVISED DATE 3/1/82 SB 860

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Clerk Typist III				8A	G	Anchorage	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 1487 X 12	17,844	
5	BENEFITS 17,844 X .1550	2,766	
6	SBS X .0613	1,094	
7	FIXED BENEFITS	1,800	
8	TOTAL PERSONAL SERVICES	01	23,504
9	TRAVEL	02	
10	CONTRACTUAL	03	3,800
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		29,304

JUSTIFICATION:

To provide clerical support for the Revenue Enforcement Officer and Tax Collection Specialists in the field office.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	29,304
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT _____

13 REQUEST FOR NEW POSITION

FY 83

 REVISED DATE 3/1/82 SB 860

	POSITION TITLE	RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROV.	DISAPP.
1	Accounting Technician I	12A	G	Juneau			
2	TYPE OF POSITION: PFT / STAFF MONTHS: 12 / RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
3				
4	PERSONAL SERVICES: SALARY 1889 X 12		22,668	
5	BENEFITS 22,668 X .1550		3,514	
6	SBS X .0613		1,390	
7	FIXED BENEFITS		1,800	
8	TOTAL PERSONAL SERVICES	01		29,372
9	TRAVEL	02		
10	CONTRACTUAL	03		5,300
11	COMMODITIES	04		200
12	EQUIPMENT	05		1,800
13	OTHER			
14	TOTAL COST			36,672

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	36,672
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position will be assigned the responsibility of assisting the current Accounting Clerk in the preparation of the billings issued as a result of erroneously issued refunds and coding them to the accounts receivable on the computer. $1,500 in Contractual is for printing of the billings.

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT

13 REQUEST FOR NEW POSITION

REVISED DATE 3/1/82 SB 860

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 690
Title An Act providing tax credits for property tax or tax equivalency on rent.
Requested by Senate Comm & Reg Affairs Committee Date 1/28/82

II. FISCAL DETAIL
Agency Affected
Program Category Affected
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (~~Thousands~~ Millions of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Additional appropriations to pay refundable credit.		30.1	31.5	32.8		

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See attached second sheet

IV. DATE 2/9/82 PREPARED BY John Larson, Economist
AGENCY Department of Revenue
PHONE 465-2173

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

81-FN. Rev. 12/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 690
Title Providing Tax Credits for Property Taxes or Tax Equivalency on Rent Paid.
Requested by Senate Community and Regional Affairs Committee Date 3/2/82

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected Admin. & Support, Admin. Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	15.0	189.0	202.2	216.4	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL		198.0	211.9	226.7	-0-	-0-
400 COMMODITIES		5	5	6	-0-	-0-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	15.0	387.5	414.6	443.7	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	15.0	387.5	414.6	443.7	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	1/4mm	4/48mm	4/48mm	4/48mm	-0-	-0-
PART TIME		8/35mm	8/35mm	8/35mm	-0-	-0-
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See Attached

IV. DATE 3/2/82 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2319

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named

Rev. 11 81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

III. ANALYSIS
HB 690

Assumptions:

Claims - 1982 = 141,400; 1983 = 145,600; 1984 = 150,000. 3% growth.

Adjusted Claims (Adress changes, ammended, etc.)
1982 = 25,000; 1983 = 26,000; 1984 = 27,000

Forms - Mailout, response to request, forms racks = 225,000 in 1982. Design would require name, address, property description, proof of tax paid, a basis for separating excluded payments from rent and property tax payments, statement of eligibility, signature line and date, and other required data.

Application and payment processing period - all year. supervision will be provided by existing staff.

Program Summary:
Forms must be designed and distributed. Completed forms will be received in the mail. The mailed forms will be opened and all forms received will be given a control number, checked for completeness, batched and data captured. Computer programs will be written, compiled and tested to enable the data capture, edit of document content, identification of forms which should receive corrective action or compliance checks, correction of data, warrant release edit, garnishment processing, warrant printing and reports such as warrant registers and reference to individual claim information. The data captured claims will be processed through the computer system with action required on correction errors, handling garnishment hits, checking and release of warrants.

1. Positions --

FY82

1 PFT Systems Analyst R18 @ $2,838. mo. plus .32% costs for 4 mos. = 15.0
Begin design of computerized processing system.

Total = 15.0

FY83

1 PPT Personnel Assistant R 12 @ $1,889. mo. plus .32% costs for 3 mos. = 7.5

Recruitment, hiring, EEO and Contract Administrator, miscellaneous personnel duties.

1 PFT Systems Analyst R18 @ $2,838. mo. plus .32% costs = 45.0

Complete computerized system design. Performs maintenance and post implementation changes. Develop coding specifications.

1 PPT EDP Programer II @ $2,295. mo. plus .32% costs = 20.7

3 PFT Tax Scanners R8 @ $1,487. mo. plus .32 % costs = 70.0

Open mail, document control numbering, batching, batch control, data capture, batch correction and warrant release.

4 PPT Tax Scanners R8 @ $1,487 mo. plus .32 % costs for 4 mos. = 31.4

Open mail, document control numbering, batching, batch control, data capture, batch correction and warrant release.

2 PPT Clerk Typists R7 @$1,487. mo. plus .32 % costs. 1 for 2 mos, 1 for 5 mos. = 13.7

Initial forms distribution, forms and supply services, accounts payable including voucher preparation.

Total = 189.0 189.0

2. Other expenditures --

FY83

Forms and instructions: 225,000 @ $50.	=	11.3
Postage: Forms Distribution - 150,000 @ .20	=	30.0
Payments - 141,400 plus 14,000 re-mailed warrants @ .20	=	31.
Data Processing (includes development, data capture and production):		
Computer Resource Units: 80,000 @ 1.25 per unit	=	100.0
Common output units: 295 @ $31. (reports, warrants, COM)	=	9.1
Storage Units: Distribution file 5,000 @ .90 - disk	=	4.5
Misc. including garnishments 400 @ .90-disk	=	.4
Backup file - tape	=	.1
Warrant stock: 141,000 @ $35.M	=	4.9
Warrant Envelopes: 141,400 @ $12.43 M	=	1.6
Miscellaneous contractual (insurance, machine rental)	=	5.0
Commodities	=	198.0
Total		

Commodities	=	.5
Total	=	.5

I. REQUEST

Bill/Resolution No. SB 690

Title Providing Tax Credits for Property Taxes or Tax Equivilency on Rent Paid

Requested by Senate Community and Regional Affairs Date 3/2/82

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Public Service

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		118.8	127.1	136.0		
200 TRAVEL						
300 CONTRACTUAL		3.5	3.8	4.0		
400 COMMODITIES		.5	.5	.6		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	122.8	131.4	140.6	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		122.8	131.4	140.6	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		3/36mm	3/36mm	3/36mm	-0-	-0-
PART TIME		4/20mm	4/20mm	4/20mm	-0-	-0-
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Program Summary: Distribute forms at counters and as requested by phone and letter. Answer written, phoned and in-person inquiries. Provide assistance in filling out forms. Receive and put in porcess completed forms. Proper handling of returned undeliverable warrants and re-mailing of warrants when new address is received.

1. Positions --

FY83

3 PFT Tax Examiners R10 @ $1673. mo. plus .32 % costs	79.5
4 PPT Clerk Typists R7 @ $1487. mo. plus .32 % costs for 5 mos.	39.3
Total	118.8

2. Other expenditures --

Contractual: Phones, postage, misc.	3.5

IV. DATE 3/2/82 PREPARED BY [signature]

AGENCY REVENUE

PHONE 465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor First Legislator Named

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

III. ANALYSIS
HB 690
PAGE 2

Commodities .5

Provide counter service, answer letters and phones, assist public in filling out forms, process returned warrants at Juneau, Anchorage and Fairbanks.

SB

716

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 23, 1982

The Honorable Donald Gilman
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Gilman:

I understand the Senate Community and Regional Affairs Committee will be conducting a hearing on SB 716, a bill to consolidate and reform the Revenue Sharing and Municipal Assistance programs, during the week of March 8.

This legislation is the product of extensive research by the Department of Community and Regional Affairs and is a high priority of my Administration. Enactment of this bill will go a long way toward streamlining administration of local financial assistance programs and toward insuring that municipalities receive an equitable share of the current State wealth.

I appreciate your willingness to examine this legislation and urge you to consider favorable action in the coming weeks.

Sincerely,

Jay S. Hammond
Governor

Department of Community & Regional Affairs
Position Paper on SB 716/HB 746

Attached is a copy of the Governor's transmittal letter for this legislation as well as a report entitled "Reform of Financial Assistance Programs for Localities in Alaska" prepared by the Department. Both of these documents provide strong support for SB 716.

The Department points out that SB716 contains several technical deficiencies that need to be addressed during committee action on this bill. Those changes are as follows:

Page 1, line 11 should read as follows:

*Section 1.AS 29.95.020 is amended to read:
Sec. 29.95.020 QUALIFICATION FOR [MINIMUM] PAYMENT.

Page 2, line 17 should be amended to read: this chapter, AS 29.88 and AS 43.20.016 for the fiscal year ending June 30, 1983.

Page 2, line 26 delete section (d)

Page 3, line 26 delete "in the unorganized borough"

Page 4, line 12-17 should be amended to read as follows:

(b) The department may not accept an application for a grant under this chapter from an Alaska Native village council, unless the council waives any immunity from suit which it might have, for all claims initiated by the State of Alaska concerning the entitlement agreement between the village and the State. The waiver must be on a standard form provided by the Department of Law.

Page 5, line 19 after "which" add "$122,513,800 is appropriated for distribution under AS 29.88.035 and"

These changes bring SB 716 in technical conformance with the Governor's intent in introducing the bill.

J 77-014-82

February 4, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which revises the revenue sharing and municipal assistance programs for municipalities and unincorporated communities in the state.

During fiscal year 1982, over $140 million will be distributed to local governments under the revenue sharing and municipal assistance programs. The Department of Community and Regional Affairs has examined these programs and found that the following problems exist with both programs:

1. revenue sharing emphasizes tax effort and ability to raise taxes while municipal assistance emphasizes population and tax relief;

2. municipal assistance distributes money according to outdated indicators of business activity and is linked to the declining corporate income tax collections;

3. revenue sharing, which was revised in 1980, contains a provision that reduces the impact of the distribution formula by requiring that the amount of assistance be determined by the historical amount of appropriations;

4. localities are growing increasingly dependent on the state for the financing of property tax relief and increased local services at a time when state revenues continue to fall and a constitutional spending limit is being considered by the voters of the state;

5. municipal assistance encourages municipal incorporation while revenue sharing does not; and

6. the revenue sharing and municipal assistance programs are administered by two principal departments which have different reporting and accountability requirements.

To correct these problems, I am proposing legislation to consolidate revenue sharing and municipal assistance to provide one program of assistance to local governments. The consolidated program will have a level of funding that is at least equal to the proposed fiscal year 1983 level and will increase in future years at a reasonable rate that can be accommodated by the state budget.

Specifically, this bill repeals AS 43.20.016 which provides for the municipal assistance fund in the Department of Revenue and requires all assistance to be distributed under the revenue sharing program of the Department of Community and Regional Affairs. The bill provides that each recipient under the new program will receive at least the entitlement provided in fiscal year 1983. Any amounts appropriated to the program in excess of that required to meet this requirement must be distributed under the revenue sharing formula.

To promote local responsibility and accountability for service delivery, the bill requires that at least 50 percent of the assistance received by a municipality be dedicated to the provision of basic services. The remaining 50 percent could be used for any other lawful purpose determined by the municipality.

To facilitate local service delivery, I propose that the legislature adopt a statement of intent which clearly provides that future appropriations for assistance to local governments will increase at the same rate of increase established for the proposed constitutional spending limit amendment. As a corollary to this pledge, I believe that it is also appropriate for the legislature to pledge to "draw the line" on the amount of assistance provided through other appropriations to state agencies for basic municipal services. These appropriations should be annually reduced in the same manner as the assistance programs are increased.

The bill increases the minimum entitlement for each municipality to at least $100,000. The current minimum entitlement is $25,000 adjusted by an area cost-of-living differential. The higher amount is needed to promote capacity for self-government in small communities.

By this bill, I propose to create a separate program of financial assistance for unincorporated communities. The current revenue sharing program provides for a payment of $25,000 to Alaska Native village governments. The Department of Law has concluded that this assistance must be

shared with all unincorporated communities and that all recipients must contract for specific service delivery rather than using state money for general administrative purposes. This bill deletes the current provision and amends the existing rural development assistance grant program (AS 44.47) to allow all unincorporated communities to apply for grants up to $100,000 for capital projects, operation and maintenance expenses, or community services. The bill also allows the department to contract directly with Native village governments in unincorporated communities where that entity is the most appropriate service provider. However, these entities must remain accountable for their agreements to provide these services. Under this bill, a Native village government must waive its immunity from suit before it contracts with the state to provide services under a rural development assistance grant.

I believe that this legislation provides a simpler system of assistance to local governments and will result in a more equitable sharing of the state's financial resources.

Sincerely,

Jay S. Hammond
Governor

February 18, 1982

(907) 272-0345

Senator Tim Kelly
Alaska Legislature
Pouch V
Juneau, AK 99811

Re: Comparison of Pending Revenue-Sharing Legislation

Dear Senator Kelly:

Diane Simonsen of your office has requested my analysis of legislation recently introduced on behalf of the Governor concerning revenue-sharing payments to municipalities (SB 716). Before proceeding to a discussion of the bill, the following is a brief outline of the essential features of SB 716:

1. SB 716 would repeal the present municipal assistance program (AS 43.20.016) which allows municipalities to receive a portion of state revenues from corporate income taxes. The majority of these revenues are presently distributed on a per capita basis to local governments. During FY 1982, municipal assistance revenues delivered to municipalities totaled approximately $87.4 million. In place of this program, SB 716 proposes to increase funding through the "tax resource equalization" or revenue-sharing program established under AS 29.88. This program distributes funds to local governments based on a "local effort" concept. Briefly, the revenue-sharing formula attempts to measure the relative tax base of a municipality and, more importantly, the "local effort" or the amount of local funds raised by the municipality. In theory, under the revenue-sharing statute, a municipality which holds down taxes is entitled to receive less than a municipality of the same population with a greater tax burden. For additional discussion of this program, you may wish to review pages 6 through 8 of the Preliminary Report delivered to your office December 1, 1981.

2. SB 716 would also increase the "minimum entitlements" received by small, primarily rural, municipalities by four times -- from $25,000 to $100,000. Also, all municipalities, in order to qualify for an entitlement, would need to spend at least 50% of their funds on no less than three "basic services" which are defined in the bill.

3. The Governor's proposal would also repeal the present sections of the revenue-sharing statutes which provide for payments of $25,000 to Native village governments. In place of these sections, SB 716 would

amend the rural development assistance grant program (AS 44.47) to allow for grants of up to $100,000 for capital projects or services to "unincorporated communities." These communities are defined as areas "in which 25 or more persons reside as a social unit" located outside of organized boroughs or cities.

4. Finally, SB 716 provides that, for each fiscal year after FY 1983, municipalities would be entitled to receive at least the amount received for FY 1983 under the bill. There is, of course, no way of knowing what these amounts might be until the appropriation level for the coming fiscal year is established by the Legislature. Also, the bill includes a statement of "intent" that amounts to be appropriated in fiscal years after FY 1983 will be increased by the same percentage as allowed under the proposed state spending limitation. This intent is, of course, not binding upon future legislatures, and there is no guarantee as to what future allocations to municipalities might actually be. Additionally, although Section 7 of SB 716 is not particularly clear, it appears that the bill would encourage direct state funding of various "basic services" in municipalities to be reduced after FY 1983 by the same percentage increase suggested for the proposed new revenue-sharing program. Such action, I believe, would in essence compel municipalities to pick up the costs for these services if they are desired, and would in essence mean that the municipality would receive no benefit from increases in its revenue-sharing entitlement. The bill states that it would become effective if not less than $140,851,300 is appropriated for the revenue-sharing program. This amount appears to be somewhat less than amounts distributed to incorporated areas during FY 1982 under the present revenue-sharing and municipal assistance programs.

The basic philosophy behind SB 716 appears to be to <u>discourage</u> municipalities from applying state financial aid toward reduction of local taxes or toward restraining increases in local government spending. Indeed, in the transmittal letter to Sen. Kerttula, the Governor identified the fact that the present municipal assistance program emphasizes population and "tax relief" as a "problem." The most serious criticism of the proposed bill may therefore be that it is totally contradictory to the clear message that has been given to local governments over the past few years to the effect that local officials should refrain from expanding local government costs and should instead pass on state aid to local taxpayers in the form of reduced local taxes wherever possible.

In this regard, the City of Cordova may provide an interesting example. Upon receiving its greatly increased municipal assistance revenues last year, elected officials in Cordova decided not to expand their government costs and instead virtually eliminated their taxes on real property. The mill levy was in fact sliced from 15 mills to 1 mill. Under SB 716, the ironic result may apparently be that Cordova could be seriously penalized in terms of its future state aid. The same result, perhaps to a lesser degree, may apply to Anchorage, which also used its increased

state aid to hold down taxes rather than to increase significantly the size of the local budget.

The penalty effect described above is perhaps made more serious by the fact that the funds which may be denied to places such as Cordova and Anchorage will be distributed, under SB 716, to cities and boroughs which, for a variety of reasons, may have expanded local government costs and increased local taxes. In other words, assuming assessed valuation and population factors to be constant, the city which may not have exercised tight fiscal control over its spending could in essence receive a "gift" of state aid funds denied to a city which had held the line on local expenditures and held down or reduced local tax burdens.

Another impact of SB 716 which should be noted is the greatly increased allocations for small, rural communities. By increasing the minimum entitlement level by four times to $100,000, the per capita entitlement of other municipalities may be reduced in the event that future funding is insufficient to pay all entitlements. Additionally, under Section 2 of SB 716, if future funding exceeds the minimum "hold harmless" level, any excess is first given to meet the $100,000 minimum entitlements before any amount can be distributed to places such as Mat-Su, Kenai, Anchorage or Juneau.

The computer printouts released by the Department of Community and Regional Affairs concerning SB 716 appear to assume funding levels which are significantly in excess of the amount identified in the bill. The printouts appear to assume a total of approximately $144.4 million as the FY 1983 "hold harmless" level, whereas the bill implies that only $140.9 million, or approximately $3.5 million less, may be appropriated. This difference may be very significant, and I believe that it is impossible to fully assess the impact of SB 716 unless more extensive analyses are performed showing the impacts on communities at a variety of funding levels. In particular, an analysis should be made using the total amount received by incorporated local governments during FY 1982 under the present revenue-sharing and municipal assistance programs. This would provide a clear indicator to municipalities as to how the bill will affect their future state financial assistance. Additional analyses should be made assuming, for example, 10% less than FY 1982 amounts and 10% increases from the FY 1982 level.

In summary, the proposed bill appears to possess many, if not all, of the major problems associated with the present "local effort" revenue-sharing concept and appears to multiply the impact of these problems by making the program virtually the only source of significant state aid for most municipalities. I do agree with the proposal contained in SB 716 to separate grants for unincorporated areas from the municipal revenue-sharing program. However, I believe that, particularly for more populous communities, the proposed bill should be carefully analyzed to

determine its fiscal impact, including its probable impact on local property tax rates. If you have questions concerning the above, please contact me at 272-0345.

Sincerely yours,

Theodore D. Berns

TDB:nf

SB
735

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Legislative Budget & Audit

Community & Regional Affairs
Finance
Resources

Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

ANALYSIS BY SPONSOR

RE: SB 735 "An Act relating to organizational grants and transitional assistance for municipalities; and providing for an effective date."

This bill revises provisions of Title 29 relating to organizational grants to new municipalities, and to the assistance to be provided to those new local governments. This bill must be able to amend current statutes, as well as the corresponding sections of the new municipal code, if enacted. Therefore, section 1 revises the existing Title 29; sections 2 and 3, a repetition of the language in section 1, are numbered to correspond to SB 180/HB170.

Specifically, sections 1 and 2 of this bill would increase the organizational grants to cities from a minimum $25,000 grant (except for second class cities, limited to $10 for each person voting in the incorporation election) to a minimum $50,000 grant, with an optional $25,000 grant during their second year in existence.

Sections 1 and 3 also establish a separate organizational grant for boroughs, which provides $600,000 over a three-year period. A $300,000 organizational grant would be made to a new borough the first year, decreasing to $200,000 the second year and $100,000 the final year. The intent of these phased organizational grants is to allow local governments to offset state grant funds with revenue sharing funds and local revenues.

Transitional assistance to boroughs is provided in sections 1 and 3. Under this bill, the Department of Community and Regional Affairs is to determine the borough's population, and assist the new borough in establishing local assessment and tax collection capabilities. In the case of a borough that adopts sales taxes, the Department will help set up an assessment and collection mechanism. If a borough adopts a property tax, the Department will provide an initial tax assessment roll, including appraisals as required.

Sections 4, 5, 6 and 7 contain effective dates and repealers that control the implementation of this Act through current Title 29 language, and through SB 180/HB 170, if enacted.

State of Alaska
Department of Community & Regional Affairs

Date: March 15, 1982

POSITION PAPER

Requested by: Senate Community & Regional Affairs

Subject: SB 735 "An Act Relating to Organization Grants and Transitional Assistance"

Departmental Position: Support

Remarks:

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of $50,000 the first year and $25,000 the second year.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of $300,000 the first year, $200,000 the second year and $100,000 the third and final year.

AS 29.05.210 of the bill would provide for transitional technical assistance in the area of tax collections.

Even before the era of great state wealth the status quo in the unorganized borough was characterized as inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient to the extent that existing service delivery mechanisms (cities and State regional offices) often lack the necessary expertise to provide services on an efficient and responsive basis. The inequity and inefficiency of the present system are now even more pronounced in light of the attention focused on and the millions of dollars spent in the unorganized borough. More goods and services are being provided in rural Alaska without the benefit of local control and a coordinated delivery mechanism.

The solution must be a voluntary one if it is to work. To make a voluntary progression from unorganized status to organized borough status work, it must have three major incentives to make it more attractive than the status quo: 1) money, 2) a mechanism for substantial local control, and 3) transitional assistance to help get a regional government off the ground. Rural areas of the State should not be rushed into any regional governance nor should they be presented with an all-or-nothing situation.

This bill combines monetary incentive with guarantees of assistance that will make regional government more attractive to residents of the unorganized borough.

The Department has long supported increased financial and technical assistance to municipalities (including newly formed cities) during the period immediately after incorporation. That initial period is critical in the development of municipal government and the assistance provided by this bill will help newly formed governments get started.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 735
Title "An Act relating to municipal government"
Requested by Rules committee by request of Legislative Council Date January 20, 1982

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Community 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.		400	250.0	425	250	425.00
TOTAL		405.0	255.0	430.0	255.0	430.0

FUNDING (Thousands of Dollars)

GENERAL FUND		405	255	430	255	430
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 March 15, 1982 PREPARED BY Terry E. Earley
AGENCY C&RA/ Local Government Assistance
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of $50,000 the first year and $25,000 the second year. The proposed funding level in this fiscal note is based on 2 cities incorporating in Fiscal 82 and 1 every other year after that time.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of $300,000 the first year, $200,000 the second year and $100,000 the third and final year. The proposed funding level in this fiscal note assumes one borough incorporation in each of the following years: FY 83, FY 85 and FY 87.

Page 5 of the bill (AS 29.05.210) deals with transitional assistance to boroughs and establishment of taxation systems. It is not completely clear how much assistance is intended by this language. Depending on the legislative intent, the cost of setting up those tax systems could run as high as $300,000 per borough per year. This fiscal note assumes technical assistance only and that that assistance would be provided with existing staff. The only cost based on those assumptions would add additional travel of $5,000.

SB
736

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Legislative Budget & Audit

Community & Regional Affairs
Finance
Resources

Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

ANALYSIS BY SPONSOR

RE: SB 736 "An Act relating to home rule municipalities."

The major purpose of this bill is to allow for an unincorporated community to go directly to home rule status. This bill also clarifies references to "municipality" and "organized borough" to include both home rule and general law municipalities as appropriate.

This bill amends the existing Title 29, but would also apply to the proposed revision of Title 29 found in SB 180/HB 170. For this reason, the provisions of section 1 through 11 of the bill, which amend present Title 29, are repeated, as appropriate, in sections 12 through 20 which correspond to SB 180/HB 170.

Section 1 contains a change of wording suggested by the revisor.

Section 2 increases to 600 persons the population required to reclassify from second class city to home rule city status.

Section 3 allows unincorporated areas with a minimum population of 600 to adopt home rule charters and reflects the change in second class city population requirements made in section 2.

Section 4 directs the Department of Community and Regional Affairs to develop model charters for home rule cities and boroughs, which will be available to the public.

Section 5 changes the minimum population required for home rule status from 400 to 600, to conform to sections 2 and 3, and clarifies that these incorporation standards apply to direct incorporation to home rule status.

Sections 6, 7 and 8 clarify that standards for home rule and general law incorporation are the same.

Section 9 adds a new subsection to existing AS 29.18.050 to require a petition for incorporation to include a proposed charter. As this bill allows, for the first time, direct incorporation to home rule status, the proposed charter needs to be included in the present requirements of an incorporation petition.

Section 10 states that in an initial home rule incorporation election, a proposed home rule charter is considered as part of the vote on incorporation. That is, the question before the voters is whether to incorporate or not. In the case of those communities wishing to incorporate directly to home rule status, the proposed charter is adopted if the voters approve the question on incorporation.

Section 11 substitutes the term "municipal" for the phrase "city and borough," at the request of the revisor, and clarifies the eligibility of new home rule governments for organizational grants. As only minor wording changes are made, this section conflicts with SB 735. If organizational grants are revised under SB 735, this section should be deleted or signed into law before SB 735, as the attached memo from Tamara Cook, Legal Services.

Sections 12 through 20 repeat the above provisions as they apply to SB 180/HB 170.

Section 12 provides that communities meeting minimum standards have the option of incorporating as home rule cities corresponding to section 5.

Section 13 provides that areas meeting minimum standards have the option of incorporating as home rule boroughs, as well as boroughs of the first or second class corresponding to section 6.

Section 14 clarifies that requirements for signatures on incorporation petitions are the same for home rule and first class cities corresponding to section 7.

Section 15 corresponds to section 9.

Section 16 corresponds to section 10.

Section 17 corresponds to section 11.

Section 18 corresponds to section 3, and clarifies the ability of unincorporated areas to incorporate directly as home rule boroughs.

Section 19 corresponds to section 4.

Section 20 repeals sections 1 through 11 relating to the present Title 29, but is effective only on passage of SB 180/HB 170.

Sections 21 and 22 provide for effective dates for separate sections of the bill.

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 9, 1982

SUBJECT: Home rule municipalities
(Work Order No. 12-2035)

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

Here is the final version of the bill you requested that would allow incorporation of home rule municipalities. Please note that Sec. 17 of this bill conflicts with your bill dealing with organization grants to municipalities (Work Order No. 12-2382). Since Sec. 17 of this bill only becomes effective on passage of the municipal code revision, there is nothing more I can do with the effective date of that section to avoid conflicts with other pending legislation. The bill that becomes law last is presumed to take priority over conflicting bills that became law earlier, so if you desire the organization grants provisions of Work Order No. 12-2382 to take effect rather than the organization grant provision contained in the municipal code revision or in this bill, Work Order No. 12-2382 should be passed after both the municipal code and this bill are signed into law.

(SB 735)

TBC:ljb

Enclosure

State of Alaska
Department of Community & Regional Affairs

Date: March 15, 1982

POSITION PAPER

Requested by: Senate Community and Regional Affairs Committee

Subject: SB 736, "An Act relating to home rule municipalities"

Departmental Position: Support

Remarks:

This bill would allow second class cities with a population of at least 600, and unincorporated communities or regions to reclassify or incorporate as home rule municipalities. Present law requires second class cities to reclassify to first class status before they can become home rule cities. Unincorporated communities and regions must also incorporate in a "stepping stone" fashion as a general law municipality before they can reclassify to home rule status. This requirement creates duplication and an unwarranted obstacle to cities and potential boroughs which wish to incorporate as home rule municipalities. Home rule municipalities are able to exercise a wider range of powers than are general law municipalities.

Many communities and/or regions might be willing to incorporate if they could go directly to home rule status.

The premise of allowing a second class city or unincorporated community of at least 600 persons to reclassify or incorporate immediately to home rule status is consistent with the Constitution of the State of Alaska which provides for "maximum local self-government with a minimum of local government units". Similarly, allowing for immediate incorporation as a home rule borough would allow a region more flexibility and "self government" from the very beginning of its existence.

In raising the minimum population requirement from 400 to 600 for incorporation or reclassification as a first class or home rule city, the bill does require a community to have more in the way of human resources (and probably a larger economic base) to help run the city. The Department feels this greater requirement is justified to insure that a community has available the number of interested and "dedicated" persons needed to sit on a council, school board, planning commission, and other municipal boards or commissions.

The Department supports this bill and feels it is an important step toward strengthening local government in the state.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 736
Title An Act Relating to Home Rule Municipalities
Requested by Senate C & R A Date March 16,1982

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
BRU, Program, Or Subprogram(s) Affected Local Boundary Commission
(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
		0	0	0	0	0
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Source)						
POSITIONS		0	0	0	0	0
FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This bill would have no fiscal impact on this department.

IV. DATE March 16, 1982 PREPARED BY Terry E. Earley
AGENCY C&RA/ Local Government Assistance
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

SB
768

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 11, 1982

Hon. Bill Ray
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: Draft bill re residential loans administered by regional Native housing authorities

Dear Senator Ray:

Pursuant to our telephone conversation of February 10, 1982, I am forwarding to you a bill which would make Haines and Skagway rural communities under AS 18.55.997. This amendment recognizes that the road connection between Haines and Skagway is somewhat different than the road connection between other rural communities located in areas of the state other than the southeast panhandle. The Haines and Skagway roads are impassable much of the winter and pass through Canada for a substantial distance. These factors may warrant a change in the law as it relates to southeastern rural communities. I will let you and the legislature be the judge of that. You may be interested to learn of the following population determinations compiled by the Department of Community and Regional Affairs for Southeast Alaska communities:

Haines	1,017
Hoonah	799
Petersburg	3,001
Skagway	819
Wrangell	2,345

I have spoken with Harry Goldbar of the Alaska Housing Finance Authority concerning this matter and he has stated that he is anxious to assist you in resolving this and other problems with the definition of the term "rural" in AS 18.

03-C5LH

Please call if I can assist you further.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: James L. Baldwin
James L. Baldwin
Assistant Attorney General

JLB/pjg

Enc.

SB

797

Proposed Amendments to SB 797

1. Page 3, Lines 18-19 - The formula should read:

$$\frac{P}{T} \times A$$

EXPLANATION: This was a drafting error which, unfortunately was not discovered prior to distribution of the bill. The intent of the base entitlement formula is that a municipality should receive its proportionate share of the total revenue sharing allocation based on its percentage of total, eligible municipal population statewide.

2. Page 3, Line 20 - Amend to read as follows:

T = The total population within municipalities in the state.

EXPLANATION: See above. Since the formula is intended to distribute 100% of available funds, each municipality's share must be measured by its share of total municipal population statewide. This is necessary so that the total percentage shares of all municipalities will equal 100%.

3. Page 5, Line 9-12 - Delete the last sentence from Section 29.87.050 and replace with the following:

Amounts allocated to the account shall first be distributed to satisfy the minimum $25,000 base entitlements of eligible municipalities, and the remainder of the allocation shall be distributed as base entitlements to the remaining eligible municipalities.

EXPLANATION: Except to satisfy the "hold harmless" amounts provided for municipalities by Section 12 of the bill, there will be no need to prorate amounts in the base entitlement account. The formula created by A.S. 29.87.010 merely distributes whatever monies are available according to percentage of total municipal population. The suggested new language attempts to clarify the method for distributing base entitlement funds. First, all minimum entitlements (at $25,000 or whatever other amount) would be paid, and the remainder would be distributed according to the percentage formula of A.S. 29.87.010. This will ensure that the "minimum" entitlement is a true minimum figure and will provide for the equitable distribution of all available funds.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
Position Paper on S.B. 797

Senate Bill 797 was introduced by the Special Committee on Property Taxation as a revision to the State Revenue Sharing and Municipal Assistance programs, which are the major sources of State aid to municipalities and communities.

The bill repeals A.S. 29.88, Municipal Tax Resource Equalization and A.S. 42.20.016, Municipal Assistance and replaces both with new A.S. 29.87, Entitlement to Municipalities. The elimination of the tax resource equalization chapter eliminates any distribution of funds on the basis of need and local tax effort and insures that any additional appropriations shall be distributed solely on the basis of population.

The Department strongly supports repeal of the Municipal Assistance program for 2 reasons. First, appropriations are linked to corporate income tax receipts which bear little or no relation to local need and are subject to a great deal of fluctuation. Second, distributions are based solely on population and totally ignore local need and tax effort. Distributions based on population are opposed by the Department because they fail to recognize differences in local wealth and ability to make a contribution to local government activities and because they fail to account for need.

Instead of correcting that defect in current law, S.B.797 proposes to compound the problem by requiring that all funds be distributed on the basis of population. The Department contends that the current formula utilized under Municipal Tax Resource Equalization is far preferable to a formula based solely on population. Any formula that does not recognize local effort runs the risk of fostering extreme dependence on State oil wealth that is subject to huge fluctuations in the years ahead. The Department believes that any revenue sharing program should reward development and enhancement of a broad-based local tax base and recognize local need.

S.B. 797 retains the current minimum entitlement for municipalities at $25,000 plus a cost of living adjustment and continues to pay unincorporated communities $25,000. These minimum payments do not provide any real financial incentive for communities to incorporate as cities. One positive feature of the Municipal Assistance program is an incentive to incorporate because payments are made only to incorporated communities. Any effort to repeal Municipal Assistance must replace that incentive and provide a sufficient minimum entitlement to build governmental capacity in small communities.

The Department feels that S.B. 716 is a more appropriate vehicle for consolidation and reform of the Revenue Sharing and Municipal Assistance programs.

M E M O R A N D U M

DATE: March 10, 1982

TO: Senator Don Gilman, Chairman
Community and Regional Affairs

FROM: McKie Campbell, Staff
Community and Regional Affairs Committee

RE: Municipal Finance Officers of Alaska

Homer, Alaska March 4th & 5th, 1982.

As you are aware I attended the Municipal Finance Officers of Alaska meeting in Homer last Thursday and Friday, March 4th and 5th. There, on Thursday afternoon, I was a member of a panel consisting of Gene Dusek, Municipal Finance Officer of Anchorage, Doug Griffin, Local Government Specialist Department of Community and Regional Affairs and Ted Burns, Special Counsel to the Interim Committee on Property Taxation. We spoke to the group on a number of legislative concerns dealing with Municipal Finances.

However, the main thrust of the discussion was the possibility of combining the Municipal Assistance and Revenue Sharing programs and administering both of the combined programs from the Department of Community and Regional Affairs.

I discussed with the Finance Officers the features we felt should be included in a new program of financial assistance to Municipalities. The new program should be comparatively simple and straight forward so that Municipal officials can understand the program and how their Municipalities entitlement is derived. The program should be consistent and should allow Municipalities to budget for upcoming financial years with a fair certainty of the amount they will receive.

There should be some recognition of the higher costs in Rural Areas, and the minimal needs of all Municipalities. I also pointed out two other principals that should be included in a new program of financial assistance and that these two principals are in apparent conflict. We discussed the need to devise a method of intergrating these two principals.

These principals are the encouragement of reduction of local property taxes, and a rewarding of local financial effort by the Municipality. I explained to the finance officers that there are currently two bills (SB 716 and SB 797) in the legislature which would combine the Municipal Assistance and State Revenue Sharing programs. Each would use a different formula for the distribution of the funds. I explained the Senate Community and Regional Affairs Committee would holding hearings

on both of these bills this week, however, it was not expected that either bill would be passed out of Committee this session.

Doug Griffin then gave a talk on SB 716, the Governors proposal to combine the programs and distribute the money according to the State Revenue Sharing formula. Ted Burns then talked about SB 797, introduced by the Special Committee on Property Taxation. This bill would also combine the Municipal Assistance and Revenue Sharing programs into one program within the Department of Community and Regional Affairs and would distribute the funds on a per capita formula with a COLA factor.

Both Doug and Ted did excellent jobs of presenting the bills and in pointing out the relative advantages and disadvantages of the different approaches.

We then discussed these programs with the finance officers. In general they all strongly agreed that the programs needed to be combined within one Department. They were extremely cautious however about committing to a particular formula of distributing the funds. When one considers the amount of money that this program will distribute ($143 Million dollars in FY'82) this caution is justified. The finance officers were strongly supportive of the concept of a Special Interim Committee in the fashion of the Blue Ribbon Title 29 Revision Committee to review the programs and recommend the appropriate formula. This would hopefully result in a bill being introduced at the beginning of next session.

The finance officers had a number of very useful suggestions to make about a future formula and other aspects of a future program. The two points that there was very strong agreement on, however, were that No. (1): They felt the programs did need to be combined and administered by one Department and No. (2): They were very leary of rushing into any new program until they fully understood its implications.

STATE OF ALASKA

MEMBER
TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE

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SENATOR TIM KELLY

March 2, 1982

MR. CHAIRMAN, MEMBERS OF THE COMMUNITY & RETIONAL AFFAIRS COMMITTEE:

LAST SESSION, THE LEGISLATURE ADOPTED SENATE JOINT RESOLUTION NO. 19 CREATING A SPECIAL COMMITTEE ON PROPERTY TAXATION. THE PURPOSE OF THIS COMMITTEE, WHICH I CHAIRED, WAS TO EXAMINE PENDING LEGISLATION DEALING WITH PROPERTY TAXATION AND TO RECOMMEND MEASURES THAT COULD BE TAKEN TO PROVIDE PROPERTY TAX RELIEF FOR ALASKANS.

ONE PRODUCT OF THIS SPECIAL COMMITTEE WAS THE INTRODUCTION OF SB 797 WHICH I BELIEVE IS PENDING IN THIS COMMITTEE. THIS BILL WOULD CONSOLIDATE AND STREAMLINE THE PRESENT REVENUE SHARING AND MUNICIPAL ASSISTANCE PROGRAMS IN ORDER TO PROVIDE MUNICIPALITIES WITH THE FINANCIAL ASSISTANCE NECESSARY TO HOLD THE LINE ON LOCAL PROPERTY TAXES. I BELIEVE THAT THIS IS AN EXCELLENT BILL AND AT THE APPROPRIATE TIME I HOPE YOU WILL GIVE IT SERIOUS CONSIDERATION.

HOWEVER, IN ADDITION TO PROVIDING FINANCIAL ASSISTANCE DIRECTLY TO LOCAL GOVERNMENT I BELIEVE WE SHOULD TAKE POSITIVE STEPS TO ENSURE THAT AT LEAST A PORTION OF THIS ASSISTANCE IS DELIVERED DIRECTLY TO LOCAL HOMEOWNERS AND TO RENTERS AND MOBILE HOME OWNERS IN THE FORM OF PROPERTY TAX RELIEF. I EMPHASIZE RENTERS BECAUSE - AS I AM CERTAIN YOU ARE ALL AWARE - RENTERS - WHO MAY BE UNABLE TO AFFORD TO PURCHASE A HOUSE OR WHO MAY SIMPLY PREFER TO RENT - ARE ALMOST TOTALLY LEFT OUT OF BENEFITS PROVIDED BY SUCH PROGRAMS

AS REVENUE SHARING OR MUNICIPAL ASSISTANCE. RENTS HAVE TRADITIONALLY BEEN GOVERNED BY MARKET FORCES AND - ALTHOUGH LANDLORDS WAY RECEIVE A REDUCTION IN LOCAL PROPERTY TAXES FROM PROGRAMS SUCH AS REVENUE SHARING - THE RENTER HAS SELDOM, IF EVER, RECEIVED THIS BENEFIT. AS YOU ALL KNOW, AT LEAST IN ANCHORAGE, WE ARE EXPERIENCING A SERIOUS HOUSING CRISIS WHICH HAS RESULTED IN DRAMATIC INCREASES IN RENTS, A FACT WHICH I BELIEVE MAKES THE NEED FOR SOME FORM OF DIRECT TAX RELIEF FOR RENTERS EVEN MORE CRITICAL. I MIGHT ALSO ADD THAT LAST YEAR I CONDUCTED A SURVEY OF MY CONSTITUENTS AND RECEIVED ALMOST 1,100 RESPONSES. AMONG THE QUESTIONS ASKED IN THIS SURVEY WAS HOW PEOPLE FELT THAT STATE FINANCIAL ASSISTANCE TO MUNICIPALITIES SHOULD BE UTILIZED. THE NUMBER ONE PRIORITY IDENTIFIED BY MY CONSTITUENTS WAS PROPERTY TAX REDUCTION.

THE BILL BEFORE YOU TODAY, SENATE BILL 690, WOULD ESTABLISH A PROGRAM TO PROVIDE REFUNDABLE TAX CREDITS DIRECTLY TO HOMEOWNERS, RENTERS, AND MOBILE HOME DWELLERS FOR A PORTION OF PROPERTY TAXES PAID EITHER DIRECTLY OR THROUGH RENT. I WOULD LIKE TO GIVE YOU A BRIEF OVERVIEW OF MY BILL AND WHAT IT WOULD MEAN TO LOCAL TAX-PAYERS, AND I WILL TRY TO ANSWER ANY QUESTIONS YOU MAY HAVE. I ALSO NOTE THAT TED BERNS IS WITH US TODAY. TED IS SERVING AS A CONSULTANT TO THE SPECIAL COMMITEE ON PROPERTY TAXATION AND HAS DONE A CONSIDERABLE AMOUNT OF RESEARCH CONCERNING LOCAL TAXATION AND TAX RELIEF LEGISLATION. I WOULD HOPE THAT THE COMMITTEE WOULD ASK MR. BERNS FOR HIS ANALYSIS OF THIS BILL AND FOR ANY COMMENTS HE MAY HAVE.

BRIEFLY, THE BILL WOULD ALLOW HOMEOWNERS, RENTERS, AND MOBILE HOME DWELLERS TO FILE A RETURN WITH THE STATE AND TO RECEIVE A REBATE OR REFUNDABLE CREDIT FOR UP TO FIFTY PER CENT OF LOCAL PROPERTY TAXES PAID ON THEIR PRINCIPLE PLACE OF RESIDENCE. THE MAXIMUM AMOUNT OF CREDIT THAT COULD BE CLAIMED WOULD BE LIMITED TO $300. FOR A MARRIED COUPLE OR A PERSON WHO PAID ALL OF THE TAXES OR RENT ON THEIR DWELLING AND $150. FOR PERSONS WHO SHARED RENT OR PROPERTY TAX PAYMENTS. FOR RENTERS, INCLUDING SPACE RENT FOR MOBILE HOMES, A TAX EQUIVALENCY FORMULA WOULD BE USED TO ESTIMATE TAXES PAID THROUGH RENT, AND THIS FORMULA WOULD DETERMINE THE ALLOWABLE CREDIT. I MIGHT ADD THAT THIS IS ESSENTIALLY THE SAME APPROACH NOW USED FOR THE SENIOR CITIZEN RENTER'S TAX RELIEF PROGRAM ADMINISTERED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

TO GIVE YOU AN EXAMPLE OF HOW THE PROGRAM WOULD WORK, A FAMILY IN ANCHORAGE PAYING TAXES ON A HOME VALUED AT $100,000 WOULD QUALIFY FOR THE MAXIMUM CREDIT OF $300.00. A FAMILY RENTING AN APARTMENT IN THE SAME LOCATION FOR $500. PER MONTH WOULD QUALIFY FOR APPROXIMATELY $240. IN TAX CREDITS. THE PROGRAM IS INTENDED TO BE ADMINISTERED THROUGH THE DEPARTMENT OF REVENUE IN MUCH THE SAME WAY AS THE PRESENT TAX CREDITS FOR CHILD CARE EXPENSES AND CAMPAIGN CONTRIBUTIONS IS NOW HANDLED.

I WON'T TAKE UP MORE OF YOUR TIME, MR CHAIRMAN, OTHER THAN TO CALL YOUR ATTENTION TO A BRIEF ANALYSIS OF THE BILL WHICH I HAVE ATTACHED TO MY PREPARED REMARKS AND WHICH I WILL LEAVE FOR YOU. I WOULD JUST LIKE TO EMPHASIZE IN CONCLUSION THAT THIS IS A VERY COMPLEX AND DIFFICULT AREA TO ADDRESS. THE BILL BEFORE YOU REPRESENTS MY BEST EFFORTS TO DESIGN A PROGRAM THAT IS EFFECTIVE, FAIR TO BOTH OWNERS AND RENTERS, AND THAT IS RELATIVELY SIMPLE TO ADMINISTER. I HAVE NO PRIDE OF AUTHORSHIP AND I ENCOURAGE YOU TO WORK ON THE BILL TO HOPEFULLY IMPROVE IT. I DO FEEL STRONGLY THAT THERE SHOULD BE A PLACE IN OUR MANY PROGRAMS FOR ASSISTING MUNICIPALITIES TO PROVIDE SOME REASONABLE AMOUNT OF DIRECT PROPERTY TAX RELIEF TO INDIVIDUAL ALASKANS TO USE AS THEY SEE FIT. BY PROVIDING THESE TAX RELIEF BENEFITS DIRECTLY TO HOMEOWNERS AND RENTERS, WE GIVE THE INDIVIDUAL SOME CHOICE ON HOW TO USE THESE BENEFITS - WHETHER TO ASK THEIR ASSEMBLEYS AND COUNCILS FOR INCREASED SERVICES, AND HIGHER TAXES, OR WHETHER TO HOLD DOWN GOVERNMENT COSTS AND ENJOY REDUCED TAX BURDENS.

I'M NOT SAYING THAT MY BILL SHOULD BE THE ONLY, OR EVEN THE MAJOR, FORM OF LOCAL FINANCIAL ASSISTANCE - BUT I BELIEVE THAT IT COULD PLAY A VALUABLE PART IN SUCH PROGRAMS.

THANK YOU FOR YOUR TIME AND ATTENTION.

SB

802

State of Alaska
Department of Community & Regional Affairs

Date: March 4, 1982

POSITION PAPER

Requested by: Senate Community and Regional Affairs

Subject: Senate Bill No. 802 / House Bill No. 885

Departmental Position: Support With Amendments

Remarks:

HISTORY AND RATIONALE OF SB 802 AND HB 885

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 or proceeds 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 the language. The situation is further complicated by the fact that there is almost no legislative history available for guidance on that section.

The proposed language 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.

Rationale:

The logic followed in drafting the proposed language was drawn from the basic intent of Congress in their adoption of ANCSA. Generally, that intent was to allow Alaska's Native community a reasonable amount of time to develop the lands conveyed to them pursuant to the Act and the opportunity to enter the

economic mainstream of society without being forced to make premature or unwise decisions in order to pay property taxes.

The purpose of Section 21(d) was to assure that local taxes would not be levied on the lands for twenty years, or until such time as they were developed or leased. Based upon consultation with individuals familiar with the legislative history of ANCSA and ANILCA, it appears that Congress intended the taxability of ANCSA lands be linked to the generation of income, thereby providing the revenues necessary to pay property taxes without risking loss of their lands through taxation.

Brief explanation of specific terms and concerns with the bill follow:

29.53.020 (k)(1)

Page 1, line 20:

The term "developed" has been the most controversial one in the Act. The common understanding seems to be that the term means an intentional "improvement" or "physical alteration" of the property. For purposes of Sec. 21 (d) however, it appears Congress intended the word "developed" to mean an intentional improvement of the property for the purpose of producing income through use of the land. In the application of Sec. 21 (d), it is not important whether the development occurred prior to conveyance or afterward. Neither does it matter who developed the property. It is only important that as a direct result of the modification, the property was made "ripe" for the production of income.

Essentially, it appears that the taxation of the property should be triggered by its production of income. However, if it is improved to a point of readiness, but the corporation elects, for its own benefit, not to commence income producing activities, taxability is triggered as if those activities had actually begun.

Page 1, line 25:

The term "smallest practicable tract" means that portion of a tract of land which is identified with the income stream (or potential income stream as explained above). The term intends to include the fully developed portion of the land, and possibly a peripheral buffer area if it is reasonably necessary for the productive use of the site. Where municipal zoning setbacks are required, it would be logical to use that setback distance for delineation of the buffer area.

Page 1, line 26:

The portion which says "Surveying, platting, construction of roads, etc." intends to safeguard against loss of the exemption before the property is fully developed. Again, the language attempts to link the definition of "develop" to the generation of income. As a general rule, the income should be produced before the exemption is lost, thereby providing a means to pay the taxes.

Local assessors across the State have unanimously voiced strong objection to that language. They are concerned that it might be construed to say that ANCSA property could be fully developed and still be exempt from taxation. The assessors have said that at some point in the subdivision and development of ANCSA lands for resale purposes, the properties should become taxable.

Page 1, line 29 through page 2, line 3:

This language contradicts the language on Page 1, lines 21-22. In addition, the portion which references AS 41.17.110 in effect allows the property owner to determine whether his own property is exempt. According to the Department of Natural Resources, it is not required that the owner of forest lands file "...a notice of conversion...", unless:

1. The property is being converted to non-forest use, and

2. The amount of property to be converted is in excess of ten acres, and

3. The property will be converted to commercial use.

Clearly, under those conditions, the owner of the forest lands could harvest the trees from the property and construct a hotel on up to nine acres of the land without being required to file a notice or conversion with DNR. Under the current language, neither the commercially cut lands nor the hotel would be taxable. To be workable, the Department strongly suggests that the language be changed as follows:

"...as defined in AS 41.17.950(6),shall be deemed "developed" when a condition for gainful or productive present use [OCCURS] exists. [AND THE OWNER OF THE FOREST LAND FILES A NOTICE OF CONVERSION UNDER AS 41.17.110.]."

Page 2, line 10:

The word "underdeveloped" in this line is a typographical error and should have been "undeveloped". We have confirmed that fact with the drafters of the bill.

29.53.020 (k)(3)

Page 2, lines 10-14:

This paragraph is simply a rewording of certain language from ANCSA Sec. 21(d). The term on line 13, "...subject to the provisions of this subsection." was included so that no individual provision could necessarily reinstate the exemption. For example, if a lease were terminated, but the property were still to be "developed" (as described in 29.53.020 (k)(1)) the exemption would not be reinstated.

The Department feels it is necessary to define the term "exploration" within the bill, and suggest the following language be added under 29.53.020 (k)(4):

For purposes of this section, the term "exploration" shall mean the examination and investigation of undeveloped land believed to contain subsurface non-renewable resources.

STATEMENT

OF

COOK INLET REGION, INC.

ON

SENATE BILL NO. 802

Community & Regional Affairs
Alaska State Senate
March 4, 1982

by: Lance W. Anderson
Vice President, Finance
Cook Inlet Region, Inc.

STATEMENT

OF

COOK INLET REGION, INC.

ON

SENATE BILL NO. 802

MARCH 4, 1982

The Alaska Native Claims Settlement Act, 43 U.S.C. § 1620(d), as amended, provided a tax exemption for real property and interests therein conveyed to individuals and native corporations under the Settlement Act. The exemption exists for twenty years from the date of statuatory vesting of title or interim conveyance or patent, whichever is earlier, and is terminated during the period the property is "developed" or "leased to third parties" for purposes other than exploration. While the legislative history of the Settlement Act provides little guidance as to the correct definition of the term, it is clear that the federal statute must be given the broadest reasonable interpretation in favor of the tax-exempt status. Federal courts, including the United

States Supreme Court, have held that federal statutes affecting native lands are to be construed strictly in favor of the native land-holder. This policy has been followed particularly with respect to tax exemptions for native lands. In the absence of an explicit tax exemption under state law, each borough assessor would have to reach an independent determination of the meaning of the federal statute. The opportunities for inconsistency and a costly and unnecessary litigation burden on both the boroughs and the native corporations is clear. The present bill will resolve the most troublesome problem, that of the definition of the terms "developed" and "leased to third parties" by providing a uniform tax exemption which is at least as broad as that provided by the federal statute. This will insure uniformity of application among the boroughs and bring state law into line with the federal exemption.

In summary, CIRI supports passage of Sentate Bill No. 802 because:

1. It embodies and implements the most basic principle underlying interpretation of ANCSA § 21(d) -- that the tax exemption should be construed in favor of the native land-holder, and

2. By providing broad definitions of the terms "lease" and "developed", it automatically will resolve the vast majority of present tax exemption issues and will avoid inconsistency and a costly and unnecessary litigation burden on both the boroughs and the native land owners.

Draft

TESTIMONY OF SEALASKA CORPORATION
BEFORE THE
ALASKA STATE LEGISLATURE
ON
SENATE BILL NO. 802 "AN ACT RELATING TO TAX EXEMPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE."

My name is Robert W. Loescher, Vice President for Resource Management, Sealaska Corporation. Thank you very much for this opportunity to present comments of Sealaska on proposed legislation Senate Bill No. 802 "An Act relating to tax exemptions; and providing for an effective date."

Sealaska Corporation supports the basic intent of the legislation which is:

- to provide for the exemption from real property taxes certain properties conveyed under the Alaska Native Claims Settlement Act

- to implement the tax exemption required by ANCSA Section 21(d) as amended by ANILCA Section 904, which read as follows:

PL 92-203 Section 21(d): "(d) Real property interests conveyed, pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State and local real property taxes for a period of twenty years after the date of enactment of this Act: Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State: 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 interests shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation."

"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 soldely 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, for 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 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 interests shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation."

- to define the term "developed" as used in ANCSA Section 21(d) inorder to establish the point in time at which exempted property becomes taxable under State and local governmental authorities.

Of particular concern to Sealaska Corporation and other timberland owners is the application of the proposed legislation to Forest land throughout Alaska. The proposed language included within AS 29.53.020 (k)(1) which reads as follows - is acceptable:

> "Forest lands, as defined in AS 41.17.950(6), shall be deemed "developed" when gainful or productive present use occurs and the owner of the forest land files a notice of conversion under AS 41.17.110."

The effect of this provision is to exempt developed or undeveloped forest land unless the landowner notices the State of Alaska pursuant to AS 41.17.110 that he intends to reclassify or convert his forest land after timber harvesting to other uses such as residential, commercial or industrial purposes. The

provision in the Forest Resources and Practices Act reads, as follows:

> "Sec. 41.17.110. Conversion of forest land to other uses. An intention to convert forest land to other uses after timber harvesting may be stated in the notification submitted under AS 41.17.090. In that event, reforestation rquirements adopted under this chapter do not apply, except that conversion shall be completed during the time set by regulation for minimum reforestation of the land, and other requirements for revegetation may be imposed to the extent permitted by law. If the commissioner finds at any time that the responsible party has failed to conform to the intent to convert as stated in the notification, the commissioner shall revoke approval of the conversion and require full compliance with reforestation requiremens. (Sec. 1 ch 108 SLA 1978)"

Our concern is that the definition "real property" which is used in ANCSA and Title 29 not include and specifically exclude reference or application to "forest land" - where taxation is a consideration. Currently, the definition of these terms in Alaska statutes are, as follows:

> "AS 29.78.010 (13) "real property" means land and improvements and all possessory rights and privileges appurtenant to the property and includes personal property affixed to the land or improvements."
>
> "AS 41.17.950 (6) "forest land" means land stocked or having been stocked with forest trees of any size and not currently developed for nonforest use, regardless of whether presently available or accessible for commercial purposes, and includes any such land under state, municipal, or private ownership;"

Sealaska Corporation wants to make it perfectly clear that it is not opposing consideration of taxation of forest lands at this time or in the future, but is seriously concerned about the basis or philosophy of any tax program on forest resources considered by the legislature or advanced by timber industry. This proposed legislation "touches the edge" of that discussion in an incomplete manner. By this we mean that:

- forest lands should be treated on a resource severance tax basis rather than on real property basis as envisioned in

- o forest lands are a resource of State concern and not a resource which should be dealt with in Title 29 Municipal Governments. Oversight, regulation and any taxation of the forest resource should be administered by State government and not by local governments.

This philosophy is clearly expressed in the legislature's Declaration of Intent AS 41.17.010 of the Forest Resources and Practices Act adopted three years ago, as follows:

Sec. 41.17.010. Declaration of intent. The legislature declares that

(1) the forest resources of Alaska are among the most valuable natural resources of the state, and furnish timber and wood products, fish and wildlife, tourism, outdoor recreation, water, soil, air, minerals, and general health and welfare;

(2) economic enterprises and other activities and pursuits derived from forest resources warrant the continuing recognition and support of the state;

(3) the state has a fundamental obligation to insure that management of forest resources guarantees perpetual supplies of renewable resources, provides nonrenewable resources in a manner consistent with that obligation, and serves the needs of all Alaska for the many products, benefits, and services obtained from them;

(4) government administration of forest resources should combine professional management services, regulatory measures, and economic incentives in a complementary fashion, and should draw upon the expertise of professional foresters in conjunction with other disciplines;

(5) under the leadership of the Department of Environmental Conservation, the state should exercise its full responsibility and authority for control of nonpoint source pollution with respect to the Federal Water Pollution Control Act, as amended;

(6) subject to Sec. 307(f) of the Coastal Zone Management Act of 1972 (P.L. 92-583), the provisions of this chapter shall be the basis for forest management standards, policies, and guidelines developed under the Alaska Coastal Management Act. (Sec. 1 ch 108 SLA 1978)

- o any forest resource tax program by the State of Alaska should consider, at a minimum, equal assessment or parity between federal and state and even local forest lands in the

application of the (PILOT) payment in lieu of taxes by government timberland holders or lease holders and the level of taxes to be applied to private landowners. These resources compete in the market place. It is important not to create an artificially induced disincentive by an inequitable tax program as a part of development of timber resources in Alaska.

Additionally, it is hoped, that in the future if a tax program is designed for forest resources that such a program would recognize and provide credits for those forest land owners who make every effort and investment to meet environmental restrictions and requirements, reforestation and other similar requirements now incorporated in the public laws and are becoming a matter of business practice.

Sealaska Corporation urges your positive consideration of this bill this session. We are available to work and discuss the many aspects of forest land taxation at any time, now or in the future. Thank you.

HB
31

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

3/21/83

Date: _____

Mr. President:

The Committee on CEMA has had SB83 21 (CEMA)

Relating to certain tax benefits for disabled veterans and senior residents; ref. dnr.

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 SS for _____ [ ] same title [ ] new title

and recommends _____

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

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

SENATE AMENDMENT

By _____

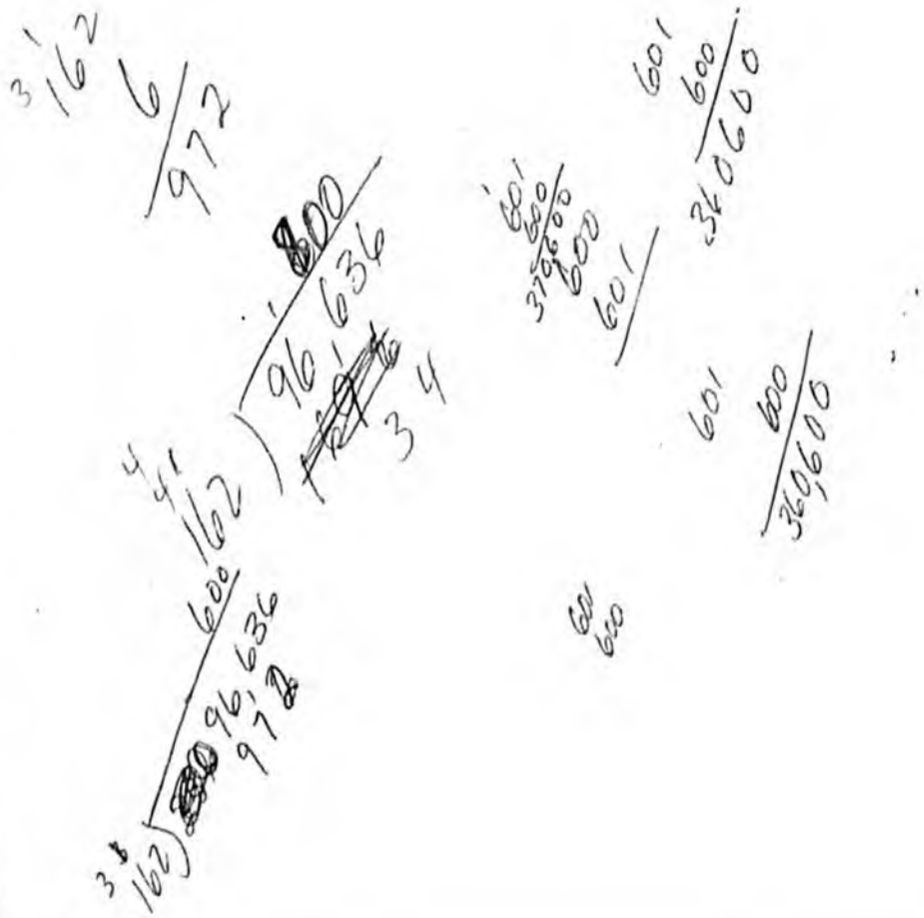
To: _____ SENATE BILL No. _____

To: CS HOUSE BILL No. 31 (C+RA) am

PAGE: 4 LINE: 28

after "that" insert

"does not collect a property tax but"



Offered: 2/15/83
Referred: Finance

Original sponsors: Furnace, Barnes,
Grussendorf, et al

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 31 (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 certain tax benefits for disabled veterans and senior residents; and providing for an effective date."

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

* Section 1. AS 29.53.020(e) is repealed and reenacted to read:

(e) The real property owned and occupied as a permanent place of abode of a person described in this subsection is exempt from taxation of the assessed value of the real property as indicated in this subsection. Only one exemption may be granted for the same property, and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves which receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570. An exemption under this subsection shall be allowed

(1) to a resident of the state 65 years of age or older for the entire assessed value of the real property; or

(2) to a disabled veteran with a disability of 50% or more for a percentage of the assessed value of the real property that is the same as the percentage of disability as established by the service disability rating of the veteran.

* Sec. 2. AS 29.53.020(f) is amended to read:

(f) No exemption may be granted except upon written application for the exemption on a form approved [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, 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 that [WHICH] the claimant may have already paid for the assessment year with respect to the property exempted shall be refunded to the claimant [HIM]. The assessor shall [MAY AT ANY TIME] require proof in the form the assessor [HE] considers necessary of the right to and amount of an exemption claimed under this section, and shall require a disabled veteran claiming an exemption under (e) of this section to provide evidence of the disability rating. The assessor may require proof under this section at any time.

* Sec. 3. AS 29.53.020(i) is repealed and reenacted to read:

(i) In (e) - (i) of this section,

(1) "disabled veteran" means a disabled person separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service

of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Veterans' Administration;

(2) "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

* Sec. 4. AS 29.73.060 is amended to read:

Sec. 29.73.060. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A resident of the state 65 years of age or older or a disabled veteran 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 at the rate of one percent per mil a property tax equivalent percentage for each home rule or general law municipality that [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 rate and equals the payment payable under this section to a resident 65 years of age or older. The payment payable to a disabled veteran under this section is a percentage of the property tax equivalency rate that is the same as the percentage of disability established by the service disability rating of the veteran. The payment payable to a disabled veteran who is 65 years of age or older equals the amount payable to a resident 65 years of age or older.

(c) To obtain a tax equivalency payment [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. The department for good cause shown may waive an applicant's failure to make timely application for a tax equivalency payment and accept the application as if timely filed. 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. A disabled veteran shall submit with the application evidence of the disability rating.

(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 or is not a disabled veteran. 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.

(e) In this section "disabled veteran" means a disabled person separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Veterans' Administration.

* Sec. 5. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.062. REIMBURSEMENT PAYMENTS. (a) A resident of the state 65 years of age or older or a disabled veteran who rents a permanent place of abode in a municipality that does not collect a property tax but levies and collects sales taxes on rents paid for residential property is eligible for

reimbursement payments from the state through the Department of Community and Regional Affairs.

(b) The amount of a reimbursement payment to a resident 65 years of age or older equals the amount of sales taxes paid on the abode during the preceding year by the resident. The amount of a reimbursement payment to a disabled veteran is a percentage of the amount of sales taxes paid on the abode during the preceding year by the disabled veteran that is the same as the percentage of disability established by the service disability rating of the veteran. The reimbursement payment to a disabled veteran who is 65 years of age of older equals the amount payable to a resident 65 years of age or older.

(c) To obtain a reimbursement payment under this section an eligible resident must apply by January 15 of each year to the Department of Community and Regional Affairs for reimbursement of sales taxes paid for the preceding year. The application shall be on the form and filed as prescribed by the department. The department for good cause shown may waive an applicant's failure to make timely application for reimbursement and accept the application as if timely filed. 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. A disabled veteran shall submit with the application evidence of the disability rating.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for a reimbursement payment under this section, the assessor shall determine equitable partial payment to be made to the eligible tenants. However, a reimbursement payment to an eligible applicant may not be reduced because the spouse is less than

65 years of age or not a disabled veteran. If all occupants in a residence are eligible for a reimbursement payment, the occupants shall decide between and among themselves which shall receive the payment.

(e) In this section "disabled veteran" means a disabled veteran as defined in AS 29.73.060(e).

* Sec. 6. This Act takes effect January 1, 1984.

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

(See Note on page 2

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

Page 2

FISCAL NOTE

"...providing for exemption of the resisdence 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

% Disability	Number	Total
50%	150	$44,739
60%	149	$53,329
70%	92	$38,416
80%	46	$21,952
90%	2	$ 1,074
100%	162	$96,636
	601	$256,146

RENTERS

50%	38	$6,324
60%	37	$7,389
70%	17	$5,658
80%	11	$ 226
90%	1	$ 300
100%	41	$13,647
	145	$33,544

Grand Total $289,690

Assumptions

1. There are 757 eligible disabled veterans in the state.
2. Census statistics show the over 65 male population of the state to comprise 1.4%. We assume this percentage also applies to disabled veterans. Therefore, 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.

Page 2.
note:
C+RA reported HB 31 out of committee 2/15 with a fiscal note. Page 2 was not included + therefore is not in supplement #9.
This page 2 was sent by Jerome 3/2.

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SCSCS HB 31
Title: Tax Benefits
Sponsor: Senate C&RA
Requestor: Senate C&RA

II. FISCAL DETAIL

Agency Affected: Comm. & Regional Affairs
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected: Senior Citizens Tax Relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		2.5	2.5	2.5	2.5	2.5
300 CONTRACTUAL		2.5	2.5	2.5	2.5	2.5
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		448.3	488.6	532.6	580.6	632.8
TOTAL OPERATING		453.3	493.6	537.6	585.6	637.6
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND		453.3	493.6	537.6	585.6	637.6
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:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry Earley Phone: 465-4730
Division: Local Government Assistance Division Date: 4/13/83

Approved by Commissioner: Date:
Department: Community & Regional Affairs

Distribution:
Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)

FISCAL NOTE

"...providing for exemption of the residence of disabled veterans..."

The following estimates are based on information received from the Veterans Administration and the payments currently being made to Senior Citizens.

Total Number of Applicants		Total Amount To Be Reimbursed
	HOMEOWNERS	
601		$ 360,146
	Renters (Property Tax	
145		$ 48,264
	Renter (Sales Tax)	
100		$ 40,000
		$ 448,264
Administration		$ 5,000

The new program for renters, both Senior Citizens and Disabled Veterans, will have some administrative costs.

These administrative costs include:

Forms Design & Printing	$ 2,200
Mailing & Postage	300
Travel (to extend present outreach program)	2,500
	$ 5,000

Assumptions

1. There are 757 eligible disabled veterans in the State.

2. Census statistics show the over 65 male population of the State to comprise 1.4%. We assume this percentage also applies to disabled verterans. Therefore, 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.

4. There are approximately 100 qualified applicants in municipalities that do not collect a property tax.

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.

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
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200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
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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

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)

FISCAL NOTE
"...providing for exemption of the resisdence 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

% Disability	Number	Total
50%	150	$44,739
60%	149	$53,329
70%	92	$38,416
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100%	162	$96,636
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70%	17	$5,658
80%	11	$ 226
90%	1	$ 300
100%	41	$13,647
	145	$33,544
	Grand Total	$289,690

Assumptions

1. There are 757 eligible disabled veterans in the state.
2. Census statistics show the over 65 male population of the state to comprise 1.4%. We assume this percentage also applies to disabled veterans. Therefore, 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.

HB

42

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: Senator Frank R. Ferguson

FROM: Representative 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 s 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

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

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 CSSSHB 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. CSSSHB 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 CSSSHB 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.

21-P1LH

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								

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: 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
M1/MIC/BILL

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

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

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 CSSSHB 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. CSSSHB 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 CSSSHB 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.



21-P1LH

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				

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: 2/1/83
Approved by Commissioner: 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

HB

162

HOUSE BILL 162

"Limits on Terms of Certain Municipal Officials." Ward, Lacher, Uehling, Liska.

Allows municipalities to limit the number of terms a person can serve as mayor or assemblyman by passing an ordinance ratified by the voters. The original bill in the House applied only to general law municipalities. The CS passed by the House includes home rule municipalities as well. Al Adams and Tony Vaska voted against this on the House floor. Checked with Al's office - he's not sure why he voted against it.

Notes:

1. Zero fiscal note.
2. Further referral - Judiciary.
3. Attorney - Tam Cook.

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 inividual 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

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: DCRA

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
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Copy to Sponsor
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3/8/83

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 inividual 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: DCRA

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
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3/8/83

HB

1721

SB333

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

SENATE AMENDMENT

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)"

AMENDMENT #3

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 11 LINE: 1

Between the words "city" and "incorporated", add "in the unorganized borough"

S 70

Amendment 4

SENATE AMENDMENT

By Community & Regional Affairs Committee

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 13:

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"

Amendment 5

SENATE AMENDMENT

BY SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 161 LINE: 20

Replace "29.60.120" with "29.60.130".

S 70

Legislature eyes tax exemption bill

As the legislative session enters its final weeks, the bill hopper clogged to overflowing with substitutions of previously introduced bills.

Under consideration are committee substitutions for bills on senior tax exemptions and funds for senior housing projects.

And last-minute efforts were poured into a special compro-



mise bill to save the Longevity Bonus program in time to mail out May bonus checks.

Tax exemptions bill awaits action

Ever since state budget-slicing hit senior tax exemption programs last year, municipalities across the state have been anxious to receive reimbursements for revenues lost to exemptions.

The latest legislation, CS SB 527, adds new amendments to the tax exemption statutes, but offers no real solutions to the problems facing the popular programs.

Under the legislation, the state would reimburse a municipality for lost tax revenues as long as legislative appropriations for the purpose were adequate.

If appropriations for reimbursement turned out to be inadequate, payments to municipalities would be prorated.

In the case of the renters' rebate program, officially known as property tax equivalency payments, the legislation could adversely affect senior renters.

Senior renters do not obtain rebates from the municipalities in which they reside. Rather, renters apply directly to the state for the rebates.

If legislative appropriations for reimbursement of rebates were inadequate to meet the demand, renters would receive payments on a prorated basis.

Senior renters receive rebates under the current program because the state assumes that they pay property taxes in the form of rent to their landlords.

Another section of the legislation includes an amendment which would allow the surviving spouse of a person receiving an exemption to continue receiving it if the surviving spouse is at least 55 years of age.

Previously, no age limit had been established.

The tax exemption legislation, originally sponsored by the Community and Regional Affairs Committee, underwent substitutions by the State Affairs Committee in early April.

The bill is now awaiting action in the Senate Finance Committee.



8005

Senior housing funds may grow

Another bill substitution, CS HB 650, would give seniors $11 million for various housing projects statewide.

The bill was offered in late March by the House Special Committee on State loans.

If the bill passes, some $2 million would be appropriated from the general fund to the division of housing assistance within the Department of Community and Regional Affairs for a grant to fund the Chugach View Senior Citizen Facility in Anchorage.

An additional $2 million from the same source would fund a senior facility for the Norton Sound Health Corporation in Nome.

And for general housing assistance for seniors, the bill allocates $7 million from the general fund for grants from the senior housing development fund in the Department of Community and Regional Affairs.

Juneau 'bill'

Bill	Sp
House	
HB 471 - Kenai Peninsula Pioneers'	Fi
HB 623 - Social Services for seniors	La
HB 650 - State loans, grants senior housing	St
HB 717am - Longevity Bonus program	Ru
Senate	
SB 441 - $10 million appropriation for senior housing	Rc
SB 506 - Increase of OAC membership	Fi
SB 527 - Motor vehicle tax exemption	C&

SA: Senate Affiars Committee C&RA: Commu
HESS: Health Education and Social Services Com

New bonus bi wins approva

Late-hour compromise plan to save the Lon Bonus resulted in HB (amended).

The proposed new law tended to be temporary, p ing time for the 1985 s of the Alaska Legislature velop options for a perm bonus program.

The bill would:

- Authorize the e

Valdez s to purcha

by Sally M. McAdoo

All the puppies, bunnie even the hippo have

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.

Diff. w HB 172

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.

Senator Ferguson
Capitol Rm 117

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

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

TO: All Members of the 13th Legislature

FROM: Representative Mike W. Miller
Chairman, House Community and Regional Affairs Committee

SUBJ: CSHB172 (HC&RA)

DATE: May 7, 1984

Attached is an analysis, section by section, of CSHB172 that was asked for by some of the Representatives for a clearer understanding of the changes in Title 29. The HC&RA staff has taken CSHB172 (HC&RA)and merged it, to the best of their ability, with Title 29 so that the changes and reclarification in CSHB172 are readily discernible.

If you have any questions on this analysis, please feel free to contact my office at 465-3870.

Original sponsor: Rules/Governor

IN THE HOUSE

BY THE COMMUNITY AND
AND REGIONAL AFFAIRS
COMMITTEE

CS FOR HOUSE BILL NO. 172 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For and 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:

EDITOR NOTE: 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.

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.

* Section 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

EDITOR NOTE: 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.

Sec. 29.04.010 [29.08.010]. HOME RULE. A home rule municipality is a municipal corporation and political subdivision. [AND] It is a city [OF THE FIRST CLASS] or [AN ORGANIZED] a borough that has adopted a home rule charter, or it is

a unified municipality. A home rule municipality [IT] has all legislative powers not prohibited by law or charter.

EDITOR NOTE: No change.

Sec. 29.04.020 [29.08.020]. 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.

EDITOR NOTE: No change.

Sec. 29.04.030 [29.08.030]. 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.

EDITOR NOTE: (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.

(b) No change.

(c) No change.

(d) Minor rewording, but no substantive change.

(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".

Sec. 29.04.040 [29.08.040(a),(b),(c),(d),(e),(f)]. 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, [AS PROVIDED IN THIS SUBSECTION,] if the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] determines from the best figures available that the population of the city has reached 600 [400] 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 [WITHIN] 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 [TO BE HELD] 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) [(f)] The council shall certify the election results to the department [OF COMMUNITY AND REGIONAL AFFAIRS]. If the majority of votes cast [ON THE QUESTION] is favorable, the city shall be considered reclassified to first class status 30 days after certification of the election results.

EDITOR NOTE: This deletes the provision for reclassification of a second class borough to a third class borough. The material currently dealing with reclassification to third class status is deleted.

Sec. 29.04.050. [29.08.040(g)] RECLASSIFICATION OF SECOND CLASS BOROUGHS. [(g)] A second class borough may reclassify as a first class [OR THIRD CLASS BOROUGH, AND A THIRD CLASS BOROUGH MAY RECLASSIFY AS A FIRST CLASS OR SECOND CLASS] borough in the manner provided by AS 29.35.320 - 29.35.330 [AS 29.33.270 - 29.33.290] 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 [POWERS BY BOROUGHS, EXCEPT THE PETITION OR PROPOSAL REQUESTS RECLASSIFICATION INSTEAD OF REQUESTING ADDITION OF POWERS].

EDITOR NOTE: (a) Minor rewording, but no substantive change.

(b) Minor rewording, but no substantive change.

Sec. 29.04.060.[29.08.040(g),(h),(i)] RECLASSIFICATION OF THIRD CLASS BOROUGHS.

[(H) AT THE TIME OF VOTING ON RECLASSIFICATION OF A SECOND CLASS BOROUGH TO THIRD CLASS STATUS, BOROUGH VOTERS IN CONFORMITY WITH AS 29.41 SHALL ELECT AN ASSEMBLY TO SERVE AS THE COMBINED ASSEMBLY AND SCHOOL BOARD OF THE THIRD CLASS BOROUGH IF RECLASSIFICATION IS APPROVED.]

(a) [(I)] [AT THE TIME OF VOTING ON RECLASSIFICATION OF] 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, [BOROUGH] voters shall vote also on whether the borough shall, on [UPON] 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 THE MAJORITY OF VOTES CAST ON THE QUESTION FAVORS RETENTION OF THE] If a combined assembly and school board[,] are approved at the reclassification election, the assembly serving at the time of the [RECLASSIFICATION] election continues to serve as the assembly and board on [UPON] voter approval of reclassification and until terms of assembly members [ASSEMBLYMEN] expire as provided before reclassification.

(c) If a separate [BOARD AND] 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 [MUNICIPAL] 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 [THAT TIME CALLED BY THE ASSEMBLY WITH]. Expiration dates of terms of school board members elected at a [THE] special election must [TO] coincide with the date of the regular [MUNICIPAL] election. Until a board is elected and qualified, the assembly continues to serve as the board.

[(j) THE EFFECTIVE DATE OF RECLASSIFICATION OF A BOROUGH FOR WHICH RECLASSIFICATION IS APPROVED UNDER (H) OF THIS SECTION IS THE FIRST DAY OF THE BOROUGH'S FISCAL YEAR WHICH BEGINS AT LEAST SIX MONTHS AFTER THE DATE ON WHICH THE RECLASSIFICATION PROPOSITION HAS BEEN APPROVED BY THE VOTERS.]

*Section 3. AS 29 is amended by adding a new chapter to read:

CHAPTER 05 [18]. INCORPORATION.

ARTICLE 1. REQUIREMENTS.

EDITOR NOTE: (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.

(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.

(2) No change.

(3) The term "local services" is altered to "municipal services".

(4) The term "local government" is altered to "city government".

(5) The term "local government is altered to "city government".

(b) No change.

Sec. 29.05.010 [29.18.011 FIRST CLASS CITIES.] INCORPORATION OF A CITY [CITIES].

(a) A community that [WHICH] meets the following standards may incorporate as a home rule or first class city:

(1) the community has 600 [400] 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 [LOCAL] services; in considering the economy of the community, the Local Boundary Commission shall consider property values [VALUATIONS], 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 [LOCAL] government;

(5) there is a demonstrated need for city government.

(b) A community that [WHICH] meets all the standards under [ESTABLISHED IN] (a) of this section except (a)(1) may incorporate as a second class city.

EDITOR NOTE: (a) No change.

(b) The term "organized borough" is altered to "borough", which is defined for the title.

Sec. 29.05.020 [29.18.020(b), 29.18.021(a)] LIMITATIONS ON INCORPORATION OF A CITY [CITIES].

(a) A community in the unorganized borough may not incorporate as a city if the services to [MAY] 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 [COULD] 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.

EDITOR NOTE: (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 in corporation of boroughs and not cities.

(b) This is new and provides that an area may not incorporate as a third class borough.

Sec. 29.05.030 [29.18.030]. INCORPORATION OF A BOROUGH [ORGANIZED BOROUGHS].

(a) An area that meets the following standards may incorporate as a home rule, first class, or second class borough [AN ORGANIZED BOROUGH IF IT CONFORMS TO THE FOLLOWING STANDARDS]:

(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 [ORGANIZED] 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 [VALUATIONS], 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 [LOCAL] government.

(b) An area may not incorporate as a third class borough.

ARTICLE 2. PROCEDURES.

EDITOR NOTE: "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.

(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.

(11) Signature requirements for incorporation of a first class city must also be complied with for incorporation of a home rule city.

(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. 29.05.060 [29.18.050, 29.05.060(8)]. PETITION. Municipal incorporation is proposed by filing a petition with the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]. 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; [(EFFECTIVE JANUARY 1,1981) COMPOSITION AND APPORTIONMENT OF THE ASSEMBLY OR COUNCIL;]

(5) composition and apportionment of the governing body; [FOR A FIRST CLASS BOROUGH, A DESIGNATION OF AREAWIDE POWERS TO BE EXERCISED;]

(6) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation; [FOR A SECOND CLASS BOROUGH, A DESIGNATION OF AREAWIDE AND NONAREAWIDE POWERS TO BE EXERCISED;]

(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; [MAPS, DOCUMENTS, AND OTHER INFORMATION REQUIRED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS;]

(8) for a first class borough, a designation of areawide powers to be exercised; [FOR FIRST CLASS CITY INCORPORATION, THE SIGNATURES AND RESIDENT ADDRESS OF 50 PERMANENT RESIDENT VOTERS OR OF 15 PER CENT OF THE PERMANENT RESIDENT VOTERS WITHIN THE PROPOSED MUNICIPALITY, WHICHEVER IS GREATER BASED ON THE NUMBER WHO VOTED IN THE AREA IN THE LAST GENERAL ELECTION;]

(9) for a second class borough, a designation of areawide and nonareawide powers to be exercised; [FOR A SECOND CLASS CITY INCORPORATION, THE SIGNATURE AND RESIDENT ADDRESS OF 25 PERMANENT RESIDENT VOTERS OR OF 15 PER CENT OF THE PERMANENT RESIDENT VOTERS WITHIN THE PROPOSED MUNICIPALITY, WHICHEVER IS GREATER BASED ON THE NUMBER WHO VOTED IN THE AREA IN THE LAST GENERAL ELECTION;]

(10) for a first or second class city, a designation of the powers to be exercised; [FOR BOROUGH INCORPORATION, THE SIGNATURE AND RESIDENT ADDRESS OF 15 PER CENT OF THE PERMANENT RESIDENT VOTERS IN EACH FIRST CLASS CITY AND 15 PER CENT OF VOTERS IN THE AREA OUTSIDE FIRST CLASS CITIES BASED ON THE NUMBER WHO VOTED IN THE RESPECTIVE AREAS IN THE LAST GENERAL ELECTION;]

(11) for a 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; [FOR A CITY, A DESIGNATION OF THE POWERS PROPOSED BY THE PETITIONERS TO BE EXERCISED;]

(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; [A PROPOSED OPERATING BUDGET FOR THE MUNICIPALITY

PROJECTING SOURCES OF INCOME AND ITEMS OF EXPENDITURE THROUGH THE FIRST FULL FISCAL YEAR OF OPERATION.]

(13) for a home rule municipality, a proposed home rule charter.

EDITOR NOTE: Minor rewording, but no substantive change.

Sec. 29.05.070 [29.18.060]. REVIEW. The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall review an incorporation petition[S] for content and signatures and shall return a deficient petition[S] for correction and completion.

EDITOR NOTE: (a) Combines material currently found in two subsections. Adds requirement that notice of the meeting be published. "Published" is defined for the title.

(b) No change.

(c) No substantive change.

Sec. 29.05.080 [29.18.070(a),(b),(c), 29.18.080(a)]. INVESTIGATION.

(a) If an incorporation [THE] petition contains the required information and signatures, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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.

EDITOR NOTE: Department of Community and Regional Affairs" is altered to "department".

Sec. 29.05.090 [29.18.080(b)]. [REPORT AND] 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.

[(a) THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL REPORT ITS FINDINGS TO THE LOCAL BOUNDARY COMMISSION WITH ITS RECOMMENDATIONS REGARDING THE INCORPORATION.]

EDITOR NOTE: No substantive change.

Sec. 29.05.100 [29.18.090]. 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 municipal 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).

EDITOR NOTE: 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.

Sec. 29.05.110 [29.18.110]. INCORPORATION ELECTION.

(a) The Local Boundary Commission shall immediately notify the director of elections [LIEUTENANT GOVERNOR] of elections of its acceptance of an incorporation petition. Within 30 days after notification, the director of elections [LIEUTENANT GOVERNOR] shall order an election in the proposed municipality to determine whether the voters desire incorporation and, if so, to elect the initial municipal officials [OFFICERS IN THE SAME ELECTION]. If incorporation is rejected, no officials are elected. The election must be [IS] held not less than 30 [N]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 [OFFICERS] may be filed.

(b) A [AN ALASKAN] 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 [THE] incorporation petition are considered to be part of the incorporation question. In an election for the incorporation of a second class borough, each non-areawide power to be exercised [OUTSIDE CITIES ONLY] is placed separately on the ballot. Adoption of a non-areawide 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 [OUTSIDE CITIES].

(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. [THE LIEUTENANT GOVERNOR SHALL SUPERVISE THE ELECTION IN THE GENERAL MANNER PRESCRIBED BY THE ALASKA ELECTION CODE (AS 15.05 - 15.60). THE STATE SHALL PAY ALL ELECTION COSTS UNDER THIS SECTION.]

(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.

EDITOR NOTE: This section is reorganized. Current references to the lieutenant governor are changed to the director of elections.

(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. 29.05.120 [29.18.120]. ELECTION OF INITIAL OFFICIALS [OFFICERS.]

(a) Nominations for initial municipal officials are made by petition. The petition shall be [IS] in the form prescribed by the director of elections and shall include[S] the name and address of the nominee and a statement of the nominee that the nominee [HE] is qualified under the provisions of this title for the office that is sought [HE SEEKS]. A person may file for and occupy more than one office, but [HE] may not serve simultaneously as

(1) borough mayor and as a member of the [BOROUGH] assembly; or

(2) [AS] city mayor and as a member of the council in a [OF A HOME RULE OR] first class city.

(b) Except for a proposed second class city, [PETITIONS TO NOMINATE OFFICERS OF A SECOND CLASS CITY MUST INCLUDE THE SIGNATURE AND RESIDENT ADDRESS OF 10 VOTERS IN THE AREA OF THE PROPOSED CITY.] petitions to nominate initial officials [ELECTED MUNICIPAL OFFICERS] 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 [OFFICERS] 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 [LIEUTENANT GOVERNOR] shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15[.05 - 15.60]). The state shall pay all election costs [UNDER (a) - (c) OF THIS SECTION].

(e) The initial elected [MUNICIPAL] officials take office on the first Monday following certification of their election.

(f) The initial elected [BOROUGH ASSEMBLY AND CITY COUNCIL] 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.

EDITOR NOTE: 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.

Sec. 29.05.130 [29.18.130]. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE

(a) A service area[S] in a newly incorporated municipality [BOROUGH OR CITY] shall be integrated into the municipality [BOROUGH OR CITY] within two years after the date of incorporation. On integration the municipality [BOROUGH OR CITY] succeeds to all the rights, powers, duties, assets and liabilities of the service area[S]. 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 [BOROUGH ASSEMBLY OR CITY COUNCIL] may exercise [WITHIN] 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 [BOROUGH OR CITY].

EDITOR NOTE: Minor wording changes are made to improve readability and to insure that terms are used consistently throughout the title.

Sec. 29.05.140 [29.18.140]. TRANSITION.

(a) The powers and duties exercised by [HOME RULE OR GENERAL LAW] cities and service areas that [WHICH] are succeeded to by a newly incorporated municipality continue to be [BOROUGH OR CITY ARE] continue to be exercised by the[M] cities and service areas until the new municipality [BOROUGH OR CITY] 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 [BOROUGH OR CITY].

(b) Before the assumption, the new municipality [BOROUGH OR CITY] shall give written notice of its assumption of the rights, powers, duties, assets, and liabilities under this section and AS 29.05.130 [AND OTHER ITEMS ENUMERATED IN §§ 130 - 140 OF THIS CHAPTER] to the city or [AND] service area concerned. Municipal [BOROUGH OR CITY] 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[BOROUGH OR CITY], no service area in [WITHIN] it may assume new bonded indebtedness, make a [ANY] contract, or transfer an [ANY] asset[S] without the consent of the governing body [COUNCIL].

(d) This section applies to home rule and general law municipalities.

EDITOR NOTE: No substantive change.

Sec. 29.05.150 [29.18.150]. CHALLENGE OF LEGALITY.

A [NO] person may not challenge the formation of a municipality except within six months after [OF] the date of its incorporation.

ARTICLE 3. TRANSITIONAL ASSISTANCE.

EDITOR NOTE: 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 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.

Sec. 29.05.180 [29.18.180]. ORGANIZATION GRANTS TO CITIES.

(a) To [FOR THE PURPOSE OF] defray[ING] the cost of transition to [BOROUGH OR] city government and [IN ORDER] to provide for [DEVELOPMENT AND] interim government[AL] operations, each [BOROUGH AND] city incorporated after July [JANUARY] 1, 1984 [1968, OTHER THAN A UNIFIED MUNICIPALITY INCORPORATED UNDER THE PROVISIONS OF AS 29.85, OR A MUNICIPALITY OTHERWISE INCORPORATED BY CONSOLIDATION,] is entitled to an organization grant of $50,000 for the first full or partial fiscal year after incorporation. [EQUAL TO $10 FOR EVERY VOTER WHO VOTED IN THE BOROUGH OR CITY INCORPORATION ELECTION. HOWEVER, EACH INCOR PORATED BOROUGH AND EACH FIRST CLASS CITY INCORPORATED OR ESTABLISHED BY RECLAS SIFICATION OUTSIDE AND ORGANIZED BOROUGH IS ENTITLED TO AT LEAST $25,000.]

(b) To defray the cost of reclassification, each second class city in the unorganized borough incorporated before July 1, 1984 that reclassifies as a home rule or first class city after July 1, 1984 is entitled to an organization grant equal to $50,000 for the first full or partial fiscal year after reclassi fication. [WITHIN 30 DAYS AFTER THE DATE OF INCORPORATION OF A BOROUGH OR CITY AFTER SEPTEMBER 10, 1972, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL DETERMINE THE NUMBER OF VOTERS IN THE BOROUGH OR CITY WHO VOTED IN THE INCORP- ORATION ELECTION.]

(c) The department [OF COMMUNITY AND REGIONAL AFFAIRS] shall disburse an organization grant under (a) or (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 pur pose. [WITHIN 30 DAYS AFTER THE COMPLETION OF ITS FINDINGS, OR AS SOON THEREAFTER AS MONEY IS APPROPRIATED TO IT FOR THE PURPOSE, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL TRANSMIT TO THE BOROUGH OR CITY THE TOTAL AMOUNT OF MONEY TO WHICH THE BOROUGH OR CITY IS ENTITLED.]

(d) 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 incor- poration or reclassification, or as soon after that time as money is appropriated and available for the purpose.

EDITOR NOTE: This section deals with organization grants to boroughs only and applies to boroughs incorporated after July 1, 1984. 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.

Sec. 29.05.190 [29.18.180]. 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, 1984, 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]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 [WHICH] qualify under AS 29.05.180 or 29.05.190.

(b) Before August 31 of each fiscal year the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]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.

EDITOR NOTE: 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 inititial assessment roll if the borough has adopted a property tax.

Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHS.

(a) Within 30 days after the date of incorporation of a borough incorporated after July 1, 1984, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]shall determine the population of the borough.

(b) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]shall provide assistance to each borough incorporated after July 1, 1984, in

(1) establishing the initial sales and use tax assessment and collection department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]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.

* Section 4. AS 29 is amended by adding a new chapter to read:

CHAPTER 06. ALTERATION OF MUNICIPALITIES.

ARTICLE 1. CHANGE OF NAME.

EDITOR NOTE: 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.

Sec. 29.06.010 [29.73.050]. CHANGE OF MUNICIPAL NAME.

(a) A [THE GOVERNING BODY OF A HOME RULE OR GENERAL LAW] municipality may change its [THE] official [MUNICIPAL] name by adopting an ordinance for the purpose that is ratified by the voters and filing the ordinance with the office of the lieutenant governor. Upon receipt of an [A LEGALLY ADOPTED] ordinance ratified by the [QUALIFIED] voters, [VOTING ON THE QUESTION AT A REGULAR OR SPECIAL ELECTION,] the lieutenant governor shall issue an [APPROPRIATE] 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 [OF] receipt of the ordinance. A copy of the order shall be transmitted to the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS].

(b) If an ordinance adopted under (a) of this section that [WHICH] results in a change of [AN ORDER CHANGING] the municipal name is subsequently repealed, the lieutenant governor shall issue an [A FURTHER] order reinstating the former [MUNICIPAL] name within 45 days after [OF] the date of the order, unless a different [MUNICIPAL] name is adopted [BY ORDINANCE TRANSMITTED TO THE LIEUTENANT GOVERNOR FOR IMPLEMENTATION] 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[S], application[S], petition[S], hearing[S] or [AND] other proceeding[S] 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 [NAME OF THE MUNICIPALITY] as changed by the order.

(d) This section applies to home rule and general law municipalities.

ARTICLE 2 [1]. ANNEXATION AND DETACHMENT [EXCLUSION].

EDITOR NOTE: This section contains only minor word changes so that language used in Title 29 which is defined is uniformly used throughout the title.

Sec. 29.06.040 [29.68.010]. 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) [(A)] The Local Boundary Commission may present a [CONSIDER ANY] proposed municipal [LOCAL GOVERNMENT] boundary change[. IT MAY PRESENT PROPOSED CHANGES] to the legislature during the first 10 days of a [ANY] regular session. The change [SHALL] 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) [(B)] In addition to the regulations governing annexation by local action adopted under AS 44.47.567 [AS 44.19.260], the Local Boundary Commission shall[, WITHIN 90 DAYS OF SEPTEMBER 10, 1972,] establish procedures for annexation and detachment [EXCLUSION] of territory by municipalities [CITIES AND BOROUGHS] by local action. The procedures established under this subsection [SHALL] include a provision that

(1) [A PROVISION REQUIRING THAT] a proposed annexation and detachment [EXCLUSION] must be approved by a majority of votes [THE VOTERS VOTING] on the question cast by voters residing in [WITHIN] the area proposed to be annexed or detached [EXCLUDED];

(2) [PROVISIONS THAT] municipally owned property adjoining the municipality may be annexed by ordinance without voter approval; and

(3) [PROVISIONS THAT] an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in [WITHIN] the area petition the governing body [ASSEMBLY OR COUNCIL].

(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.

EDITOR NOTE: No substantive change.

Sec. 29.06.050 [29.68.020]. ANNEXATION OF MILITARY RESERVATIONS. A military reservation may be annexed to a municipality [CITY OR BOROUGH] in the same manner as prescribed for [ANY] other territory under AS 29.06.040[AS 29.68.010]. If a city in a [WITHIN AN ORGANIZED] borough annexes a military reservation under this section, the area [TERRITORY] encompassing the military reservation automatically is annexed to the borough in [OF] which the city is located [A PART].

EDITOR NOTE: 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. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to home rule and general law municipalities.

ARTICLE 3. MERGER AND CONSOLIDATION.

EDITOR NOTE: Adds a provision that a third class borough may not be formed through merger or consolidation.

Sec. 29.06.090 [29.68.030]. [METHODS OF] 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 [HOME RULE AND GENERAL LAW] 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 [§§ 40 - 110 OF THIS CHAPTER].

EDITOR NOTE: The word "existing" is added to make it clear that some requirements refer to an existing municipality and some to a proposed municipality.

Sec. 29.06.100 [29.68.040]. PETITION.

(a) Residents of two or more municipalities may file a merger or consolidation petition with the department [DEPARTMENT OF COMMUNITY AND REGIONAL

AFFAIRS]. The petition must be signed by a number of [MUNICIPAL] voters of each existing municipality equal to at least 25 percent of the number of votes cast in each municipality's [ITS] 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 [ASSEMBLY OR COUNCIL];

(4) maps, documents, and other information that [WHICH] shows that the proposed municipality meets the standards for municipal incorporation.

EDITOR NOTE: "Department of Community and Regional Affairs" is changed to "department".

Sec. 29.06.110 [29.68.050, 29.68.060, 29.68.070(a)]. REVIEW.

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall review a merger or consolidation petition for content and signatures and shall return a deficient petition for correction or completion.

(b) [29.68.060 INVESTIGATION.] If the petition contains the required information and signatures, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate the proposal.

(c) [29.68.070. REPORT AND HEARING] The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall report its findings to the Local Boundary Commission with its recommendations regarding the merger or consolidation.

EDITOR NOTE: No substantive change.

Sec. 29.06.120 [29.68.070(b)]. HEARING. [(B)] 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 [MERGER OR CONSOLIDATION] petition, unless officials of the municipalities agree to a single hearing.

EDITOR NOTE: "Assembly or council" is changed to "governing body". Material contained in the last sentence under current law is placed into a new subsection (b).

Sec. 29.06.130 [29.68.080]. DECISION.

(a) If the Local Boundary Commission determines that the proposed municipality fails to meet the standards for incorporation, i 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 [ASSEMBLY OR COUNCIL] can be altered to meet the standards, it may alter [CHANGE] the proposal and accept the petition.

(b) A Local Boundary Commission [THE] decision under this section may be appealed [UNDER THIS SECTION] under the Administrative Procedure Act (AS 44.62).

EDITOR NOTE: 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".

Sec. 29.06.140 [29.68.090]. ELECTION.

(a) The Local Boundary Commission shall immediately notify the director of elections [LIEUTENANT GOVERNOR] of its acceptance of a merger or consolidation petition. Within 30 days after notification, the director of elections [LIEUTENANT GOVERNOR] shall order an election in [WITHIN] the area to be included in the new municipality to determine whether the voters desire merger or consolidation. The election must be [IS] held not less than 30 [N]or more than 90 days after the election order. [(B)] A voter who is a resident of the area to be included in the proposed municipality may vote.

(b) [(C)] The director of elections [LIEUTENANT GOVERNOR] shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15) [(AS 15.05 - 14.60)]. The state shall pay all election costs.

(c) The director of elections [LIEUTENANT GOVERNOR] shall certify the election results. If merger or consolidation is approved, the director of elections [HE] shall, within 10 days, set a date for election of officials [OFFICERS] of the new municipality [UNDER AS 29.18 - 120.]. The election date must be [IS] not less than 60 [N]or more than 90 days after the election order[. THIS DATE] and it is the effective date for the merger or consolidation.

EDITOR NOTE: No substantive change.

Sec. 29.06.150 [29.68.100]. ASSETS AND LIABILITIES.

(a) When two or more municipalities merge, one [MUNICIPALITY] 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 tl consolidated municipalities.

EDITOR NOTE: No substantive change.

Sec. 29.06.160 [29.68.110]. TRANSITION [ORDINANCES]. After merger or consolidation, the ordinances, resolutions, [RULES,] regulations, procedures, and orders of the former municipalities remain in force in their respective territories until superseded by the action of the new [SUCCESSOR] municipality.

EDITOR NOTE: 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. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to home rule and general law municipalities.

ARTICLE 4 [3]. UNIFICATION OF MUNICIPALITIES [LOCAL GOVERNMENTS].

EDITOR NOTE: No substantive change.

Sec. 29.06.190 [29.68.240]. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A [AN ORGANIZED] borough and all cities in [WITHIN] the borough may unite to form a single unit of home rule [LOCAL] government by complying with AS 29.06.190 - 29.06.410 [THIS CHAPTER].

EDITOR NOTE: No substantive change.

Sec. 29.06.200 [29.68.250]. UNIFICATION [TO BE] PROPOSED [BY PETI TION].

(a) Formation of a charter commission to prepare [PROPOSE] a unification charter shall be proposed by resolution of the assembly or by petition. A [AN ASSEMBLY] resolution to propose formation of a charter commission [FOR THE

PURPOSE] may be adopted not more often than once every 12 months.

(b) An [THE BOROUGH] assembly, a [CITY] council, or a person living in [WITHIN] the area [OF] proposed for unification may initiate a unification [THE] petition.

EDITOR NOTE: "Unification" is added to make it clear that this is a special type of petition. (b)(1) and (2) are slightly rewritten for clarity.

Sec. 29.06.210 [29.68.260]. PETITION REQUIREMENTS.

(a) A unification [THE] 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 [GOVERNMENT] 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 [THAT] number of [QUALIFIED] voters residing [OF THE BOROUGH LIVING] outside all home rule [FIRST CLASS] and first class [HOME RULE] cities in the borough equal to 25 percent of the votes cast [QUALIFIED VOTERS WHO VOTED] in that area in the last regular borough election; and

(2) the [THAT] number of [QUALIFIED] voters residing in home rule or first class cities [EACH FIRST CLASS AND HOME RULE CITY] in the borough equal to 25 percent of the votes cast [QUALIFIED VOTERS WHO VOTED] in all home rule and first class cities in the borough in the last regular borough election [IN EACH CITY].

EDITOR NOTE: No substantive change.

Sec. 29.06.220 [29.68.270]. REVIEW OF PETITION. [UPON RECEIPT OF A PETITION,] The [BOROUGH] assembly shall review a unification [THE] petition within 15 [AFTER ITS RECEIPT] days to determine whether it complies with AS 29.06.210 [§ 260 OF THIS CHAPTER]. 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.

EDITOR NOTE: New section setting out duties of charter commission.

Sec. 29.06.230 [29.68.350(a)]. DUTIES OF CHARTER COMMISSION [PREPARATION]. The [A] charter commission [ESTABLISHED UNDER THIS CHAPTER] shall prepare, adopt, and submit to the voters for approval or rejection a proposed home rule charter for the area to be unified. [TO THE VOTERS FOR APPROVAL OR REJECTION AT A REGULAR OR SPECIAL BOROUGH ELECTION CALLED BY THE BOROUGH ASSEMBLY HELD WITHIN 60 DAYS OF THE DATE OF PUBLICATION AND POSTING OF THE PROPOSED CHARTER AS REQUIRED IN AS 29.68.380. THE CHARTER SHALL INCLUDE AMONG ITS PROVISIONS:

(1) PROVISIONS FOR ADJUSTMENT OF EXISTING BONDED INDEBTEDNESS AND OTHER OBLIGATIONS IN A MANNER WHICH WILL RESERVE A FAIR AND EQUITABLE BURDEN OF TAXATION FOR DEBT SERVICE, SUBJECT TO AS 29.68.410;

(2) PROVISIONS FOR

(A) THE ESTABLISHMENT OF SERVICE AREAS: AND

(B) THE ESTABLISHMENT OF DISTRICTS OR SECTIONS FOR THE ELECTION F MEMBERS OF THE LEGISLATIVE BODY OF THE UNIFIED MUNICIPALITY, IF ELECTION OF MEMBERS OF THE LEGISLATIVE BODY IS NOT AREAWIDE, AND PROCEDURES BY WHICH TO REAPPORTION THE ELECTION DISTRICTS OR SECTIONS;

(C) REAPPORTIONMENT OF THE SECTIONS, IF ESTABLISHED;

(3) PROVISION FOR NONPARTISAN GOVERNMENT AND PROVISION FOR THE SELECTION, ORGANIZATION, AUTHORITY AND RESPONSIBILITIES OF THE GOVERNING BODY AND ITS EXECUTIVE AND ADMINISTRATOR;

(4) THE TRANSFER OR OTHER DISPOSITION OF PROPERTY AND OTHER RIGHTS, CLAIMS, ASSETS AND FRANCHISES OF THE LOCAL GOVERNMENT TO BE UNIFIED UNDER THE CHARTER;

(5) PROVISION FOR EXERCISE OF THE RIGHTS OF INITIATIVE AND REFERENDUM AS REQUIRED BY AS 29.13.050;

(6) A METHOD OF AMENDING THE CHARTER;

(7) THE DATE ON WHICH THE CHARTER, IF APPROVED AT THE CHARTER ELECTION REQUIRED BY AS 29.68.390, IS EFFECTIVE;

(8) DESIGNATION OF THE NEW MUNICIPALITY'S OFFICIAL NAME, SUBJECT TO THE PROVISIONS OF (b) OF THIS SECTION;

(9) OTHER CHARTER PROVISIONS WHICH THE CHARTER COMMISSION ELECTS TO INCLUDE AND WHICH MAY BE INCLUDED IN A HOME RULE CHARTER UNDER THIS CHAPTER AND THE STATE CONSTITUTION.

(b) THE AREA TO BE UNIFIED SHALL BE KNOWN AS A BOROUGH OR A CITY OR BY SOME OTHER DESIGNATION CONSISTENT WITH EXISTING LAW.

EDITOR NOTE: 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.

Sec. 29.06.240 [29.68.310]. COMPOSITION OF CHARTER COMMISSION. The charter commission [MEMBERS SHALL BE QUALIFIED VOTERS AND] shall consist of 11 voters [MEMBERS], three of whom are [SHALL BE] residents elected at large from the [AREA OF THE] borough and eight of whom, proportionate to the population as determined by the department, are [SHALL BE]

(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 [A CITY OR CITIES] in the borough. [THE NUMBER REPRESENTING EACH OF THESE AREAS SHALL BE PROPORTIONATE TO THE RESPECTIVE POPULATIONS AS DETERMINED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.]

EDITOR NOTE: (a) No substantive change.

(b) No substantive change.

(c) No substantive change.

(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. 29.06.250 [29.68.280, 29.68.29(a),(b)]. [CALL FOR] CHARTER COMMISSION NOMINATIONS.

(a) If the assembly determines [ONCE IT IS DETERMINED BY THE BOROUGH ASSEMBLY] that a unification petition meets the requirements of AS 29.06.210 [§ 260 OF THIS CHAPTER], or the assembly by its resolution proposes an election on formation of a charter commission [TO PROPOSE A UNIFICATION CHARTER], the assembly shall issue a call for the nomination of [CHARTER] commission candidates, specifying the filing deadline and [OUTLINING] the procedure [DESCRIBED] for making nominations [UNDER § 290 OF THIS CHAPTER].

(b) [29.68.290. NOMINATION OF CHARTER COMMISSION CANDIDATES. (A)] Charter commission candidates shall be nominated by petition signed by at least 50 [QUALIFIED] voters of the area from which the candidate seeks election, or by a number of [QUALIFIED] voters from that area equal to at least 10 percent of the number of votes cast from that area in the last regular borough election, which ever is less.

(c) [(B)] 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 [BOROUGH] assembly[, WHICH DATE SHALL NOT BE LESS THAN 30 DAYS AFTER NOTICE OF THE CALL FOR NOMINATIONS HAS BEEN GIVEN THROUGH THE BOROUGH].

(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.

EDITOR NOTE: No substantive change.

Sec. 29.06.260 [29.68.300]. QUALIFICATIONS OF [CHARTER COMMISSION] CANDIDATES. A person is eligible to be nominated as a candidate for the charter commission if that person is a [HE HAS BEEN A QUALIFIED] voter of the area from which [HE SEEKS] election is sought and has been a voter of the area for at least one year immediately preceding the date the [HIS] nomination petition is filed [WITH THE BOROUGH CLERK].

EDITOR NOTE: (a) The question submitted is whether a charter commission shall be formed, not whether unification shall take place.

(b) No substantive change.

(c) No substantive change.

Sec. 29.06.270 [29.68.320(a),(b),(c),(d)]. 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 [FOR THE PURPOSE], the [BOROUGH] assembly shall submit to the voters the question of whether a charter commission shall be formed to prepare a proposed unification charter [THAT BOROUGH AND ALL CITIES WITHIN IT SHALL UNITE TO FORM A SINGLE UNIT OF HOME RULE GOVERNMENT]. The vote shall be held at the next regular borough election scheduled at least 90 days after receipt of the [VALID] petition or adoption of

the resolution. [(B)] The ballot shall be worded exactly as in AS 29.06.210(a) [§ 260 (A) OF THIS CHAPTER].

(b) [(C)] The election of charter commission members shall take place at the same time as the election on the question of formation of the commission [UNIFICATION].

(c) [(D)] All costs incurred in conducting an election under AS 29.06.190 - 29.06.410 [THIS CHAPTER] shall be paid by the borough.

EDITOR NOTE: Reworded to clarify that formation of a charter commission is being considered, not unification.

Sec. 29.06.280 [29.68.330]. REQUIREMENTS FOR APPROVAL OF FORMATION [UNIFICATION] AND ELECTION OF CHARTER COMMISSION.

(a) The votes on the question of formation of a charter commission [UNIFICATION] shall be tabulated in two separate classifications. One classification [SHALL] consists of all votes cast in first class and home rule cities in [CF] the borough. The other classification [SHALL] consists of all votes cast in the remaining area of the borough. In order for formation of a charter commission [UNIFICATION] to be approved, [IT IS NECESSARY THAT] a majority of the votes in each classification must favor formation of the commission [UNIFICATION].

(b) If formation of a charter commission [UNIFICATION] is approved, the [THOSE CHARTER COMMISSION] candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

EDITOR NOTE: No substantive change.

Sec. 29.06.290 [29.68.340(a)-(d)]. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

(a) The charter commission [AUTHORIZED BY THIS CHAPTER] shall hold its first meeting within 30 days after [OF THE DATE OF] 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 [NO] decision of the commission is not valid or binding unless approved by the [THAT] number of members necessary to constitute a quorum.

(c) The charter commission may elect other officials [OFFICERS] from among its membership, adopt rules governing its procedures that are consistent

with AS 29.06.190 - 29.06.410 and hire and discharge [COMMISSION] employees. [RULES ADOPTED MUST CONFORM WITH THE PROVISIONS OF THIS CHAPTER.]

(d) Meetings of the charter commission shall be open to the public at all times. A journal of commission proceedings shall be kept and [SHALL BE] made available for public inspection at the borough office.

EDITOR NOTE: No substantive change.

Sec. 29.06.300 [29.68.340 (e), 29.68.390(e)] VACANCIES.

(a) [EXCEPT AS PROVIDED IN § 390 (E) OF THIS CHAPTER,] 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 [THE] person who fills [APPOINTED TO FILL] a vacancy on the charter commission must be a [QUALIFIED] voter of the same area as the person succeeded [WHOM HE SUCCEEDS] and must have been a voter of that area for at least one year immediately preceding the date the vacancy is filled [OF HIS APPOINTMENT].

EDITOR NOTE: No substantive change.

Sec. 29.06.310 [29.68.340(f)]. PER DIEM [CHARTER COMMISSION ORGANIZATION AND PROCEDURE. (F)]. The [BOROUGH] assembly may grant a per diem allowance to members of the charter commission [MEMBERS] and may reimburse the members for travel expenses incurred in carrying out the duties prescribed by AS 29.06.190 - 29.06.410 [THIS CHAPTER]. [(G)] Costs, fees, and other expenses incurred by the [CHARTER] commission are a debt of the borough and shall be paid upon proper verification.

EDITOR NOTE: 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.

Sec. 29.06.320 [29.68.350]. CHARTER PROVISIONS [PREPARATION]. [(A) A CHARTER COMMISSION ESTABLISHED UNDER THIS CHAPTER SHALL PREPARE, ADOPT AND SUBMIT A PROPOSED HOME RULE CHARTER FOR THE 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 AS 29.68.380.] The charter shall include [AMONG ITS PROVISIONS:]

(1) provision for (A) the adjustment of existing bonded indebtedness and other obligations in a manner that [WHICH] will assure [RESERVE] a fair and equitable burden of taxation for debt service, subject to AS 29.06.380 [AS 29.68.410];

[(2) [EFFECTIVE JANUARY 1,1981] PROVISIONS FOR]

(B) [(A)] the establishment of service areas; [AND]

(C) [THE ESTABLISHMENT OF DISTRICTS OR SECTIONS FOR THE ELECTION OF MEMBERS OF THE LEGISLATIVE BODY OF THE UNIFIED MUNICIPALITY,] if election of members of the governing [LEGISLATIVE] 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 [OR SECTIONS];

(D) [(C)] the reapportionment of districts [THE SECTIONS,] if they are established;

(E) [(3)] [PROVISIONS FOR] nonpartisan government, and [PROVISION FOR] the selection, organization, authority, and responsibilities of the governing body and its executive and administrator;

(F) [(4)] the transfer or other disposition of property and other rights, claims, assets, and franchises of the municipalities [LOCAL GOVERNMENT] to be unified under the charter;

(G) [(5)] [PROVISIONS FOR] the exercise of the rights of initiative and referendum in accordance with AS 29.10.030 [AS REQUIRED BY AS 29.13.050];

(H) [(6)] [A METHOD OF] amending the charter in accordance with AS 29.10.100;

(2) [(7)] the date on which the charter, if approved at the charter election, [REQUIRED BY AS 29.68.390] is effective;

(3) [(8)] designation of the proposed unified [NEW] municipality's official name [SUBJECT TO THE PROVISIONS OF (B) OF THIS SECTION]; and

(4) [(9)] other charter provisions [WHICH THE CHARTER COMMISSION ELECTS TO INCLUDE AND] that [WHICH] may be included in a home rule charter [UNDER THIS CHAPTER AND THE STATE CONSTITUTION].

[(B) THE AREA TO BE UNIFIED SHALL BE KNOWN AS A BOROUGH OR A CITY OR BY SOME OTHER DESIGNATION CONSISTENT WITH EXISTING LAW.]

EDITOR NOTE: Some excessive verbage is eliminated.

Sec. 29.06.330 [29.68.360]. PUBLIC HEARINGS. Both before and after drafting the proposed home rule charter, the charter commission shall hold a public hearing in each area [OF THE BOROUGH] represented on the [BOROUGH] assembly. Other public hearings may be held by the [CHARTER] commission as it considers [WHENEVER AND WHEREVER IT BELIEVES] necessary [AND APPROPRIATE].

EDITOR NOTE: No substantive change.

Sec. 29.06.340 [29.68.370]. 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 [WITHIN] the borough.

EDITOR NOTE: 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.

Sec. 29.06.350 [29.68.380]. PUBLICATION AND POSTING OF PROPOSED CHARTER. Within 10 days after filing the proposed home rule charter, the borough clerk shall have it published [ONCE IN AT LEAST ONE NEWSPAPER HAVING GENERAL CIRCULATION DISTRIBUTED WITHIN THE BOROUGH]. In addition, the clerk shall have a copy of the proposed charter posted in at least three public places in [WITHIN] each city [OF THE BOROUGH] and each unincorporated community in the borough [AREA OUTSIDE CITIES]. Copies of the proposed charter shall be made available by the [BOROUGH] assembly to the public at both the office of the borough clerk and the office of the clerk of each city in [WITHIN] the borough. The clerk shall have [PUBLISH] notice [BY RADIO AND TELEVISION] of the publication, posting, and

availability of the proposed charter published [IN A MANNER INTENDED TO APPRISE THE ENTIRE BOROUGH POPULATION OF THE EXISTENCE OF THE PROPOSED CHARTER.].

EDITOR NOTE: (a) No substantive change.
(b) No substantive change.
(c) No substantive change.
(d) No substantive change.

Sec. 29.06.360 [29.68.390(a),(b),(c),(d), 29.68.635(a)]. 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 [FOR RATIFICATION OR REJECTION AT THE BOROUGH ELECTION SPECIFIED IN § 350 OF THIS CHAPTER]. The borough clerk shall prepare the ballots for use in the election and shall give [PUBLISHED] notice of the election by radio and television in a manner intended to apprise the entire borough population of the election.[AND OTHERWISE CONDUCT THE ELECTION IN THE MANNER IN WHICH REGULAR MUNICIPAL ELECTIONS ARE CONDUCTED. IN ADDITION, THE CLERK SHALL PUBLISH 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 [QUALIFIED] voter of the borough may vote in the election on the proposed charter.

(c) If a majority of the votes [CAST] in the area of the borough out side all home rule or first class cities [FIRST CLASS AND HOME RULE CITIES], and a majority of the votes [CAST IN THE REMAINING AREA OF THE BOROUGH]in [COMPOSED OF] all home rule [FIRST CLASS] and first class [HOME RULE] 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 [EACH OF THE FOLLOWING AUTHORITIES:]

(1) the lieutenant governor;

(2) the [COMMISSIONER OF THE] department [OF COMMUNITY AND REGIONAL AFFAIRS];

(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 [A] proposed charter to the voters at a [GENERAL OR SPECIAL] borough election [CALLED BY THE BOROUGH AND] held within one year after [OF] 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.

[(e) IF AFTER THE REJECTION OF THE FIRST PROPOSED CHARTER, MORE THAN ONE-HALF OF THE CHARTER COMMISSION MEMBERS RESIGN FROM THE COMMISSION, THE BOROUGH ASSEMBLY SHALL APPOINT NEW MEMBERS TO FILL THE VACANCIES IN ACCORDANCE WITH § 110(E) OF THIS CHAPTER.]

EDITOR NOTE: The statutory reference to the article on unification is eliminated as unnecessary.

Sec. 29.06.370 [29.68.400]. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon ratification, the home rule charter of a unified municipality [ORGANIZED UNDER §§ 240 - 440 OF THIS CHAPTER] operates to dissolve all municipalities [LOCAL GOVERNMENTS] in [WITHIN] the area unified [OF UNIFICATION] in accordance with the charter.

EDITOR NOTE: This section is slightly reworded for clarity.

Sec. 29.06.380 [29.68.410]. ASSETS AND LIABILITIES. A unified municipality [CREATED BY UNIFICATION SHALL] shall succeed to all the assets and liabilities of the municipalities [LOCAL GOVERNMENTS] it unified. A bonded indebtedness or other debt incurred before unification [SHALL] remains the tax obligation of the area that [WHICH] contracted the debt, except that by ordinance the tax obligation may be assumed by [SPREAD OVER] a larger area [BY ORDINANCE] if the governing body determines that the asset for which the bonded indebtedness or other debt was incurred benefited [WAS USED FOR THE BENEFIT OF] the larger area before unification, or benefits the larger area [BEFORE UNIFICATION, OR IS SO USED] after unification. However, [PREUNIFICATION] bonded indebtedness or other debt for sewage collection systems, water distribution systems, and streets, even if determined to be benefiting [USED FOR THE BENEFIT] a larger area than that which incurred the debt, [SHALL] remain[s] the tax obligation of the area that [WHICH] incurred the debt.

EDITOR NOTE: This section is slightly reworded for clarity.

Sec. 29.06.390 [29.68.420]. TRANSITION [ORDINANCES]. Within two years after ratification of the home rule charter, the [GOVERNING BODY OF THE] unified municipality shall revise, repeal, or reaffirm all municipal [BOROUGH AND CITY] ordinances, resolutions, and orders in effect in the area of the unified municipality on the date [FORCE WITHIN THE BOROUGH AT THE TIME] of unification. Each ordinance, resolution, regulation, or order in effect on the date [FORCE AT THE TIME] of unification [SHALL] remains in effect [FORCE] until superseded by action of the unified municipality [NEW GOVERNING BODY].

EDITOR NOTE: This is reworded for clarity and the statutory reference to the unification article is deleted as unnecessary.

Sec. 29.06.400 [29.68.430]. RIGHT TO STATE AND FEDERAL AID [FUNDS PRESERVED]. 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 [CONTRIBUTIONS OF ANY KIND, IN MONEY OR OTHERWISE, FROM THE STATE OR FEDERAL GOVERNMENT TO BOROUGHS AND CITIES SHALL REMAIN IN FULL FORCE AND EFFECT WITH RESPECT TO A UNIFIED MUNICIPALITY ORGANIZED UNDER §§ 240 - 440 OF THIS CHAPTER].

EDITOR NOTE: (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.

Sec. 29.06.410 [29.68.440]. POWERS OF A UNIFIED MUNICIPALITY. A municipality unified [ORGANIZED] under AS 29.06.190 - 29.06.410 [§§ 240 - 440 OF THIS CHAPTER] has [SHALL HAVE] all powers

(1) not prohibited [IT] by law or charter; and

(2) granted to a home rule [ORGANIZED] borough[S] AND [FIRST CLASS CITIES].

EDITOR NOTE: 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. 29.06.420. APPLICATION. AS 29.06.190 - 29.06.420 apply to home rule and general law municipalities.

ARTICLE 5 [4]. DISSOLUTION.

EDITOR NOTE: No changes other than changes in terminology used consistently throughout in this bill.

Sec. 29.06.450 [29.68.500]. METHODS OF DISSOLUTION. (a) Two petition methods may be used to initiate dissolution of a [HOME RULE AND GENERAL LAW MUNICIPALITIES:] 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 [§§ 510 - 580 OF THIS CHAPTER].

(b) [(C)] The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate a municipality that [WHICH] 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 [§ 12,] art. X, sec. 12 of the state constitution.

(c) [(B)] A [HOME RULE OR GENERAL LAW] borough is dissolved when its entire territory is included in [WITHIN] a home rule or first class city or cities. A city is dissolved when all its powers become areawide borough powers.

EDITOR NOTE: No changes except for minor rewording for clarity.

Sec. 29.06.460 [29.68.510]. PETITION.

(a) Voters of a municipality [MUNICIPAL RESIDENTS] may file a dissolution petition with the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in the form prescribed by the department. The petition must be signed by a number of [MUNICIPAL] voters equal to at least 25 percent of the number of votes cast in the last regular [MUNICIPAL] 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.

EDITOR NOTE: No changes except for minor rewording for clarity.

Sec. 29.06.470 [29.68.520]. STANDARDS.

(a) Except as provided in (b) of this section, voters of a municipality may petition for dissolution when [(1)] the municipality [IT] is free of debt, or, if in debt, each of its creditors is satisfied with a method of repayment [;] and

(1) [(2) EITHER] it no longer meets the minimum standards prescribed for incorporation by AS 29.05, or former AS 29.18.030 [CH. 18 OF THIS TITLE, OR IT CEASES TO USE EACH AND EVERY ONE OF ITS MANDATORY POWERS.] if it is a third class borough; or

(2) the municipality ceases to use each of its mandatory powers.

(b) Voters of a [HOME RULE OR GENERAL LAW] 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.

EDITOR NOTE: "Department of Community and Regional Affairs" is altered to "department".

Sec. 29.06.480 [29.68.530, 29.68.540]. REVIEW.

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate the proposal.

EDITOR NOTE: No changes except for minor rewording for clarity.

Sec. 29.06.490 [29.68.550]. REPORT AND HEARING.

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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 [AREA] proposed to be dissolved.

EDITOR NOTE: (a) No change.

(b) Provides for an administrative appeal of a Local Boundary Commission decision.

Sec. 29.06.500 [29.68.560]. DECISION.

(a) If the Local Boundary Commission determines that a [THE] 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).

EDITOR NOTE: 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.

Sec. 29.06.510 [29.68.570]. ELECTION.

(a) The Local Boundary Commission shall immediately notify the director of elections [LIEUTENANT GOVERNOR] of its acceptance of a dissolution petition. Within 30 days after notification, the director of elections [LIEUTENANT GOVERNOR] shall order an election in [WITHIN] the municipality to determine whether the voters desire dissolution. The election must be held [IS] at least 30 and not more than 90 days after the election order. [(B) A person who is a [QUALIFIED] voter of the municipality may vote in the dissolution election.

(b) [(C)] The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15) [(AS 15.05 - 15.60)]. The state shall pay all election costs.

(c) [(D)] The director of elections [LIEUTENANT GOVERNOR] shall certify the election results. If dissolution is approved, the director of elections [HE] shall declare that the municipality is dissolved effective on the date of certification.

EDITOR NOTE: The statutory reference contained in existing law is deleted as unnecessary.

Sec. 29.06.520 [29.68.580]. SUCCESSION. The government succeeding to a dissolved municipality succeeds to all its rights, powers, duties, assets, and liabilities [AS PROVIDED IN AS 29.18.130 - 29.18.140.].

EDITOR NOTE: 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.

Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to home rule and general law municipalities.

* Section 5. AS 29 is amended by adding a new chapter to read:

CHAPTER 10. HOME RULE MUNICIPALITIES.

ARTICLE 1. CHARTERS.

EDITOR NOTE: 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.

(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. 29.10.010 [29.13.010]. MUNICIPAL CHARTER ADOPTION.

(a) A general law borough or first class city [MUNICIPALITY OR SECOND CLASS BOROUGH] 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 [AMEND ITS CHARTER OR]adopt a new charter.

(e) A proposed charter for an existing municipality is prepared [FRAMED] by a charter commission of seven elected members [CHOSEN BY THE MUNICIPAL VOTERS AT A REGULAR OR SPECIAL ELECTION]. A charter commission election is called by filing a petition with the governing body [BOROUGH ASSEMBLY OR THE CITY COUNCIL] or by resolution of the governing body [BOROUGH ASSEMBLY OR CITY COUNCIL]. The petition shall be signed by a number of [MUNICIPAL] voters equal to 15 percent of the votes cast in the last regular election in [OF] the municipality.

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.

EDITOR NOTE: 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.

Sec. 29.10.050 [29.13.030]. CHARTER COMMISSION ELECTION. At a [THE] charter commission election the voters of an existing municipality shall consider the question "Shall a charter commission be elected to prepare [FRAME] a proposed [NEW] charter?" and shall elect [SELECT] 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.

EDITOR NOTE: 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.

Sec. 29.10.060 [29.13.040]. PREPARATION OF CHARTER BY CHARTER COMMISSION. The charter commission shall, within one year, prepare a proposed home rule [MUNICIPAL] charter for an existing municipality. The proposed charter shall be signed by a majority of the members of the commission [CHARTER COMMISSIONERS] and filed in the office of the municipal clerk. Within 15 days, the clerk [BOROUGH ASSEMBLY OR CITY COUNCIL] shall have the proposed charter published [ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IF DISTRIBUTED WITHIN THE MUNICIPALITY] and make copies available. [THE CLERK SHALL POST COPIES OF THE PROPOSED CHARTER IN AT LEAST THREE PUBLIC PLACES AND MAKE COPIES AVAILABLE AT THE OFFICE OF THE CLERK.] 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.

EDITOR NOTE: "Municipal" is deleted as no longer necessary as "voter" is defined. "Regular or special" is deleted since "election" corporated community or area shall be voted on at the incorporation election.

(f) The proposed charter for an unincorporated community or an area of the unorganized borough shall be prepared by the petitioners and filed under AS 29.05.060 with the petition to incorporate a home rule municipality.

EDITOR NOTE: 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. 29.10.020. 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.

EDITOR NOTE: No substantive change.

Sec. 29.10.030 [29.13.050]. INITIATIVE AND REFERENDUM.

(a) A home rule [MUNICIPAL] charter[s] shall provide [THE] procedures for [THE] initiative and referendum.

(b) 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 [MUNICIPAL] 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.

EDITOR NOTE: (a) This has been reworded slightly, but contains no significant changes.

(b) No substantive change.

(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. 29.10.040 [29.13.010, 29.13.020]. CHARTER COMMISSION CANDIDATES.

(a) A candidate for a [THE] charter commission shall be a [QUALIFIED] voter of an [THE] existing municipality [AND A RESIDENT OF THE MUNICIPALITY] for three years immediately preceding the charter commission election.

(b) A charter commission candidate[s] is [ARE] nominated by a petition[s] signed by at least 50 voters or the number of [QUALIFIED MUNICIPAL] 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

Sec. 29.10.070 [29.13.060]. CHARTER ELECTION. The proposed home rule charter for an existing municipality shall be submitted to the [MUNICIPAL] voters at [A REGULAR OR SPECIAL] an election held not less than 30 days or more than 90 days after [FROM THE PUBLICATION OF] the proposed charter is published. The proposed home rule charter for an unincorporated community or for an area in the unorganized borough shall be submitted to the voters at an incorporation election held under AS 29.05.110.

EDITOR NOTE: (a) The provision that the charter becomes effective on the date the election is certified has been added.

(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. 29.10.080 [29.13.070]. CHARTER ADOPTION.

(a) If a majority of those voting [ON THE QUESTION] in an existing municipality favor the proposed charter or if a majority of those voting in an unincorporated community or in an area in the unorganized borough favor incorporation of a home rule municipality, the proposed charter [IT] becomes the organic law of the municipality effective on the date the election is certified. Thereafter, a [THE] court shall take judicial notice of the charter. The new home rule municipality shall file the indicated number of copies of the charter with [THE]

(1) the lieutenant governor -- two copies;

(2) the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] -- 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.

EDITOR NOTE: (a) No substantive change.

(b) This is new material providing that if incorporation of a home rule municipality is rejected, the proposed charter is rejected as well.

Sec. 29.10.090 [29.13.070 (b)]. 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 [A REGULAR OR SPECIAL] 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.

EDITOR NOTE: The provision that a charter may be amended by initiative referendum has been deleted. The charter is amended as provided in the charter itself.

Sec. 29.10.100 [29.13.080]. CHARTER AMENDMENT.

(a) A home rule [MUNICIPAL] charter may be amended as provided in the charter [OR BY INITIATIVE REFERENDUM AS PROVIDED IN AS 29.28.110-29.28.110], except that no amendment is [SHALL BE] effective unless ratified by the voters.

(b) This section applies to home rule municipalities.

ARTICLE 2. HOME RULE LIMITATIONS.

EDITOR NOTE: 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;

(27) alcoholic beverages;

(31) assessment and collection of taxes;

(32) land use regulation;

(36) title to vacated areas;

(38) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);

(42) construction;

(46) 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 (this material was deleted from this bill);

(40) expulsion of borough assembly men (this material is substantially rewritten and not made applicable as a home rule limitation);

(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).

Sec. 29.10.200 [29.13.100]. LIMITATION OF HOME RULE POWERS. Only the following pro visions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. These provisions [THEY] supersede existing and prohibit future home rule enactments that [WHICH] provide otherwise:

(1) AS 29.05.140 [AS 29.13.080] (transition) [(CHARTER AMENDMENT)]

(2) AS 29.06.010 [AS 29.18.140] (change of municipal name) [(BOROUGH TRANSITION)]

(3) AS 29.06.040 - 29.06.060 [AS 29.23.020 - 29.23.050] (annexation and detachment) [(BOROUGH ASSEMBLY REPRESENTATION) AS 29.23.021 (BOROUGH ASSEMBLY COMPOSITION AND APPORTIONMENT), AND AS 29.23.040 - 29.23.050 (BOROUGH ASSEMBLY MEMBERS)]

(4) AS 29.06.090 - 29.06.170 [AS 29.23.250] (merger and consolidation) [(A) (ELECTION AND TERM OF MAYOR)]

(5) AS 29.06.190 - 29.06.420 [AS 29.23.540] (unification of municipalities) [(PROHIBITIONS RESPECTING APPOINTMENT AND REMOVAL OF PERSONNEL)]

(6) AS 29.06.450 - 29.06.530 [AS 29.23.560] (dissolution) [(MUNICIPAL REPORTS)]

(7) AS 29.10.100 [AS 29.23.580] (charter amendment) [(MEETINGS PUBLIC)]

(8) AS 29.20.010 [AS 29.28.010, 29.28.020] (conflict of interest) [(MUNICIPAL ELECTIONS)]

(9) AS 29.20.020 [AS 29.28.130 - 29.28.250] (meetings public) [(RECALL)]

(10) AS 29..33.010 (legislative [AREAWIDE BOROUGH] power[S])

(11) AS 29.20.060 - 29.20.120 [AS 29.33.290(c)] (assembly composition and apportionment) [(ACQUISITION OF ADDITIONAL AREAWIDE POWERS)]

(12) AS 29.20.140 [29.43.020 - 29.43.040] (qualifications of members of governing bodies) [(POWERS OF CITIES OUTSIDE BOROUGHS)]

(13) AS 29.20.150 [AS 29.48.033] (term of office) [(GARBAGE AND SOLID WASTE SERVICES)]

(14) AS 29.20.220 [AS 29.48.035(b)] (executive power) [(EFFECT OF AREAWIDE EXERCISE OF BOROUGH POWER(]

(15) AS 29.20.630 [AS 29.48.035(c)] (prohibitions) [(BOROUGH BUILDING CODE JURISDICTION WITHIN CITIES)]

(16) AS 29.20.640 [AS 29.48.037] (reports) [(EXTRATERRITORIAL JURISDICTION)]

(17) AS 29.25.010(a)(10) [AS 29.48.040 - 29.48.100] (municipal exemption on contractor bond requirements) [(UTILITIES)]

(18) AS 29.25.050 [AS 29.48.180] (codification)

(19) AS 29.25.060 (resolutions)

(20) AS 29.26.030 [AS 29.48.210] (notice of elections) [(EXPENDITURE OF BOROUGH REVENUE)]

(21) AS 29.26.050 [AS 29.48.220] (voter qualification) [(POST AUDIT)]

(22) AS 29.26.250 - 29.26.360 [AS 29.53.400] (recall) [(BOROUGH AND CITY PROPERTY TAXES)]

(23) AS 29.35.020 [AS 29.53.415(d)] (extraterritorial jurisdiction) [(INTEREST ON SALES TAX)]

(24) AS 29.35.030 [AS 29.58.180(b)] (eminent domain) [SECURITY FOR BONDS)]

(25) AS 29.35.050 [AS 29.58.315] (garbage and solid waste services) [(BOND ATTORNEYS, BOND AND FINANCIAL CONSULTANTS)]

(26) AS 29.35.070 [AS 29.68.010] (public utilities) [(ANNEXATION AND EXCLUSION)]

(27) AS 29.35.080 [AS 29.68.030 - 29.68.110] (alcoholic beverages) [(MERGER AND CONSOLIDATION)]

(28) AS 29.35.120 [AS 29.68.500 - 29.68.580] (post audit) [(DISSOLUTION)]

(29) AS 29.35.160 [AS 29.73.020] (education) [(EMINENT DOMAIN)]

(30) AS 29.35.170(b) AS 29.73.030] (assessment and collection of taxes) [(ADVERSE POSSESSION)]

(31) AS 29.35.180(b) [AS 29.73.040] (land use regulation) [(TAXATION OF MUNICIPALITIES)]

(32) AS 29.35.250 [AS 29.73.050] (cities inside boroughs) [(MUNICIPAL NAME CHANGES)]

(33) AS 29.35.260 [AS 29.23.555] (cities outside boroughs) [(CONFLICT OF INTEREST)]

(34) AS 29.35.340 [AS 29.33.050, AS 29.41.010(a), AS 14.12.020(a)] (acquisition of areawide power) [(RESPONSIBILITY FOR EDUCATION ON MILITARY RESERVATIONS)]

(35) AS 29.40.160(a) - (c) [AS 29.58.345 - 29.58.350] (title to vacated areas) [(BONDED DEBT FOR SCHOOL CONSTRUCTION)]

(36) AS 29.40.200 [AS 29.63.065] (subdivisions of state land) [(EXEMPTION FROM SPECIAL ASSESSMENT)]

(37) AS 29.53.010 - 29.53.400 [AS 29.33.090(d)] (property taxes) [(ZONING OF STATE LAND FOR HOMESITE ENTRY)]

(38) AS 29.53.415(d) [AS 29.48.130(a)(12)] (sales and use tax) [(MUNICIPAL EXEMPTION ON CONTRACTOR BOND REQUIREMENTS)]

(39) AS 29.46.090 [AS 29.33.150(b)] (exemption from special assessment) [(APPLICABILITY OF LOCAL PLATTING REGULATIONS TO STATE LAND IN A MUNICIPALITY)]

(40) AS 29.47.200(b) [AS 29.23.060(c)] (security for bonds) [(EXPULSION OF BOROUGH ASSEMBLYMAN)]

(41) AS 29.47.260 [AS 29.23.130(f)] (construction) [(REMOVAL OF BOROUGH MAYOR FROM OFFICE)]

(42) AS 29.60.050(a) [AS 29.23.210(b)] (limitation on computation and use of payment) [(EXPULSION OF CITY COUNCILMAN FROM OFFICE)]

(43) AS 29.60.120(a) and (c) [AS 29.23.255] (state aid for health facilities and hospitals) [(REMOVAL OF MAYOR FROM OFFICE)]

(44) AS 29.60.230 [AS 29.28.050(f)] (state aid for hospital and health facility construction) [(EXPULSION, REMOVAL FROM OFFICE)]

(45) AS 29.65.010 - 29.65.140 [AS 29.73.070] (general grant land) [(TAXPAYER NOTICE)]

[(46) AS 29.88 (MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE)]

[(47) AS 29.89 (STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES)]

* Section 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.

EDITOR NOTE: 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.

Sec. 29.20.010 [29.23.555]. CONFLICT OF INTEREST [S].

(a) Each [HOME RULE AND GENERAL LAW] municipality shall adopt a conflict of interest[s] ordinance that [WHICH OTHER PROVISIONS OF THIS CHAPTER NOTWITHSTANDING, INCLUDES PROVISION THAT AN OFFICER] 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 by a member of the governing body to be excused from a vote;

(3) the decision of the presiding officer on a request by a member of the governing body to be excused from a vote may be overridden by the majority vote of the governing body; and

(4) a municipal employee or official, other than a member of the governing body,[SHALL DISQUALIFY HIMSELF FROM PARTICIPATING] may not participate in an official action in which the employee or official [HE] has a substantial financial interest.

(b) If a [HOME RULE OR GENERAL LAW] municipality fails to adopt a conflict of interest[s] ordinance within 180 [90] days after [FROM] July 1, 1984 [SEPTEMBER 10, 1972], the [CONFLICT OF INTEREST] provisions of this section are [IS] automatically applicable to and binding upon that municipality.

(c) This section applies to home rule and general law municipalities.

EDITOR NOTE: "Assembly and council" is altered to "governing body" and the section is divided into subsections for ease of use.

Sec. 29.20.020 [29.23.580]. MEETINGS PUBLIC.

(a) Meetings of all municipal bodies shall be public as provided in AS 44.62.310. The governing body [ASSEMBLY AND COUNCIL] 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.

EDITOR NOTE: 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.

Sec. 29.20.050 [29.23.010]. LEGISLATIVE [GENERAL] 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.

[29.23.020 COMPOSITION, APPORTIONMENT AND REAPPORTIONMENT - REPEALED BY SEC. 24 CH 83 SLA 1979, EFFECTIVE JANUARY 1, 1981]

EDITOR NOTE: No substantive change. This is made specifically applicable to home rule municipalities, but is a home rule limitation now under AS29.13.100(3).

Sec. 29.20.060 [29.23.100(3), 29.23.021]. ASSEMBLY COMPOSITION AND APPORTIONMENT.

(a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If 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 [OF A BOROUGH] 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.

EDITOR NOTE: "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.

Sec. 29.20.070 [29.23.023]. ASSEMBLY COMPOSITION AND FORM OF REPRESENTATION.

(a) The [BOROUGH] 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 [BOROUGH] assembly representation. The forms of representation that [WHICH] the assembly may submit to the voters 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 [WITH] 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 [QUALIFIED] voters of a district;

(3) election of members of the [BOROUGH] assembly both at large and by district.

(c) A form of [BOROUGH] assembly representation that [WHICH] includes election of [BOROUGH] 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 [29.23.025(a).

(d) The [BOROUGH] assembly shall, within 30 days after certification of the results of the election held [ON A PROPOSED FORM OF REPRESENTATION] under this section, adopt an ordinance providing for [ITS]

(1) composition [AND THE FORM] 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 [WHICH CORRESPONDS TO] with the [PROPOSED] form of representation that [WHICH] received the most votes [AT THE ELECTION].

(e) This section applies [DOES NOT APPLY] to home rule and general law municipalities, except it does not apply to a

(1) [TO A] unified municipality [INCORPORATED UNDER AS 29.68.240-29.68.440];

(2) [TO A] home rule borough if the home rule [BOROUGH] charter contains procedures for changing assembly composition and form of representation.

EDITOR NOTE: "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.

Sec. 29.20.080 [29.23.025]. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT.

(a) Not later than two months after the official report of a federal decennial census, the [BOROUGH] assembly shall determine and declare by resolution whether the existing apportionment of the [BOROUGH] assembly meets the standards of AS 29.20.060 [29.23.021]. If the [BOROUGH] assembly submits to the voters a form of representation that [WHICH] includes election of assembly members under AS 29.20.070(b)(2) or (b)(3) [29.23.021(b)(2), the assembly shall submit with the proposition a proposed plan of apportionment that [WHICH] 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 [WHICH] it believes accurately describes the apportionment that [WHICH] is proposed under the form of representation. If the [BOROUGH] assembly determines that [WHICH] its existing apportionment meets the standards of AS 29.20.060 [29.23.021], the assembly may include the existing apportionment as a proposed plan of apportionment of assembly seats that corresponds to a form of representation that [WHICH] is proposed.

(b) The [BOROUGH] assembly shall provide, by ordinance, for a change in an existing apportionment of the [BOROUGH] assembly whenever it determines that the apportionment does not meet the standards of AS 29.20.060 [29.23.021]. At the same time, the [BOROUGH] assembly may, by ordinance, change the composition of the assembly.

(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 29.20.060 [29.23.021], and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may make the determination requested. The [BOROUGH] assembly shall make a determination required by this subsection within two months of receipt of a petition that [WHICH] 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 [BOROUGH] assembly under (b) or (c) of this section that the current apportionment does not meet the standards of AS 29.20.060 [29.23.061] the [BOROUGH] assembly shall adopt an ordinance providing for reapportionment and submit the ordinance to the voters. If, at the end of the six-month time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall provide for the reapportionment in accordance with the standards of AS 29.20.060 [29.23.021] by preparing an order of reapportionment and delivering the order to the borough mayor.

[(f) REPEALED BY SEC. 13 CH 128 SLA 1980.]

[(g) REPEALED BY SEC. 13 CH 128 SLA 1980.]

EDITOR NOTE: "Borough" is deleted as unnecessary when it appears before "assembly". "Of Community and Regional Affairs" appearing several times in this section, is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect new numbering.

Sec. 29.20.090 [29.23.027]. APPORTIONMENT APPEALS.

(a) A reapportionment ordinance approved by the voters, or a decision of the [BOROUGH] assembly that the standards of AS 29.20.060 [29.23.021] do not require a change in apportionment, may be appealed to the commissioner [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]. Fifty [REGISTERED] voters [WHO ARE RESIDENTS OF THE BOROUGH] may submit a petition to the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.20.060 [29.23.021] or whether a decision of the [BOROUGH] assembly that the standards of AS 29.20.060 [29.23.021] do not require a change of apportionment is correct. If the petition asks the commissioner [OF COMMUNITY

AND REGIONAL AFFAIRS] to review an ordinance approved by the voters under AS 29.20.080(e) [29.23.025(e)], the petition shall be delivered to the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] not later than 20 days after certification of the election. If the petition asks the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] to review a decision of the [BOROUGH] assembly under AS 29.20.080(c) [29.23.025(c)], the petition shall be delivered to the commissioner within 20 days of the decision of the [BOROUGH] assembly.

(b) The commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] shall review the petition and may make the determination requested. The commissioner shall provide copies of the [HIS] determination to the persons petitioning for appeal and to borough officials not later than 60 days after the commissioner [HE] receives the petition.

(c) If the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] determines that [WHICH] the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.20.060 [29.23.021], or if the commissioner [HE] determines that the decision of the [BOROUGH] assembly that the standards of AS 29.20.060 [29.23.021] do not require a change of apportionment is not correct, the commissioner shall, by order, direct the [BOROUGH] assembly to prepare a reapportionment ordinance that [WHICH] meets the standards of AS 29.20.060 [29.23.021] and submit the ordinance to the voters.

(d) When the [BOROUGH] assembly has been directed by the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] to prepare a reapportionment ordinance under (c) of this section, the [BOROUGH] assembly shall, within two months after its receipt of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS]'s order, adopt an ordinance providing for reapportionment. The [BOROUGH] assembly shall submit an ordinance adopted under this subsection to the voters at an [REGULAR] election [OR SPECIAL ELECTION] held within 60 days after [OF] 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 [OF COMMUNITY AND REGIONAL AFFAIRS] shall provide for the reapportionment of the [BOROUGH] assembly in accordance with the standards of AS 29.20.060 [29.23.021] by preparing an order of reapportionment and delivering the order to the borough mayor.

EDITOR NOTE: "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.

Sec. 29.20.100 [29.23.029]. JUDICIAL REVIEW AND RELIEF.

(a) The commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] may request the superior court to enforce a reapportionment order issued under AS 29.20.090(e) [29.23.027(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) [29.23.025(a)];

(2) a determination by the [BOROUGH] assembly under AS 29.20.080 [29.23.025(c)] that the standards of AS 29.20.060 [29.23.021] do not require a change in apportionment;

(3) a reapportionment ordinance approved by the voters under AS 29.20.080(d) [29.23.025(d)];

(4) a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] made under AS 29.20.090(c) [29.23.027(c)];

(5) a reapportionment ordinance approved by the voters under AS 29.20.090(d) [29.23.027(d)]; and

(6) a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] made under AS 29.20.090(e) [29.23.027(e)].

[29.23.030. ELECTION AND APPOINTMENT. REPEALED BY SEC. 16 CH 118 SLA 1972.]

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.20.110 [29.23.031]. EFFECTIVE DATE OF APPORTIONMENT.

(a) A change in [BOROUGH] assembly apportionment or composition under AS 29.20.080 29.23.025] or 29.20.090 [29.23.027] is effective beginning with the first regular election for members of the [BOROUGH] assembly that [WHICH] 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) [29.23.025(a)], 29.20.080(e) [29.23.025 (e)], or 29.20.090(d) [29.23.027(d)]; or

(2) the delivery to the mayor of a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] under AS 29.20.090(d) [29.23.027(e)].

(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 [WHICH] is held more than 60 days after

(1) receipt by the [BOROUGH] assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) [RECEIPT BY THE BOROUGH ASSEMBLY OF A STATEMENT OF NON OBJECTION FROM THE ATTORNEY GENERAL OF THE UNITED STATES TO THE PROPOSED CHANGE IN THE COMPOSITION OR APPORTIONMENT OF THE ASSEMBLY; OR] the delivery to the mayor of a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] 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 [BOROUGH] assembly.

EDITOR NOTE: The statutory reference in (1) is deleted since "unified municipality" is defined for the title. Statutory references are revised to reflect new numbering.

Sec. 29.20.120 [29.23.033]. APPLICABILITY OF APPORTIONMENT PROVISIONS. The provisions of AS 29.20.080 [29.23.025] - 29.20.110 [29.23.031] [DO NOT] apply to home rule and general law municipalities, except they do not apply to a

(1) unified municipality [INCORPORATED UNDER AS 29.68.240 - 29.68.440,];

(2) [TO A] home rule borough if the borough, by home rule charter, provides for reapportionment of the [BOROUGH] assembly.

EDITOR NOTE: No change.

Sec. 29.20.130.[29.23.200(a)] CITY COUNCIL COMPOSITION [ELIGIBILITY, ELECTION AND TERM]. 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.

EDITOR NOTE: 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.

(b) Combines material currently found in different sections.

(c) This contains new material allowing a municipality to establish district residency requirements for members of the assembly or council. Current law allows an assembly man 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.

(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.

Sec. 29.20.140 [29.23.050, 29.23.200(a),(b)]. 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 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.[A RESIDENT OF THE BOROUGH IS ELIGIBLE TO BE AN ASSEMBLYMAN IF HE IS A BOROUGH VOTER. AN ASSEMBLY MAN WHO CEASES TO BE A BOROUGH VOTER IMMEDIATELY FORFEITS HIS OFFICE. AN ASSEMBLY MAN ELECTED FROM OR SELECTED TO REPRESENT A RESIDENT OF ANOTHER AREA MAY CONTINUE TO SERVE ONLY UNTIL THE NEXT REGULAR ELECTION. THE ASSEMBLY MAY BE ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS

FOR ASSEMBLYMEN NOT EXCEEDING THREE YEARS. A CITY VOTER IS ELIGIBLE TO HOLD OFFICE AS A MEMBER OF THE COUNCIL. THE COUNCIL MAY BY ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS FOR COUNCIL MEMBERS NOT EXCEEDING THREE YEARS. A COUNCIL MEMBER WHO CEASES TO BE ELIGIBLE TO BE A CITY VOTER IMMEDIATELY FORFEITS THAT OFFICE.]

(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 BOROUGHS].

EDITOR NOTE: 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.

(b) No substantive change.

(c) The material permitting a different date to be prescribed by charter or ordinance is made applicable to city councils.

(d) This is added as a home rule limitation with respect to city councils.

Sec. 29.20.150.[29.23.040(a),(b),(c), 29.23.200(c)] TERM OF OFFICE.

(a) A member of the governing body is elected [ASSEMBLYMEN ARE SELECTED] for a three-year term and until a [THEIR] successor [ARE SELECTED AND HAVE QUALIFIED] qualifies, unless a different term not exceeding four years is [ARE] prescribed by home rule [BOROUGH] charter or ordinance.

(b) Except when otherwise required by a change in [OF] composition or apportionment, if the term of a member of a governing body [AN ASSEMBLYMAN] is changed by charter or ordinance[,] the term of the member [AN ASSEMBLYMAN] holding office when [AT THE TIME] the change becomes effective [TAKES EFFECT] is not affected [BY THAT CHANGE].

(c) [(B)] The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by [BOROUGH] charter or ordinance.

(d) [(C)] This section applies to home rule and general law municipalities [BOROUGHS].

EDITOR NOTE: 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.

(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.

(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.

(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.

(e) Specifically provides that the journal shall be a public record.

(f) Requires a governing body to determine by ordinance, its rules and order of business.

Sec. 29.20.160 [29.23.060(a),(b),(c),(d), 29.23.240, 29.23.210(a),(b),(c)]. PROCEDURES OF GOVERNING BODIES.

(a) [(B)] 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 [MANAGER PLAN] borough[S] that has adopted a manager form of government under AS 29.20.460 - 29.20.510 the [BOROUGH] 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 [DISQUALIFIES HIMSELF], the deputy presiding officer shall preside.

(b) [(A)] A governing body [THE ASSEMBLY] shall hold [MEET] at least one regular meeting [ONCE] each month unless otherwise provided by ordinance.

[ALL MEETINGS SHALL BE PUBLIC MEETINGS.] 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[S] of the governing body may be held at [ON] the call of [THE CHAIRMAN,] the presiding officer[,] or at least one-third of the members. A special meeting may be conducted with less than 24 hours notice [SHALL BE A LEGAL MEETING] if all members are present or [THERE IS A QUORUM AND ALL] if absent members have waived in writing the required notice. [A] Waiver of notice can be made [MAY BE EITHER] before or after the special [TIME OF THE] meeting is held. A [THE] waiver of notice shall be [ATTACHED TO AND] made a part of the journal for the [THAT] 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 [LESS THAN A QUORUM] of members may recess or adjourn the meeting to a later date.

(d) Actions of a governing body [THE ASSEMBLY] are adopted by a majority of the total membership of the body [VOTES AUTHORIZED ON THE QUESTION]. Each member [ALL ASSEMBLYMEN] present shall vote on every question unless [THE ASSEMBLY FOR SPECIAL REASONS PERMITS A MEMBER TO] required to abstain from voting on a question by law [EXCEPT NO ASSEMBLYMAN MAY VOTE ON A QUESTION IN WHICH HE HAS A SUBSTANTIAL DIRECT OR INDIRECT FINANCIAL INTEREST]. [(E)] The final vote of each member on each ordinance, resolution, or substantive motion shall be [IS A] recorded "yes" or "no", except that if the vote is unanimous it may be recorded "unanimous" [IS NECESSARY ONLY SO TO STATE].

[(F) REPEALED BY § 16 CH 118 SLA 1972.

(G) REPEALED BY § 16 CH 118 SLA 1972.

(H) REPEALED BY § 16 CH 118 SLA 1972.

(I) REPEALED BY § 16 CH 118 SLA 1972.

(J) REPEALED BY § 16 CH 118 SLA 1972.]

(e) [29.23.060. (C) THE ASSEMBLY SHALL DETERMINE ITS OWN RULES AND ORDER OF BUSINESS AND PROVIDE FOR KEEPING] A governing body shall maintain a journal of its official proceedings that shall be a public record. [THE ASSEMBLY IS THE JUDGE AND QUALIFICATION OF THE ELECTION AND QUALIFICATION OF ITS MEMBERS AND, WITH THE CONCURRENCE OF TWO THIRDS OF ITS MEMBERS, MAY EXPEL A MEMBER FOR A CORRUPT PRACTICE. THE ASSEMBLY SHALL CONSIDER A CONVICTION OF A MEMBER FOR A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE AT ITS FIRST MEETING FOLLOWING THE FINAL DETERMINATION OF THE CONVICTION.]

(f) [29.23.060 (C)] To the extent otherwise permitted by law, a governing body may [THE ASSEMBLY SHALL] determine by ordinance its own rules of procedure and order of business[AND PROVIDE FOR KEEPING A JOURNAL OF ITS PROCEEDINGS]. [THE ASSEMBLY IS THE JUDGE OF THE ELECTION AND QUALIFICATION OF ITS MEMBERS AND, WITH THE CONCURRENCE OF TWO THIRDS OF ITS MEMBERS, MAY EXPEL A MEMBER FOR A CONVICTION OF A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE. THE ASSEMBLY SHALL CONSIDER A CONVICTION OF A MEMBER FOR A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE AT ITS FIRST MEETING FOLLOWING THE FINAL DETERMINATION OF THE CONVICTION.]

EDITOR NOTE: 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.

Sec. 29.20.170 [29.23.060(c), 29.23.080 29.23.210(b), 29.23.220, 29.23.570. ASSEMBLY] VACANCIES. The governing body may [ASSEMBLY SHALL] provide by ordinance the manner in which a vacancy [IN ASSEMBLY REPRESENTATION] occurs in any elected office except the office of mayor or school board member. [A VACANCY IS FILLED BY THE MAJORITY OF THE REMAINING ASSEMBLYMEN, WHO DESIGNATE A VOTER AND, IF THE ASSEMBLY SEAT VACATED IS OTHER THAN AN AT LARGE SEAT, A RESIDENT OF THE BOROUGH AREA TO WHICH THE SEAT WAS APPORTIONED, TO SERVE UNTIL THE NEXT REGULAR ELECTION. HOWEVER, IF UNDER A BOROUGH APPORTIONMENT CITY COUNCILMEN ARE APPOINTED AS ASSEMBLYMEN OR ELECTED TO DUAL ASSEMBLY-COUNCIL SEATS, A VACANCY IN A COUNCILMAN'S SEAT ON THE ASSEMBLY SHALL BE FILLED BY A COUNCILMAN DESIGNATED BY A MAJORITY OF THE REMAINING MEMBERSHIP OF THE COUNCIL TO SERVE UNTIL THE NEXT REGULAR ELECTION.] 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 [HIS] election or appointment;

(2) is physically absent from the municipality for 90 consecutive days unless excused by the governing body;

(3) resigns and the [HIS] resignation is accepted;

(4) is physically or mentally unable to perform the duties of [HIS] 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 [HIS] oath of office;

[(5) IS REMOVED FROM 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; THE ASSEMBLY IS THE JUDGE OF THE ELECTION AND QUALIFICATION OF ITS MEMBERS AND WITH THE CONCURRENCE OF TWO THIRDS OF ITS MEMBERS, MAY EXPEL A MEMBER FOR A CONVICTION OF A FELONY OR MISDEAMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE. THE ASSEMBLY SHALL CONSIDER A CONVICTION OF A MEMBER FOR A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE AT ITS FIRST MEETING FOLLOWING THE FINAL DETERMINATION OF THE CONVICTION.

(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 [UNLESS] excused.

EDITOR NOTE: (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 filling a vacancy in dual assembly council seats has been deleted.

(b) This is new material requiring appointments within seven days if needed to preserve a quorum.

(c) No substantive change.

Sec. 29.20.180 [29.23.080, 29.23.220]. FILLING A VACANCY.

(a) If a vacancy occurs in a governing body [THE COUNCIL], the [THE COUNCIL BY VOTE OF A MAJORITY OF ITS] remaining members shall, within 30 days unless a different period is provided by ordinance, appoint [DESIGNATE] a qualified person to fill the vacancy [UNTIL THE NEXT REGULAR ELECTION, AND UNTIL A SUCCESSOR IS ELECTED AND HAS QUALIFIED]. 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) [29.23.080.] HOWEVER, IF UNDER A BOROUGH APPORTIONMENT CITY COUNCILMEN ARE APPOINTED AS ASSEMBLYMEN OR ELECTED TO DUAL ASSEMBLY-COUNCIL SEATS, A VACANCY IN A COUNCILMAN'S SEAT ON THE ASSEMBLY SHALL BE FILLED BY A COUNCILMAN DESIGNATED BY A MAJORITY OF THE REMAINING MEMBERSHIP OF THE COUNCIL TO] 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 [4]. MUNICIPAL [CITY] EXECUTIVE AND ADMINISTRATOR.

EDITOR NOTE: 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.

(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.

(c) This section is a limitation on home rule municipalities. Under existing law, it is not listed as a limitation.

Sec. 29.20.220 [29.23.200(a),(c), 29.23.240]. EXECUTIVE POWER [MAYOR].

(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 [EACH CITY HAS A] mayor [AS EXECUTIVE WHO SHALL PRESIDE AT COUNCIL MEETINGS,] acts as ceremonial head of government [THE CITY], executes official documents on authorization of the governing body [THE CITY'S BEHALF UPON COUNCIL AUTHORIZATION.], [IN CITIES WHICH HAVE NOT ADOPTED A MANAGER PLAN, THE MAYOR] and is responsible for additional [THE] duties and powers prescribed by [LISTED IN § 290 OF] this chapter or by home rule charter.

(c) This section applies to home rule and general law municipalities.

EDITOR NOTE: 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.

(b) The reference in AS 29.23.250(a) to additional residency requirements prescribed by charter is eliminated, so a home rule municipality may prescribe additional residency requirements by charter without statutory authority.

Sec. 29.20.230 [29.23.130(c), 29.23.250(b),(c),(d)]. ELECTION AND TERM OF MAYOR.

(a) [(B)] The mayor of a borough or first class city is elected at large. The mayor of a borough or first class city serves [FOR] a term of three years, unless by ordinance a different term not to exceed four years is provided [AND UNTIL A SUCCESSOR IS ELECTED AND HAS QUALIFIED]. [THE COUNCIL MAY PROVIDE BY ORDINANCE FOR A DIFFERENT TERM NOT TO EXCEED FOUR YEARS, EXCEPT THAT] 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) [(C)] The mayor of a second class city is elected by and from the council, and serves [FOR A TERM OF ONE YEAR AND] until a successor is elected and qualifies [HAS QUALIFIED]. [(D)] 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.

EDITOR NOTE: Rewritten to combine sections dealing with the mayor of a borough and the mayor of a city.

(a) No substantive change.

(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.

Sec. 29.20.240 [29.23.130(b), 29.23.250(a),(c)]. QUALIFICATIONS FOR THE OFFICE OF MAYOR [ELECTION AND TERM OF MAYOR].

(a) A voter of the municipality [A HOME RULE OR GENERAL LAW CITY] is eligible to hold the office of mayor in a borough or first class city [EXCEPT THAT A HOME RULE CITY MAY PRESCRIBE ADDITIONAL RESIDENCY REQUIREMENTS BY CHARTER.

THE COUNCIL FOR ALL OTHER CITIES, MAY BY ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS FOR CANDIDATES FOR MAYOR NOT EXCEEDING THREE YEARS]. A member of the city council is eligible to hold the office of mayor in a second class city.

(b) [29.23.130. (B)] Residency requirements for the office of mayor not exceeding three years may be prescribed by ordinance. [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.]

EDITOR NOTE: 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.

(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.

Sec. 29.20.250 [29.23.130(a), 29.23.290, 2923.160, 29.23.260]. POWERS AND DUTIES OF MAYOR [POWER GENERALLY].

(a) If a municipality [THE BOROUGH] 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. [THE BOROUGH EXECUTIVE AND ADMINISTRATIVE POWER IS VESTED IN AN ELECTED BOROUGH MAYOR. IF THE BOROUGH HAS ADOPTED A MANAGER PLAN, THE ADMINISTRATIVE POWER IS VESTED IN AN APPOINTED MANAGER AND THE EXECUTIVE POWER IN AN ELECTED BOROUGH MAYOR WHO HAS THE SAME FUNCTIONS AS THOSE OF THE MAYOR OF A MANAGER-PLAN CITY UNDER § 240 OF THIS CHAPTER.]

(b) [29.23.160. ASSEMBLY PARTICIPATION.] The [BOROUGH] mayor may take part in the discussion of a [ALL] matter[S] before the governing body. The mayor [ASSEMBLY BUT] may not vote [29.23.260. MAYOR'S VOTE.], except that the mayor of a first class city or the mayor of a borough with a manager form of government [IS NOT A COUNCIL MEMBER AND] may vote [ONLY] in the case of a tie. [(B)] The mayor of a second class city, as [IS] a council member, [AND] may vote on all matters.

EDITOR NOTE: No change, except for minor rewording for clarity.

Sec. 29.20.260 [29.23.150]. 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 [OFFICER] to act as manager during the manager's [HIS] absence or disability.

EDITOR NOTE: 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.

(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.

(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.

Sec. 29.20.270 [29.23.170(a) & (b), 29.23.270(a) & (b)]. VETO.

(a) Except as provided in (c) and (d) [(B)] of this section, the [BOROUGH] mayor may veto an [ANY] ordinance, resolution, motion, or other action of the governing body [ASSEMBLY] and may [BY VETO] strike or reduce appropriation items [ITEMS IN APPROPRIATION ORDINANCES EXCEPT FOR SCHOOL BUDGET 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. [HE SHALL SUBMIT TO THE ASSEMBLY AT ITS NEXT REGULAR MEETING A WRITTEN STATEMENT ADVISING OF HIS VETO AND GIVING HIS REASONS.] A [HIS] veto may be overridden by vote of two-thirds of [ALL THE VOTES TO WHICH THE ASSEMBLY IS ENTITLED ON THE QUESTION] 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) [29.23.270. VETO. (B)] The mayor of a second class city has no veto power.

EDITOR NOTE: (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.

(b) No substantive change.

(c) No substantive change.

Sec. 29.20.280 [29.23.130(f), 29.23.55, 29.23.570, 29.180, 29.23.280(a) & (b)]. VACANCY IN THE OFFICE OF MAYOR.

(a) The governing body shall [ASSEMBLY], by [WITH THE CONCURRENCE OF] two-thirds concurring vote [OF ITS MEMBERS], declare the [MAY REMOVE THE BOROUGH MAYOR FROM OFFICE FOR A CONVICTION OF A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE.] office of mayor vacant only when the person elected [29.23.570. VACANCIES.]

(1) fails to qualify or take office within 30 days after [HIS] election or appointment;

(2) unless excused by the governing body, is physically absent [FROM THE MUNICIPALITY] for [A] 90[-DAY] consecutive days[PERIOD UNLESS EXCUSED BY THE ASSEMBLY OR COUNCIL];

(3) resigns and the [HIS] resignation is accepted;

(4) is physically or mentally unable to perform the duties of [HIS] office;

(5) is convicted of a felony or of an offense involving a violation of the oath of office [IS REMOVED FROM OFFICE];

(6) is convicted of a felony or misdemeanor described in AS 15.56; [MISSES THREE CONSECUTIVE REGULAR MEETINGS UNLESS EXCUSED; OR]

(7) is convicted of a [FELONY OR OF AN OFFENSE INVOLVING A] violation of AS 15.13 [HIS OATH OF OFFICE];

(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) [29.23.180. FILLING A VACANCY.] A vacancy in the office of [THE BOROUGH] mayor occurring [WITHIN] six months before [OF] a regular election shall be filled by the governing body [GOVERNING BODY]. The person appointed [DESIGNATED SHALL] serves until the next regular election when a successor [AND UNTIL A SUCCESSOR] is elected to serve the balance of the term [AND HAS QUALIFIED]. If a member of the governing body [AN ASSEMBLYMAN] is appointed mayor [CHOSEN], the member [HE] shall resign the [HIS ASSEMBLY] seat on the governing body. If a vacancy occurs more than six months before a regular election, the governing body [ASSEMBLY] shall call a special election to fill the unexpired term.

(c) [29.23.280. FILLING A VACANCY. (B)] Notwithstanding (b) of this section [IN A SECOND CLASS CITY], a vacancy in the office of mayor of a second class city shall be [IS] 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 [5]. [SCHOOL] BOARDS AND COMMISSIONS.

EDITOR NOTE: 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.

Sec. 29.20.300 [29.23.310]. SCHOOL BOARDS [ELECTION].

(a) Each municipal [BOROUGH AND CITY] 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 [HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE,] for three-year terms and until their successors take office. [ALL BOARD] Members are elected at large[, BUT SCHOOL ZONES FOR THE ELECTION OF BOROUGH SCHOOL BOARDS MAY BE ESTABLISHED, ALTERED, OR ABOLISHED AS PROVIDED BY § 100 OF THIS CHAPTER.] 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.

EDITOR NOTE: No change, except for minor rewording so the usage is consistent throughout the title.

Sec. 29.20.310 [29.23.340]. UTILITY BOARDS.

(a) The governing body [ASSEMBLY OR COUNCIL] of a municipality operating a public utility may provide by ordinance for a utility [MANAGING] board of five members and define the board's powers and duties.

(b) As determined by ordinance, members of a utility [THE] board are either appointed by the mayor [MUNICIPAL EXECUTIVE] and confirmed by the governing body [ASSEMBLY OR COUNCIL] or are elected at a [THE] regular election [HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE]. The term of a utility board member is two years and until a successor is selected and qualifies [HAS QUALIFIED].

However, the governing body [ASSEMBLY OR COUNCIL] may by ordinance provide for a different term not to exceed four years. [AND NOT ALTERING] The current term of an elected incumbent may not be altered.

(c) Vacancies on a utility [IN THE] board are filled by the mayor [MUNICIPAL EXECUTIVE]. Executive appointments shall be confirmed by the governing body [ASSEMBLY OR COUNCIL]. A person appointed [SELECTED] 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 [HAS QUALIFIED].

(d) Unless otherwise provided by ordinance, a utility [THE] 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 [HIS] salary;

(3) formulate and enforce the general rules and policies of the utility.

[ARTICLE 7. OTHER OFFICES AND EMPLOYEES]

EDITOR NOTE: 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.

Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. [29.48.010(1). APPOINTMENT OF OFFICERS]

(a) The governing body may by ordinance establish advisory, administrative, technical, or quasi-judicial boards and commissions.

(b) [THE MUNICIPAL CLERK, ATTORNEY, TREASURER, AND POLICE CHIEF ARE APPOINTED BY THE CHIEF ADMINISTRATOR OR BY THE ASSEMBLY OR COUNCIL, AS DETERMINED BY ORDINANCE. OFFICERS SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY, SUBJECT TO ORDINANCE. 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 [APPOINTMENTS BY THE CHIEF ADMINISTRATOR ARE SUBJECT TO CONFIRMATION] by the governing body.

ARTICLE 5 [7]. OTHER OFFICIALS [OFFICERS] AND EMPLOYEES.

EDITOR NOTE: 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 appointment by the chief administrator are

subject to confirmation, and this section allows a municipality to provide otherwise by ordinance.

Sec. 29.20.360 [29.23.360]. APPOINTMENT OF OFFICIALS [OFFICERS]. Unless otherwise provided by ordinance, the municipal clerk, attorney, treasurer, and police chief are appointed by the chief administrator [OR BY THE ASSEMBLY OR COUNCIL, AS DETERMINED BY ORDINANCE]. Unless otherwise provided by ordinance, an official described in this section [OFFICERS] serves at the pleasure of the appointing authority[, SUBJECT TO ORDINANCE] and, if appointed [APPOINTMENTS] by the chief administrator, must be confirmed [ARE SUBJECT TO CONFIRMATION] by the governing body.

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage throughout the title.

Sec. 29.20.370 [29.23.370]. MUNICIPAL ATTORNEY. The municipal attorney is the legal advisor of the governing body [COUNCIL OR ASSEMBLY], the school board, and the other officials [OFFICERS] of the municipality. The municipal attorney [HE] represents the municipality as attorney in civil and criminal proceedings. The school board may [HAS THE RIGHT TO] hire independent counsel when in its judgment independent counsel is needed.

EDITOR NOTE: No change, except for minor rewording in order to achieve consistent usage.

Sec. 29.20.380 [29.23.380]. 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 [TO THE ASSEMBLY OR THE COUNCIL] 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 [INCLUDING THE] 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 [EXECUTIVE] or by the governing body.

(b) The governing body [ASSEMBLY OR COUNCIL] may combine the office of clerk with that of treasurer. If the offices are combined, the clerk-treasurer [CLERK] shall, as required of the treasurer, give [HIS] bond to the municipality for the faithful performance of the [HIS] duties as clerk-treasurer.

EDITOR NOTE: 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.

Sec. 29.20.390 [29.23.390]. MUNICIPAL TREASURER.

(a) Except as provided in AS 14.14.060, the treasurer is the custodian of all municipal funds. The treasurer [HE] shall keep an itemized account of money received and disbursed. The treasurer [HE] shall pay money on vouchers drawn against appropriations.

(b) The treasurer shall give bond to the municipality in a sum that [WHICH] the governing body [ASSEMBLY OR COUNCIL] directs.

EDITOR NOTE: Slightly reworded for clarity.

Sec. 29.20.400 [29.23.070]. DEPARTMENTS.

(a) The governing body [ASSEMBLY] 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 [ASSEMBLY], the [BOROUGH] mayor may serve as [THE] head of one or more departments or a single administrator may serve [APPOINT ONE PERSON] as [THE] head of two or more departments.

EDITOR NOTE: Allows the governing body to provide for a classified service and to designate positions which are wholly or partially exempt from the classified service.

Sec. 29.20.410 [29.23.550]. 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 [8].

[ADOPTION OR REPEAL OF] MANAGER PLAN.

EDITOR NOTE: No change except for minor rewording to achieve consistent usage.

Sec. 29.20.460 [29.23.410, 29.23.420]. MANAGER PLAN [APPLICATION]. 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 [ASSEMBLY OR COUNCIL]. A petition for the adoption of a manager plan is submitted to the governing body [ASSEMBLY OR COUNCIL]. The petition must be signed by a number of [MUNICIPAL] voters equal to the following percentage of the votes cast at the preceding regular election:

(1) 25 percent if [WHEN] the municipality has fewer than 7,500 persons;

(2) 15 percent if [WHEN] the municipality has 7,500 persons or more.

EDITOR NOTE: 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.

Sec. 29.20.470 [29.23.430]. ELECTION ON ADOPTION OF MANAGER PLAN. On [UPON] receipt of a [THE] petition to adopt a manager plan or on [UPON] its own motion to adopt a manager plan, the governing body [ASSEMBLY OR COUNCIL] shall provide by ordinance or resolution for a vote on the question at the next [REGULAR OR SPECIAL] election. [NOTICE OF THE ELECTION SHALL BE PUBLISHED AT LEAST 30 DAYS BEFORE THE ELECTION.]

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage.

Sec. 29.20.480 [29.23.440]. ADOPTION OF MANAGER PLAN.

(a) If a [THE] manager plan is approved, the governing body shall, within 60 days, adopt the plan by ordinance or resolution.

(b) The governing body [ASSEMBLY OR COUNCIL] shall notify the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] of the adoption of a [THE] manager plan.

EDITOR NOTE: 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.

Sec. 29.20.490 [29.23.450, 29..23.460]. APPOINTMENT OF MANAGER.

(a) The governing body [ASSEMBLY OR COUNCIL] shall appoint a manager by a majority vote of its membership. A manager [HE] is chosen [SOLELY] on the basis of [HIS] [EXECUTIVE AND] administrative qualifications and receives the compensation set by the governing body [ASSEMBLY OR COUNCIL]. A member of the governing body [AN ELECTED MUNICIPAL OFFICIAL] may not be appointed manager of the municipality sooner than one year after leaving office, except [THAT,] by a vote of three-fourths of the [ITS] authorized membership[,] of the governing body [ASSEMBLY OR COUNCIL MAY AT ANY TIME APPOINT ONE OF ITS MEMBERS OR OTHER ELECTED MUNICIPAL OFFICIALS AS MANAGER].

(b) [29.23.460. TERM.] Subject to the contract of employment, the manager holds office at the pleasure of the governing body [ASSEMBLY OR COUNCIL].

EDITOR NOTE: 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.

Sec. 29.20.500 [29.23.140, 29.23.290]. POWERS AND DUTIES OF A MANAGER [BOROUGH ADMINISTRATOR]. [THE BOROUGH MAYOR OR MANAGER AS THE CASE MAY BE, AS THE CHIEF ADMINISTRATIVE OFFICER, IS RESPONSIBLE FOR THE PROPER ADMINISTRATION OF ALL BOROUGH AFFAIRS. THE MAYOR OR MANAGER OF THE BOROUGH SHALL (1) APPOINT BOROUGH EMPLOYEES AND ADMINISTRATIVE OFFICERS, EXCEPT AS PROVIDED OTHERWISE IN § 360 OF THIS CHAPTER AND AS 29.33.050;] The manager [HE] may hire necessary administrative assistants and may authorize an [APPOINTIVE] administrative official [OFFICER] to appoint, suspend, or remove subordinates [IN HIS DEPARTMENT]. As chief administrator the manager shall

(1) [(2)] appoint, suspend, or remove [BY WRITTEN ORDER] municipal [BOROUGH] employees and administrative officials [OFFICERS], except as provided otherwise in this title and AS 14.14.065 [§ 360 OF THIS CHAPTER AND AS 29.33.050];

(2) [(3)] supervise the enforcement of municipal [BOROUGH] law and carry out the directives of the governing body;

(3) [(4)] prepare and submit an [THE] annual budget and capital improvement[S] program for consideration by the governing body [THE ASSEMBLY], and execute the budget and capital improvement program adopted;

[(5) EXECUTE THE BUDGET AND CAPITAL IMPROVEMENT PROGRAM AS ADOPTED;]

(4) [(6)] make monthly financial reports and other reports [TO THE ASSEMBLY] on municipal [BOROUGH] 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) REPORT TO THE ASSEMBLY AT THE END OF EACH FISCAL YEAR ON THE FINANCES AND ADMINISTRATIVE ACTIVITIES OF THE BOROUGH;

(8) PREPARE AND MAKE AVAILABLE FOR PUBLIC DISTRIBUTION AN ANNUAL REPORT ON BOROUGH AFFAIRS;]

(7) [(9)] serve as [BOROUGH] personnel officer, unless the governing body [ASSEMBLY] authorizes the manager [HIM] to appoint a personnel officer.

[(10) DIRECT AND SUPERVISE THE ADMINISTRATION OF

(A) THE FUNCTIONS OF ALL BOROUGH OFFICERS AND EMPLOYEES EXCEPT AS PROVIDED OTHERWISE IN THIS TITLE:

(B) THE CARE AND CUSTODY OF ALL BOROUGH BUILDINGS AND OF ALL REAL AND PERSONAL PROPERTY OF THE BOROUGH, EXCEPT AS PROVIDED OTHERWISE BY AS 29.33.050;

(C) THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF ALL BOROUGH ROADS, BRIDGES, DRAINS, BUILDINGS AND OTHER PUBLIC WORKS;

(11) EXECUTE OTHER POWERS OR DUTIES SPECIFIED IN THIS TITLE OR LAWFULLY PRESCRIBED BY THE ASSEMBLY.]

Sec. 29.20.510.[29.23.130(e)] INTERGOVERNMENTAL APPOINTMENT OF MANAGER. [BOROUGH EXECUTIVE AND ADMINISTRATOR, POWER GENERALLY. (E)] A borough adopting a manager plan may, on [BY] agreement with a city in the borough, [ENTER INTO A CONTRACT PROVIDING FOR] provide that the manager of the [A] city [LOCATED WITHIN THE BOROUGH TO] serve also as borough manager. A city adopting a manager plan may, on [BY] agreement with the [A] borough in which it is located, provide that [ENTER INTO A CONTRACT PROVIDING FOR] the manager of the [A] borough [WITHIN WHICH THE CITY IS LOCATED TO] serve also as city manager. Appointment and service of the manager shall be as [OTHERWISE] provided [FOR MANAGERS] in AS 29.20.490 - 29.20.500 [AS 29.23.130 - 29.23.150 and AS 29.23.450 - 29.23.470]. Nothing in this section [SUBSECTION] affects the authority of the governing body [ASSEMBLY OR COUNCIL] to provide for other dual officeholding if the dual offices held are compatible, or otherwise to appoint officials [OFFICERS] and employees in accordance with law.

EDITOR NOTE: 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.

Sec. 29.20.520 [29.23.480]. REPEAL OF MANAGER PLAN. A municipality may repeal a [THE] manager plan in the same manner used for its adoption. Within 60 days [AT ITS FIRST MEETING] after repeal of a manager plan, the governing body [ASSEMBLY OR COUNCIL] shall enact provisions for the reorganization of the municipal executive and administrative functions [CHIEF ADMINISTRATOR].

ARTICLE 7 [9]. MISCELLANEOUS PROVISIONS.

EDITOR NOTE: No change, except for rewording to achieve uniform usage.

Sec. 29.20.600 [29.23.500]. OATHS OF OFFICE. [MUNICIPAL OFFICERS] Before taking office[,] a municipal official shall affirm in writing that the duties of the office [THEY] will be honestly, faithfully, and impartially performed by the official [PERFORM THEIR DUTIES]. The oath is filed with the municipal clerk.

[Sec. 29.23.510. COMBINING OFFICES. THE ASSEMBLY OR COUNCIL MAY COMBINE TWO OR MORE APPOINTIVE OR ADMINISTRATIVE OFFICES;]

EDITOR NOTE: No change except for minor rewording to achieve uniform usage.

Sec. 29.20.610 [29.23.520]. BONDING. The manager [ADMINISTRATOR] and the other municipal officials [OFFICERS] or employees that [WHICH] the governing body [ASSEMBLY OR COUNCIL] may designate shall give bond in the amount and with the surety prescribed by the governing body [ASSEMBLY OR COUNCIL]. Premiums on bonds are paid by the municipality.

EDITOR NOTE: 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 t the municipality, unless provided otherwise by ordinance.

Sec. 29.20.620 [29.23.530]. COMPENSATION FOR [SALARIES OF] ELECTED OFFICIALS [OFFICERS]. The governing body [ASSEMBLY OR COUNCIL] shall [FIX] by ordinance provide a method of determining the salaries of elected officials [OFFICERS]. The salary of the mayor may not be reduced during the [HIS] term of office of the mayor, unless during the term a manager plan is adopted. An elected official [OFFICER] may not receive [ANY OTHER] 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.

EDITOR NOTE: Material currently contained in AS 29.43.540(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.

Sec. 29.20.630 [29.23.540]. 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 [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]. 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.

[(c) NO STATE EMPLOYEE OR SCHOOL DISTRICT EMPLOYEE MAY BE DENIED THE RIGHT TO SERVE AS AN ELECTED MUNICIPAL OFFICIAL BECAUSE OF HIS EMPLOYMENT BY THE STATE OR A SCHOOL DISTRICT UNLESS SPECIFICALLY PROHIBITED BY CHARTER OR ORDINANCE OF A MUNICIPALITY, ADOPTED AT A SPECIAL OR GENERAL ELECTION. HOWEVER, NO SCHOOL DISTRICT EMPLOYEE MAY SERVE ON A SCHOOL DISTRICT BOARD IN THE SCHOOL DISTRICT WHERE HE IS EMPLOYED. PROVISIONS OF THIS SECTION DO NOT APPLY TO TERM OF OFFICE IN EFFECT ON AUGUST 24, 1976.

(d) FOR PURPOSES OF THIS SECTION A SCHOOL DISTRICT EMPLOYEE IS NOT A MUNICIPAL EMPLOYEE.]

EDITOR NOTE: No changes, except for rewording for consistency and changes in statutory references to reflect renumbering.

Sec. 29.20.640 [29.23.560]. REPORTS.

(a) A municipality [HOME RULE AND GENERAL LAW MUNICIPALITIES] shall file with the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS:]

(1) maps and descriptions of all annexed or detached [EXCLUDED] territory;

(2) a copy of the annual audit, or, for a [IN THE CASE OF] second class city [CITIES], an audit or statement of annual income and expenditures;

(3) tax assessment and tax levy figures as requested;

[(4) REPEALED BY § 37 CH 127 SLA 1974.]

(4) [(5)] 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 [IN] the municipality [,TOGETHER WITH THE MUNICIPALITY'S ESTIMATE OF THE REVENUES LOST TO IT] 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 [AS 29.88] and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180 [AS 29.89]. If a municipality does not comply with this section, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall

withhold the [ANNUAL] allocations [UNDER THOSE CHAPTERS IN THE EVENT OF NONCOMPLIANCE] until [SUCH TIME AS] the [REPORT REQUIREMENTS ARE MET] required reports are filed.

(c) This section applies to home rule and general law municipalities.

* Section 7. AS 29 is amended by adding a new chapter to read:

CHAPTER 25. MUNICIPAL ENACTMENTS.

EDITOR NOTE: 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.

Sec. 29.25.010. [29.48.130] ACTS REQUIRED TO BE BY ORDINANCE.

(a) In addition to other actions that [WHICH] this title requires to be by ordinance, the governing body [ASSEMBLY OR COUNCIL] 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; [FIX THE COMPENSATION OF MEMBERS OF THE ASSEMBLY OR COUNCIL;]

(3) provide for the levying of taxes; [PROVIDE FOR A FINE OR OTHER PENALTY, OR ESTABLISH RULES OR REGULATIONS FOR VIOLATION OF WHICH A FINE OR OTHER PENALTY IS IMPOSED;]

(4) make appropriations, including supplemental appropriations or transfer of appropriations; [PROVIDE FOR THE LEVYING OF TAXES;]

(5) grant, renew, or extend a franchise; [MAKE APPROPRIATIONS AND SUPPLEMENTAL APPROPRIATIONS OR TRANSFER APPROPRIATIONS;]

(6) adopt, modify, or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes, and the official map; [GRANT, RENEW, OR EXTEND A FRANCHISE;]

(7) approve the transfer of a power to a first or second class borough from a city; [REGULATE THE RATE CHARGED BY A PUBLIC UTILITY;]

(8) designate the borough seat; [ADOPT, MODIFY OR REPEAL THE COMPREHENSIVE PLAN, ZONING AND SUBDIVISION ORDINANCES, BUILDING AND HOUSING CODES, AND THE OFFICIAL MAP;]

(9) provide for the retention or sale of tax-foreclosed property; [APPROVE THE TRANSFER OF A POWER TO A BOROUGH FROM A CITY;]

(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. [DESIGNATE THE BOROUGH SEAT;]

EDITOR NOTE: This is substantially reorganized, but contains no substantive changes.

Sec. 29.25.020 [29.48.140, 29.48.250]. ORDINANCE PROCEDURE [FORM OF ORDINANCES].

(a) An ordinance[S] is [ARE] introduced in writing in the form required by the governing body [ASSEMBLY OR COUNCIL].

(b) [(A)] 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 [ASSEMBLY OR COUNCIL], or by the mayor [MUNICIPAL EXECUTIVE] or manager [CHIEF ADMINISTRATOR]; [.]

(2) an ordinance shall be set [FOR HEARING] by the governing body for a public hearing by the affirmative vote of a majority of the votes authorized on the question [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 [A SUMMARY OF THE ORDINANCE AND ITS AMENDMENTS IS PUBLISHED TOGETHER WITH A NOTICE OF TIME AND PLACE FOR PUBLIC HEARING.];

(4) copies of the ordinance shall [MUST] be available to all persons present at the hearing, or the ordinance shall [MUST] be read in full;

(5) during the hearing the governing body [THE ASSEMBLY OR COUNCIL] shall hear all interested persons wishing to be heard;

(6) after the public hearing the governing body [THE ASSEMBLY OR COUNCIL] shall consider the ordinance, and may adopt it with or without amendment; [.]

(7) the governing body [THE ASSEMBLY OR COUNCIL] shall print and make available copies of an [ADOPTED] ordinance[S] that is adopted.

(c) [(B)] An ordinance[S] takes effect upon adoption or at a later date specified in the ordinance.

EDITOR NOTE: No change, except for minor word changes in order to achieve maximum clarity.

Sec. 29.25.030 [29.48.160]. EMERGENCY ORDINANCES.

(a) To meet a public emergency the governing body [ASSEMBLY OR COUNCIL] may adopt an emergency ordinance[S] effective on adoption. Each [EVERY] emergency ordinance shall [MUST] contain a finding by the governing body [ASSEMBLY OR COUNCIL]that an emergency exists and a statement of the facts upon which the finding is based. An emergency [THE] 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 [ASSEMBLY MUST] 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[S] is [ARE] effective for 60 days.

EDITOR NOTE: 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.

Sec. 29.25.040 [29.48.170]. CODES OF REGULATION. The governing body [ASSEMBLY OR COUNCIL] may in a single ordinance adopt or amend by reference provisions of a [STANDARD] published code of municipal regulations. The [REGULAR ORDINANCE] procedure under AS 29.25.020 applies [EXCEPT THAT NEITHER THE] to an ordinance adopted under this section, except that neither the ordinance [N]or its amendments must [NEED] 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 [ADOPTING] ordinance must [NEED] be printed after it is adopted under this section [ADOPTION]. The governing body [ASSEMBLY OR COUNCIL] shall provide for an [THE] adopted code of regulations to be made available [SOLD] to the public at no more than cost.

EDITOR NOTE: (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.

Sec. 29.25.050 [29.48.180]. CODIFICATION.

(a) Each ordinance shall be codified after it is adopted [ADOPTION SHALL BE CODIFIED].

(b) Within three years after incorporation of a municipality, the municipal clerk or the clerk's designee [EXECUTIVE, WITH THE ADVICE AND ASSISTANCE OF A LEGAL ADVISOR,] 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 DESIGNATION OF] 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 [WHICH] 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.

EDITOR NOTE: This has been made applicable as a home rule limitation.

Sec. 29.25.060 [29.48.185]. RESOLUTIONS.

(a) The governing body [ASSEMBLY OR COUNCIL] 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.

EDITOR NOTE: 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.

Sec. 29.25.070 [29.48.200]. PENALTIES.

(a) For the violation of an ordinance, a municipality [THE ASSEMBLY OR COUNCIL] may by ordinance prescribe penalties [PUNISHMENT] not to exceed those imposed for a class B misdemeanor [A FINE OF $500 OR IMPRISONMENT FOR 30 DAYS, OR BOTH. HOWEVER, THE PUNISHMENT AUTHORIZED UNDER THIS SECTION MAY BE IMPOSED ONLY IF COPIES OF THE ORDINANCE ARE MAKE AVAILABLE FOR DISTRIBUTION TO THE PUBLIC AT COST.]

(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 [WHICH]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.

* Section 8. AS 29 is amended by adding a new chapter to read:

CHAPTER 26. ELECTIONS.

ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

EDITOR NOTE: 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.

Sec. 29.26.010 [29.28.010]. ADMINISTRATION. [(A)] The governing body [BOROUGH ASSEMBLY OR CITY COUNCIL] shall prescribe the [GENERAL] rules for conducting an [MUNICIPAL] election[S] and shall appoint an election board composed of at least three judges for each precinct [POLLING PLACE]. A judge shall be a voter of the precinct for which appointed unless no voter is willing to serve. [THE MUNICIPALITY MAY NOT ALTER VOTER QUALIFICATION REQUIREMENTS OF THIS TITLE. [(B) THIS SECTION APPLIES TO HOME RULE AND GENERAL LAW MUNICIPALITIES. (§ 2 CH 118 SLA 1972)]

EDITOR NOTE: 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.

Sec. 29.26.020 [29.28.015]. NOMINATIONS.

(a) Subject to other provisions of this title, the governing body [THE ASSEMBLY OR COUNCIL] shall provide by ordinance for nominations of elected officials [OFFICERS] 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 [HE] may not serve simultaneously as borough mayor and as a member of the [BOROUGH] assembly or, in a first class city, as city mayor and as a member of the council [OF A FIRST CLASS CITY].

EDITOR NOTE: 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.

Sec. 29.26.030 [29.28.020(b)]. NOTICE OF ELECTIONS

[(B)]. (a) Subject to other provisions of this title, a municipality shall give [THE ASSEMBLY OF COUNCIL MAY CALL A SPECIAL ELECTION UPON] at least 20 days notice of an election.

(b) This section applies to home rule and general law municipalities.

EDITOR NOTE: No change except for minor rewording for clarity.

Sec. 29.26.040 [29.28.020(a)]. DATE [ELECTION DATES]. [(A)] The date of a regular [MUNICIPAL] election is the first Tuesday of October annually, unless a different [OR ON A] date [OF ELECTION] or [AT AN] interval of years is provided by ordinance.

EDITOR NOTE: This has been reorganized. A municipality may require a person to be registered to vote in the precinct in which he seeks to vote.

Sec. 29.26.050 [29.28.030]. VOTER QUALIFICATION.

(a) A person may vote in a municipal election only if the person [ONLY IF HE]

(1) is a United States citizen who is qualified to vote in state elections; [AND]

(2) has been a resident of the municipality for 30 days immediately preceding the election; [AND WHO]

(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.

EDITOR NOTE: 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.

Sec. 29.26.060 [29.28.040]. RUNOFF ELECTIONS [MAJORITY 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. [IF IN A MUNICIPAL ELECTION NO CANDIDATE RECEIVES IN EXCESS OF 40 PER CENT OF THE VOTES CAST FOR HIS RESPECTIVE OFFICE, THE ASSEMBLY OR COUNCIL SHALL HOLD A RUNOFF ELECTION WITHIN TWO WEEKS FROM THE DATE OF CERTIFICATION OF THE ELECTION BETWEEN THE TWO CANDIDATES RECEIVING THE GREATEST NUMBER OF VOTES FOR THE OFFICE. NOTICE OF A RUNOFF ELECTION SHALL BE PUBLISHED AT LEAST FIVE DAYS BEFORE THE ELECTION. THE ASSEMBLY OR COUNCIL MAY BY ORDINANCE REQUIRE A MAJORITY VOTE FOR ELECTION OF OFFICIALS. A RUNOFF ELECTION OR OTHER MEANS OF OBTAINING A MAJORITY MAY BE USED.]

Sec. 29.26.070 [29.28.050]. ELECTION CONTEST AND APPEAL.

(a) The governing body [ASSEMBLY OR COUNCIL] 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 [UPON THE] filing [BEFORE OR AT THE TIME OF THE FIRST CANVASS OF BALLOTS BY THE ASSEMBLY OR COUNCIL, BY A PERSON QUALIFIED TO VOTE IN THE MUNICIPALITY OF HIS] a written affidavit with the municipal clerk specifying with particularity the grounds for the contest. [OR INVALIDITY OF THE ELECTION.] 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 [ASSEMBLY OR COUNCIL] shall declare the election results at the first meeting to canvass the election, [AND] record the results in the minutes of that meeting, and authorize the results to be certified.

(d) A [THE] 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 [ANY] result of the election, or the difference between the winning and [A] losing vote on the result contested is more than two percent.

(e) A [NO] person may not appeal or seek judicial review of[A CITY OR BOROUGH] an election for any cause [OR REASON] unless the person is a voter [QUALIFIED TO VOTE IN THE MUNICIPALITY], has exhausted all [HIS] administrative remedies before the governing body [ASSEMBLY OR COUNCIL], and has commenced, within 10 days after the governing body [ASSEMBLY OR COUNCIL] has [FINALLY] declared the election results, an action in the superior court in the judicial district in which the municipality is located. If court [NO SUCH] action is not commenced within the 10-day period, the election and election results are [SHALL BE] conclusive[, FINAL] and valid [IN ALL RESPECTS].

[(F) NOTWITHSTANDING THE PROVISIONS OF (E) OF THIS SECTION, THE EXPULSION OF A MEMBER OF A BOROUGH ASSEMBLY UNDER AS 29.23.060(C), OF A MEMBER OF A CITY COUNCIL UNDER AS 29.23.210(B), OF A BOROUGH MAYOR UNDER AS 29.23.130(F), OR OF A CITY MAYOR UNDER AS 29.23.255 IS FINAL AND IS NOT SUBJECT TO JUDICIAL REVIEW.]

ARTICLE 2. INITIATIVE AND REFERENDUM.

EDITOR NOTE: No substantive change.

Sec. 29.26.100 [29.28.060]. 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.

EDITOR NOTE: 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. 29.26.110. 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. [29.28.062. PETITION. A PETITION FOR INITIATIVE OR REFERENDUM IS FILED WITH THE MUNICIPAL CLERK AND AN INITIATIVE PETITION MUST ME FILED NOT LESS THAN 90 DAYS BEFORE THE NEXT REGULAR ELECTION.]

EDITOR NOTE: 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.

Sec. 29.26.120 [29.28.065]. CONTENTS OF PETITION.

(a) Within two weeks after certification of an application for an initiative or referendum petition, a [A] petition [FOR AN INITIATIVE OR REFERENDUM] 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; [EMBRACE ONLY A SINGLE COMPREHENSIVE SUBJECT,]

(2) the complete ordinance or resolution sought to be initiated or referred as submitted by the sponsors; [SET OUT FULLY THE ORDINANCE OR RESOLUTION SOUGHT BY THE PETITION:]

(3) [STATE UPON THE PETITION, WHEN CIRCULATED,] the date on which [OF FIRST CIRCULATION OF] the petition is issued by the clerk;

(4) notice [CONTAIN THE STATEMENT, WHEN CIRCULATED] that [THE] signatures [ON THE PETITION] must be secured within 60 [90] days after [FROM] the date the petition is issued [OF THE FIRST CIRCULATION];

(5) spaces for each [HAVE THE REQUIRED] signature[S], the printed name of each signer, the date[S] each [OF] signature[S], is affixed, and the residence [RESIDENT] and mailing addresses of each [THE] 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.

EDITOR NOTE: 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.

Sec. 29.26.130 [29.28.070]. SIGNATURE REQUIREMENTS [REQUIRED SIGNATURES].

(a) The [NECESSARY] signatures on an initiative or referendum [A] petition shall be secured within 60 [90] days after the clerk issues [FROM THE

DATE OF THE FIRST CIRCULATION OF] the petition. The statement provided under AS 29.26.120(a)(6) shall be signed and dated by the sponsor. Signatures [THE PETITION] shall be [SIGNED] 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 [EVERY PETITION FOR EITHER THE INITIATIVE OR REFERENDUM IN THE GOVERNMENT OF A MUNICIPALITY SHALL BE SIGNED BY A NUMBER OF QUALIFIED VOTERS RESIDING WITHIN THE TERRITORIAL LIMITS OF THE MUNICIPALITY, OR, IF THE ACT SOUGHT TO BE INITIATED OR REFERRED PERTAINS EXCLUSIVELY TO THE AREA OUTSIDE CITIES OR TO A SERVICE AREA, BY A NUMBER OF QUALIFIED VOTERS RESIDING WITHIN THE AREA OUTSIDE CITIES OR WITHIN THE SERVICE AREA, AS THE CASE MAY BE, EQUAL TO THE FOLLOWING PER CENT OF THE TOTAL NUMBER OF VOTES CAST AT THE LAST GENERAL ELECTION IN THE CITY OR BOROUGH OR BOROUGH AREA CONCERNED, OR SPECIAL ELECTION CALLED FOR THE PURPOSE OF ELECTING CITY OR BOROUGH OFFICERS:]

(1) 25 percent[,] of the votes cast if a municipality [WHEN A CITY OR BOROUGH] has fewer than 7,500 persons; or

(2) 15 percent[,] of the votes cast if a municipality [WHEN A CITY OR BOROUGH] has 7,500 persons or more.

[(C) WHEN SIGNING A PETITION EACH VOTER SHALL WRITE OR PRINT AFTER HIS SIGNATURE THE DATE OF SIGNING THE PETITION AND HIS RESIDENT ADDRESS.]

(c) [(D)] Illegible signatures shall be rejected by the clerk unless accompanied by a legible printed name [MAY BE REJECTED BY THE MUNICIPAL CLERK]. Signatures not accompanied by a legible residence address shall be rejected.

(d) [(E)] A petition signer may withdraw the signer's signature on [HIS SIGNATURE UPON] written application to the clerk before certification of the petition [WITHIN SEVEN DAYS AFTER THE PETITION HAS BEEN FILED WITH THE CLERK].

EDITOR NOTE: 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.

Sec. 29.26.140 [29.28.073]. 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 [WITHIN 10 DAYS FROM THE FILING DATE, THE MUNICIPAL CLERK]

(1) [SHALL] certify on the petition whether [OR NOT] it is sufficient; and

(2) [(B)] 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 [IT MAY BE AMENDED OR].

(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 [AS INSUFFICIENT].

(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.

EDITOR NOTE: No change, except for minor rewording for consistency.

Sec. 29.26.150 [29.28.075]. PROTEST. If the municipal clerk certifies an initiative or referendum [THE] petition is insufficient, a signer of the petition may file a protest with the mayor [MUNICIPAL EXECUTIVE] within seven days after the certification. The mayor [AND THE MUNICIPAL EXECUTIVE] shall present the protest at the next regular meeting of [TO] the governing body. [ASSEMBLY OR COUNCIL] The governing body [WHICH] shall hear and decide the protest.

EDITOR NOTE: "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.

Sec. 29.26.160 [29.28.077]. 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.

EDITOR NOTE: 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 governing body to reject a petition, as there is in current law.

Sec. 29.26.170 [29.28.080]. [PRESENTATION OF] INITIATIVE ELECTION.

(a) Unless substantially the same measure is adopted, when a petition seeks an initiative vote [ENACTMENT OF AN ORDINANCE OR RESOLUTION WITHIN THE POWERS OF THE ASSEMBLY OR COUNCIL AND NOT OTHERWISE RESTRICTED BY § 60 OF THIS CHAPTER,] the clerk shall submit the matter to the voters at the next regular election occur ring 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 [PRESENT IT TO THE ASSEMBLY OR COUNCIL AT ITS NEXT MEETING AFTER CERTIFICATION. THE ASSEMBLY OR COUNCIL MAY REJECT THE PETITION IF THE SUBJECT MATTER OF THE INITIATIVE OR REFERENDUM IS WITHIN THE RESTRICTIONS OF § 60 OF THIS CHAPTER].

(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. [UNLESS THE PETITION IS GRANTED WITHIN 30 DAYS OF ITS SUBMISSION TO THE ASSEMBLY OR COUNCIL, THE CLERK SHALL, WITH THE ASSISTANCE OF THE MUNICIPAL ATTORNEY, PREPARE AN ORDINANCE OR RESOLUTION TO IMPLEMENT THE PETITION AND SHALL SUBMIT IT TO THE VOTERS AT THE NEXT REGULAR ELECTION. THE ORDINANCE OR RESOLUTION SHALL BE PUBLISHED IN FULL IN THE NOTICE OF ELECTION BUT MAY BE SUMMARIZED ON THE BALLOT TO INDICATE CLEARLY THE PROPOSAL SUBMITTED.]

(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) [(C)] If a majority vote [OF THOSE VOTING] favors the ordinance or resolution [PROPOSAL], it becomes effective upon certification of the election, unless a different effective date is provided in the ordinance or resolution [WHEN THE ELECTION RESULTS ARE OFFICIALLY DECLARED].

[(D) THE ASSEMBLY OR COUNCIL MAY AT ANY TIME NOT LESS THAN 10 DAYS FROM THE DATE OF ELECTION ADOPT AN ORDINANCE OR RESOLUTION TO IMPLEMENT THE PETITION. IN THAT EVENT AN ELECTION SHALL NOT BE HELD.]

EDITOR NOTE: 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.

Sec. 29.26.180 [29.28.090]. [PRESENTATION OF] REFERENDUM ELECTION.

(a) Unless the ordinance or resolution is repealed, [W]when a petition seeks a referendum vote [ON AN ORDINANCE OR RESOLUTION], the clerk shall submit the matter [ORDINANCE] to the voters [OF THE MUNICIPALITY] at the next [REGULAR OR SPECIAL] election occurring no sooner than 45 days after certification of the petition. If no [REGULAR OR SPECIAL] election occurs within 75 days of certification [THE FILING] of a [SUFFICIENT] petition [WITH THE CLERK], the governing body [ASSEMBLY OR COUNCIL] shall hold a special election within 75 days, but not sooner than 45 days after certification [OF FILING].

(b) If a [SUFFICIENT] petition [FOR REFERENDUM] is certified [FILED WITHIN 30 DAYS AFTER FINAL PASSAGE OF THE ORDINANCE, OR] before the effective date of the matter referred [ORDINANCE], the ordinance or resolution against which the petition is filed shall be suspended pending the referendum vote [ON THE ORDINANCE]. During the period of suspension, the governing body [ASSEMBLY OR COUNCIL] may not enact an ordinance or resolution substantially similar to the suspended measure [ORDINANCE BUT MAY REPEAL THE SUSPENDED ORDINANCE].

(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) [(E)] If a majority vote [OF THOSE VOTING] favors the repeal of the matter referred, it is repealed [REFERENDUM LEGISLATION; IT]. Otherwise, the matter referred remains in effect or, if it has been suspended, becomes effective on certification of the election [. IF A MAJORITY REJECTS THE LEGISLATION, IT IS REPEALED. A MUNICIPAL CHARTER MAY BE AMENDED AS PROVIDED IN THE CHARTER OR BY INITIATIVE AND REFERENDUM AS PROVIDED IN §§ 60 - 110 OF THIS CHAPTER.]

EDITOR NOTE: 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.

Sec. 29.26.190 [29.28.110]. 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.

[(A) THE ASSEMBLY OR COUNCIL MAY NOT, WITHIN TWO YEARS, ACT IN ANY WAY TO MODIFY OR NEGATE THE EFFECT OF A SUCCESSFUL INITIATIVE OR REFERENDUM. IF AN ORDINANCE AGAINST WHICH A REFERENDUM IS DIRECTED HAS BEEN REPEALED BY THE ASSEMBLY OR COUNCIL AFTER A PETITION HAS BEEN FILED BUT BEFORE THE REFERENDUM, THE COUNCIL OR ASSEMBLY MAY NOT ENACT SUBSTANTIALLY SIMILAR LEGISLATION FOR A PERIOD OF ONE YEAR AFTER REPEAL.

(B) AN UNSUCCESSFUL INITIATIVE OR REFERENDUM PRECLUDES THE FILING OF A NEW PETITION FOR THE SAME PURPOSE SOONER THAN SIX MONTHS AFTER VOTER DISAPPROVAL OF THE INITIATIVE OR REFERENDUM.]

ARTICLE 3. RECALL.

EDITOR NOTE: 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 re-elected to the same office.

Sec. 29.26.240 [29.28.130]. RECALL. An [ELECTED] official who is elected or appointed to an elective municipal office [OF A HOME RULE OR GENERAL LAW MUNICIPALITY] may be recalled by the voters after the official [HE] has served the first 120 days of the term for which elected or appointed [SIX MONTHS IN OFFICE].

EDITOR NOTE: No change.

Sec. 29.26.250 [29.28.140]. GROUNDS FOR RECALL. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

EDITOR NOTE: 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. 29.26.260. 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 for 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.

EDITOR NOTE: 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.

Sec. 29.26.270 [29.28.150]. RECALL PETITION.

(a) If the municipal clerk determines that [WHICH]an application for a recall petition meets the requirements of AS 29.26.260, the clerk shall prepare a recall petition [A PETITION SEEKING RECALL OF ONE OR MORE MUNICIPAL OFFICIALS IS FILED WITH THE MUNICIPAL CLERK]. [THE] All copies of the petition shall contain

(1) the name of the official sought to be recalled [THE SIGNATURES AND RESIDENT ADDRESSES OF A NUMBER OF VOTERS AS PRESCRIBED IN § 70(B) OF THIS CHAPTER FOR INITIATIVE AND REFERENDUM];

(2) the statement of the grounds for recall as set out in the application for petition; [THE DATE EACH VOTER SIGNED THE PETITION; AND]

(3) the date the petition is issued by the clerk [A STATEMENT OF THE GROUNDS OF THE RECALL STATED WITH PARTICULARITY AS TO SPECIFIC INSTANCES.];

(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 [WHICH] 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.

EDITOR NOTE: 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.

Sec. 29.26.280 [29.28.160, 29.28.150]. 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.

( ) A petition signer may withdraw the signer's signature upon written application to the clerk before certification of the petition. [EXAMINATION FOR SUFFICIENCY. THE MUNICIPAL CLERK SHALL REVIEW THE PETITION FOR CONTENT AND SIGNATURES AND SHALL CERTIFY ON THE PETITION WITHIN 10 DAYS OF THE FILING DATE WHETHER IT IS ACCEPTED OR REJECTED. UNTIL THE PETITION IS ACCEPTED, A PETITION SIGNER MAY WITHDRAW HIS SIGNATURE UPON WRITTEN APPLICATION TO THE CLERK.]

EDITOR NOTE: 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.

Sec. 29.26.290 [29.28.170, 29.28.160]. 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.

[SUPPLEMENTAL PETITION. (A) IF THE PETITION IS REJECTED BECAUSE OF INSUFFICIENT SIGNATURES, IT MAY BE SUPPLEMENTED BY ADDITIONAL SIGNATURES WITHIN 10 DAYS AFTER THE DATE OF REJECTION. IF THE PETITION IS INSUFFICIENT FOR ANY OTHER REASON, IT SHALL BE REJECTED AND FILED AS A PUBLIC RECORD.

(B) WITHIN 10 DAYS AFTER SUPPLEMENTARY FILING, THE CLERK SHALL RECERTIFY THE PETITION. IF IT IS STILL INSUFFICIENT, THE PETITION IS REJECTED AND FILED AS A PUBLIC RECORD.]

EDITOR NOTE: 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.

Sec. 29.26.300 [29.28.180]. NEW RECALL PETITION APPLICATION. [FAILURE TO SECURE SUFFICIENT SIGNATURES DOES NOT PRECLUDE THE FILING OF A NEW RECALL PETITION. HOWEVER, A [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.

EDITOR NOTE: No change, except for minor rewording for consistency.

Sec. 29.26.310 [29.28.190]. SUBMISSION. If a recall petition is sufficient, the clerk shall [IMMEDIATELY] submit it to the governing body [ASSEMBLY OR COUNCIL] at the next regular meeting or at a special meeting held before the next regular meeting.

EDITOR NOTE: 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.

Sec. 29.26.320 [29.28.200]. 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 [OF THE SUBMISSION], the governing body [ASSEMBLY OR COUNCIL] shall submit the recall at that election.

(b) If no regular election occurs within 75 days, the governing body [ASSEMBLY OR COUNCIL] 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 [OF SUBMISSION].

(c) If a vacancy occurs in the office after a sufficient recall petition is filed with the clerk, the recall question may [PETITION SHALL] 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 that official.

EDITOR NOTE: The grounds for recall must be stated in 200 words or less.

Sec. 29.26.330 [29.28.210]. FORM OF RECALL BALLOT. A recall ballot shall contain[S]

(1) the grounds for recall as stated in 200 words or less on the recall petition; [AS STATED IN THE RECALL PETITION]

(2) a [THE OFFICER'S] 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 [ ]".

EDITOR NOTE: The provision that an office becomes vacant upon certification of the election is added.

Sec. 29.26.340 [29.28.230, 29.28.240]. EFFECT [MAJORITY REQUIRED].

(a) If a [A] majority vote favors recall, the office becomes vacant upon certification of the recall election [ON THE QUESTION IS REQUIRED TO RECALL AN OFFICER].

(b) [29.28.240.] If an official [INCUMBENT] is not recalled at the [RECALL] election, an application for a petition to recall the same official [INCUMBENT] may not be filed sooner than six months after the [RECALL] election.

EDITOR NOTE: 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 shield 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.

Sec. 29.26.350 [29.28.250]. [ELECTION OF] 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. [IF THE VOTERS RECALL AN OFFICER, THE CLERK SHALL CONDUCT AN ELECTION FOR A SUCCESSOR TO FILL THE UNEXPIRED TERM. THE ELECTION SHALL BE HELD AT LEAST 10 BUT NOT MORE THAN 45 DAYS FROM THE DATE OF THE RECALL ELECTION. HOWEVER, IF A REGULAR OR SPECIAL ELECTION OCCURS WITHIN 75 DAYS OF THE RECALL ELECTION, THE SUCCESSOR TO THE RECALLED OFFICIAL SHALL BE CHOSEN AT THAT REGULAR OR SPECIAL ELECTION. THE PROCEDURES AND REQUIREMENTS FOR THE REGULAR ELECTION FOR THE OFFICE FROM WHICH THE INCUMBENT IS RECALLED APPLY TO THE ELECTION CONDUCTED UNDER THIS SECTION.]

EDITOR NOTE: The sections dealing with recall are made applicable as limitations on home rule municipalities and are currently limitations under AS 29.13.100(9).

Sec. 29.26.360. APPLICATION. AS 29.26.250 - 29.26.360 apply to home rule and general law municipalities.

* Section 9. AS 29 is amended by adding a new chapter to read:

CHAPTER 35 [48]. MUNICIPAL POWERS AND DUTIES [APPLICABLE TO ALL MUNICIPALITIES].

ARTICLE 1. GENERAL POWERS.

EDITOR NOTE: (1) No change.

(2) No change, except for rewording due to a change in organization.

(3) No change.

(4) Minor rewording.

(5) Minor rewording.

(6) "and impose liens for their enforcement" is added.

(7) No change.

(8) "for a purpose authorized under this title, federal law, or other law, or in accordance with such law" is deleted as excessive verbage.

(9) "facility or service" is added.

(10) This is added as a general power. Under existing law, the power may be exercised by a first class borough on a non-areawide 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 non-areawide basis if it is assumed.

(11) No change.

(12) Minor rewording.

(13) Minor rewording.

(14) No change.

Sec. 29.35.010 [29.48.010, 29.23.510, 29.38.010, 29.48.035(a),(b)]. GENERAL POWERS. All municipalities have the following general powers, subject to other provisions of law:

(1)[2] to establish and prescribe a [FOR] salary [SALARIES] for an [THE] elected or [AND] appointed municipal official or [OFFICER AND] employee;

(2)[29.23.510] [THE ASSEMBLY OR COUNCIL MAY] to combine two or more appointive or administrative offices;

(3)[1] to establish and prescribe the functions of a municipal department[s], office[s], or agency [AGENCIES];

(4)[5] to require periodic and special reports from a municipal department to be submitted through the mayor [MUNICIPAL EXECUTIVE];

(5)[3] to [MAKE] investigate [INVESTIGATION OF THE] an affair[s] of the municipality and make inquiries into the conduct of a municipal department;

(6)[7] to levy a tax[es] or [AND] special assessment[s], and impose a lien for its enforcement;

(7)[8] to enforce an ordinance[s] and to prescribe a penalty [PENALTIES] for violation[s] of an ordinance;[TO LEVY TAXES AND SPECIAL ASSESSMENTS;]

(8)[9] to acquire, manage, control, use, and dispose of real and personal property, whether [OR NOT] the property is situated inside [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 established [CREATED] under AS 29.35.450 [29.63.090(f)];

(9)[11] to expend money [FUNDS] for a community purpose[s], 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)[12] to borrow money and issue evidences of indebtedness;

(12)[10] to acquire membership in an organization[s] that [WHICH] promotes legislation for the good of the municipality;

(13)[4] to enter into an agreement[s], including an [THOSE] agreement for cooperative or joint administration of any function[s] or power[s] with a municipality [LOCAL GOVERNMENT], [WITH] the state, or [WITH] the United States;

(14) [6] to sue and be sued.

EDITOR NOTE: 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, utility services, 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.

Sec. 29.35.020 [29.48.037]. 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. [A MUNICIPALITY MAY PROVIDE PARKS ROADS (INCLUDING ICE ROADS), TRAILS, PLAYGROUNDS, EMERGENCY MEDICAL SERVICES, CEMETERIES AND AIRPORTS OUTSIDE ITS OPERATION. A REGULATION ADOPTED UNDER THIS SECTION MUST STATE THAT IT APPLIES OUTSIDE THE MUNICIPALITY.]

(b) A municipality may adopt an ordinance[S] to protect its water supply and watershed, and may enforce the ordinance [THEM] outside its boundaries. Before this power may be exercised inside [WITHIN] the boundaries of another municipality, the approval of the other [THAT] municipality must be given by ordinance.

(c) This section applies to home rule [GENERAL LAW] and general law [HOME RULE] municipalities.

EDITOR NOTE: 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).

Sec. 29.35.030 [29.73.020]. EMINENT DOMAIN.

(a) A [HOME RULE OR GENERAL LAW] municipality may exercise the powers of eminent domain and declaration of taking in the performance of a [AN AUTHORIZED] power or function of the municipality[,] under the procedures set out in AS 09.55.250 - 09.55.460 [IN ACCORDANCE WITH AS 90.55.250 - 09.55.460. IN THE CASE OF A SECOND CLASS CITY, BEFORE EXERCISING THE POWER, THE COUNCIL SHALL REQUEST OR PETITION THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR PERMISSION TO EXERCISE THE POWER. THE COUNCIL MAY NOT EXERCISE THE POWER OF EMINENT

DOMAIN OR DECLARATION OF TAKING WITHOUT THE FORMAL APPROVAL OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. THE EXERCISE OF THE POWER OF EMINENT DOMAIN OR DECLARATION OF TAKING SHALL BE BY ORDINANCE WHICH SHALL BE SUBMITTED TO THE QUALIFIED VOTERS VOTING ON THE QUESTION IS REQUIRED FOR APPROVAL OF THE ORDINANCE.]

(b) This section applies to home rule and general law municipalities.

EDITOR NOTE: 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 non-areawide powers do not apply has been eliminated as redundant.

Sec. 29.35.040 [29.48.270]. EMERGENCY DISASTER POWERS.

(a) A municipality that [WHICH] is wholly or partially in [WITHIN] an area that [WHICH] 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 [IS LIMITED TO THE AREA OUTSIDE A CITY IN THE BOROUGH].

[(B) [A BOROUGH MAY EXERCISE THE POWERS FOR A HOUSING OR URBAN RENEWAL AND REDEVELOPMENT PROJECT TRANSFERRED TO IT BY A CITY LOCATED IN THE BOROUGH AS PROVIDED BY AS 29.33.260.

(C) AS 29.38.020 - 29.38.050 ARE NOT APPLICABLE TO THE HOUSING AND URBAN RENEWAL AND REDEVELOPMENT POWERS GRANTED BY THIS SECTION.]

(b) [(D)] Powers granted by this section must be initiated within a period of not more than five years after [FROM] 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.

EDITOR NOTE: 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.

Sec. 29.35.050 [29.48.033]. 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 [WITHIN] 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 [FUNDS];

(5) require property owners or occupants of premises to use the garbage and solid waste collection and disposal system provided by the municipality; [AND]

(6) fix charges against the property owners or occupants of premises for the collection and disposal; and [PROVIDE THAT CHARGES FOR COLLECTION AND DISPOSAL SHALL BE PAID BY THE PROPERTY OWNER OR OCCUPANTS OF THE PREMISES]

(7) [AND] provide penalties for violations of the ordinances.

(b) The [COUNCIL OR] governing body of a municipality [ANY POLITICAL SUBDIVISION] 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 [ANY] area in the municipality [POLITICAL SUBDIVISION] 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 [POLITICAL SUBDIVISION] provided [LIKE OR] similar services. A municipality [POLITICAL SUBDIVISION] may not provide for a garbage, refuse, trash, or other waste material collection and disposal service in an [ANY] area to the extent it lies in [WITHIN] 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 [WHICH] would be affected, at fair market value. A municipality [AND] may exercise the right of eminent domain to acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected [DETERMINE FAIR MARKET VALUE].

(c) This section applies to home rule and general law municipalities.

[REPEALED BY § 6 CH 76 SLA 1973.]

EDITOR NOTE: (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.

(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.

Sec. 29.35.060 [29.48.050(a)(b)]. FRANCHISES AND PERMITS.

(a) The assembly acting for the area outside all cities in the borough and the council acting for the area in [WITHIN] a city may grant franchises, including exclusive franchise privileges, to a person, corporation, organization, or utility not certificated by the Alaska Public Utilities Commission [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 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. [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 RIG TO USE THE STREETS AND OTHER PUBLIC PLACES, UPON PAYMENT OF A REASONABLE PERM.T 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.]

EDITOR NOTE: The governing body may regulate a utility rate to the extent that it is not subject to regulation by the state and to the extent not otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(7).

Sec. 29.35.070 [29.48.060]. PUBLIC UTILITIES [RATES].

(a) The assembly acting for the area outside all cities in the borough and the council acting for the area in [WITHIN] a city may regulate, fix, establish, and change[, AS IT CONSIDERS PROPER,] the rates and charges imposed for a utility service provided [UTILITIES SERVICES GIVEN] to the municipality or its inhabitants by a [MUNICIPALLY OWNED] utility to the extent [NOT REGULATED UNDER AS 42.05 AND MAY REGULATE AND]

(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 [WHAT IS] a reasonable deposit for meters and [SECURITY FOR] service to be given if [, PROVIDED THAT] 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 [SHALL] permit a fair [AND REASONABLE] return on invested capital.

(d) This section applies to home rule and general law municipalities.

EDITOR NOTE: Requires municipal regulation of alcoholic beverages to conform to state requirements and is made a home rule limitation.

Sec. 29.35.080 [29.48.035(a)(10)]. 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. [29.48.035. REGULATORY POWERS. (A) (10) ALCOHOLIC BEVERAGES AS PROVIDED BY AS 04.15.070;]

(b) This section applies to home rule and general law municipalities.

EDITOR NOTE: 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 procedur established for disposal of land have been eliminated to provide more flexibility. The provisions dealing with restricting land to agricultural use have been deleted.

Sec. 29.35.090 [29.48.260]. 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. 29.48.260. MUNICIPAL PROPERTIES.

(A) A MUNICIPALITY MAY ACQUIRE AND HOLD REAL AND PERSONAL PROPERTY OR INTEREST IN PROPERTY, AND MAY SELL, LEASE OR OTHERWISE DISPOSE OF PROPERTY NO LONGER REQUIRED FOR MUNICIPAL PURPOSES.

(B) NOTWITHSTANDING THE PROVISIONS OF (C) OF THIS SECTION, A MUNICIPALITY MAY SELL, LEASE, DONATE OR EXCHANGE WITH THE UNITED STATES, THE STATE, OR A POLITICAL SUBDIVISION REAL ESTATE OR OTHER PROPERTY, OR INTEREST IN PROPERTY, WHEN IN THE JUDGEMENT OF THE ASSEMBLY OR COUNCIL IT IS ADVANTAGEOUS TO THE MUNICIPALITY TO DO SO.]

[(C) THE ASSEMBLY OR COUNCIL SHALL BY ORDINANCE ESTABLISH A FORMAL PROCEDURE FOR THE SALE, LEASE OR DISPOSITION OF REAL PROPERTY OR INTEREST IN REAL PROPERTY. THE ORDINANCE SHALL REQUIRE

(1) AN ESTIMATED VALUE OF THE PROPERTY BY A QUALIFIED APPRAISER OR THE ASSESSOR;

(2) A NOTICE OF SALE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY AT LEAST 30 DAYS BEFORE THE DATE OF THE SALE, LEASE, OR DISPOSITION, OR POSTED WITHIN THAT TIME IN AT LEAST THREE PUBLIC PLACES IN THE MUNICIPALITY;

(3) PUBLIC AUCTION OR OPENING OF SEALED BIDS, IF ANY; AND

(4) OTHER TERMS AND CONDITIONS FIXED BY THE ASSEMBLY OR COUNCIL. HOWEVER, NO ORDINANCE FOR THE SALE, LEASE, OR DISPOSITION OF REAL PROPERTY OR INTEREST IN REAL PROPERTY VALUED AT $25,000 OR MORE IS VALID UNLESS RATIFIED BY A MAJORITY OF THE QUALIFIED VOTERS VOTING AT A REGULAR OR SPECIAL ELECTION AT WHICH THE QUESTION OF THE RATIFICATION OF THE ORDINANCE IS SUBMITTED. THIRTY DAYS NOTICE SHALL BE GIVEN OF THE ELECTION AND DURING THAT PERIOD THE ASSEMBLY OR

COUNCIL SHALL HAVE PUBLISHED AT LEAST ONCE A WEEK IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY A NOTICE STATING THE TIME OF THE ELECTION AND THE PLACE OF VOTING, DESCRIBING THE PROPERTY TO BE SOLD, LEASED OR DISPOSED OF, GIVING A BRIEF STATEMENT OF THE TERMS AND CONDITIONS OF THE SALE AND THE CONSIDERATION, IF ANY, AND STATING THE TITLE AND DATE OF PASSAGE OF THE ORDINANCE. NOTICE SHALL ALSO BE GIVEN BY POSTING A COPY OF IT IN AT LEAST THREE PUBLIC PLACES IN THE MUNICIPALITY AT LEAST 30 DAYS BEFORE THE ELECTION. IF NO NEWSPAPER OF GENERAL CIRCULATION IS DISTRIBUTED WITHIN THE MUNICIPALITY A NOTICE STATING THE TIME OF THE ELECTION AND THE PLACE OF VOTING, DESCRIBING THE PROPERTY TO BE SOLD, LEASED OR DISPOSED OF, GIVING A BRIEF STATEMENT OF THE TERMS AND CONDITIONS OF THE SALE AND THE CONSIDERATION, IF ANY, AND STATING THE TITLE AND DATE OF PASSAGE OF THE ORDINANCE. NOTICE SHALL ALSO BE GIVEN BY POSTING A COPY OF IT IN AT LEAST THREE PUBLIC PLACES IN THE MUNICIPALITY AT LEAST 30 DAYS BEFORE THE ELECTION. IF NO NEWSPAPER OF GENERAL CIRCULATION IS DISTRIBUTED WITHIN THE MUNICIPALITY, THE NOTICE GIVEN BY POSTING IS SUFFICIENT FOR THE PURPOSES OF THE SECTION.

(D) THE ASSEMBLY OR COUNCIL MAY BY ORDINANCE ESTABLISH A FORMAL PROCEDURE FOR ACQUISITION FROM THE STATE OF LAND OR RIGHTS IN LAND AND THE DISPOSAL OF THE LAND OR RIGHTS IN LAND, IN WHICH EVENT THE PROVISIONS OF (C) OF THIS SECTION DO NOT APPLY.

(E) A MUNICIPALITY, IN ORDER TO MAKE SITES AVAILABLE FOR BENEFICIAL NEW INDUSTRIES, MAY ACQUIRE AND HOLD REAL PROPERTY, EITHER INSIDE OR OUTSIDE THE CORPORATE LIMITS, AND MAY SELL, LEASE OR DISPOSE OF IT TO PERSONS WHO AGREE TO OPERATE A BENEFICIAL NEW INDUSTRY UPON THE TERMS AND CONDITIONS THE ASSEMBLY OR COUNCIL CONSIDERS ADVANTAGEOUS TO THE MUNICIPALITY.

(F) A DEED, CONTRACT OF SALE, LEASE, OR OTHER INSTRUMENT EVIDENCING DISPOSITION BY A BOROUGH OF LAND OR INTEREST IN LAND CLASSIFIED BY THE BOROUGH AS AGRICULTURAL LAND SHALL INCLUDE, AMONG OTHER TERMS, CONDITIONS AND LIMITATIONS WHICH MAY BE REQUIRED BY LAW OR WHICH THE ASSEMBLY MAY ELECT TO INCLUDE, A CONDITION THAT THE LAND IS RESTRICTED TO AGRICULTURAL USE. THE ASSEMBLY MAY NOT BY SUBSEQUENT ACTION WAIVE OR ABROGATE THE CONDITION FOR A PERIOD OF 50 YEARS. AN ABROGATION OF THE RESTRICTION TO AGRICULTURAL USE AFTER THE 50-YEAR PERIOD REQUIRES THE CONSENT OF ANY PARTY HAVING AN INTEREST IN THE LAND. THE ASSEMBLY SHALL PROVIDE FOR ENFORCEMENT BY APPROPRIATE LEGAL MEANS, INCLUDING BUT NOT LIMITED TO FORFEITURE OF THE PURCHASER'S INTEREST FOR VIOLATION OF THE CONDITION.]

EDITOR NOTE: 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.

Sec. 29.35.100 [29.48.190]. BUDGET AND CAPITAL PROGRAM.

(a) The governing body [ASSEMBLY OR COUNCIL] shall establish the manner for the preparation and submission of the budget[S] and capital program[S BY THE EXECUTIVE]. After a public hearing, the governing body [ASSEMBLY OR COUNCIL] may approve the bud get[S] with or without amendments, and shall appropriate the money [FUNDS] required for the approved budget.

[(B) A BOND, CONTRACT, LEASE, OR OTHER OBLIGATION REQUIRING THE PAYMENT OF FUNDS FROM THE APPROPRIATIONS OF A LATER FISCAL YEAR OR OF MORE THAN ONE FISCAL YEAR SHALL BE MADE OR APPROVED BY ORDINANCE ADOPTED BY A MAJORITY OF THE VOTES AUTHORIZED ON THE QUESTION.]

(b) [(C)] The governing body [ASSEMBLY OR COUNCIL] may make supplemental and emergency appropriations. [NO] Payment may not be authorized or made and an [NO] obligation may not be incurred except in accordance with appropriations.

[(D) NOTHING IN THIS SECTION IS INTENDED TO PREVENT THE AUTHORIZING OF PAYMENT OR MAKING OF CONTRACTS FOR CAPITAL IMPROVEMENTS TO BE FINANCED WHOLLY OR PARTLY BY THE ISSUANCE OF BONDS.]

EDITOR NOTE: This is rewritten for clarity.

Sec. 29.35.110 [29.48.210]. EXPENDITURE OF BOROUGH REVENUES. Borough revenues received through taxes [LEVIED AND] collected on an areawide basis by the [A HOME RULE OR GENERAL LAW] borough may be expended on general administrative costs and on areawide functions only. Borough revenues received through taxes collected on a nonareawide basis [LEVIED AND COLLECTED IN THE AREA OUTSIDE CITIES ONLY] may be expended on general administrative costs and functions that [WHICH] render service only to the area outside all cities in the borough [ONLY].

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage throughout the title.

Sec. 29.35.120 [29.48.220]. POST AUDIT.

(a) The governing body [ASSEMBLY OR COUNCIL] 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 [ASSEMBLY OR COUNCIL] 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.

EDITOR NOTE: No substantive change.

Sec. 29.35.130 [29.73.080]. 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 [CHAPTER];

(7) employ personnel necessary to carry out the provisions of this section [CHAPTER].

(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) "EMERGENCY SERVICE AGENCY" MEANS AN AGENCY THAT PROVIDES EMERGENCY SERVICES;]

(2) [(3)] "state agency" means a department, division, or office in the executive branch of state government.

ARTICLE 2. MANDATORY AREAWIDE POWERS.

[ARTICLE 1. SCOPE.]

EDITOR NOTE: 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).

Sec. 29.35.150 [29.33.010, 29.41.010(d)]. SCOPE OF AREAWIDE POWERS. A [(A) FIRST AND SECOND CLASS] borough[S] shall exercise the powers as specified and in the manner specified in AS 29.35.150 - 29.35.180 [THIS CHAPTER] on an areawide basis [BOTH INSIDE AND OUTSIDE CITIES WITHIN THEIR BOUNDARIES].

[(B) NO CITY, WHETHER HOME RULE OR NOT, MAY EXERCISE AN AREAWIDE POWER ONCE THAT POWER IS BEING EXERCISED BY A BOROUGH.]

[Sec. 29.41.010. POWERS OF THIRD CLASS BOROUGHS.

(D) A MILITARY RESERVATION WITHIN A THIRD CLASS 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. OF THE MILITARY MISSION OF A MILITARY RESERVATION TERMINATES OR CONTINUED MANAGEMENT AND CONTROL BY A REGIONAL EDUCATION 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.]

EDITOR NOTE: 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).

Sec. 29.35.160 [29.33.050]. 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 [WITHIN AN ORGANIZED] 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.

EDITOR NOTE: The subsection dealing with collection by a borough of taxes levied by a city is made applicable as a limitation on home rule municipalities.

Sec. 29.35.170 [29.33.030]. ASSESSMENT AND COLLECTION OF TAXES.

(a) A borough[S] shall assess and collect property, sales, and use taxes that are levied in its boundaries, subject to AS 29.53 [WITHIN THEIR BOUNDARIES, SUBJECT TO CH 53 OF THIS TITLE].

(b) Taxes levied by a city shall be [AND] collected by a borough and [ARE] returned in full to the levying city. This subsection applies to home rule and general law municipalities.

EDITOR NOTE: 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. 29.35.180. 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.

EDITOR NOTE: (a) Allows a first class borough to exercise on a non-areawide basis any power not otherwise prohibited by law. Under existing law, a first class borough may exercise on a non-areawide 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.

(b) No change.

(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.

Sec. 29.35.200 [29.38.010, 29.48.030, 29.48.035(b), 29.33.250]. [FIRST CLASS BOROUGH] POWERS.

(a) A [THE] first class borough may exercise by ordinance on a nonareawide basis any power not otherwise prohibited by law [IN THE AREA OUTSIDE CITIES ANY GENERAL LAW MUNICIPAL POWER. BEFORE EXERCISING A POWER OUTSIDE CITIES ONLY, TH BOROUGH SHALL SEEK TO HAVE THE IDENTICAL POWER TRANSFERRED FROM CITIES WITHIN THE BOROUGH OR PROPOSE JOINT BOROUGH CITY EXERCISE OF THE POWER].

(b) [29.48.030 MUNICIPAL FACILITIES AND SERVICES.] A first class borough [MUNICIPALITY] may by ordinance exercise the following powers [NECESSARY TO PROVIDE THE FOLLOWING PUBLIC FACILITIES AND SERVICES] 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 - 46.03.230;

(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.

EDITOR NOTE: (a) Allows a second class borough to exercise certain powers on a non-areawide basis. Under existing law before a non-areawide 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.

(1) No change.

(2) No substantive change.

(3) No change.

(4) Under existing law, this power is subject to the section dealing with garbage and solid waste, sec. 29.35.050 of this bill.

(5) Under existing law, providing air pollution control is permitted on an areawide basis only.

(6) No change.

(7) Minor rewording.

(8) This is new material.

(9) No change.

(10) No change.

Under existing law, a second class borough may exercise the following additional nonareawide powers not specified in this bill:

(1) Powers approved at incorporation.

(2) Regulate snow vehicles, subject to other law.

(3) Licensing of day car facilities.

(b) (1) No change.

(2) No change.

(3) No change.

(4) No change.

(5) No change.

(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.

(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.

Sec. 29.35.210 [29.38.020(1)&((2)&(4)&(5)&(6)&(7)&(8)&(9), 29.48.030(a)(12), 29.48.035(a)(5)(17)(18)(20)&(b),29.38.030, 29.38.040, 29.38.050, 29.33.250]. SECOND CLASS BOROUGH POWERS.

(a) A [THE] second class borough may by ordinance exercise the following powers on a nonareawide basis: [IN THE AREA OUTSIDE CITIES MUNICIPAL POWERS APPROVED AT INCORPORATION, CONFERRED BY AS 29.48.020, OR ADDED AS PROVIDED IN THIS CHAPTER. BEFORE EXERCISING A POWER OUTSIDE CITIES ONLY, THE BOROUGH SHALL SEEK TO HAVE THE IDENTICAL POWER TRANSFERRED FROM CITIES WITHIN THE BOROUGH OR PROPOSE JOINT BOROUGH-CITY EXERCISE OF THE POWER.]

(1) provide transportation systems; [STREETS AND SIDEWALKS;]

(2) regulate the offering for sale, exposure for sale, sale, use or explosion of fireworks; [SEWERS AND SEWAGE TREATMENT FACILITIES;]

(3) license, impound, and dispose of animals; [HARBORS, WHARVES, AND OTHER MARINE FACILITIES;]

(4) provide garbage, solid waste, and septic waste collection and disposal; [WATER COURSE AND FLOOD CONTROL FACILITIES;

(5) provide air pollution control in accordance with AS 46.03.140 - 46.03.230; [HEALTH SERVICES AND HOSPITAL FACILITIES;]

(6) provide water pollution control; [CEMETERIES;]

(7) participate in federal or state loan programs for housing rehabilitation and improvement for energy conservation; [POLICE PROTECTION AND JAIL FACILITIES;]

(8) provide for economic development; [COLD STORAGE PLANTS;]

(9) provide for the acquisition and construction of local service roads and trails under AS 19.30.111 - 19.30.251; [TELEPHONE SYSTEMS;]

(10) establish an emergency services communications center under AS 29.35.130. [LIGHT, POWER AND HEAT;]

(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 - 46.03.230;

(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.

[(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 § 33 OF THIS CHAPTER;

(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.]

EDITOR NOTE: (a) No substantive change.

(b) No substantive change.

(c) No substantive change.

(d) A third class borough may acquire any power not prohibited by law for exercise in a service area.

Sec. 29.35.220 [29.41.010]. [POWERS OF] THIRD CLASS BOROUGH[S] POWERS.

(a) [(C)] A third class borough may borrow money and issue negotiable or non-negotiable [GENERAL OBLIGATION, REVENUE OR REFUNDING] bonds or [AND] other evidences of indebtedness as provided by AS 29.47 [FOR FIRST AND SECOND CLASS BOROUGHS IN AS 29.58.150 - 29.58.340].

(b) [(A) A THIRD CLASS BOROUGH SHALL EXERCISE THE AREAWIDE POWERS OF EDUCATION AND TAX ASSESSMENT AND COLLECTION IN THE MANNER PROVIDED FOR SECOND CLASS BOROUGHS.] Areawide exercise of a power[S] by a third class borough other than education and tax assessment and collection is not authorized.

(c) [(B)] A third class borough may acquire the power to [BY A MAJORITY VOTE OF THE VOTERS IN A GENERAL OR SPECIAL ELECTION] provide for planning,

platting, and land use regulation as provided in AS 29.40 [ZONING IN ACCORDANCE WITH AS 29.33.070 - 29.33.245] for first and second class boroughs, except the power may only be exercised within a service area [AND MAY EXERCISE ANY GENERAL LAW MUNICIPAL POWER WHICH A SECOND CLASS BOROUGH IS AUTHORIZED TO ASSUME BY THIS TITLE. POWERS ASSUMED BY A THIRD CLASS BOROUGH UNDER THIS SECTION MAY BE EXERCISED ONLY WITHIN SERVICE AREAS. A THIRD CLASS BOROUGH MAY ESTABLISH, OPERATE, ALTER OR ABOLISH SERVICE AREAS IN THE MANNER PROVIDED BY AS 29.63.090 FOR SECOND CLASS BOROUGHS. THE ACQUISITION OF ADDITIONAL POWERS ON A SERVICE AREA BASIS MAY BE INITIATED IN EITHER OF TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PER CENT OF THE NUMBER OF VOTES CAST IN THE PROPOSED SERVICE AREA AT THE PRECEDING REGULAR ELECTION MAY FILE A PETITION WITH THE ASSEMBLY; OR

(2) THE ASSEMBLY MAY PLACE THE QUESTION ON THE BALLOT.]

(d) A third class borough may acquire any power not otherwise prohibited by law, except the power may only be exercised within a service area.

ARTICLE 4. CITY POWERS.

EDITOR NOTE: 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.

Sec. 29.35.250 [29.33.010(b), 29.43.040(b), 29.48.035(b)]. 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. 29.33.010. SCOPE OF AREAWIDE POWERS. (B) NO CITY, WHETHER HOME RULE OR NOT, MAY EXERCISE AN AREAWIDE POWER ONCE THAT POWER IS BEING EXERCISED BY A BOROUGH.]

[SEC. 29.43.040. PLANNING AND ZONING. (B) HOME RULE AND FIRST CLASS CITIES WITHIN THIRD CLASS BOROUGHS SHALL, AND SECOND CLASS CITIES WITHIN THIRD CLASS BOROUGHS MAY, PROVIDE FOR PLANNING, PLATTING AND ZONING, AS PROVIDED BY AS 29.33.070 - 29.33.245 FOR BOROUGHS.]

[SEC. 29.48.035. REGULATORY POWERS. (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 § 29 OF THIS CHAPTER FOR EXERCISE IN THE BOROUGH AREA OUTSIDE CITIES. HOWEVER, AS TO POWERS CONFERRED UNDER (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.]

EDITOR NOTE: (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.

(b) Minor rewording.

(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.

(d) This is new making the section applicable as a home rule limitation. Under existing law, material contained in (c) is not a limitation o home rule municipalities.

Sec. 29.35.260 [29.43.010, 29.43.030, 29.43.040]. CITIES OUTSIDE BOROUGHS.

(a) [ADDITIONAL POWERS. IN ADDITION TO THE POWERS GRANTED BY CH. 48 OF THIS TITLE,] A city [CITIES] outside a borough[S] may exercise a [ARE GRANTED THE] power[S] not otherwise prohibited by law [SPECIFIED IN THIS CHAPTER]. A provision that is [POWERS OF THIS CHAPTER WHICH ARE] incorporated by reference to laws governing boroughs applies[Y] to home rule cities outside boroughs only if the provision is [IN THOSE CASES IN WHICH THEY ARE] made applicable to home rule boroughs [IN THE PROVISIONS INCORPORATED].

(b) [29.43.030. EDUCATION.] A home rule or [AND] first class city[IES] outside a borough[S] is a [CONSTITUTE] city school district[S] and shall establish, operate, and maintain[, AND OPERATE] a system of public schools as provided by AS 29.35.160 [AS 29.33.050] for boroughs. A second class city outside a borough is not a school district and may not establish a system of public schools.

(c) [29.43.040. PLANNING AND ZONING. (A)] A home rule [AND FIRST CLASS] city[IES] outside a [FIRST AND SECOND CLASS] borough[S] shall[, AND SECOND CLASS CITIES OUTSIDE FIRST AND SECOND CLASS BOROUGHS MAY,] provide for planning, platting, and land use regulation [ZONING] as provided by AS 29.35.180(b) [AS 29.33.070 - 29.33.245] 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 [AREAWIDE] POWERS.

EDITOR NOTE: Combines material dealing with the acquisition of areawide and nonareawide powers.

Sec. 29.35.300 [29.33.250, 29.41.010]. ADDITIONAL [AREAWIDE] POWERS.

(a) A first [AND SECOND] class borough[S] acquires an additional areawide [MUNICIPAL] power[S] by transfer of the power by [FROM] a city or by holding an areawide election on the question[, EXCEPT AS PROVIDED OTHERWISE IN AS 29.48.030 AND 29.48.035(B)].

(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 by forming a service area in accordance with AS 29.35.490(b) or (c).

EDITOR NOTE: No change, except for minor rewording for consistent usage.

Sec. 29.35.310 [29.33.260]. TRANSFER BY CITY.

(a) A city in a first or second class borough may transfer to the [FIRST OR SECOND CLASS] borough in which it is located any of its powers or functions, subject to the approval of the [BOROUGH] assembly.

(b) A first or [AND] second class borough[S] shall exercise all powers transferred to it [THEM] by a city[IES].

EDITOR NOTE: 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.

Sec. 29.35.320 [29.33.270, 29.33.280, 29.33.290(a), 29.38.030, 29.38.040, 29.38.050(a), 29.41.010(b)]. 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 a service area 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 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. 29.33.270. PETITION FOR POWER. AN ELECTION ON THE QUESTION OF ADDING AN AREAWIDE POWER MAY BE INITIATED IN TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PER CENT OF THE NUMBER OF VOTES CAST IN THE BOROUGH AT THE PRECEDING REGULAR ELECTION MAY FILE A PETITION WITH THE ASSEMBLY, OR

(2) THE ASSEMBLY MAY PROPOSE THE ACQUISITION OF THE POWER.

SEC. 29.33.280. INVESTIGATION. THE ASSEMBLY SHALL HOLD AT LEAST ONE PUBLIC HEARING IN THE BOROUGH ON THE QUESTION. THE ASSEMBLY SHALL THEN EVALUATE THE ABILITY OF THE BOROUGH TO EXERCISE THE POWERS AND MAKE ITS FINDINGS PUBLIC.

SEC. 29.33.290. ELECTION

(A) THE ASSEMBLY SHALL, WITHIN 30 DAYS AFTER ITS FINDINGS HAVE BEEN MADE PUBLIC, ORDER AN ELECTION TO BE HELD ON THE QUESTION. 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.

SEC. 29.38.030. ADDITIONAL POWERS. THE SECOND CLASS BOROUGH MAY INITIATE THE ACQUISITION OF ADDITIONAL POWERS OUTSIDE CITIES IN EITHER OF TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PER CENT OF THE NUMBER OF VOTES CAST IN THE AREA OUTSIDE CITIES AT THE PRECEDING REGULAR ELECTION MAY FILE A PETITION WITH THE ASSEMBLY, OR

(2) THE ASSEMBLY MAY PLACE THE QUESTION ON THE BALLOT.

SEC. 29.38.040. INVESTIGATION. THE ASSEMBLY SHALL HOLD AT LEAST ONE PUBLIC HEARING IN THE BOROUGH ON THE QUESTION. THE ASSEMBLY SHALL THEN EVALUATE THE ABILITY OF THE BOROUGH TO EXERCISE THE POWERS AND MAKE ITS FINDINGS PUBLIC.

SEC. 29.38.050. ELECTION.

(A) THE ASSEMBLY SHALL, WITHIN 30 DAYS AFTER ITS FINDINGS HAVE BEEN MADE PUBLIC, ORDER AN ELECTION ON THE QUESTION IN THE BOROUGH AREA OUTSIDE CITIES. 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.

SEC. 29.41.010. POWERS OF THIRD CLASS BOROUGHS.

(B) A THIRD CLASS BOROUGH MAY BY A MAJORITY VOTE OF THE VOTERS IN A GENERAL OR SPECIAL ELECTION PROVIDE FOR PLANNING, PLATTING AND ZONING IN ACCORDANCE WITH AS 29.33.070 - 29.33.245 FOR BOROUGHS AND MAY EXERCISE ANY GENERAL LAW MUNICIPAL POWER WHICH A SECOND CLASS BOROUGH IS AUTHORIZED TO ASSUME

BY THIS TITLE. POWERS ASSUMED BY A THIRD CLASS BOROUGH UNDER THIS SECTION MAY BE EXERCISED ONLY WITHIN SERVICE AREAS. A THIRD CLASS BOROUGH MAY ESTABLISH, OPERATE, ALTER OR ABOLISH SERVICE AREAS IN THE MANNER PROVIDED BY AS 29.63.090 FOR SECOND CLASS BOROUGHS. THE ACQUISITION OF ADDITIONAL POWERS ON A SERVICE AREA BASIS MAY BE INITIATED IN EITHER OF TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PERCENT OF THE NUMBER OF VOTES CAST IN THE PROPOSED SERVICE AREA AT THE PRECEDING REGULAR ELECTION FILE A PETITION WITH THE ASSEMBLY; OR

(2) THE ASSEMBLY MAY PLACE THE QUESTION ON THE BALLOT.]

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage.

Sec. 29.35.330 [29.33.290(b)(c), 29.38.050(b)(c)]. ELECTION.

(a) [(B)] If more than one power is proposed for acquisition under AS 29.35.320, each shall appear[S] separately on the ballot.

(b) If a power is proposed for exercise by a third class borough in a service area, only voters residing in the proposed service area may vote.

(c) [THE BOROUGH MAYOR SHALL CERTIFY THE ELECTION RESULTS TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] A [THE] 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 [THE HOME RULE AND FIRST CLASS] cities located in [OF] the borough. The other shall consist of all votes cast in the [REMAINING] 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 [OF] certification of the election results.

(d) If a majority of the votes cast on the question of adding a nonareawide power in a second class borough or a power to be exercised in a service area in a third class borough is favorable, the borough shall assume the added power within 30 days after certification of the election results.

(e) The borough mayor shall certify the election results to the department. [UPON ACQUISITION OF AN AREAWIDE POWER THE 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, LIABILITIY FOR BONDED AND ALL OTHER INDEBTEDNESS AND TO ALL OF THE RIGHT, TITLE AND INTEREST IN THE REAL AND PERSONAL PROPERTY HELD BY THE CITY OR SERVICE AREA FOR THE EXERCISE OF THE POWER. THE BOROUGH ASSEMBLY MAY LEVY AND COLLECT SPECIAL CHARGES, TAXES OR ASSESSMENTS INCLUDING INTEREST FOR THE PURPOSE OF

AMORTIZING BONDED INDEBTEDNESS PREVIOUSLY INCURRED BY THE CITY OR SERVICE AREA FOR CONTINUING SERVICES IN THE AREA. WHEN A CITY OR SERVICE AREA HAD PREVIOUSLY INCURRED BONDED INDEBTEDNESS, NO LESS THAN ALL PROPERTY THAT WAS WITHIN THE CITY OR SERVICE AREA AT THE TIME THE BONDS WERE ISSUED SHALL REMAIN SUBJECT TO TAXATION TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND FOR AS LONG AS THEY REMAIN OUTSTANDING. UPON ACQUISITION OF ADDITIONAL AREAWIDE POWERS THE 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. THIS SUBSECTION APPLIES TO HOME RULE AND GENERAL LAW CITIES.

Sec. 29.38.050. ELECTION.

(B) IF MORE THAN ONE POWER IS PROPOSED, EACH APPEARS SEPARATELY ON THE BALLOT.

(C) THE BOROUGH MAYOR SHALL CERTIFY THE ELECTION RESULTS TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. IF THE MAJORITY OF THE VOTES CAST ON THE QUESTION IS FAVORABLE, THE BOROUGH SHALL ASSUME THE ADDED POWER WITHIN 30 DAYS OF CERTIFICATION OF ELECTION RESULTS.]

EDITOR NOTE: Reorganized, but no substantive change.

Sec. 29.35.340 [29.33.290(c)]. EFFECT OF ACQUIRING AN AREAWIDE POWER [ELECTION].

(a) [(C) THE BOROUGH MAYOR SHALL CERTIFY THE ELECTION RESULTS TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. THE VOTE ON THE QUESTION OF ADDING AN AREAWIDE POWER SHALL BE TABULATED IN TWO SEPARATE CLASSIFICATIONS. ONE SHALL CONSIST OF ALL VOTES CAST IN THE HOME RULE AND FIRST CLASS CITIES OF THE BOROUGH. THE OTHER SHALL CONSIST OF ALL VOTES CAST IN THE REMAINING BOROUGH AREA. IF THE MAJORITY OF THE VOTES CAST IN EACH CLASSIFICATION IS FAVORABLE, THE BOROUGH SHALL ASSUME THE ADDED POWER WITHIN 30 DAYS OF CERTIFICATION OF THE ELECTION RESULTS.] On [UPON] 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 [BOROUGH] assembly may levy and collect special charges, taxes, or assessments including interest for the purpose of amortizing bonded indebtedness previously incurred by a [THE] city or service area for exercising an areawide power acquired by the borough [CONTINUING SERVICES IN THE AREA].

When a city or service area had previously incurred bonded indebtedness, [NO LESS THAN] all property that was in [WITHIN] the city or service area at the time the bonds were issued [SHALL] remains subject to taxation to pay the principal of and interest on the bonds [FOR AS LONG AS THEY REMAIN OUTSTANDING].

(c) On [UPON] acquisition of an additional areawide power[S] 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 [SUB]section applies to home rule and general law cities.

EDITOR NOTE: This is new and provides a definition of "power".

Sec. 29.35.350. DEFINITION. In AS 29.35.200 - 29.35.350 "power" means the provision of a public facility or service, or the exercise of a regulatory power.

ARTICLE 6. CONSTRUCTION OF POWERS.

EDITOR NOTE: No substantive change.

Sec. 29.35.400 [29.48.310]. GENERAL CONSTRUCTION. A liberal construction shall be given to all powers and functions of a municipality [BOROUGHS AND CITIES] conferred in this title.

EDITOR NOTE: No substantive change.

Sec. 29.35.410 [29.48.320]. EXTENT OF POWERS. Unless otherwise limited by law, a municipality has [BOROUGHS AND CITIES HAVE] and may exercise all powers and functions necessarily or fairly implied in or incident to the [OBJECT OR] purpose of all powers and functions conferred in this title.

EDITOR NOTE: No substantive change.

Sec. 29.35.420 [29.48.330]. ENUMERATION OF POWERS. Specific examples in [WITHIN] an enumerated power or function conferred upon a municipality [BOROUGHS OR CITIES] 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 [2]. SERVICE AREAS.

EDITOR NOTE: (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.

(b) No change.

Sec. 29.35.450 [SEC 29.63.090(a), (d)]. SERVICE AREAS.

(a) A service area[S] to provide special services in [WITHIN] a borough may be established, operated, altered, or abolished by [THE ASSEMBLY BY] ordinance. Special services include services not provided on an areawide or nonareawide basis in [WITHIN] the borough [OR THE BOROUGH AREA OUTSIDE CITIES], or a higher or different level of service than that provided on an areawide or nonareawide basis [OR IN THE BOROUGH AREA OUTSIDE CITIES. IN A FIRST CLASS BOROUGH THE ASSEMBLY MAY EXERCISE WITHIN A SERVICE AREA ANY POWER GRANTED A FIRST CLASS CITY BY GENERAL LAW. EXCEPT AS PROVIDED IN (F) OF THIS SECTION, A SECOND CLASS BOROUGH MAY EXERCISE THE POWERS GRANTED A FIRST CLASS CITY BY GENERAL LAW BUT THE EXERCISE OF THE POWERS MUST BE APPROVED BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN THE SERVICE AREA AND VOTING ON THE QUESTION AT A REGULAR OR SPECIAL ELECTION.] 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.

EDITOR NOTE: No substantive change.

Sec. 29.35.460 [29.63.090(c)]. SERVICE AREA BOARDS. The assembly may provide for an appointed or elected board to supervise the furnishing of special services in a service area.

EDITOR NOTE: No substantive change.

Sec. 29.35.470 [29.63.090(b)(e)]. 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.

EDITOR NOTE: No substantive change.

Sec. 29.35.480 [29.63.090(a)(e)]. 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 [WHICH]may be exercised by a first class borough.

EDITOR NOTE: 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.

(b) No change.

Sec. 29.35.490 [29..41.010(b), 29.63.090(a),(e), 29.68.010(f)]. 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 [WHICH] 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 not otherwise prohibited by law.

(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 [WHICH]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.

* Sec. 10. AS 29 is amended by adding a new chapter to read:

CHAPTER 40. PLANNING, PLATTING, AND LAND USE REGULATION.

EDITOR NOTE: 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.

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.

Sec. 29.40.010 [29.33.070]. PLANNING, PLATTING, AND LAND USE REGULATION.

(a) A first or [AND] second class borough[s] shall provide for planning, platting, and land use regulation [ZONING] on an areawide basis.

(b) If a city in a borough consents by ordinance, [(1)]the assembly may by ordinance delegate any of its powers and duties under this chapter to the city [DESIGNATE THE COUNCIL OF A CITY WITHIN THE BOROUGH AS A BOARD OF ADJUSTMENT WITHIN THE CITY]. [(2) DELEGATE OTHER PLANNING AND ZONING POWERS CONFERRED BY THIS CHAPTER TO A CITY WITHIN THE BOROUGH.] [(3)] The assembly may by ordinance, without first obtaining the consent of the city, revoke [OR MODIFY] any [PART OR ALL OF THE] power[s] or duty delegated under this [SUB]section.

EDITOR NOTE: 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.

Sec. 29.40.020 [29.33.080(a) and (b)]. 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. [THE BOROUGH PLANNING COMMISSION CONSISTS OF FIVE RESIDENTS UNLESS A GREATER NUMBER IS OTHERWISE PROVIDED 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 [WITH]in [THOSE] home rule and first class cities located in the borough. A member[s] shall be appointed by the borough mayor [EXECUTIVE] 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 [APPOINTMENTS OF MEMBERS FROM FIRST CLASS CITIES ARE SELECTED] from a list of recommendations submitted by the [CITY] 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 [RECOMMEND] to the assembly a proposed comprehensive plan in accordance with AS 29.40.030 CONSISTING OF MAPS AND RELATED TEXTS] 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.

[(2) A ZONING ORDINANCE TO IMPLEMENT THE PLAN;

(3) A SUBDIVISION ORDINANCE;

(4) THE OFFICIAL MAP OF THE BOROUGH;

(5) MODIFICATIONS TO THE DOCUMENTS SPECIFIED IN (1) - (4) OF THIS SECTION.

EDITOR NOTE: 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.

Sec. 29.40.030 [29.33.085]. 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 [PLAN] implementation of the comprehensive plan.

(b) With the recommendations of the planning commission, the assembly shall adopt by ordinance a comprehensive plan [BASED UPON THE RECOMMENDATIONS OF THE PLANNING COMMISSION]. 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. [THE ASSEMBLY MAY MODIFY THE PLAN, PROVIDED THAT IT FIRST OBTAINS THE RECOMMENDATIONS OF THE PLANNING COMMISSION. THE PLANNING COMMISSION SHALL UNDERTAKE AN OVERALL REVIEW OF THE PLAN AT LEAST ONCE EVERY TWO YEARS AND SHALL PRESENT RECOMMENDATIONS BASED ON THE REVIEW TO THE ASSEMBLY.]

EDITOR NOTE: (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.

(b) No substantive change.

Sec. 29.40.040 [29.33.090(a), 29.33.110(c)]. LAND USE REGULATION [ZONING].

(a) In accordance with a [THE] comprehensive plan adopted under AS 29.40.030 and in order to implement the plan, the assembly by ordinance shall [REGULATE AND RESTRICT] adopt or amend provisions governing the use and occupancy of land [AND IMPROVEMENTS BY DISTRICTS OR CONTRACT ZONING TO PERMIT SPECIFIC USES PROVIDED FOR IN THE CONTRACT] 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.[REGULATIONS SHALL BE UNIFORM FOR EACH CLASS OR KIND OF BUILDING, STRUCTURE, LAND OR WATER AREA WITHIN EACH DISTRICT, BUT THE REGULATIONS MAY DIFFER AMONG DISTRICTS AND EXCEPTIONS MAY BE MADE IN ORDER TO PROVIDE FOR THE PRESERVATION, MAINTENANCE AND PROTECTION OF HISTORIC SITES, BUILDINGS AND MONUMENTS. IN THIS SECTION, "CONTRACT ZONING" MEANS A ZONING RECLASSIFICATION TO A LESS RESTRICTED USE WHEN THE OWNER OF THE REZONED PROPERTY, EITHER THROUGH AND AGREEMENT WITH THE ASSEMBLY OR A COVENANT IN FAVOR OF THE BOROUGH, PLACES RESTRICTIONS ON THE USE OF THE LAND BEYOND THE ZONING REQUIREMENTS GENERALLY ATTACHING TO THE NEW DISTRICT IN WHICH THE PROPERTY HAS BEEN PLACED. THE ASSEMBLY SHALL HOLD A PUBLIC HEARING ON THE PROPOSED CONTRACT ZONING.]

(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.

[(c) A VARIANCE SHALL NOT BE GRANTED BECAUSE OF SPECIAL CONDITIONS CAUSED BY ACTIONS OF THE PERSON SEEKING RELIEF OR FOR REASONS OF PECUNIARY HARDSHIP OR INCONVENIENCE. A VARIANCE SHALL NOT BE GRANTED WHICH WILL PERMIT A LAND USE IN A DISTRICT IN WHICH THAT USE IS PROHIBITED.]

EDITOR NOTE: (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.

(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.

Sec. 29.40.050 [29.33.110 (a),(b)]. APPEALS FROM ADMINISTRATIVE DECISIONS. [BOARD OF ADJUSTMENT]

(a) [(B)] 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. [THE BOARD OF ADJUSTMENT SHALL HEAR AND DECIDE

(1) APPEALS REGARDING ALLEGED ERRORS IN ENFORCEMENT OF ZONING ORDINANCES AND BUILDING CODES;

(2) APPEALS FROM THE DECISIONS OF THE PLANNING COMMISSION ON REQUESTS FOR CONDITIONAL USES;

(3) APPEALS FROM THE DECISIONS OF THE PLANNING COMMISSION ON REQUESTS FOR VARIANCES FROM THE TERMS OF THE ZONING ORDINANCE WHICH ARE NOT CONTRARY TO THE PUBLIC INTEREST, WHEN A LITERAL ENFORCEMENT WOULD DEPRIVE A PROPERTY OWNER OF RIGHTS COMMONLY ENJOYED BY OTHER PROPERTIES IN THE SAME DISTRICT.]

(b) [(A)] 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. [THE ASSEMBLY IS THE BOARD OF ADJUSTMENT BUT MAY DELEGATE BY RESOLUTION OR ORDINANCE PART OR ALL OF ITS FUNCTIONS TO A CITY WITHIN THE BOROUGH FOR THE AREA WITHIN CITY BOUNDARIES IN ACCORDANCE WITH AS 29.33.070(B)(1) IN ADDITION TO MAKING DELEGATIONS AS PROVIDED FOR AN ASSEMBLY UNDER AS 29.33.245. MEETINGS OF THE BOROUGH BOARD ARE HELD AT THE CALL OF THE PRESIDING OFFICER AND OF THE CITY BOARD BY THE MAYOR. THE PRESIDING OFFICER OR MAYOR MAY ADMINISTER OATHS AND COMPEL ATTENDANCE OF WITNESSES. MEETINGS AND HEARINGS OF THE BOARD SHALL BE OPEN TO THE PUBLIC AND THE BOARD SHALL KEEP MINUTES OF ITS PROCEEDINGS AS A PUBLIC RECORD.]

EDITOR NOTE: (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.

(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.

Sec. 29.40.060 [29.33.130 (a),(b)(c),(d),(e)]. JUDICIAL REVIEW.

(a) The assembly shall provide by ordinance for an appeal[S] by a municipal officer or person aggrieved from a decision of a hearing officer, [FROM THE] board of adjustment, or other body to the superior court.

[(B) A MUNICIPAL OFFICER, A TAXPAYER, OR A PERSON, JOINTLY OR SEVERALLY AGGRIEVED, MAY APPEAL AN ACTION OF THE BOARD TO THE SUPERIOR COURT BY FILING WITH THE BOROUGH CLERK WITHIN THE TIME FIXED BY ORDINANCE, A NOTICE OF APPEAL SPECIFYING GROUNDS. WHEN THE NOTICE OR APPEAL IS FILED, THE BOARD SHALL AT ONCE TRANSMIT TO THE SUPERIOR COURT CLERK COPIES OF ALL THE PAPERS CONSTITUTING THE RECORD IN THE CASE.

(C) AN APPEAL FROM THE BOARD OF ADJUSTMENT STAYS ENFORCEMENT PROCEEDINGS UNLESS THE COURT ISSUES AN ENFORCEMENT ORDER BASED ON A CERTIFICATE OF IMMINENT PERIL TO LIFE OR PROPERTY MADE BY THE BOARD.]

(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.

[(D) THE APPEAL IS HEARD UPON THE RECORD BY THE SUPERIOR COURT, AND THE COURT MAY REVERSE OR AFFIRM, WHOLLY OR PARTLY, THE DECISION APPEALED FROM.

(E) ISSUES IN PROCEEDINGS UNDER THIS SECTION HAVE PREFERENCE OVER ALL OTHER CIVIL ACTIONS AND PROCEEDINGS. AN APPEAL LIES FROM THE DECISION OF THE SUPERIOR COURT AS IN OTHER CIVIL CASES.]

EDITOR NOTE: Material in paragraph (4) dealing with dedication of rights-of-way and easements is added.

Sec. 29.40.070 [29.33.150(a)]. PLATTING REGULATION [JURISDICTION AND POWER].

[(A) THE PLANNING COMMISSION ACTING AS THE PLATTING BOARD HAS JURISDICTION OVER PLATTING AND] By ordinance the assembly shall adopt platting requirements that may include [AND PUBLISH RULES AND REGULATIONS TO IMPLEMENT THIS POWER. JURISDICTION INCLUDES], but are [IS] 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 [OR TRACTS];

(3) street width, arrangement, and rights-of-way, including requirements [ALLOWANCE] 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.

EDITOR NOTE: 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.

Sec. 29.40.080 [29.33.150(a)]. PLATTING AUTHORITY. [PLATTING JURISDICTION AND POWER]

(B)] (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. [(B) THE REGULATIONS ADOPTED UNDER (A) OF THIS SECTION APPLY TO SUBDIVISION PLATS OF UNDEVELOPED STATE LAND FOR DISPOSAL UNDER AS 38.05 OR AS 38.08 FILED WITH THE PLATTING BOARD. THE PLATTING BOARD MAY NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE SUBDIVISION PLAT. REGULATIONS ADOPTED AFTER THE PLATTING BOARD 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.]

EDITOR NOTE: (a) This is new and requires the assembly to establis an abbreviated plat procedure for plats meeting certain requirements.

(b) Authorizes waiver of plat requirements if a subdivisior meets requirements for an abbreviated plat and each lot is five acres or larger.

Sec. 29.40.090 [29.33.170]. ABBREVIATED PLATS AND WAIVERS [IN CERTAIN CASES].

(a) Notwithstanding other provisions of this chapter, the assembly shall by ordinance establish an abbreviated plat procedure for a plat that will [THE PLATTING AUTHORITY SHALL, IN INDIVIDUAL CASES, WAIVE THE PREPARATION, SUBMISSION FOR APPROVAL, AND RECORDING OF A PLAT UPON SATISFACTORY EVIDENCE THAT]

(1) subdivide a single lot into not more than four lots; [EACH TRACT OR PARCEL OF LAND WILL HAVE ADEQUATE ACCESS TO A PUBLIC HIGHWAY OR STREET;]

(2) provide legal and physical access to a public highway or street for each lot created by the subdivision; [EACH PARCEL CREATED IS FIVE ACRES IN SIZE OR LARGER AND THAT THE LAND IS DIVIDED INTO FOUR OR FEWER PARCELS;]

(3) not contain or require a dedication of a street, right-of-way, or other area; [THE CONVEYANCE IS NOT MADE FOR THE PURPOSE OF, OR IN CONNECTION WITH, A PRESENT OR PROJECTED SUBDIVISION DEVELOPMENT;]

(4) not require a vacation of a public dedication of land or a variance from a subdivision regulation. [NO DEDICATION OF A STREET, ALLEY, THOROUGHFARE OR OTHER PUBLIC AREA IS INVOLVED OR REQUIRED.]

(b) [IN OTHER CASES] The platting authority shall [MAY] 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 [, IF THE TRANSACTION INVOLVED DOES NOT FALL WITHIN THE GENERAL INTENT OF §§ 29.33.150 - 29.33.240 OF THIS CHAPTER AND AS 40.15 IF IT IS NOT MADE FOR THE PURPOSE OF, OR IN CONNECTION WITH, A PRESENT OR PROJECTED SUBDIVISION DEVELOPMENT AND NO DEDICATION OF A STREET, ALLEY, THOROUGHFARE, PARK OR OTHER PUBLIC AREA IS INVOLVED OR REQUIRED.]

EDITOR NOTE: Rewritten for clarity.

Sec. 29.40.100 [29.33.180]. INFORMATION REQUIRED. A plat shall show

(1) initial point of survey;

(2) original or reestablished corners and their descriptions;

(3) [AND] 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) [AS WELL AS] other information that may be required by ordinance.

EDITOR NOTE: This is rewritten for clarity. Material dealing with filing a preliminary subdivision plat contained in AS 29.33.160(c) has been eliminated.

Sec. 29.40.110 [29.33.160(a),(b),(c)]. PLAT PROCEDURE.

(a) The platting authority [BOARD] shall [WITHIN 60 DAYS OF FILING] approve or disapprove a [THE] 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, [IF THE BOARD FAILS TO ACT,] the plat is considered approved and a certificate of approval shall be issued by the platting authority [BOARD] on demand if the platting authority fails to act within 60 days. [THE APPLICANT FOR PLAT APPROVAL MAY CONSENT TO THE EXTENSION OF THE PERIOD FOR ACTION BY THE BOARD. THE BOARD SHALL STATE ON ITS RECORD AND IN WRITING TO THE APPLICANT ITS REASON FOR DISAPPROVAL OF A PLAT.]

(b) The platting authority shall state in writing its reasons for disapproval of a plat. If the platting authority [BOARD SHALL SUBMIT AN] approves[D] a plat, the plat shall be acknowledged and filed [TO THE DISTRICT RECORDER] in accordance [COMPLIANCE] with AS 40.15.010 - 40.15.020.

EDITOR NOTE: 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 petitio to vacate a street.

Sec. 29.40.120 [29.33.200]. ALTERATION OR [OF] REPLAT PETITION. A [NO] recorded plat may not be altered or replatted except [UPON PETITION OF THE OWNERS OF A MAJORITY OF THE LAND AFFECTED BY THE ALTERATION OR REPLAT OR] by the platting authority [BOARD] 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 [NO] platted street may not be vacated, except on [UPON] petition of the state, the borough, a public utility, [MUNICIPALITY] or owners of a [THE] majority of the [FRONT FEET OF THE] land fronting the part of the street sought to be vacated. The petition shall be filed with the platting authority and [BOARD. IT] shall be accompanied by a copy of the existing plat showing the proposed alteration or replat.

EDITOR NOTE: 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.

Sec. 29.40.130 [29.33.210]. NOTICE OF HEARING. The platting authority [BOARD] shall fix a time for a hearing on an alteration or replat [THE] petition that may [WHICH SHALL] not be more than 60 days after the petition is filed [FILING]. [THE] 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 NOTICE SHALL BE PUBLISHED ONCE A WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN THE AREA.] The platting authority [BOARD] shall also mail a copy of the notice to each affected property owner who did not sign-[ING] the petition.

EDITOR NOTE: Rewritten for clarity.

Sec. 29.40.140 [29.33.220]. HEARING AND DETERMINATION.

(a) [AT THE HEARING] The platting authority [BOARD] shall consider the alteration or replat petition at a hearing and make its decision on the merits of the proposal.

(b) [NO] Vacation of a city street may not be made without the consent of the [CITY] council. [NO] Vacation of a street in the borough area outside all cities may not be made without the consent of the [BOROUGH] assembly. The governing body [ASSEMBLY OR COUNCIL] shall have 30 days from the decision of the platting authority in which to veto a vacation of a street [THE BOARD DECISION]. If no veto is received by the platting authority [BOARD] within the 30-day period, [THE] consent is [OF THE CITY OR BOROUGH SHALL BE] considered to have been given to the vacation.

EDITOR NOTE: Requires a plat to be acknowledged and filed by the recorder with a certificate that taxes have been paid.

Sec. 29.40.150 [29.33.230]. 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 [MUST BE RECORDED BY THE PLATTING BOARD AND IS THEREAFTER THE LAWFUL PLAT].

EDITOR NOTE: 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.

Sec. 29.40.160 [29.33.240]. 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 [ON] 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 [WHICH] lies on one side of the boundary line shall attach to the abutting property on that side, and the street area that [WHICH] lies on the other side of the boundary line shall attach to the property on that side. The portion of a vacated street that [WHICH] lies inside [WITHIN] 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 [THE] city if it lies inside [WITHIN] the city, and in [TO] the borough if it lies inside [WITHIN] the borough but outside all [A] cities[Y]. If the property vacated is a lot [OR TRACT], title vests in the rightful owner.

(b) If the municipality [BOROUGH OR CITY] acquired the street or other public area vacated for legal consideration or by express dedication to [AND ACCEPTANCE BY] the municipality [BOROUGH OR CITY] other than as a [REQUIRED] 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 [OVER TO] the municipality [BOROUGH OR CITY] on final vacation.

(c) The provisions of (a) and (b) of this section apply to home rule and general law municipalities.

(d) [(C)] [THE PROVISIONS OF (A) OF THIS SECTION NOTWITHSTANDING,] The council of a second class city located outside a [AN ORGANIZED] borough may vacate [THOSE] streets, alleys, crossings, sidewalks, or other public ways that may have been previously dedicated or established when the council[, IN ITS DISCRETION,] 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.

EDITOR NOTE: Rewritten for clarity.

Sec. 29.40.170 [29.33.245]. DELEGATIONS. [THE ASSEMBLY MAY BY ORDINANCE AUTHORIZE] The planning commission and [,] the platting authority [BOARD AND THE BOARD OF ADJUSTMENT] may, as authorized by ordinance, [TO] delegate powers to

hear and decide cases under [IN] this chapter [IN A MANNER AUTHORIZED BY THE ORDINANCE], including, but not limited to, delegations to

(1) one or more members of the planning commission or platting authority; [BOARD,]

(2) [TO] other boards or commissions;[,]

(3) [OR TO] a hearing officer designated by the planning commission or platting authority [BOARD]. [THE ASSEMBLY SHALL PRESCRIBE PROCEDURES FOR HEARINGS AND APPEALS. THE COMMISSION OR BOARD SHALL HEAR AND DECIDE APPEALS DE NOVO.]

EDITOR NOTE: 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.

Sec. 29.40.180 [29.33.190]. VIOLATIONS [PENALTIES]. 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. [(A) THE OWNER OR AGENT OF THE OWNER OF LAND LOCATED WITHIN A SUBDIVISION WHO TRANSFERS, SELLS, OR ENTERS INTO A CONTRACT TO SELL LAND IN A SUBDIVISION BEFORE A PLAT OF THE SUBDIVISION HAS BEEN PREPARED, APPROVED, AND RECORDED, IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAT $500 FOR EACH LOT OR PARCEL TRANSFERRED, SOLD, OR INCLUDED IN A CONTRACT TO BE SOLD. THE BOROUGH MAY ENJOIN A TRANSFER, SALE, OR CONTRACT TO SELL, AND MAY RECOVER THE PENALTY BY APPROPRIATE LEGAL ACTION.

(B) NO PERSON MAY RECORD A PLAT OR SEEK TO HAVE A PLAT RECORDED UNLESS IT BEARS THE APPROVAL OF THE PLATTING BOARD. A PERSON WHO KNOWINGLY VIOLATES THIS REQUIREMENT IS PUNISHABLE UPON CONVICTION BY A FINE OF NOT MORE THAT $500.]

EDITOR NOTE: A civil action may be inititated 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 transferes 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.

Sec. 29.40.190 [29.33.190]. REMEDIES [PENALTIES].

(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. [THE OWNER OR AGENT OF THE OWNER OF LAND LOCATED WITHIN A SUBDIVISION WHO TRANSFERS, SELLS, OR ENTERS INTO A CONTRACT TO SELL LAND IN A SUBDIVISION BEFORE A PLAT OF THE SUBDIVISION HAS BEEN PREPARED, APPROVED, AND RECORDED, IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN $500 FOR EACH LOT OR PARCEL TRANSFERRED, SOLD, OR INCLUDED IN A CONTRACT TO BE SOLD, THE BOROUGH MAY ENJOIN A TRANSFER, SALE, OR CONTRACT TO SELL, AND MAY RECOVER THE PENALTY BY APPROPRIATE LEGAL ACTION.]

(b) Each day that an unlawful act or condition continues constitutes a separate violation. [NO PERSON MAY RECORD A PLAT OR SEEK TO HAVE A PLAT RECORDED UNLESS IT BEARS THE APPROVAL OF THE PLATTING BOARD. A PERSON WHO KNOWINGLY VIOLATES THIS REQUIREMENT IS PUNISHABLE UPON CONVICTION BY A FINE OF NOT MORE THAN $500.]

EDITOR NOTE: 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(19).

Sec. 29.40.200 [29.33.150(b)-(g)]. SUBDIVISIONS OF STATE LAND [PLATTING JURISDICTION AND POWER].

(a) [(B)] The subdivision requirements [REGULATIONS] adopted under [(A) OF] this chapter [SECTION] apply to a subdivision plat[S] of undeveloped state

land for disposal under AS 38.05 or AS 38.08 filed with the platting authority [BOARD]. The platting authority [BOARD] may not disapprove the subdivision plat on the basis of requirements [REGULATIONS] for [WHICH REQUIRE] capital improvements on or to state land included in the subdivision plat. Subdivision ordinances and regulations adopted after the platting authority [BOARD] 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) [(C)] The platting authority [BOARD] must approve and sign a [THE] subdivision plat of state land within 60 days after [OF] its receipt from the commissioner of natural resources unless the platting authority [BOARD]

(1) determines that the plat does not comply with subdivision requirements [REGULATIONS] other than those requiring capital improvements to state land; and

(2) notifies the commissioner of each determination of noncompliance within the 60-day period established in this subsection.

(c) [(D)] The commissioner of natural resources may withdraw the subdivision plat and amend it in response to the determination of noncompliance by the platting authority [BOARD] under (b) [(C)] of this section. The platting authority [BOARD] shall respond within 30 days to the amendment or response from the commissioner of natural resources.

(d) [(E)] Notwithstanding any other provision of law, the provisions of [(B) - (F) OF] this section apply to all disposals of land under AS 38.05 or [AND] AS 38.08.

(e) [(F)] Nothing in this section relieves the Department of Natural Resources of its obligation to provide legal access to a [THE] subdivision.

(f) [(G)] 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 [53]. MUNICIPAL [ASSESSMENT AND] TAXATION.

ARTICLE 1. MUNICIPAL PROPERTY TAX.

EDITOR NOTE: Authorizes a municipality to levy a property tax on real or on personal property. The distinction betwen areawide and non-areawide property taxes as applied to a unified municipality is eliminated. A property tax may be levied in a service area for funcitons in the service area. Cross-references to the provisions dealing with the taxing power of cities are added.

Sec. 29.45.010 [29.53.010]. [GENERAL] PROPERTY TAX.

(a) A unified municipality may levy a property tax. A [HOME RULE AND GENERAL LAW] borough[S] may levy

(1) an areawide property tax for areawide functions; [, AND]

(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) [A PROPERTY TAX] If a tax is levied on real property or on personal property, the tax must be assessed, levied, and collected [ON REAL AND PERSONAL PROPERTY] as provided in this chapter.

EDITOR NOTE: No substantive change.

Sec. 29.45.020 [29.73.070(a),(c)]. TAXPAYER NOTICE. (a) If a municipality levies and collects [REAL OR PERSONAL] 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 CONSTRUC-
TION DEBT (AS 14.11.100) [(AS 43.18.100)] $

MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE
(AS 29.60.010 - 29.60.080) [(AS 29.880] $

STATE AID FOR MISCELLANEOUS MUNICIPAL
SERVICES (AS 29.60.100 - 29.60.180)
[(AS 29,890] $

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 EQUALIZATION 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 [WITHIN] 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) IF THE MUNICIPALITY LEVIES AND COLLECTS ONLY A SALES TAX, THE GOVERNING BODY SHALL PROVIDE A NOTICE SUBSTANTIALLY IN THE FORM SET OUT IN (A) OF THIS SECTION. IN PROVIDING NOTICE UNDER THIS SUBSECTION, THE COUNCIL OR 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 (A) OF THIS SECTION. NOTICE SHALL BE PROVIDED

(1) BY PUBLISHING IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN 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 MUNICIPAITY'S BUDGET;OR

(2) IF THERE IS NO NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY, BY POSTING A COPY OF THE NOTICE FOR AT LEAST 20 DAYS IN AT LEAST TWO PUBLIC PLACES WITHIN THE MUNICIPALITY, WITH POSTING TO OCCUR NOT LATER THAN 45 DAYS AFTER THE FINAL ADOPTION OF THE MUNICIPALITY'S BUDGET.]

(b) [(C)] 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 [AS 29.88] and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180 [AS 29.89]. The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall withhold annual allocations under those sections [CHAPTERS] until municipal officials demonstrate that the requirements of this section have been met.

EDITOR NOTE: Household furniture is exempt from taxation without regard to the value of the furniture. Property of an auxiliary of a non-business 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 exeimpt if used by non-profit, educational groups for classroom space, or by non-profit 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.

Sec. 29.45.030 [29.53.020]. REQUIRED EXEMPTIONS. (a) The following property is exempt from general taxation:

(1) municipal, state, or federally owned property, except that a private leasehold[S], contract[S], or other interest in the property is [SHALL BE] taxable to the extent of the [THOSE] interest[S];

(2) household furniture of the head of a family or household[ER NOT EXCEEDING $500 DOLLARS IN VALUE];

(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 [OR THE PROPERTY OF THE AUXILIARY OF SUCH ORGANIZATION];

(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 an interest in real property that [WHICH] is exempt from taxation under 43 U.S.C. 1620(d), as amended [TO THE EXTENT AND SUBJECT TO THE CONDITIONS PROVIDED IN (J) OF THIS SECTION.]

[(3) INVENTORIES LOCATED WITHIN A FOREIGN TRADE ZONE ESTABLISHED UNDER AS 45.77.010, BEFORE THOSE INVENTORIES ARE CLEARED BY THE UNITED STATES CUSTOMS SERVICE AND ADMITTED INTO DOMESTIC COMMERCE.]

(b) In (a) of this section, "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 SUPPORTING AND ADJACENT TO A STRUCTURE OR RESIDENCE MENTIONED IN (1) OR(2) OF THIS SUBSECTION WHICH ARE NECESSARY TO CONVENIENT USE;

(3) [(4)] 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 [FOR CLASSROOM SPACE]. 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. [ONLY ONE EXEMPTION MAY BE GRANTED 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 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 [NO] 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. [,BUT DURING THE SAME YEAR] 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 [HE] shall allow an exemption in accordance with the provisions of this section. If a [CLAIMANT WHOSE] 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 [WHICH] the claimant has already paid for the assessment year for [WITH RESPECT TO] the property exempted shall be refunded to the claimant [HIM]. The assessor may at any time require proof in the form the assessor [HE] 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 [BOROUGH OR CITY] for revenue lost to it only to the extent that the loss exceeds an exemption that [WHICH] was granted by the municipality [BOROUGH OR CITY], or that [WHICH] on [UPON] proper application by an individual would have been granted [BY THE BOROUGH OR CITY] under AS 29.45.050(a) [AS 29.53.025(A)].

(h) Except as provided in (g) of this section, nothing in (e) - (j) [(I)] of this section affects similar exemptions from property taxes granted by a municipality [IES] on September 10, 1972, or prevents a municipality[IES] from granting similar exemptions by ordinance as provided in AS 29.45.050 [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) 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) [(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 19.70.081 [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.

(m)[k] 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:

(1) "developed" means a purposeful modification of the property from its original state that [WHICH] 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 that [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 [WHICH] conveys rights of exploration and development, this exemption shall continue with respect to that [WHICH] portion of the

leased tract that [WHICH] is used solely for the purpose of exploration.

(n)[1] If property or an interest in property that [WHICH] is determined not to be exempt under (a)(7) 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)(7) and (m) of this section.

EDITOR NOTE: No change, except that "Department of Community and Regional Affairs" is replaced by "department".

Sec. 29.45.040 [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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS].

(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 [HOME RULE OR GENERAL LAW] municipality that [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.

EDITOR NOTE: (a) No change, except "regular or special" is deleted since "election" is defined.

(b) Eliminates the requirement that a tax based upon tonnage not exceed five 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.

(c) The reference to "weighted" voting is eliminated.

(d) "Act" has been changed to "chapter".

(e) No substantive change.

(f) Minor rewording.

(g) No change.

Sec. 29.45.050 [29.53.025]. OPTIONAL EXEMPTIONS AND EXCLUSIONS.

(a) A municipality[IES] may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an [A REGULAR OR SPECIAL] 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[IES] 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; [A TAX BASED UPON A TONNAGE VALUATION SHALL NOT EXCEED $5 A YEAR FOR A BOAT OR VESSEL FOR 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]

(A) [(B)] the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the [, PROVIDED THAT] income derived from rental of that [SUCH] property does not exceed the actual cost to the owner of the use by the renter; [AND]

(B) [(C)] historic sites, buildings, and monuments;

(C) [(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);

(3) exempt personal property from taxation;

(4)[3] exempt business inventories from taxation.

(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 in the borough [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 has the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes if

(A) [, PROVIDED THAT] the exemptions or exclusions have been adopted as to city taxes; and

(B) [FURTHER PROVIDED THAT] 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 [WITHOUT WEIGHTED VOTING];

(3) a [HOME RULE OR GENERAL LAW] city in a [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 that [WHICH] have been granted by a home rule municipality[IES] in addition to exemptions authorized or required by law, and that [WHICH] are in effect on September 10, 1972, and not later withdrawn, are not affected by this chapter [ACT].

(e) A municipality[IES] 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 [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. An [NO] 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 [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.

EDITOR NOTE: 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.

Sec. 29.45.060 [29.53.035]. FARM OR AGRICULTURAL LAND[S].

(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 [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. If [SHOULD] the [FARM USE] land is [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. 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 [CITY OR BOROUGH].

(b) An owner of farm use land must, to secure the assessment under this section, apply [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 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.

(c) In this section "farm use" means the use of land for profit 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 these [THEREOF]. To be farm use land, the owner or 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 does [DO] not apply to land for [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 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.

EDITOR NOTE: No substantive change.

Sec. 29.45.070 [29.58.040]. 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 [EXCEPT WHERE] expressly classified as personal property by ordinance. This section does not apply to house trailers and mobile homes that [WHICH] are unoccupied and held for sale by persons engaged in the business of selling mobile homes.

EDITOR NOTE: No substantive change.

Sec. 29.45.080 [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 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 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 [WITHIN] its boundaries.

(c) A municipality may levy and collect a tax on the full and true value of that portion of [TAXABLE] 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 of community and regional affairs 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 [AS SO DETERMINED] by January 15 of each year.

EDITOR NOTE: 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.

Sec. 29.45.090 [29.53.050]. TAX LIMITATION.

(a) A [NO] municipality may not, during a year, levy and tax for any purpose in excess of three percent of the assessed value [VALUATION] of property in [WITHIN] the municipality [IN ANY ONE YEAR]. All property on which a tax is levied shall be taxed at the same rate during the year.

(b) A [NO] municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may not levy taxes

(1) that [WHICH] will result in tax revenues from all sources exceeding $1,500 [$1,000] a year for each person residing within the municipal [THEIR] boundaries; or

(2) upon value that [WHICH], 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 [OF COMMUNITY AND REGIONAL AFFAIRS] shall apportion the lawful levy and equitably divide the tax [THESE] 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 [SUBSECTION], population shall be determined by the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] 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 [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.

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.45.100 [29.53.055]. NO LIMITATIONS ON TAXES TO PAY BONDS. The limitations provided for in AS 29.45.080 - 29.45.090 [AS 29.53.045. OR 29.53.050] 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.

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.45.110 [29.53.060]. 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, [AND] AS 29.45.060, and 29.45.230 [AS 29.53.030, 29.53.035 AND 29.53.160]. The full and true value is the estimated price that [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) 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 [ASSEMBLY] 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 [ASSEMBLY] may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.

EDITOR NOTE: "Assembly" is replaced by "governing body".

Sec. 29.45.120 [29.53.070]. RETURNS.

(a) The municipality may require each [EVERY] 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.

EDITOR NOTE: Allows the assessor to seek a court order to compel production of records, as well as to compel entry.

Sec. 29.45.130 [29.53.080]. INDEPENDENT INVESTIGATION.

(a) The assessor is not bound to accept a return as correct. The assessor [HE] may make an independent investigation of property returned or of taxable property on [UPON] which no return has been filed. In either case, the assessor may make the assessor's [HIS] own valuation of the taxable property and this valuation [WHICH] is prima facie evidence of the value of the property.

(b) For investigation, the assessor or the assessor's [HIS] agent may enter a [ANY] premise during reasonable hours and may examine property on the premise[S]. The assessor or the assessor's agent [HE] may examine all property records involved. A person shall, on [UPON] request, furnish to the assessor or

the assessor's [HIS] agent every facility and assistance for the [PURPOSE OF THE] investigation. [IF REFUSED ENTRY] 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 [UPON] request, the person shall submit to [PRESENT HIMSELF FOR] examination at a reasonable time and place selected by the assessor.

EDITOR NOTE: A person who fails to file a tax statment 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.

Sec. 29.45.140 [29.53.090]. VIOLATIONS [STATEMENT]. 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. [UPON CONVICTION HE IS PUNISHABLE BY A FINE OF NOT MORE THAN $500, OR BY IMPRISONMENT FOR NOT MORE THAN 30 DAYS, OR BY BOTH TOGETHER WITH COSTS OF PROSECUTION.]

EDITOR NOTE: "Assembly" is replaced by "governing body" and "borough" is replaced by "municipality".

Sec. 29.45.150 [29.53.095]. 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 [ASSEMBLY] directing a systematic reevaluation of all taxable property in [WITHIN] the municipality [BOROUGH] over the shortest period of time practicable, as [DETERMINED BY THE ASSEMBLY AND] fixed in the resolution or [OTHER] act [OF THE ASSEMBLY].

EDITOR NOTE: Minor rewording.

Sec. 29.45.160 [29.53.100]. ASSESSMENT ROLL.

(a) The assessor shall prepare an annual assessment roll. The roll shall contain[S]

(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 [OWNER OF] record owner. [AS SHOWN IN THE RECORDS OF] The district recorder[, WHO] 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 [PARTY] 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 [OWNER OF] record owner. If the property owner is unknown, the property may be assessed to "unknown owner". An [NO] assessment is not invalidated by a mistake, omission, or error in the name of the owner, if the property is correctly described.

EDITOR NOTE: Minor rewording.

Sec. 29.45.170 [29.53.110]. ASSESSMENT NOTICE.

(a) The assessor shall give each [EVERY] person named in the assessment roll a notice of assessment, showing the assessed value of the person's [HIS] 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.

EDITOR NOTE: Minor rewording for clarity.

Sec. 29.45.180 [29.53.120]. CORRECTIONS.

(a) A person receiving an assessment notice shall advise the assessor of errors or omissions in the assessment of the person's [HIS] 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.

EDITOR NOTE: Minor rewording for clarity.

Sec. 29.45.190 [29.53.130]. APPEAL.

(a) A person whose name appears on the assessment roll or the [HIS] 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 [FROM] the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that [WHICH] 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[S] by mail of the time and place of [THEIR] hearing.

(d) The assessor shall prepare for use by the board of equalization a summary of assessment data relating to each assessment that [WHICH] 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.

EDITOR NOTE: (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.

(b) Allows the board to alter an assessment only if an appeal is filed as to that particular lot.

(c) This subsection is new, allowing an appeal directly to the superior court on the issue of whether property is taxable.

Sec. 29.45.200 [29.53.135]. BOARD OF EQUALIZATION.

(a) The governing body [ASSEMBLY] sits as a board of equalization for the purpose of hearing an [ANY] appeal from a determination[S] of the [BOROUGH] assessor, or it may delegate this authority to one or more [A] boards appointed by it [FOR THAT PURPOSE]. 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. [THE BOARD OF EQUALIZATION SHALL CONSIST OF AT LEAST THAT NUMBER OF MEMBERS OF THE ASSEMBLY OVER AND ABOVE THE NUMBER REQUIRED FOR A QUORUM TO TRANSACT BUSINESS.]

(b) The board of equalization is governed in its proceedings by rules adopted by ordinance that [WHICH] are [SUCH PROCEDURES] consistent with general rules of administrative procedure [LAW AND THE LAWS GOVERNING EQUALIZATION PROCEEDINGS AS MAY BE ADOPTED BY ORDINANCE, INCLUDING BUT NOT LIMITED TO QUORUM AND VOTING REQUIREMENTS]. 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. [THE ASSEMBLY SHALL ADOPT RULES FOR THE MEMBERSHIP AND CONDUCT OF THE BOARD.]

EDITOR NOTE: 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.

Sec. 29.45.210 [29.53.140]. HEARING.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the [HIS] absence of the appellant.

(b) The appellant bears the burden of proof. [(C)] The only grounds for adjustment of assessment are [IS] proof of unequal, excessive, [OR] improper, or under valuation based on facts that [WHICH] are stated in a valid written appeal [TIMELY FILED] or proven[D] at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.

(c) [(D)] The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments, [(E)] the assessor shall enter the changes and certify the final assessment roll by June 1.

(d) [(F)] 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 [AND IS ENTITLED TO, TRIAL DE NOVO OF THE BOARD'S ACTION]. Appeals are heard on the record established at the hearing before the board of equalization. [EITHER PARTY TO THE APPEAL MAY DEMAND A JURY TRIAL.]

EDITOR NOTE: No change.

Sec. 29.45.220 [29.53.150]. 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.

EDITOR NOTE: 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.

Sec. 29.45.230 [29.53.160]. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL DISASTER.

(a) The municipality [ASSEMBLY] 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 [A] reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that [HIS] 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 [UPON] reassessment, the municipality [BOROUGH] shall recompute this tax and refund taxes that [WHICH] have already been paid.

(c) The municipality [BOROUGH] shall give [MAKE] 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 [IS] 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 [ASSEMBLY] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.45.240 [29.53.170]. TAX LEVY AND RATE.

(a) The power granted to a municipality [THE ASSEMBLY] to assess, levy, and collect a [GENERAL] property tax shall be exercised by means of an [GENERAL] ordinance[S]. [BUT] The rate of levy, the date of equalization, and the date when taxes become delinquent shall be fixed by resolution.

(b) A municipality [THE ASSEMBLY] 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.

EDITOR NOTE: 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.

Sec. 29.45.250 [29.53.180]. RATES OF PENALTY AND INTEREST.

(a) [IF THE TAXPAYER IS REQUIRED TO PAY THE ENTIRE TAX ON THE DUE DATE SET BY THE ASSEMBLY,] A penalty not to exceed 20 [10] percent of the tax due may be added to all delinquent taxes, and interest not to exceed 15 [AT THE RATE OF EIGHT] 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 [AND THE FIRST HALF IS NOT PAID WHEN DUE, THE ENTIRE TAX BECOMES DELINQUENT AND PENALTY AND INTEREST ACCRUE AS FOLLOWS:].

(1) IF THE FIRST HALF IS PAID WHEN DUE, THE SECOND HALF IS PAYABLE ON THE DUE DATE FIXED BY THE ASSEMBLY FOR THE SECOND HALF AND IF NOT PAID IS DELINQUENT AFTER THAT DATE;

(2) A PENALTY NOT TO EXCEED EIGHT PER CENT SHALL BE ADDED TO ALL TAXES DELINQUENT UNTIL THE DUE DATE FIXED FOR 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 PENALTY, FROM DUE DATE UNTIL PAID IN FULL;

(3) AFTER THE DUE DATE FOR THE PAYMENT OF THE SECOND HALF, A TOTAL PENALTY OF NOT MORE THAN 10 PER CENT MAY BE ADDED TO ALL DELINQUENT TAXES, AND INTEREST AT THE RATE OF EIGHT PER CENT A YEAR SHALL ACCRUE UPON ALL UNPAID TAXES, NOT INCLUDING PENALTIES, FROM DUE DATE UNTIL DATE PAID IN FULL.

(B) IF THE ASSEMBLY IMPOSES A PENALTY FOR THE NONPAYMENT OF PROPERTY TAXES WHEN DUE, OR THE LATE RETURN OF PERSONAL PROPERTY ASSESSMENT FORMS, THE RATE OF PENALTY OR COMBINED RATES OF PENALTY MAY NOT EXCEED 10 PER CENT OF THE TAX DUE ON THE PROPERTY CONCERNED.

(C) IF THE ASSEMBLY CHARGES INTEREST ON PROPERTY TAXES NOT PAID WHEN DUE, THE RATE OF INTEREST MAY NOT EXCEED EIGHT PER CENT A YEAR UPON THE DELINQUENT TAXES AND SHALL BE CHARGED FROM THE DUE DATE UNTIL PAID IN FULL.

ARTICLE 2. ENFORCEMENT OF TAX LIENS.

EDITOR NOTE: No substantive change.

Sec. 29.45.290 [29.53.200]. VALIDITY. Certified assessment and tax rolls are valid and binding on all persons, notwithstanding a [ANY] defect, error, omission, or invalidity in the assessment rolls or proceedings pertaining to the assessment roll.

EDITOR NOTE: 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.

Sec. 29.45.300 [29.53.210]. TAX LIABILITY.

(a) The owner of assessed personal property [ASSESSED] is personally liable for the amount of taxes assessed against the [HIS] property. The tax, together with penalty and interest, may be collected in a personal action brought in the name of the municipality [BOROUGH].

(b) [REAL] 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.

EDITOR NOTE: 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.

Sec. 29.45.310 [29.53.220]. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE.

(a) A [THE] lien for [OF] personal property taxes may be enforced by distraint and sale of the property. The municipality [ASSEMBLY] shall provide the procedure for distraint and sale by ordinance. A [NO] 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 [NO] sale is not valid unless made at public auction no sooner than [AFTER] 15 days after notice is published [GIVEN BY POSTING OR PUBLICATION]. The seizure is made by virtue of a warrant issued by the municipal [BOROUGH] 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.

EDITOR NOTE: Reworded slightly, and the statutory reference is altered to reflect new numbering.

Sec. 29.45.320 [29.53.230]. REAL PROPERTY TAX COLLECTION.

(a) The municipality [BOROUGH] 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 [§ 40 OF THIS CHAPTER] or on a taxable [LEASEHOLD] interest in tax-exempt property is not paid when due, a municipality [BOROUGH] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.45.330 [29.53.240]. FORECLOSURE LIST.

(a) A municipality [THE BOROUGH] 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 [WITHIN] the municipality [BOROUGH] or, if there is no newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH], 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 [HIS] 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.

EDITOR NOTE: "Borough" is altered to "municipality".

Sec. 29.45.340 [29.53.250]. CLEARING DELINQUENCIES. During the publication or posting of the foreclosure list and up to the time of transfer to the municipality [BOROUGH] a person may pay the taxes, together with the penalty, interest, and costs. The collector shall note payment on the foreclosure list.

EDITOR NOTE: "Such" is altered to "the".

Sec. 29.45.350 [29.53.260]. 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 [WHICH] includes the [SUCH] real property.

EDITOR NOTE: Minor rewording, and the statutory reference is altered to reflect new numbering.

Sec. 29.45.360 [29.53.270]. GENERAL FORECLOSURE. A municipality [THE BOROUGH] 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." [TAX FORECLOSURE PROCEEDINGS HAVE PRIORITY OVER ALL OTHER CIVIL PROCEEDINGS EXCEPT BOARD OF ADJUSTMENT APPEALS AS PROVIDED IN AS 29.33.130(E).]

EDITOR NOTE: "Tract" is altered to "lot".

Sec. 29.45.370 [29.53.280]. ANSWER AND OBJECTION. A person having an interest in a lot [TRACT] on the foreclosure list may file an answer within 30 days of the date of last publication, specifying the person's [HIS] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.45.380 [29.53.290]. 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 [PARCEL].

EDITOR NOTE: Minor rewording and reorganization.

Sec. 29.45.390 [29.53.300]. TRANSFER AND APPEAL.

(a) Foreclosed properties are transferred to the municipality [BOROUGH] for the lien amount. When answers are filed the court may enter judgment against and order the transfer to the municipality [BOROUGH] 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 [BOROUGH] clerk. The certified judgment and decree constitutes a transfer to the municipality [BOROUGH].

(c) The judgment and decree stops objections to it that [WHICH] could have been presented before judgment and decree. [(D)] 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.

EDITOR NOTE: The material currently contained in AS 29.53.310(b), allowing a person holding a lien against part of real property included in a judgement and decree of foreclosure to redeem only that part, has been eliminated.

Sec. 29.45.400 [29.53.310]. REDEMPTION PERIOD. [(A)] Properties transferred to the municipality [BOROUGH] are held by the municipality [BOROUGH] 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) [AS 29.53.350(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.

[(B) A PERSON HOLDING A MORTGAGE OR OTHER LIEN OF RECORD COVERING A PART ONLY OF A PARCEL OF REAL PROPERTY INCLUDED IN THE JUDGMENT AND AMOUNT APPLICABLE UNDER THE JUDGMENT AND DECREE.

EDITOR NOTE: Receipt of redemption money by the municipality releases the judgement obtained through foreclosure. Under existing law, receipt of redemption by the clerk releases all claims of the municipality to the property.

Sec. 29.45.410 [29.53.320]. EFFECT. Receipt of redemption money by the municipality [CLERK] releases the judgment obtained under AS 29.45.380 [ALL CLAIMS OF THE BOROUGH TO THE PROPERTY]. 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[ER AND COLLECT THE RECORDING FEE FORM THE PERSON REDEEMING AT THE TIME OF REDEMPTION. THE COURT CLERK SHALL FILE THE CERTIFICATE] as part of the judgment roll.

EDITOR NOTE: No change.

Sec. 29.45.420 [29.53.330]. 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.

EDITOR NOTE: No substantive change.

Sec. 29.45.430 [29.53.340]. POSSESSION DURING REDEMPTION PERIOD. Foreclosure does not affect the former owner's right to possession during the redemption period. If [IN THE EVENT THAT] waste is committed by the former owner[,] or by anyone acting under the [HIS] permission or control of the former owner, the municipality [BOROUGH] may declare an immediate forfeiture of the right to possession.

EDITOR NOTE: 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.

Sec. 29.45.440 [29.53.350]. 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 [TO THE EFFECT] that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the municipality [BOROUGH OR CITY] immediately on expiration of the period of redemption and that every right or interest of a [ANY] person in the properties will be forfeited forever to the municipality [BOROUGH OR CITY]. The notice appears [IS PUBLISHED] once a week for four consecutive weeks in a newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH]. If there is no newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH], the notice is 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 which a judgment of foreclosure has been taken and, if the assessed value of the property is more than $20,000 [$10,000], to all holders of mortgages or other liens of record on the property. The notice shall be mailed within five days after [OF] 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 [SHALL] expires 30 days after the date of the first notice publication [NOTICE].

(c) [(B)] Costs incurred in the determination of holders of mortgages and other liens of record and costs of notice publication [OF NOTICE] incurred by a municipality under (a) of this section are a lien on the property and may be recovered by the municipality.

EDITOR NOTE: Minor rewording.

Sec. 29.45.450 [29.53.360]. DEED TO BOROUGH OR CITY.

(a) Unredeemed property[IES] in the area of the borough outside all cities is [ARE] deeded to the borough by the clerk of the court. Unredeemed property[IES] in [WITHIN] a city is [ARE] 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[S] shall be recorded in the recording district in which the property is located.

(b) Conveyance gives the municipality [BOROUGH OR CITY] clear title, except for prior recorded tax liens of the United States and the state.

(c) If unredeemed property lies in [WITHIN] 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 [WITHIN] the borough outside all [A] cities[Y] and if the borough does not have an immediate public use for the property but a [THE] 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. [AFTER] Two years after [FROM] the date of the deed, its validity is conclusively presumed and a [ANY] claim of the former owner or other person having an interest in the property is forever barred.

EDITOR NOTE: 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.

Sec. 29.45.460 [29.53.370]. DISPOSITION AND SALE OF FORECLOSED PROPERTY[IES].

(a) The municipality [ASSEMBLY OF A BOROUGH OR COUNCIL OF A CITY] shall determine by ordinance whether foreclosed property deeded to the municipality [UNDER AS 29.53.360] shall be retained [BY THE MUNICIPALITY] 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 [HIS] name appears on the assessment rolls [OF THE MUNICIPALITY].

(b) Tax-foreclosed property[IES] conveyed to a municipality [BOROUGH OR CITY] 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 [ASSEMBLY OR COUNCIL], by ordinance, shall determine that a public need does not exist. The ordinance shall contain the information required under [IN] (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 [BY] (a) or (b) of this section by certified mail to the former record owner of the [PARCEL OF] property that [WHICH] is the subject of the ordinance. The notice shall be mailed within five days after [OF] its first publication and shall be sufficient if mailed to the last record owner of the property [OWNER] as the name appears on the assessment rolls of the municipality [AT THE LAST ADDRESS OF RECORD].

(d) The provisions of (c) of this section do not apply with respect to property that [WHICH] has been held by the municipality for a period of more than 10 years after the close of the redemption period.

EDITOR NOTE: Minor rewording.

Sec. 29.45.470 [29.53.375]. REPURCHASE BY RECORD OWNER.

(a) The record owner at the time of tax foreclosure of property acquired by a municipality [BOROUGH OR CITY], or the [HIS] assigns of that record owner, may, within 10 years and [AT ANY TIME] before the sale or contract of sale of the tax-foreclosed property by the munici pality [BOROUGH OR CITY], repurchase the property. The municipality [BOROUGH OR CITY] shall sell the property for the full amount applicable to the property under the judgment and decree, with interest not to exceed 15 [AT THE RATE OF EIGHT] 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[, INCLUDING BUT NOT LIMITED TO, COSTS OF PUBLICATION OF NOTICE AND ANY COSTS ASSOCIATED WITH THE DETERMINATION OF HOLDERS OF MARTGAGES AND OTHER LIENS OF RECORD UNDER AS 29.53.350(A)].

(b) After adoption of an ordinance providing for the retention of [A PARCEL OF] tax-foreclosed property by the municipality for a public purpose, the right of the former record owner to repurchase the property ceases.

EDITOR NOTE: No substantive change.

Sec. 29.45.480 [29.53.380]. PROCEEDS OF TAX SALE.

(a) On [UPON] sale of foreclosed real or personal property the municipality [BOROUGH OR CITY] 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 [THE FORMER RECORD OWNER OF] tax-foreclosed real property that [WHICH] 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 [WHICH] is sold at a tax- foreclosure sale, the former record owner is entitled to the portion of the proceeds of the sale that [WHICH] exceeds the amount of [SUFFICIENT TO SATISFY] unpaid taxes, the amount equal to [DELINQUENT] taxes that would have been assessed and levied after foreclosure [AS] if the property had continued in

private ownership, penalty, interest, and costs to the municipality of foreclosing and selling the property [OF PROPERTY SOLD, INCLUDING COSTS INCURRED UNDER AS 29.53.350(A)]. If the proceeds of the sale of tax-foreclosed property exceed the total of unpaid and delinquent taxes, penalty, interest, and costs, the municipality [BOROUGH OR CITY] 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 [HIS] last address of record of the former record owner. On [UPON] 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.

EDITOR NOTE: "City or borough" is changed to "municipality".

Sec. 29.45.490 [29.53.385]. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a municipality [CITY OR BOROUGH] [HOLDS OR] takes title to tax-foreclosed property for a public purpose, the municipality [CITY OR BOROUGH] 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 [VALUATION] of the property, the municipality [BOROUGH] shall pay the other municipalities the assessed value [VALUATION], which shall be divided between the other municipalities in proportion to their respective taxes and assessments against the property at the time of foreclosure.

EDITOR NOTE: 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.

Sec. 29.45.500 [29.53.390]. REFUND OF TAXES.

(a) If a taxpayer pays taxes under protest, the taxpayer [HE] may bring suit in the superior court against the municipality [BOROUGH] for recovery of the taxes. If judgment for recovery is given against the municipality [BOROUGH], 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 [BOROUGH] 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 [BOROUGH], on audit of the account in question, is satisfied that this is the case, the municipality [BOROUGH] 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 [OF] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.45.550 [29.43.020]. CITIES OUTSIDE BOROUGHS [ASSESSMENT AND TAX COLLECTION]. Home rule and first class cities outside boroughs may assess, levy, and collect a [GENERAL] property tax. A property tax if levied must be assessed, levied, and collected as provided by AS 29.45.010 - 29.45.500 [CH. 53 OF THIS TITLE FOR BOROUGHS. CITIES OUTSIDE BOROUGHS MAY LEVY AND COLLECT SALES AND USE TAXES AS PROVIDED BY CH 53 OF THIS TITLE FOR BOROUGHS].

EDITOR NOTE: 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, delaing 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.

Sec. 29.45.560 [29.53.400]. CITIES INSIDE BOROUGHS [POWER OF LEVY]. Home rule and first class cities inside [WITHIN] boroughs may levy a [GENERAL] property tax. A property tax, if levied, [SHALL BE LEVIED IN THE MANNER PROVIDED FOR BOROUGH LEVIES IN § 170(A) OF THIS CHAPTER AND] 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 [§§ 10 - 25, 50 - 55 AND 310 - 359 OF THIS CHAPTER]. The council shall by June 15 of each year present to the borough assembly a statement

of the city's rate of levy unless a different date is agreed upon by the borough and city.

EDITOR NOTE: This is new, applying the provisions dealing with property taxes to home rule municipalities as a limitation.

Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to home rule and general law municipalities.

EDITOR NOTE: Minor rewording.

Sec. 29.45.580 [29.53.405]. DIFFERENTIAL TAX ZONES. A city[IES] may by ordinance establish, alter, and abolish differential tax zones to provide and levy property taxes for services not provided generally in [WITHIN] the city or a different level of service than that provided generally in [WITHIN] the city.

EDITOR NOTE: No substantive change.

Sec. 29.45.590 [29.53.410]. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS CITIES. A second class city may by referendum levy [REAL AND PERSONAL] 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 [VALUATION] 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 of bonded or other indebtedness that [WHICH] is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments.

EDITOR NOTE: 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. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for second class city incorporation may request that [WHICH] a property tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that [WHICH] 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.

EDITOR NOTE: 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.

Sec. 29.45.650 [29.53.415]. SALES AND USE TAX.

(a) A borough may levy and collect a sales tax not exceeding six percent on sales, [OR] rents, and on services provided in [MADE WITHIN] 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 [WITHIN] the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only on [UPON] buyers.

(c) A person who furnishes proof, in the form required by the borough tax collector, that the person [HE] 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 [OF A HOME RULE OR GENERAL LAW BOROUGH] charges interest on sales taxes not paid when due, the rate of interest may not exceed 15 [EIGHT] percent a year on [UPON] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.45.660 [29.73.070(b),(c)]. [TAXPAYER] NOTICE OF SALES AND USE TAX. (a) [(B)] If the borough [MUNICIPALITY] levies and collects only a sales tax and use tax, the assembly [GOVERNING BODY] shall provide a notice substantially in the form set out in AS 29.45.020 [(A) OF THIS SECTION]. In providing notice under this subsection, the [COUNCIL OR] 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 [(A) OF THIS SECTION]. Notice shall be provided

(1) by publishing in a newspaper of general circulation in [WITHIN] the borough [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 borough's [MUNICIPALITY'S] budget; or

(2) if there is no newspaper of general circulation in the borough [MUNICIPALITY], by posting a copy of the notice for at least 20 days in at least two public places in [WITHIN] the borough [MUNICIPALITY], with posting to occur not later than 45 days after the final adoption of the borough's [MUNICIPALITY'S] budget.

(b) [(C)] 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 [AS 29.88] and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180 [AS 29.89]. The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall withhold annual allocations under those sections [CHAPTERS] until municipal officials demonstrate that the requirements of this section have been met.

EDITOR NOTE: 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.

Sec. 29.45.670 [29.53.420(a)]. REFERENDUM, ADOPTION, AND MODIFICATION. [(A)] 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. [THE ASSEMBLY SHALL HOLD A REFERENDUM VOTE ON THE QUESTION OF ENACTING A SALES TAX OR INCREASING THE RATE OF LEVY OF SALES TAXES. BOROUGH SALES TAX PROPOSITIONS MAY BE PRESENTED ONLY ONCE IN ANY 12-MONTH PERIOD.

A SALES TAX PROPOSITION MAY BE SUBMITTED TO THE VOTERS AT A REGULAR OR SPECIAL ELECTION OR AT A GENERAL ELECTION OF THE STATE.]

ARTICLE 5. CITY SALES AND USE TAXES.

EDITOR NOTE: Allows the borough assembly by ordinance to authorize the city to levy an 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.

Sec. 29.45.700 [29.53.440, 29.53.450]. POWER OF LEVY.

(a) A city[IES] in [WITHIN] a borough that [WHICH] levies and collects areawide sales and [OR] use taxes [FOR AREAWIDE BOROUGH FUNCTIONS] may levy sales and [OR] use taxes on [UPON] 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[IES] in [WITHIN] a borough that [WHICH] does not levy and collect sales and [OR] use taxes for areawide borough functions may levy and collect sales and [OR] 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.

EDITOR NOTE: No substantive change.

Sec. 29.45.710 [29.53.460]. COMBINING SALES AND USE TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for incorporation of a second class city [INCORPORATION] 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 [UPON] the passage of the [SALES] 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.

EDITOR NOTE: Minor rewording and the statutory reference is altered to reflect new numbering.

Sec. 29.46.010 [29.63.010]. ASSESSMENT AND PROPOSAL. The municipality [ASSEMBLY OR COUNCIL] 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 [OR IMPROVING] 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-(b) [§ 15 (A) (8) OF THIS CHAPTER]. If a governmental unit other than the state benefited by an improvement [ASSESSMENT] 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 [ASSEMBLY OR COUNCIL] of the owners of one-half in value of the property to be benefited; or

(2) the governing body [ASSEMBLY OR COUNCIL].

EDITOR NOTE: 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.

Sec. 29.46.020 [29.63.015]. PROCEDURE.

(a) The municipality [ASSEMBLY OR COUNCIL] may prescribe by ordinance the [COMPLETE SPECIAL ASSESSMENT] procedures relating to creating special assessment districts, making [FOR] local improvements, levying and collecting assessments, and financing improvements, including [AND SUBJECT TO] the following:

(1) a [THE] procedure for filing petitions;

(2) a survey and report by the mayor [BOROUGH OR CITY EXECUTIVE] 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 [OF THE ASSEMBLY OR COUNCIL] determining to proceed or not to proceed with the proposed local improvement;

(5) a public hearing by the governing body [ASSEMBLY OR COUNCIL] 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 [WITHIN] the special assessment district;

(7) a resolution or ordinance confirming the special assessment roll for the proposed local improvement.

(b) [(8)] If protests as to the necessity of a proposed local improvement are made by owners of property that [WHICH] will bear 50 percent or more of the estimated cost of the improvement, the governing body [ASSEMBLY OR COUNCIL] 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 [ASSEMBLY OR COUNCIL].

(c) [(B)] To the extent that [IF] the municipality [ASSEMBLY OR COUNCIL] does not prescribe a procedure for special assessments as permitted by this section, the municipality [ASSEMBLY OR COUNCIL] shall comply with the special assessment procedures set out in AS 29.46.030 - 29.46.100 [§§ 20 - 70 OF THIS CHAPTER].

EDITOR NOTE: The heading is altered from "DECISION AND NOTICE" to "CREATION OF DISTRICT". Minor rewording.

Sec. 29.46.030 [29.63.020]. CREATION OF DISTRICT [DECISION AND NOTICE].

(a) When an improvement proposal is [HAS BEEN] filed with the municipal clerk and presented to the governing body [ASSEMBLY OR COUNCIL], the municipality [ASSEMBLY OR COUNCIL] 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 [OF THE ASSEMBLY OR COUNCIL] are conclusive.

(b) If the municipality approves [ASSEMBLY OR COUNCIL PASSES A RESOLUTION APPROVING] an improvement proposal [WITH THE NECESSARY FINDINGS], it shall develop a proposed improvement plan including the total cost estimate and the percentage of the [IMPROVEMENT PLAN] cost to be assessed against the

benefited property [BENEFITED]. The improvement [THIS] plan shall [IS TO] be filed with the municipal clerk.

(c) The governing body [ASSEMBLY OR COUNCIL] shall set a time for public hearing on the improvement plan and the period for filing objections to the plan. The governing body [ASSEMBLY OR COUNCIL] 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 [WITHIN] the special assessment district.

EDITOR NOTE: Minor rewording for clarity.

Sec. 29.46.040 [29.63.025]. 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 [BE MADE AGAINST] "unknown owner".

EDITOR NOTE: 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.

Sec. 29.46.050 [29.63.030]. OBJECTIONS AND REVISION.

(a) Objections to an [THE] improvement plan may be filed during a period of [NOT LESS THAN 30 NOR MORE THAN] 60 days after publication of notice [ON A DATE SPECIFIED BY THE ASSEMBLY OR COUNCIL]. The municipality [ASSEMBLY OR COUNCIL] may by resolution or ordinance approve the plan and order [PROCEED WITH] the improvement subject to the limitation of (b) of this section [IF THE OWNERS OF ONE-HALF IN VALUE OF THE PROPERTY TO BE BENEFITED DO NOT OBJECT IN WRITING].

(b) If objections are made in writing during the period set for objections by the owners of property bearing 50 percent or more [ONE-HALF] of the estimated total cost of the improvement, the governing body [ASSEMBLY OR COUNCIL] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.46.060 [29.63.040]. ASSESSMENT ROLL.

(a) At any time after [PROJECT] approval of an improvement plan, the governing body [ASSEMBLY OR COUNCIL] shall assess the authorized percentage of the cost against property in the district included in the plan in proportion to the benefit received. [ASSESSMENTS MAY NOT EXCEED ACTUAL COSTS.]

(b) The special assessment roll shall contain[S] property descriptions, names of record owners [OF RECORD], and assessment amounts.

(c) The governing body [ASSEMBLY OR COUNCIL] 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 [TRACT] not less than 15 days before the hearing.

EDITOR NOTE: 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.

Sec. 29.46.070 [29.63.050]. HEARING AND SETTLEMENT. After the public hearing, the governing body [ASSEMBLY OR COUNCIL] shall correct errors and [ANY] 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. [WHEN THE ROLL IS CORRECTED, THE CLERK SHALL SO CERTIFY.]

EDITOR NOTE: Minor rewording for clarity and statutory references are altered to reflect new numbering.

Sec. 29.46.080 [29.63.060]. PAYMENT.

(a) The governing body [ASSEMBLY OR COUNCIL] shall fix times of payment, penalties on delinquent payments, and the rate of interest on the unpaid balance of the [INSTALLMENTS, AND DELINQUENCY OF] assessment[S. PAYMENT MAY NOT BE REQUIRED SOONER THAN 60 DAYS AFTER ASSESSMENT.] Payment may be in one sum or by installments[, BUT A SUM OR INSTALLMENT MAY NOT EXCEED 25 PER CENT OF THE ASSESSED VALUE OF THE PROPERTY AFFECTED. PENALTY AND INTEREST ARE THE SAME AS FOR REAL PROPERTY TAXES.] 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 RECORD] 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.

[(C)] Within five days after the statements are mailed, the clerk shall have [PUBLISH] notice published that the statements have been mailed.

(c) [(D)] 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 29.53.200 - 29.53.390 for enforcement of property tax liens.

EDITOR NOTE: 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)

Sec. 29.46.090 [29.63.065]. 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 [HIS] permanent abode of the applicant that is a single-family residence, is exempt from

(1) special sewer assessments levied by a [HOME RULE OR GENERAL LAW] municipality after September 2, 1975, and

(2) special water assessments levied by a [HOME RULE OR GENERAL LAW] 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. [NO] Real property may not be exempted under this subsection that [WHICH] 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 [NO] 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 [CERTIFIED] and the time of payment fixed by the governing body [ASSEMBLY OR COUNCIL]. Within one year after [OF] the date the assessment roll is confirmed [CERTIFIED] the governing body [ASSEMBLY OR COUNCIL] 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 [DEPARTMENT] 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 [DEPARTMENT] 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 [ASSEMBLY OR COUNCIL], 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 [WHICH] the claimant has [MAY HAVE] already paid on the assessment shall be refunded to the claimant [HIM]. 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 [HOME RULE OR GENERAL LAW] municipality for the sewer and water assessment revenues that [WHICH] 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, [UPON RECORDATION IN THE RECORDING OFFICE OF THE DISTRICT IN WHICH THE PROPERTY EXEMPTED IS LOCATED] the lien is prior and superior to other liens against the property except for property [GENERAL] taxes or other special assessments and may be enforced by lien foreclosure [AS PROVIDED IN AS 34.10.070 - 34.10.220]. 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; [OR]

(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) [(D)] In this section

[(1) "RESIDENT" MEANS A PERSON WHO FOR 12 CONSECUTIVE MONTHS HAS MAINTAINED HIS PERMANENT PLACE OF ABODE IN THE STATE;]

(1) [(3)] "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 [HE HAS NOT ATTAINED THE AGE OF] 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.

EDITOR NOTE: Minor reorganization and rewording.

Sec. 29.46.100 [29.63.070]. REASSESSMENT.

(a) The governing body [ASSEMBLY OR COUNCIL] shall within one year correct any deficiency in a special assessment found by a court.

[(B)] Notice and hearing must conform to the initial assessment procedures.

(b)[(C)] Payments on the initial assessment are credited to the property upon reassessment.

[(D)] The reassessment becomes a charge upon the property notwithstanding failure to comply with any provision of the assessment procedure.

EDITOR NOTE: (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.

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) [29.63.040(a). ASSESSMENT ROLL.] 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. [AT ANY TIME AFTER PROJECT APPROVAL, THE ASSEMBLY OR COUNCIL SHALL ASSESS THE AUTHORIZED PERCENTAGE OF THE COST AGAINST TRACTS IN PROPORTION TO BENEFIT RECEIVED. ASSESSMENTS MAY NOT EXCEED ACTUAL COSTS.]

EDITOR NOTE: Minor rewording and reorganization.

Sec. 29.46.120 [29.63.080]. OBJECTION AND APPEAL.

(a) The [REGULARITY OR] 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 [ASSEMBLY OR COUNCIL UPON] an objection may be appealed to the superior court within 30 days after [OF] the date of confirmation of the assessment roll.

[(C)] If no objection is filed or appeal taken within that [THE] time [PROVIDED IN THIS SECTION], the assessment procedure is [SHALL BE] considered [REGULAR AND] valid in all respects.

EDITOR NOTE: 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 asessments for the improvement and the notes are claims against the assessments.

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.

EDITOR NOTE: Minor rewording. The last line of AS 29.63.085(c), providing that interest on the guarantee funds are a cost of th improvement district, is eliminated.

Sec. 29.46.140 [29.63.085]. SPECIAL ASSESSMENT BONDS.

(a) The municipality [ASSEMBLY OR COUNCIL] 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 [BENEFITED] may be pledged by the governing body [ASSEMBLY OR COUNCIL] to secure a payment.

(b) On [UPON] default in a payment due on a special assessment bond, a bondholder may enforce payment of principal, [AND] 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 [SHALL BE] the same as for [IN THE CASE OF] a mortgage foreclosure on real property.

(c) Before the governing body [ASSEMBLY OR COUNCIL] 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 [OF] bonds if the [ISSUED BY] reason for the deficiency is [OF] nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund. [INTEREST ON THE GUARANTEE FUNDS SHALL BE A COST OF THE IMPROVEMENT DISTRICT.]

* Sec. 13. AS 29 is amended by adding a new chapter to read:

CHAPTER 47 [58]. MUNICIPAL DEBT.

ARTICLE 1. REVENUE ANTICIPATION NOTES.

EDITOR NOTE: Minor rewording.

Sec. 29.47.010 [29.58.010]. BORROWING IN ANTICIPATION OF REVENUE. A municipality that [WHICH] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.47.020 [29.58.020]. ISSUANCE OF NOTES. [THE GOVERNING BODY OF] A municipality may[,] by ordinance or resolution[,] authorize the issuance of revenue anticipation notes [AND PRESCRIBE THE FORM AND DETAILS OF THE NOTES AND THE MANNER OF THEIR EXECUTION]. The governing body [OF THE MUNICIPALITY] 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 [WHICH] provides for the manner of their sale.

[Sec. 29.58.030. LIMITATION ON ISSUANCE OF NOTES. REPEALED BY §3 CH 88 SLA 1974.]

EDITOR NOTE: Minor rewording.

Sec. 29.47.030 [29.58.040]. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FEDERAL GRANTS.

(a) [THE GOVERNING BODY OF] A municipality, on [UPON] adoption of a long-range capital improvement budget by ordinance or resolution, may by resolution provide for negotiable or non-negotiable 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 [OF THE MUNICIPALITY] 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 [SHALL] mature not later than the end of the next fiscal year.

EDITOR NOTE: Minor rewording.

Sec. 29.47.040 [29.58.050]. PRIORITY OF REPAYMENT. The payment of the principal and interest on revenue anticipation notes is [SHALL BE] payable from revenues, and their payment additionally shall be secured by a pledge of the full faith and[,] credit [AND UNLIMITED TAXING POWER] of the municipality issuing them.

ARTICLE 2. BOND ANTICIPATION NOTES.

EDITOR NOTE: Minor rewording.

Sec. 29.47.080 [29.58.070]. 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 [THE ASSEMBLY OR COUNCIL] and ratified by a majority vote at an [A REGULAR OR SPECIAL] election;

(2) the revenue bonds to be sold have been authorized by ordinance.

EDITOR NOTE: "Assembly or council" is replaced with "governing body".

Sec. 29.47.090 [29.58.080]. ISSUANCE OF NOTES. The governing body [ASSEMBLY OR COUNCIL] 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.

EDITOR NOTE: "Assembly or council" is replaced with "governing body".

Sec. 29.47.100 [29.58.090]. 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 [ASSEMBLY OR COUNCIL] 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 [SHALL] not be outstanding for a total elapsed time of more than three years.

EDITOR NOTE: No substantive change.

Sec. 29.47.110 [29.58.100]. REPAYMENT OF NOTES. Every note is payable from the proceeds of the sale of bonds that [WHICH] the notes anticipated or from the proceeds of the sale of new bond anticipation notes.

EDITOR NOTE: Minor rewording.

Sec. 29.47.120 [29.58.110]. SECURITY.

(a) Notwithstanding [ANY] 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[, TAXING POWER AND RESOURCES] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.47.130 [29.58.120]. LIMITATION. The total amount of notes issued and outstanding may [SHALL] at no time exceed the total amount of bonds authorized to be issued.

EDITOR NOTE: No change.

Sec. 29.47.140 [29.58.130]. 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.

EDITOR NOTE: Minor rewording.

Sec. 29.47.180 [29.58.150]. GENERAL OBLIGATION BONDS. A municipality may acquire, construct, improve, and equip capital improvements and issue negotiable or nonnegotiable general obligation bonds for these purposes.

EDITOR NOTE: Minor rewording. The reference to a charter is eliminated since this section does not apply as a home rule limitation.

Sec. 29.47.190 [29.58.160]. 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 [OF THOSE VOTING ON THE QUESTION] at an [A REGULAR OR SPECIAL] election. Any municipal voter may vote in the bond election, except as otherwise provided by [CHARTER OR] law.

(b) Before a general obligation bond issue election, the governing body [ASSEMBLY OR COUNCIL] shall have published a notice of the [MUNICIPALITY'S] 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 [VALUATION WITHIN] the municipality.

EDITOR NOTE: 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)

Sec. 29.47.200 [29.58.180]. 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 [BOROUGH OR CITY] home rule charter. This subsection applies to home rule and general law municipalities.

ARTICLE 4. REVENUE BONDS.

EDITOR NOTE: Rewritten for clarity.

Sec. 29.47.240 [29.58.200]. 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. [A MUNICIPALITY MAY ACQUIRE, CONSTRUCT, IMPROVE AND EQUIP CAPITAL IMPROVEMENTS TO BE OPERATED UPON A REVENUE-PRODUCING BASIS, AND BONDS FOR THESE PURPOSES ARE PAYABLE SOLELY FROM UNPLEDGED REVENUE OF THE PUBLIC FACILITIES FOR WHICH THE BONDS ARE ISSUED.]

(b) A municipality may issue its revenue bonds to finance the purchase of residential mortgage loans. The revenue bonds issued under this subsection are payable solely from the principal and interest of the mortgage loans and from [ANY] other amounts pledged by the municipality, except the pledge of revenues derived from taxes. Revenue bonds issued under this subsection do not constitute a general obligation of the municipality.

[(C) A MUNICIPALITY MAY ALSO ISSUE REVENUE BONDS FOR ANY LAWFUL PURPOSE. THE BONDS ARE PAYABLE FROM ANY AMOUNTS PLEDGED BY THE MUNICIPALITY EXCEPT TAXES AND DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE MUNICIPALITY.]

EDITOR NOTE: Minor rewording.

Sec. 29.47.250 [29.58.205]. NO ELECTION REQUIRED. An [NO] election is not required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

EDITOR NOTE: 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. 29.47.260. 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.

EDITOR NOTE: Minor rewording.

Sec. 29.47.300 [29.58.240]. AUTHORIZATION. If a municipality has outstanding general obligation or revenue bonds and the governing body [ASSEMBLY OR COUNCIL] determines that it would be financially advantageous to refund the bonds, the municipality [ASSEMBLY OR COUNCIL] may provide by ordinance or resolution for the issuance of negotiable [GENERAL OBLIGATION] or nonnegotiable [REVENUE REFUNDING BONDS.]

(1) general obligation refunding bonds; or

(2) revenue refunding bonds.

EDITOR NOTE: No substantive change.

Sec. 29.47.310 [29.58.250]. EFFECT OF REFUNDING BONDS. The refunding bonds may take up and refund all or [ANY] part of outstanding bonds at or before their maturity or redemption date. The governing body [ASSEMBLY OR COUNCIL] may include various series and issues of bonds in a single issue of refunding bonds.
EDITOR NOTE: "Assembly or council" is replaced by "governing body".

Sec. 29.47.320 [29.58.260]. NO ELECTION REQUIRED. An [NO] 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 [OF THE ASSEMBLY OR COUNCIL]. 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.

EDITOR NOTE: The statutory reference is altered to reflect new nubmering and the fact that sections dealing with payment on bonds are combined into one section.

Sec. 29.47.330 [29.58.270]. PAYMENT OF REFUNDING BONDS. General obligation refunding bonds are payable according to AS 29.47.200 [§ 180 OF THIS CHAPTER]. Revenue refunding bonds are payable according to AS 29.47.240 [§ 220 OF THIS CHAPTER].

EDITOR NOTE: The requirement that refunding bonds be exchanged at par for bonds being refunded is eliminated, so that refunding 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 tomake payments on the bonds from any other sources.

Sec. 29.47.340 [29.58.280]. SALE OF REFUNDING BONDS. General obligation or revenue refunding bonds may, at [IN] the discretion of the governing body [ASSEMBLY OR COUNCIL], be exchanged [AT PAR] for the bonds being refunded, or may be sold at public or private sale [FOR AN AMOUNT NOT LESS THAN PAR AND ACCRUED INTEREST]. They may be issued and delivered at any time before the date of maturity or redemption of the refunded bonds.

ARTICLE 6. MISCELLANEOUS PROVISIONS.

EDITOR NOTE: 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.

Sec. 29.47.390. [29.58.200(c)] OTHER MUNICIPAL FINANCING.

(a) A municipality may authorize by ordinance or resolution the issuance of negotiable or nonnegotiable [ALSO ISSUE] revenue bonds to finance any project that serves a [FOR ANY LAWFUL] public purpose, and[.] the bonds shall be secured and [ARE] payable from any source except revenues, including tax revenue, [AMOUNTS PLEDGED BY THE MUNICIPALITY EXCEPT TAXES AND DO NOT CONSTITUTE GENERAL OBLIGATIONS] 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 [WHICH] the municipality determines to be desirable;

(4) provide for any matter that [WHICH] 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.

EDITOR NOTE: 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.

Sec. 29.47.400.[29.58.060, 29.58.140, 29.58.300] 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. 29.58.060. SALE OF NOTES. THE MUNICIPALITY MAY SELL REVENUE ANTICIPATION NOTES IN THE MANNER AND AT THE PRICE IT DETERMINES, AT EITHER PUBLIC OR PRIVATE SALE.]

SEC. 29. 58.140. SALE OF NOTES. NOTES ISSUED UNDER THIS CHAPTER SHALL BE SOLD BY THE MUNICIPALITY IN THE MANNER AND AT THE PRICE IT DETERMINES, AT EITHER PUBLIC OR PRIVATE SALE, BUT NO NOTE MAY BE SOLD FOR LESS THAN PAR AN ACCRUED INTEREST.]

SEC. 29.58.300. PUBLIC SALE. THE MUNICIPALITY SHALL SELL ALL BONDS AT A PUBLIC OR PRIVATE SALE AS PROVIDED BY ORDINANCE. NO BONDS MAY BE SOLD AT LESS

THAN PAR VALUE.]

EDITOR NOTE: Minor rewording.

Sec. 29.47.410 [29.58.170, 29.58.210]. FORMS AND TERMS [OF SALE]. The municipality may by ordinance or resolution [ASSEMBLY OR COUNCIL SHALL] fix the date [OF THE BONDS], denominations, maturities, rate or rates of interest, [PLACE AND MANNER OF PAYMENT,] redemption terms, registration privileges, manner of execution, [AND] signatures required, purchase price, manner of sale, and other requirements for issuing bonds or notes under this chapter. If an official [OFFICER] whose signature appears on the bonds or coupons ceases to be an official [OFFICER] before delivery of the bonds, the [HIS] signature of the former official is valid as if the former official [HE] had remained in office until delivery.

[Sec. 29.58.210. FORMS AND TERMS. THE ASSEMBLY OR COUNCIL SHALL FIX THE DATE OF THE BONDS, DENOMINATIONS, MATURITIES, RATE OR RATES OF INTEREST, PLACE AND MANNER OF PAYMENT, REDEMPTION TERMS, REGISTRATION PRIVILEGES, MANNER OF EXECUTION, SIGNATURES REQUIRED, AND OTHER DETAILS OF THE BONDS. IF AN OFFICER WHOSE SIGNATURE APPEARS ON THE BONDS OR COUPONS CEASES TO BE AN OFFICER BEFORE DELIVERY OF THE BONDS, HIS SIGNATURE IS VALID AS IF HE HAD REMAINED IN OFFICE UNTIL DELIVERY.]

EDITOR NOTE: 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.

Sec. 29.47.420 [29.58.310]. INTEREST RATE. The interest rate payable on a [NO MUNICIPAL] 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 [MAY BEAR AN INTEREST RATE EXCEEDING THE CONTRACT USURY RATE OF INTEREST PROVIDED BY LAW].

EDITOR NOTE: No substantive change.

Sec. 29.47.430 [29.58.320]. 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.

EDITOR NOTE: Rewritten for clarity. The statutory reference is altered to reflect new numbering.

Sec. 29.47.440 [29.58.340]. BOROUGH INDEBTEDNESS.

(a) A borough[S] may incur indebtedness

(1) on an areawide basis for areawide functions; or

(2) on a nonareawide [NONCITY] basis for functions performed only in the borough [IN THE] area outside all cities [ONLY]; or

(3) on a service area basis for functions performed only in a service area [ONLY].

(b) Payment of debt principal and interest as well as other costs shall be derived from [LIMITED TO] 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 [WHICH] will benefit from the improvement.[;] If the bonded indebtedness to be incurred is limited to the borough area[S] outside all cities [ONLY OR TO SERVICE AREAS], the vote is limited to voters outside all cities [IN THOSE AREAS]. 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 [AS 29.08.040] is not affected by reclassification. [NOT LESS THAN] All property in [WITHIN] a municipality that [WHICH] is reclassified remains subject to taxation to amortize bonded or other indebtedness affecting the municipality and authorized on the effective date of reclassification.

EDITOR NOTE: 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.

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.

EDITOR NOTE: "General or home rule" is eliminated since "municipality" includes by definition both a general law and a home rule municipality.

Sec. 29.55.010 [29.48.108]. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS. The governing body of a [GENERAL LAW OR HOME RULE] municipality may establish a local historical district commission or designate the planning commission or itself to serve as the historical district commission.

EDITOR NOTE: The statutory reference to the preceding section is eliminated as unnecessary.

Sec. 29.55.020 [29.48.110]. 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 [ESTABLISHED UNDER AS 29.43.108], in consultation with the Historic Sites Advisory Committee in [WITHIN] the Department of Natural Resources, may establish [A] 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 [WHICH] 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 [UPON] recommendation of the governing body of a [GENERAL LAW OR HOME RULE] 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 [88]. STATE PROGRAMS [MUNICIPAL TAX RESOURCE EQUALIZATION].

ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

EDITOR NOTE: "Local government services" is replaced by "municipal services".

Sec. 29.60.010 [29.88.010]. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL [LOCAL GOVERNMENT] SERVICES.

(a) During each fiscal year the department shall compute an equalization entitlement for municipal [LOCAL GOVERNMENT] 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 [(0.1)] of the full and true value of assessed property of the taxing unit determined under AS 29.60.030(d) [AS 29.88.020(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 [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 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 [WHICH] 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.

EDITOR NOTE: Material in AS 29.88.015(b) is delted. Since municipal tax resource equalization is organized as an article, rather than a chapter, the statutory reference is added.

Sec. 29.60.020 [29.88.015]. DETERMINATION OF POPULATION.

[(a)] For purposes of AS 29.60.010 - 29.60.080 [THIS CHAPTER], 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 [WHICH,] in the judgment of the department[,] is reliable.

[(b) THE POPULATION OF THE TAXING UNIT INCLUDES THE POPULATION OF ANY MILITARY RESERVATION WHICH IS PART OF THE TAXING UNIT.]

EDITOR NOTE: Statutory references are added since this material is no longer located in a separate chapter.

Sec. 29.60.030 [29.88.020]. 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 [WHICH] 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 [THIS CHAPTER]. 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 [THIS CHAPTER]. 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 [BY THE MUNICIPALITY WHICH] does not qualify for inclusion in or recognition as locally generated revenue for municipal [LOCAL GOVERNMENT PURPOSES] purposes under AS 29.60.010(c)(1) [AS 29.88.010(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 [WHICH] is not recognized for municipal [LOCAL GOVERNMENT] 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) [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 taxes under AS 29.53.010 - 29.53.420 [AS 29.53].

(e) In addition to the computation for municipalities that [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 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.

EDITOR NOTE: Statutory references are added since this material no longer appears as a separate chapter.

Sec. 29.60.040 [29.88.025]. REPORTS. A payment of an equalization entitlement may not be made to a municipality under AS 29.60.010 - 29.60.080 [THIS CHAPTER] 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 [BY THE MUNIICPALITY] and any other revenue that [WHICH], in the opinion of the municipal officials, is eligible for inclusion in computations of the locally generated revenue of the taxing unit.

EDITOR NOTE: 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".

Sec. 29.60.050 [29.88.030]. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

(a) An equalization entitlement generated by the [GENERAL] 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 [ASSEMBLY OR COUNCIL]. 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 [ASSEMBLY OR COUNCIL].

EDITOR NOTE: Statutory references are added, since this material is no longer contained in a separate chpater. The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.060 [29.88.035]. TAX EQUALIZATION ACCOUNT. The tax equalization account is established. Money to carry out the provisions of AS 29.60.010 - 29.60.080 [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 municipalities to fulfill each [MUNICIPALITY'S] share authorized under AS 29.60.010 [AS 29.88.010]. The amount allocated to the

account shall be distributed by the department pro rata among eligible municipalities.

EDITOR NOTE: Statutory references are added, since this material is no longer contained in a separate chpater. The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.070 [29.88.040]. ADMINISTRATION.

(a) The department may adopt regulations necessary to implement AS 29.60.010 - 29.60.080 [THIS CHAPTER]. 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 [THIS CHAPTER].

(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 [AS 29.88.010] any tax revenue appropriated for a utility not included in the definition set out in AS 29.60.080(2) [AS 29.88.045(4)].

EDITOR NOTE: Definitions of "department" and "municipality" are eliminated since these are now defined with respect to the entire title.

Sec. 29.60.080 [29.88.045]. DEFINITIONS. In AS 29.60.010 - 29.60.080 [THIS CHAPTER]

[(1) "DEPARTMENT" MEANS THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS;

(2) "MUNICIPALITY" MEANS A CITY, BOROUGH OR UNIFIED MUNICIPALITY INCORPORATED UNDER THE LAWS OF THE STATE;]

(1) [(3)] "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[IES]" means electric, water, sewer, gas heat, [OR] telephone [SERVICES], or [AND] refuse and garbage collection service[S].

ARTICLE 2 [CHAPTER 89]. STATE AID FOR MISCELLANEOUS [MUNICIPAL] PURPOSES.

EDITOR NOTE: Statutory references are altered to reflct new numbering. Provision for revenue sharing payable to a "Native village government" is altered to "an unincorporated community".

Sec. 29.60.100 [29.89.010]. REVENUE SHARING PAYABLE. In addition to the equalization entitlements paid under AS 29.60.010 - 29.60.080 [AS 29.88], during each fiscal year the department shall pay aid

(1) to a municipality or other eligible recipient that [WHICH] has the power to provide the services described in AS 29.60.110 - 29.60.130 [AS 29.89.020 - 29.89.040] and exercises the power in the manner required by AS 29.60.100 - 29.60.180 [THIS CHAPTER];

(2) to an unincorporated community [A NATIVE VILLAGE GOVERNMENT] under AS 29.60.140 [AS 29.89.050].

EDITOR NOTE: "Local government" is replaced by "municipality".

Sec. 29.60.110 [29.88.020]. STATE AID TO MUNICIPALITIES FOR ROADS.

(a) The department shall pay to a municipality that [WHICH] has power to provide for road maintenance and exercises that [WHICH] power, $2,500 a mile for each mile of road, street, or highway maintained by the municipality [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 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.

EDITOR NOTE: 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).

Sec. 29.60.120 [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 that [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 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 [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 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 [WHICH] 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.

(f) In this section

(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 or special hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

EDITOR NOTE: "Borough or city" is replaced by "municipality".

Sec. 29.60.130 [29.89.040]. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN [THE] ORGANIZED MUNICIPALITY [UNORGANIZED BOROUGH].

(a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized municipality [BOROUGH OR CITY] 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 [BOROUGH OR CITY], 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.

EDITOR NOTE: 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 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.

Sec. 29.60.140 [29.89.050]. STATE AID TO UNINCORPORATED COMMUNITIES [NATIVE VILLAGE GOVERNMENTS].

(a) The department [STATE] shall pay to each unincorporated community an entitlement of $25,000 [TO A NATIVE VILLAGE GOVERNMENT FOR A VILLAGE WHICH IS NOT INCORPORATED AS A CITY UNDER THIS TITLE] each fiscal year to be used for a

public purpose.

[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. § 476); 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 WHICH MEETS THE REQUIREMENTS OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT(43 U.S.C. §§ 1601 - 1628).]

The department 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 shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The department 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.

EDITOR NOTE: 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.

Sec. 29.60.150 [29.89.060]. POPULATION DETERMINATION. For purposes of AS 29.60.100 - 29.60.180 [THIS CHAPTER], population shall be determined by the latest figures of the United States Bureau of the Census or other [RELIABLE] population data [INCLUDING BUT NOT LIMITED TO PUBLIC SCHOOL ENROLLMENT FIGURES, PUBLIC UTILITY CONNECTION, REGISTERED VOTERS OR CERTIFIED EMPLOYMENT PAYROLLS] that in the judgment of the department is reliable.

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.60.160 [29.89.070]. AREA COST-OF-LIVING DIFFERENTIAL.

(a) Payments to a municipality or other eligible recipient under AS 29.60.110 - 29.60.130 [AS 29.89.020 - 29.89.030] 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.

EDITOR NOTE: Statutory references are added, since thismaterial is no longer organized as a separate chapter. The statutory reference currently contained in this section is altered to reflect new numbering.

Sec. 29.60.170 [29.89.080]. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous services account is established. Money to carry out the provisions of AS 29.60.100 - 29.60.180 [THIS CHAPTER] shall be allocated by the department to the account in accordance with AS 29.60.280 [AS 29.95.010]. 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 [THIS CHAPTER], the amounts that [WHICH] are available shall be distributed pro rata among eligible municipalities and other recipients.

EDITOR NOTE: Statutory references area added, since this material is no longer organized as a separate chapter.

Sec. 29.60.180 [29.89.090]. REGULATIONS. The department shall adopt regulations necessary to carry out the purposes of AS 29.60.100 - 29.60.180 [THIS CHAPTER]. 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 [THIS CHAPTER] was performed by the municipality or other recipient and meets minimum standards of service prescribed by regulation.

ARTICLE 3 [CHAPTER 95]. ADMINISTRATION OF STATE AID [MUNICIPAL FINANCIAL ASSISTANCE] PROGRAMS.

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.280 [29.95.010]. ALLOCATION AND DISTRIBUTION.

(a) Each year, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall allocate money appropriated to the accounts established in AS 29.60.060, 29.60.170, and former AS 29.90.020 [AS 29.88, AS 29.89, AND AS 29.90] in the amounts determined by the legislature.

(b) Money in the miscellaneous services account established in AS 29.60.170 [AS 29.89.080] that [WHICH] exceeds the amount required to fully fund distributions authorized by AS 29.60.100 - 29.60.180 [AS 29.89] shall be reallocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035] and distributed according to the provisions of AS 29.60.010 - 29.60.080 [AS 29.88].

(c) Money in the hospital and health facility construction assistance account established in former AS 29.90.020 that [WHICH] exceeds the amount required to fully fund distributions authorized by sec. 9, ch. 95, SLA 1983 [AS 29.90] shall be reallocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035] and distributed according to the provisions of AS 29.60.010 - 29.60.080 [AS 29.88].

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.290 [29.95.020]. 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 [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 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [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 of the governing body 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 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [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 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in accordance with AS 29.20.640(a) [AS 29.23.560]; and

(4) local ordinances adopted by the [GOVERNING BODY OF THE] municipality have been codified in accordance with AS 29.25.050 [AS 29.48.180].

(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 [AS 29.95.030], application of the area cost-of-living differential may not result in a payment that [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.

(c) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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 [AS 29.88. AND AS 29.89].

(d) A payment under this section may be prorated and reduced under AS 29.60.300 [AS 29.95.030].

(e) Payments under this section shall be made from the money allocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035].

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.300 [29.95.030]. PRORATION OF PAYMENTS.

(a) Payments under AS 29.60.290 and 29.60.010 - 29.60.180 [AS 29.95.020 AND AS 29.88] shall equal the amount allocated to the tax equalization account (AS 29.60.060) [(AS 29.88.035)], adjusted in accordance with AS 29.60.280 [AS 29.95.010].

(b) Adjustments of payments shall be determined by prorating amounts payable under AS 29.60.290 [AS 29.95.020] and amounts payable under AS 29.-60.010 - 29.60.180 [AS 29.88] by a factor that [WHICH], when applied, reduces all payments in equal proportion so that payment[S] under AS 29.60.290 [AS 29.95.020] and payments under AS 29.60.010 - 29.60.180 [AS 29.88] equal the amount allocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035].

ARTICLE 4. MUNICIPAL ASSISTANCE.

EDITOR NOTE: Administration of the municipal assistance fund is transferred from the department of Revenue to the Department of Community and Regional Affairs.

Sec. 29.60.350 [43.20.016(a)]. MUNICIPAL ASSISTANCE FUND [SHARING OF CORPORATE INCOME TAX REVENUE WITH MUNICIPALITIES].

(a) There is established in [WITHIN] 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) [AND AS 43.21] for the previous fiscal year.

(b) The department shall distribute money from the municipal assistance fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY CLASS] on an annual basis as provided in AS 29.60.360 and 29.60.370 [(B) AND (C) OF THIS SECTION]. A municipality [BOROUGH OR CITY] may not receive payment [UNDER (B) OR (C) OF THIS SECTION] until it submits to the department a resolution approved by the governing body of the municipality that requests the money [FUNDS]. Distribution of money from the municipal assistance fund to 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 municipal assistance fund to all other municipalities [CITIES AND 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.

EDITOR NOTE: No substantive changes.

Sec. 29.60.360 [43.20.016 (b)]. BASE AMOUNT OF ASSISTANCE.

(a) The base amount to be distributed from the municipal assistance fund to each municipality [BOROUGH AND CITY] for the fiscal year shall be the amount received by the municipality [BOROUGH OR CITY] during fiscal year 1978 under AS 43.70.080[; HOWEVER, IF THE AMOUNT APPROPRIATED TO THE FUND BY THE LEGISLATURE UNDER (A) OF THIS SECTION IS INSUFFICIENT FOR DISTRIBUTION OF THE FULL BASE AMOUNT, THE DEPARTMENT SHALL PRORATE THE AMOUNT AVAILABLE FOR DISTRIBUTION ON THE BASIS OF AMOUNTS RECEIVED DURING FISCAL YEAR 1978 UNDER AS 43.70.080]. A city incorporated within a [AN ORGANIZED BOROUGH] 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 [AN ORGANIZED] borough after June 30, 1977, shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977, shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(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.

EDITOR NOTE: No substantive change.

Sec. 29.60.370 [43.20.016(c),(d)]. INCREASED ASSISTANCE.

(a) [(c)] 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 [(B) OF THIS SECTION], the excess amount shall be distributed to each municipality [BOROUGH AND CITY] on the basis of population. [FOR THE PURPOSE OF THIS SUBSECTION, THE POPULATION OF A CITY WITHIN AN ORGANIZED BOROUGH SHALL BE

DEDUCTED FROM THE POPULATION OF THE BOROUGH.] Population for the purpose of this section shall be as certified by the commissioner of community and regional affairs. 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) [(D)] The intent of (a) [(C)] of this section is that a municipality [LOCAL GOVERNMENTS] that [WHICH] levies[Y] property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by the municipality [A LOCAL GOVERNMENT]. The governing body of each municipality [LOCAL GOVERNMENT] shall furnish a notice with each [THE] tax statement describing its use of this increased state aid.

ARTICLE 5. COMMUNITY FACILITIES GRANTS.

EDITOR NOTE: This entire section moved by revisor in 1983 from Title 43 to Title 29 for clarity and then renumbered . No substantive change.

Sec. 29.60.400.[43.18.300] GRANTS FOR COMMUNITY FACILITIES.

(a) Within the limits of appropriations for the purpose the Department of Commerce and Economic Development shall make matching grants in accordance with the provisions of AS 29.60.410 - 29.60.440 to municipalities or their nonprofit designees equal to

(1) 50 percent of the estimated reasonable costs of construction of municipal civic, convention, and community recreation centers; and

(2) 50 percent of the cost of feasibility studies relating to the construction of municipal civic, convention, and community recreation centers.

(b) A grant may be made under this section only to a municipality with the power to implement the study or project for which the grant is authorized or to its nonprofit designee. A grant for only one study and one project may be awarded to a municipality or its designee under this section.

(c) In this section "costs of construction" means, in addition to costs directly related to a project, the sum of all costs of financing and carrying out the project, including 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 necessary to the project; an allocable portion of the administrative and operating expenses of the grantee; and the cost of financing the project, including interest on bonds issued to finance the project, the cost

of indemnity and surety bonds, premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and the costs associated with the issuance of bonds. It does not include the cost of feasibility studies.

Sec. 29.60.410. GRANT PROCEDURES.

(a) An application for a grant under AS 29.60.400 shall be made in a form prescribed by the commissioner of commerce and economic development.

(b) A grant shall be allotted in accordance with an agreement made between the commissioner of commerce and economic development on behalf of the state and the grantee. 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 the study or project as approved by the commissioner after consultation with the Department of Transportation and Public Facilities;

(2) a schedule of disbursements of money from the grant if the commissioner determines that the grant money is not to be disbursed in one sum;

(3) agreement by the grantee

(A) to proceed with and complete the proposed study or project expeditiously;

(B) not to discontinue operation or dispose of all or part of a community facility for which it receives a grant without the approval of the commissioner;

(C) to 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 to maximize the amounts of that assistance available for all projects in the state;

(D) to provide for payment of the grantee's share of the cost of the study or project;

(E) that, if federal assistance for a study or project becomes available to the grantee that was not included in the calculation of the amount of the grant, the value of the federal assistance shall be subtracted from the total value of the project and the balance shall be equally divided between the grantee and the state;

(4) alteration or modification of an approved study or project;

(5) alteration or modification of an existing facility that would have qualified for a grant at the time of initial construction if AS 29.60.400 - 29.60.440 had been in effect;

(6) remedies in case of failure to perform the agreement or non-compliance with regulations adopted under AS 29.60.420.

(c) The commissioner of commerce and economic development shall require in negotiations and in each grant agreement that continued maintenance of the community facility is the responsibility of the municipality. The municipality must show the feasibility of continuing to maintain the facility before state money may be authorized for a grant.

Sec. 29.60.420. POWERS AND DUTIES OF THE COMMISSIONER.

(a) The commissioner of commerce and economic development shall provide an annual report to the legislature about grants made under AS 29.60.400.

(b) The commissioner of commerce and economic development shall adopt regulations to carry out the purposes of AS 29.60.400 - 29.60.440.

Sec. 29.60.430. ALLOCATION OF MONEY. If the amount of money appropriated by the legislature for grants under AS 29.60.400 is not adequate to satisfy amounts required for approved grant applications, money shall be allocated on the basis of priority established by regulations of the Department of Commerce and Economic Development.

Sec. 29.60.440. LIMITATION. AS 29.60.400 - 29.60.440 does not require that a recipient of a grant for a feasibility study must proceed with construction of the project, regardless of whether the project is determined to be feasible.

CHAPTER 65. GENERAL GRANT LAND.

EDITOR NOTE: No change.

Sec. 29.65.010. [29.18.201] 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.

EDITOR NOTE: No substantive change.

Sec. 29.65.020. [29.18.202] DETERMINATION OF ENTITLEMENT FOR CITIES. The general grant land entitlement of a city formerly eligible to receive general grant land under the provisions of former AS 29.18.190 and 29.18.200 [, AS REPEALED BY THIS ACT,] 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 [28] and 29.18.200 and July 1, 1978. Within six months after July 1, 1978, the commissioner shall determine the entitlement for each city eligible to receive general grant land under this section and certify that entitlement to the city.

EDITOR NOTE: Minor rewording.

Sec. 29.65.030 [29.18.203] 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 [OF THAT MUNICIPALITY].

(b) Within six months after the date of incorporation of a municipality that [WHICH] is incorporated after July 1, 1978, the commissioner [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.

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.65.040 [29.18.204.] STATUS OF ENTITLEMENTS.

(a) After July 1, 1978, general grant land entitlements provided in AS 29.65.010 and 29.65.020 [AS 29.18.201 and 29.18.202] are vested property rights that [WHICH] must be fulfilled as provided in AS 29.65.050 or 29.65.080 [AS 29.18.205 or 29.18.208].

(b) General grant land entitlements provided by AS 29.65.030 [AS 29.18.203] are property rights that [WHICH] vest on the date of incorporation of the municipality. The entitlement must be fulfilled as provided in AS 29.65.050 [AS 29.18.205].

(c) Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under former AS 29.18.201 and 29.18.202 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 commissioner [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 [AS 29.18.203] at any time within one year after the commissioner [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 [WHICH] cannot be satisfied by that date because of a shortage of land suitable for residential, commercial, and industrial purposes that [WHICH] is vacant, unappropriated, unreserved land;

(2) payments for land deficiency under AS 29.65.080 [AS 29.18.208];

(3) the portion of an entitlement that [WHICH] 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 [WHICH] cannot be satisfied because the land nominated for selection by the municipality is not tentatively approved for patent to the state.

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.65.050 [29.18.205] FULFILLMENT OF LAND ENTITLEMENTS.

(a) The acreage of each municipality's land selections [UNDER FORMER AS 29.18.190 AND 29.18.200] 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 commissioner [DIRECTOR] within nine months after July 1, 1978. Any approved selection of land that [WHICH] 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 commissioner [DIRECTOR] of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement. A [NO] municipality is not entitled to receive patent under this chapter to more than its entitlement determined under AS 29.65.010 - 29.65.030 [AS 29.18.201 - 29.18.203]. Any prior approval by the commissioner [DIRECTOR] of municipal selections for land that [WHICH] 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) REPEALED BY § 45 CH 85 SLA 1979.]

[(d) REPEALED BY § 45 CH 85 SLA 1979.]

[(e) REPEALED BY § 45 CH 85 SLA 1979.]

(c) [(f)] The commissioner [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 [AS 29.18.201 - 29.18.203] within three months after approval by the commissioner [DIRECTOR] of a plat of survey.

[(g) REPEALED BY § 45 CH 85 SLA 1979.]

[(h) REPEALED BY § 45 CH 85 SLA 1979.]

[(i) REPEALED BY § 45 CH 85 SLA 1979.(§ 2 CH 180 SLA 1978; AM §§ 3, 45 CH 85 SLA 1979.]

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.65.060 [29.18.206]. SCHOOL [UNIVERSITY] AND MENTAL HEALTH LAND.

(a) If an entitlement determined in AS 29.65.010 or 29.65.020 [AS 29.18.201 OR 29.18.202] 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 [WITHIN] 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, [REPEALED BY THIS ACT,] but each selection of school 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 [WITHIN] a municipality may not be included in the determination of entitlement under AS 29.65.010 or 29.65.020 [AS 29.18.201 OR 29.18.202].

(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 commissioner [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 commissioner [DIRECTOR] is rejected by the board, the commissioner [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] AS 38.05.345 apply to [ARE APPLICABLE TO] the designation of other general grant land as school or mental health land in replacement of land selected under this section. The provisions of AS 38.50 [AND 38.05.032] do not apply to such designations under this section. The provisions of AS 38.05.030(a) that [, 38.05.030(e), AND 38.05.035(a)(13) WHICH] require the approval of the respective trust board before disposal of land[S] by the commissioner [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 [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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 [AS 29.18.201 OR 29.18.202. (§ 2 CH 180 SLA 1978.]

EDITOR NOTE: No substantive change.

Sec. 29.65.070 [29.18.207]. SELECTION AND CONVEYANCE PROCEDURE.

[(a) REPEALED BY § 45 CH 85 SLA 1979.]

[(b) REPEALED BY § 45 CH 85 SLA 1979.]

(a) [(c)] If land selected by a municipality is unsurveyed at the time of approval, the commissioner [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 commissioner may approve municipal selections of land that [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 commissioner [DIRECTOR], but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the commissioner [DIRECTOR]. Conditional sales and conditional leases made before July 1, 1978, do not require the consent of the commissioner [DIRECTOR].

(c) [(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 this chapter affects the rights of an owner, claimant, locater, or entryman to the full use and enjoyment of the land so occupied.

EDITOR NOTE: Reworded for clarity. The statutory references contained in this section are altered to reflect new numbering.

Sec. 29.65.080 [29.18.208]. PAYMENT FOR LAND DEFICIENCY.

(a) The Alaska municipal land account is [THERE IS] established in [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 29.65.010 [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 29.65.010 [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 municipal land account [ESTABLISHED IN 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 that [WHICH] 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 [AS 29.18.201] that [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 subsection, the population of the municipality shall be the population determined in accordance with AS 29.65.060(f) [AS 29.18.205(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 [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 municipal land account [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 municipal land account for the municipalities that [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 that [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 29.65.020 or 29.65.030 [§ 202 OR 203 OF THIS CHAPTER].

(h) Payments made under this section shall be used by a municipality that levies [THOSE LOCAL GOVERNMENTS WHICH LEVY] property taxes to reduce the levy [THOSE LEVIES] in proportion to the amount of state payments received by the municipality [A LOCAL GOVERNMENT] for a given fiscal year. The governing body of each municipality [LOCAL GOVERNMENT] shall furnish a notice with the tax statement describing the effect on property tax levies of payments received under this section.

EDITOR NOTE: "Any" is changed to "a".

Sec. 29.65.090 [29.18.209]. AUTHORIZATION FOR LAND EXCHANGES. The [DIRECTOR, WITH THE CONCURRENCE OF THE] commissioner, and a [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 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] AS 38.05.345 apply [ARE APPLICABLE TO] to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section.

EDITOR NOTE: The statutory reference contained in this section is altered to reflect new numbering.

Sec. 29.65.100 [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 29.65.090 [§ 209 OF THIS CHAPTER] 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 commissioner [WHICH THE DIRECTOR] determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the commissioner [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.

EDITOR NOTE: The statutory reference contained in this section is altered to reflect new numbering.

Sec. 29.65.110 [29.18.211]. ELECTION OF BENEFITS.

(a) A municipality that [WHICH] on July 1, 1978, is engaged in litigation, or that [WHICH] becomes engaged in litigation, regarding a claim to state land under former AS 29.18.190 and 29.18.200 [§§ 190 AND 200 OF THIS CHAPTER] shall elect either to obtain the benefits provided in [§§ 201 - 213 OF] this chapter or to pursue the litigation and [THEREBY] waive any claim to entitlement under [§§ 201 - 213 OF] 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 [§ 201 OF THIS CHAPTER] , the municipality shall file its motion for dismissal within 60 days after July 1, 1978. If a [THE] claim involves a city eligible to receive an entitlement under AS 29.65.020 [§ 202 OF THIS CHAPTER] the city shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the commissioner [DIRECTOR] under AS 29.65.020 [§ 202 OF THIS CHAPTER]. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection is [SHALL BE] considered a waiver of entitlement under [§§ 201 - 213] this chapter.

(b) A municipality that [WHICH] was eligible to file land selections under former AS 29.18.190 and 29.18.200 [§§ 190 AND 200 OF THIS CHAPTER] and that [WHICH] 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 [SHALL BE] considered to have elected to receive benefits under [§§ 201 - 213 OF] this chapter and to have waived any claim that [WHICH] might have been raised under former AS 29.18.190 and 29.18.200 [§§ 190 AND 200 OF THIS CHAPTER].

(c) The provisions of [§§ 201 - 213 OF] this chapter do not affect the rights [, IF ANY] of a [ANY] party to litigation regarding the former AS 29.18.190-29.18.200 or 29.18.420 [WHICH LITIGATION IS] maintained by a municipality that [WHICH]has elected not to obtain the benefits provided by [§§ 201 - 213 OF] this chapter.

EDITOR NOTE: Since this material is now organized in a separate chapter, the statutory reference to the sections dealing with general grant land is eliminated.

Sec. 29.65.120 [29.18.212]. ADMINISTRATION. The commissioner may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of [AS 29.18.201 - 29.18.213] this chapter.

EDITOR NOTE: 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.

Sec. 29.65.130 [29.18.213]. DEFINITIONS. In this chapter [AS 29.18.201 - 29.18.213], unless the context otherwise requires,

[(1) REPEALED BY § 45 CH 85 SLA 1979.]

(1) [(2)] "approved selection" means a municipal land selection that [WHICH] has been approved in writing by director for transfer by patent to a municipality;

(2) [(3)] "commissioner" ["DIRECTOR"] means the commissioner [DIRECTOR] of [THE DIVISION OF LANDS, DEPARTMENT OF] [N]natural [R]resources, or the commissioner's [HIS] designee;

(3) [(4)] "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) [(5)] "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) [(6)] "municipal land selection" means a request by a municipality, filed in writing with the Department of Natural Resources [DIRECTOR] under authority of former AS 29.18.190 and 29.18.200 or under this chapter [REPEALED BY THIS ACT OR UNDER AS 29.18.201 - 29.18.213] for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

[(7) "MUNICIPALITY MEANS A HOME RULE OR GENERAL LAW CITY OR ORGANIZED BOROUGH OF ANY CLASS, AND INCLUDES UNIFIED MUNICIPALITIES ESTABLISHED UNDER AS 29.68.240 - 29.68.440,]

(6) [(8)] "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) [(9)] "remaining entitlement" means the general grant land entitlement determined in accordance with this chapter [AS 29.18.201 - 29.18.213], reduced by the total acreage of approved selections, including both patented and unpatented parcels;

(8) [(10)] "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;

[(11) "UNIVERSITY LAND" MEANS ALL SECTIONS 33 RESERVED TO THE UNIVERSITY UNDER 38 STAT. 1214, AS AMENDED (48 U.S.C. 353) AND ALL LAND GRANTED TO OR RESERVED FOR THE BENEFIT OF THE UNIVERSITY:]

(9) [(12) "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 [WHICH]

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under [AS 29.18.201 - 29.18.213] this chapter or former AS 29.18.190 and 29.18.200 [REPEALED BY THIS ACT]; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility, or open-to-entry purposes, or is [WHERE] classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

EDITOR NOTE: 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.

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 [73]. GENERAL [MISCELLANEOUS] PROVISIONS.

EDITOR NOTE: No substantive change.

Sec. 29.71.010 [29.18.030]. ADVERSE POSSESSION. A [HOME RULE OR GENERAL LAW] municipality may not be divested of title to real property by adverse possession.

EDITOR NOTE: 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. Thes ection is applicable to home rule municipalities.

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.

EDITOR NOTE: No substantive change.

Sec. 29.71.030 [29.73.040]. TAXATION OF MUNICIPALITIES. No state law or regulation may assess or tax, or be construed to assess or tax, a municipality [HOME RULE OR GENERAL LAW CITIES OR BOROUGHS OF THE STATE,] unless the law or regulation expressly provides that the municipality is [CITIES OR BOROUGHS ARE] to be assessed or taxed by the particular law or regulation.

EDITOR NOTE: The following definitions are added or changed from existing law:

(1) "areawide" is defined to include cities in the borough;

(4) 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 lection, while under existing law, only "regular election" is defined;

(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 corporation;

(14) "non-areawide" includes the area of a borough outside cities in the borough, while under existing law "non-areawide power" is defined;

(15) "owner" or "record owner" means the owner of record shown in the records of the district recorder;

(20) minor rewording;

(21) this has been added;

(23) subparagraph (A) has been reworded and (B) is new;

(24) this has been added;

(25) minor rewording;

The definition of "municipal election" has been eliminated.

Sec. 29.71.800 [29.78.010]. 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; ["BOROUGH" MEANS A GENERAL LAW FIRST, SECOND OR THIRD CLASS ORGANIZED BOROUGH;]

(2) "assembly" means the governing body of a borough; ["CITY" MEANS A GENERAL LAW FIRST OR SECOND CLASS CITY;]

(3) "borough" means a general law borough or a home rule borough; ["CONDITIONAL USE" MEANS EXCEPTION, SPECIAL EXCEPTION, SPECIAL USE, OR SPECIAL PERMIT DESIGNATED IN THE ZONING ORDINANCE;]

(4) "city" means a general law first or second class city or a home rule city; ["CONSOLIDATION" MEANS DISSOLUTION OF TWO OR MORE MUNICIPALITIES AND THEIR INCORPORATION AS A NEW MUNICIPALITY;]

(5) "commissioner" means the commissioner of community and regional affairs; ["MAJORITY" MEANS A SIMPLE MAJORITY;]

(6) "consolidation" means dissolution of two or more municipalities and their incorporation as a new municipality; ["MERGER" MEANS DISSOLUTION OF A MUNICIPALITY AND ITS ABSORPTION BY ANOTHER MUNICIPALITY;]

(7) "council" means the governing body of a city; ["MUNICIPAL ELECTION" INCLUDES BUT IS NOT LIMITED TO ELECTIONS TO CHOOSE CITY COUNCILMEN, BOROUGH ASSEMBLYMEN, SCHOOL BOARD MEMBERS AND UTILITY BOARD MEMBERS;]

(8) "department" means the Department of Community and Regional Affairs; ["MUNICIPALITY" MEANS A GENERAL LAW MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION, WHICH IS A FIRST OR SECOND CLASS BOROUGH OR CITY, OR A THIRD CLASS BOROUGH, INCORPORATED UNDER THE LAWS OF THE STATE;]

(9) "election" means a regular or special municipal election and does not include a state election; ["OWNER", "RECORD OWNER", OR "OWNER OF RECORD" MEANS OWNER OF RECORD OR PURCHASER OF RECORD;]

(10) "governing body" means the legislative body of a municipality that is the assembly of a borough or the council of a city; ["PERSONAL PROPERTY" MEANS TANGIBLE PROPERTY OTHER THAN REAL PROPERTY, SUCH AS MERCHANDISE AND STOCK IN TRADE, MACHINERY AND EQUIPMENT, FURNITURE AND FIXTURES, MOTOR VEHICLES AND VEHICLES, BOATS AND VESSELS AND AIRCRAFT;]

(11) "majority" means a simple majority; ["PROPERTY" MEANS REAL AND PERSONAL PROPERTY;]

(12) "merger" means dissolution of a municipality and its absorption by another municipality; ["PUBLISHED" MEANS APPEARING AT LEAST ONCE IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY OR, IF THERE IS NO NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY, POSTING IN THREE PUBLIC PLACES FOR AT LEAST FIVE DAYS;]

(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; ["REAL PROPERTY" MEANS LAND AND IMPROVEMENTS AND ALL POSSESSORY RIGHTS AND PRIVILEGES APPURTENANT TO THE PROPERTY, AND INCLUDES PERSONAL PROPERTY AFFIXED TO THE LAND OR IMPROVEMENTS;]

(14) "nonareawide" means throughout the area of a borough outside all cities in the borough; ["REGULAR ELECTION" MEANS THE MUNICIPAL ELECTION HELD ON THE FIRST TUESDAY OF OCTOBER ANNUALLY, OR ON AN ELECTION DATE OR AT AN INTERVAL OF YEARS PROVIDED BY ORDINANCE;]

(15) "owner" or "record owner" means the owner of record or purchaser of record as shown in the records of the district recorder; ["STREET" INCLUDES STREETS, AVENUES, BOULEVARDS, ROADS, LANES, ALLEYS, AND OTHER WAYS;]

(16) "personal property" means tangible property other than real property, such as merchandise, stock in trade, machinery, equipment, furniture, fixtures, vehicles, boats, and aircraft; ["SUBDIVISION" 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, INCLUDES RESUBDIVISION, AND, WHEN APPROPRIATE TO THE CONTEXT, RELATES TO THE PROCESS OF SUBDIVIDING OR TO THE LAND OR AREA SUBDIVIDED;]

(17) "property" means real and personal property; ["VOTER" MEANS A UNITED STATES CITIZEN WHO IS QUALIFIED TO VOTE IN THE STATE ELECTIONS AND HAS BEEN A RESIDENT OF THE MUNICIPALITY FOR 30 DAYS IMMEDIATELY PRECEDING THE ELECTION AND WHO IS REGISTERED TO VOTE IN STATE ELECTIONS AND IS NOT DISQUALIFIED UNDER ART. V OF THE STATE CONSTITUTION.]

(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; ["AREAWIDE POWER" MEANS A POWER OF AN ORGANIZED BOROUGH EXERCISED THROUGHOUT THE BOROUGH;]

(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; ["NONAREAWIDE POWER" MEANS A POWER OF AN ORGANIZED BOROUGH EXERCISED BY THE BOROUGH ONLY IN THE AREA OUTSIDE OF CITIES.]

(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.

* Section 18. AS 01.10.060 is amended by adding a new paragraph to read:

EDITOR NOTE: A definition of "municipality" is added for all Alaska Statutes.

(15) "municipality" means a political subdivision incorporated under the laws of the state that [WHICH] is a home rule or general law city, a home rule or general law borough, or a unified municipality.

EDITOR NOTE: Section 19 - 93 are altered statutory references reflecting new number with little or no substantive changes as each section indicates. The typing of the sections are done in the prescribed way and you will find the original text of the statute with the changes marked.

* Section 19. AS 05.35.040 is amended to read:

Sec. 05.35.040. POWER OF MUNICIPALITY. A municipality may own, maintain and employ a facility constructed under AS 05.35.010 - 05.35.070. 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].

* Section 20. 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 29.35.260(c) that [WHICH] [AS 29.33.150 - 29.33.245] 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. 21. AS 09.65.070(e)(1) is amended to read:

(1) "municipality" has the meaning given in AS 01.10.060(15) and [MEANS A HOME RULE BOROUGH OR CITY, A GENERAL LAW BOROUGH OR CITY OF ANY CLASS, 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;

* Section 22. 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 shall be held annually on the first Tuesday in October. Elections shall be supervised by the commissioner [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.

* Section 23. 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 commissioner [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.

* Section 24. 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].

* Section 25. 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.

* Section 26. 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 [WHICH] 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 [WHICH] 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].

* Section 27. 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].

* Section 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.

* Section 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;

* Section 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;

* Section 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;

* Section 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;

* Section 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)];

* Section 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)];

* Section 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)];

* Section 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];

* Section 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.

* Section 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.

* Section 39. AS 18.26.250(2) is amended to read:

(2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUBDIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

* Section 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 chapter [ACT].

* Section 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];

* Section 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];

* Section 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;

* Section 44. AS 28.15.051(d) is amended to read:

(d) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may issue a special driver's permit to a person who is at least 14 years of age with the consent of the person's [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.

* Section 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;

* Section 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;

* Section 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.

* Section 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.

* Section 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.

* Section 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].

* Section 51. AS 38.05.127(d) is amended to read:

(d) Upon application by a municipality or an affected owner of land, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in a patent issued under 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.

* Section 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.

* Section 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 commissioner [DIRECTOR] for patent under AS 29.65.050(c) [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 commissioner [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.

* Section 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).

* Section 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.

* Section 56. 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 or former AS 29.18.201 - 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 or former AS 29.18.201 - 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 29.35.180 [AS 29.33] and AS 40.15.

* Section 57. 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].

* Section 58. 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];

* Section 59. 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.

* Section 60. 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.

* Section 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.

* Section 62. AS 41.98.175(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 41.98.170 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].

* Section 63. AS 42.05.711(1) is amended to read:

(1) A person, utility, or cooperative that [WHICH]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].

* Section 64. 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;

* Section 65. AS 44.33.403(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;

* Section 66. 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 29.05.030;

(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 <u>that</u> [WHICH] 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.

* Section 67. 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].

* Section 68. 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.

* Section 69. 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; [.]

* Section 70. 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 [WHICH]it can conform to the period or motif of the surrounding buildings or structures that [WHICH]are the reason for the area's designation as a historical district.

* Section 71. 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]as being satisfactory to meet the requirements of AS 46.03.140 - 46.03.170 and the applicable regulations.

* Section 72. AS 46.11.040(3)(A) is amended to read:

(A) is constructed under an exception to the municipal building code granted because the exception will result in increased energy efficiency [UNDER AS 29.33.080(g)];

* Section 73. 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 AS 29.60 [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;

* Section 74. AS 46.35.200(3) is amended to read:

(3) "local government" means a city or borough including a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

* Section 75. 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.

* Section 76. AS 46.40.210(2)(A) is amended to read:

(A) unified municipalities [ESTABLISHED UNDER AS 29.68.240 - 29.68.440];

* Section 77. AS 47.35.010(b) is amended to read:

(b) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]shall, within 90 days after receiving a written request that [WHICH]it do so, delegate its powers relating to nurseries under this section and under AS 47.35.040 - 47.35.060 to a municipality that [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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]under the authority of AS 47.35.010 - 47.35.080 as it applies to nurseries or the applica-

tion of any such regulation or standard as it applies to a particular day care licensee but must notify the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]of any waiver.

* Section 78. AS 29.10.200(37) is amended to read:

(37) AS 29.45.010 - 29.45.570 [AS 29.53.010 - 29.53.400] (property taxes)

* Section 79. AS 29.10.200(38) is amended to read:

(38) AS 29.45.650(c) and (d) [AS 29.53.415(d)] (sales and use tax)

* Section 80. AS 29.35.170(a) is amended to read:

(a) A borough shall assess and collect property, sales, and use taxes that [WHICH]are levied in its boundaries, subject to AS 29.45 [AS 29.53].

* Section 81. AS 29.46.080(c) is amended to read:

(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 [AS 29.53.200 - 29.53.390] for enforcement of property tax liens.

* Section 82. AS 29.60.030(d) is amended to read:

(d) The full and true assessed property value shall be determined by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]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 [WHICH]would apply to the utility if the utility were subject to levy and collection of taxes under AS 29.45 [AS 29.53.010. - 29.53.420].

* Section 83. 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 [WHICH]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.

* Section 84. 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 [WHICH]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.

* Section 85. 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]and reported to each municipality by January 15 of each year) multiplied by the number of residents of the taxing municipality, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]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.

* Section 86. AS 43.56.010(d) is amended to read:

(d) A tax paid to a municipality under AS 29.45.080 or former 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]upon application shall refund to the taxpayer the amount of tax paid to the municipality under AS 29.45.080 or former 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 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] upon the taxpayer for the tax year, under (a) of this section.

* Section 87. AS 43.56.060(a) is amended to read:

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]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 for 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.

* Section 88. AS 44.85.410(3)(A) is amended to read:

(A) a general obligation bond that 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

* Section 89. The following laws are repealed: AS 04.11.400(c); AS 04.-21.080(b)(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 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.78; AS 29.88; AS 29.89; AS 29.95; AS 30.15.070(3); AS 30.30.170(2); AS 35.15.120(3); AS 42.06.630(6); AS 43.20.016; AS 43.56.210(8); AS 44.07.360(8); AS 44.33.417(6); AS 44.47.310(5); and AS 44.85.410(4).

* Section 90. AS 29.53 is repealed.

* Section 91. A right or liability of a municipality existing on July 1, 1984, is not affected by the enactment of this Act. Ordinances and regulations in effect on July 1, 1984, remain in effect unless they conflict with provisions of this Act. Ordinances and regulations in effect on July 1, 1984, that conflict with provisions of this Act remain in effect for 180 days after July 1, 1984. The terms of elected or appointed municipal officials in office on July 1, 1984, are not affected by this Act, and their terms expire as provided before July 1, 1984.

* Section 92. AS 29.45 as enacted in sec. 11 of this Act and secs. 78 - 88 and 90 of this Act are effective January 1, 1985.

* Section 93. Except for AS 29.45 as enacted in sec. 11 of this Act and except for secs. 78 - 89 and 90 of this Act, this Act takes effect July 1, 1984.

SEC. 29.18.220. LEGISLATIVE FINDINGS. THE LEGISLATURE FINDS THAT THE DEVELOPMENT OF NATURAL RESOURCES IN ISOLATED AND RELATIVELY UNPOPULATED AREAS REQUIRES A POLICY AND PROCEDURE WHICH WILL PROVIDE PLANNING, FINANCIAL AND OTHER ASSISTANCE NECESSARY FOR ENCOURAGING ORDERLY DEVELOPMENT OF WELL-PLANNED, DIVERSIFIED AND ECONOMICALLY SOUND NEW CITIES NECESSARY TO SUPPORT THE SOUND DEVELOPMENT OF THE STATE'S RESOURCES BY BOTH THE PRIVATE AND PUBLIC SECTOR. IT IS THE PURPOSE OF §§ 220 - 460 OF THIS CHAPTER TO SET OUT THE MUTUAL RESPONSIBILITIES OF THE PRIVATE AND PUBLIC SECTORS TO ACHIEVE THESE OBJECTIVES WITH A VIEW TO SECURING INFORMATION VALUABLE TO FUTURE LEGISLATURES SO THAT GENERAL LEGISLATION APPLICABLE TO THE ESTABLISHMENT OF DEVELOPMENT CITIES MAY BE PERFECTED. (§19 CH 118 SLA 1972)]

[SEC. 29.18.230. DEVELOPMENT CITIES. SUBJECT TO RECLASSIFICATION UNDER § 400 (C) OF THIS CHAPTER, A DEVELOPMENT CITY IS A CITY OF THE CLASS DESIGNATED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 20.18.240. INCORPORATION. AN AREA NOT SERVED BY AN EXISTING MUNICIPALITY WHICH IS NOT REASONABLY PRACTICABLE TO BE SERVED BY AN EXISTING MUNICIPALITY MAY BE INCORPORATED AS A DEVELOPMENT CITY BY

(1) PETITION OF THE INDUSTRIAL DEVELOPER TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO BE ACTED ON BY THE LOCAL BOUNDARY COMMISSION; OR

(2) ACT OF THE LEGISLATURE. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.250. PETITION FOR INCORPORATION. A DEVELOPMENT CITY INCORPORATION PETITION PROPOSED BY AN INDUSTRIAL DEVELOPER SHALL INCLUDE THE FOLLOWING INFORMATION ABOUT THE PROPOSED CITY:

(1) CLASS,

(2) NAME,

(3) BOUNDARIES,

(4) COMPOSITION OF THE COUNCIL,

(5) MAPS, DOCUMENTS, PRELIMINARY ECONOMIC DEVELOPMENT PROJECTIONS, PRELIMINARY POPULATION PROJECTIONS, OUTLINE OF THE INDUSTRIAL DEVELOPER'S INVESTIGATIVE AND DEVELOPMENT EXPENDITURES AND ITS PROPOSED CAPITAL PROGRAM, AND OTHER INFORMATION REQUIRED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO SHOW THAT THE PROPOSED CITY MEETS THE STANDARDS FOR INCORPORATION,

(6) THE PROPOSED AGREEMENT REQUIRED UNDER § 330 OF THIS CHAPTER.(§19 CH 118 SLA 1972; AM §§ 9 CH 200 SLA 1972)]

[SEC. 29.18.260. REVIEW. THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL REVIEW THE PETITION FOR CONTENT AND SHALL RETURN DEFICIENT PETITIONS FOR CORRECTION AND COMPLETION. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

In addition to the material already noted as having been deleted from this bill, the following sections have been elimated entirely:

[Sec. 29.58.220. PAYMENT. BONDS ISSUED UNDER AS 29.58.200 - 29.58.220 OR THE PROCEEDINGS OF THE ASSEMBLY OR COUNCIL AUTHORIZING THEIR ISSUANCE MAY CONTAIN THE COVENANTS WHICH THE ASSEMBLY OR COUNCIL CONSIDERS ADVISABLE CONCERNING

(1) THE RATES OR FEES TO BE CHARGED FOR SERVICES RENDERED BY THE PUBLIC FACILITIES, THE REVENUE OF WHICH IS PLEDGED TO THE PAYMENT OF THE BONDS, OR THE TERMS AND CONDITIONS OF ANY OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(2) THE DEPOSIT AND USE OF THE REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(3) THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(4) THE RIGHTS OF THE BONDHOLDERS IN CASE OF DEFAULT IN THE PAYMENT OF THE PRINCIPAL OR INTEREST ON THE BONDS, INCLUDING THE APPOINTMENT OF A RECEIVER TO OPERATE THE PUBLIC FACILITIES;

(5) OTHER COVENANTS AS THE ASSEMBLY OR COUNCIL DETERMINES.

[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 SEPARATE AND INDEPENDENT VALUE FOR NONMINING USES, THE REAL AND PERSONAL PROPERTY IS ASSESSED AT ITS FULL AND TRUE VALUE.]

[Sec. 29.58.315. BOND ATTORNEYS, BOND AND FINANCIAL CONSULTANTS. THE GOVERNING BODY OR ITS DESIGNEE OF A HOME RULE OR GENERAL LAW MUNICIPALITY SHALL BE THE SOLE CONTRACTING AUTHORITY FOR BOND ATTORNEYS, BOND CONSULTANTS AND FINANCIAL CONSULTANTS ENGAGED IN LONG-RANGE FINANCIAL PLANNING OF THE MUNICIPALITY WHICH LEADS TO SALE OF BONDS.]

[Sec. 29.58.345. BONDED INDEBTEDNESS FOR SCHOOL CONSTRUCTION. A HOME RULE CITY LEVYING PROPERTY TAXES FOR SCHOOLS, UPON FURNISHING PROOF SATISFACTORY TO THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS OF THE NEEDS FOR SCHOOL FACILITIES WHICH, IF PROVIDED, WILL REQUIRE THE CITY TO EXCEED LIMITS ON AUTHORIZING OR ISSUING BONDS WHICH MAY BE ESTABLISHED BY CHARTER, MAY EXCEED THE LIMITS TO THE EXTENT NECESSARY TO PAY COSTS OF SCHOOL CONSTRUCTION. IN THIS SECTION "COSTS OF SCHOOL CONSTRUCTION" MEANS COSTS AS DEFINED IN AS 43.18.100(G) (2) (§ 1 CH 137 SLA 1974).]

ARTICLE 4. DEVELOPMENT CITIES

ALTERNATIVE REQUEST THE LOCAL BOUNDARY COMMISSION TO APPROVE INCORPORATION OF A DEVELOPMENT CITY.

(D) THE LOCAL BOUNDARY COMMISSION MAY DISSOLVE A DEVELOPMENT CITY ESTABLISHED UNDER § 20 OF THIS CHAPTER IF SUBSEQUENT TO ITS INCORPORATION

(1) THE MAJOR ECONOMIC DEVELOPMENT PROJECTED DOES NOT OCCUR WITHIN A PERIOD OF FIVE YEARS; AND

(2) IF THE DEVELOPMENT PROJECT HAD BEEN REVIEWED AS A NEW PROJECT THE LOCAL BOUNDARY COMMISSION DETERMINES IT WOULD HAVE REJECTED THE PETITION ON THE BASIS THAT IT IS IMPROBABLE THE PROPOSED DEVELOPMENT WOULD HAVE TAKEN PLACE.

(E) A COMMISSION DECISION UNDER THIS SECTION MAY BE APPEALED UNDER THE ADMINISTRATIVE PROCEDURE ACT (AS 44.62).(§ 19 CH 118 SLA 1972).]

[SEC. 29.18.300. PRELIMINARY PLANNING. THE CITY SHALL PREPARE AND SUBMIT TO THE STATE PRELIMINARY PLANS IN ADVANCE OF COMPLETION OF THE FINAL BASIC COMPREHENSIVE PLAN FOR THE CITY. THE PRELIMINARY PLANS SHALL INCLUDE

(1) MAPS, DOCUMENTS, PRELIMINARY ECONOMIC DEVELOPMENT PROJECTIONS, PRELIMINARY POPULATION PROJECTIONS, OUTLINE OF THE INDUSTRIAL DEVELOPER'S INVESTIGATIVE AND DEVELOPMENT EXPENDITURES AND ITS PROPOSED CAPITAL PROGRAM, AND OTHER INFORMATION REQUIRED BY REVIEWING AGENCIES OF THE STATE;

(2) A REPORT ON THE PHYSICAL AND BIOLOGICAL CHARACTER OF THE PROPOSED CITY'S SITE AND A LAND AND WATER USE PLAN AND THE DESIGN AND SITING OF THE COMMUNITY TO BE DEVELOPED BASED UPON THESE NATURAL FACTORS. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.310. REVIEW AND REPORT. (A) THE DIVISION OF PLANNING AND RESEARCH, IN CONJUNCTION WITH THE DEPARTMENTS OF COMMUNITY AND REGIONAL AFFAIRS, NATURAL RESOURCES, AND ENVIRONMENTAL CONSERVATION AND OTHER DEPARTMENTS AS DETERMINED APPROPRIATE BY THE DIVISION OF PLANNING AND RESEARCH, SHALL REVIEW THE PRELIMINARY PLANNING AND ADDITIONAL DATA MAY BE REQUESTED.

(B) THE DIVISION OF PLANNING AND RESEARCH SHALL COORDINATE THE PREPARATION OF A REPORT AND RECOMMENDATIONS, IF ANY, WHICH SHALL BE SUBMITTED TO THE GOVERNOR WITHIN 60 DAYS OF RECEIPT BY THE STATE OF THE PRELIMINARY PLANS FROM THE CITY. THE CITY MAY PROCEED TO THE COMPLETION OF THE FINAL BASIC COMPREHENSIVE PLAN UPON SATISFYING ANY SPECIFIC RECOMMENDATIONS CONTAINED IN THE REPORT.

(C) DURING THE COURSE OF PLANNING TOWARD COMPLETION OF THE BASIC COMPREHENSIVE DEVELOPMENT PLAN THE DIVISION OF PLANNING AND RESEARCH AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL BE KEPT CURRENTLY INFORMED AND THE FINAL PLAN SHALL BE SUBJECT TO REVIEW AND RECOMMENDATION BY THE DIVISION OF PLANNING AND RESEARCH, WHICH SHALL ACT IN ITS COORDINATING CAPACITY TO SECURE

[SEC. 29.18.270. INVESTIGATION. IF THE PETITION CONTAINS THE REQUIRED INFORMATION, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL INVESTIGATE THE PROPOSAL TO DETERMINE WHETHER THE DEVELOPMENT EXPENDITURES AND PROPOSED CAPITAL PROGRAM BY THE DEVELOPER SERVE THE PUBLIC INTEREST AND DEMONSTRATE A PROBABILITY OF BEING CARRIED FORWARD TO A SUCCESSFUL CONCLUSION. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.280. REPORT. (A) THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL REPORT ITS FINDINGS TO THE LOCAL BOUNDARY COMMISSION WITH ITS RECOMMENDATIONS REGARDING THE INCORPORATION WITHIN 50 DAYS OF RECEIPT OF THE PETITION FOR INCORPORATION.

(B) THE LOCAL BOUNDARY COMMISSION SHALL REVIEW THE PETITION AND THE FINDINGS AND RECOMMENDATIONS OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS WITHIN 60 DAYS OF RECEIVING THEM. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.290. DECISION ON DEVELOPMENT CITY INCORPORATION. (A) THE LOCAL BOUNDARY COMMISSION MAY REJECT A PETITION FOR INCORPORATION IF IT FINDS THAT

(1) THE AREA PROPOSED FOR INCORPORATION IS SERVED BY AN EXISTING MUNICIPALITY OR COULD BE SERVED BY AN EXISTING MUNICIPALITY;

(2) IT IS IMPROBABLE THAT THE PROPOSED DEVELOPMENT WILL TAKE PLACE;

(3) THE PROGRAM AND ACTIVITIES CONTEMPLATED BY THIS CHAPTER MAY BE UNDERTAKEN THROUGH EXPANSION OF THE CORPORATE LIMITS OF AN EXISTING CITY AND THEN DECLARES THAT CITY TO BE A DEVELOPMENT CITY FOR THE PURPOSE OF PREFERENTIAL DESIGNATION UNDER §§ 10 AND 340 - 460 OF THIS CHAPTER;

(4) THE PROGRAM AND ACTIVITIES CONTEMPLATED BY THIS CHAPTER MAY BE UNDERTAKEN BY ESTABLISHING A SERVICE AREA WITHIN AN EXISTING ORGANIZED BOROUGH FOR A DEVELOPMENT PROJECT, AND DECLARES THE SERVICE AREA TO BE ELIGIBLE FOR PREFERENTIAL DESIGNATION UNDER §§ 410 AND 450 OF THIS CHAPTER;

(5) THE PROPOSED DEVELOPMENT DOES NOT SERVE THE PUBLIC INTEREST.

(B) IF THE LOCAL BOUNDARY COMMISSION FINDS THAT A SERVICE AREA WITHIN AN ORGANIZED BOROUGH IS TO BE DESIGNATED FOR PREFERENTIAL TREATMENT UNDER (A)(4) OF THIS SECTION, THE ASSEMBLY MAY UNDERTAKE THE PROJECT IN THE MANNER OF A DEVELOPMENT CITY AND SHALL PRESENT TO THE LOCAL BOUNDARY COMMISSION A CONTRACTUAL AGREEMENT OUTLINING RESPONSIBILITIES ASSUMED BY THE BOROUGH AND THE INDUSTRIAL DEVELOPER TO IMPLEMENT THE PROPOSED DEVELOPMENT PROGRAM.

(C) THE ASSEMBLY MAY DECLINE FINDINGS UNDER (B) OF THIS SECTION TO ESTABLISH A SERVICE AREA AND IN THE

[SEC. 29.18.350. FILLING A VACANCY. IF A VACANCY OCCURS IN THE COUNCIL AS CONSTITUTED UNDER § 340 OF THIS CHAPTER, THE APPLICABLE APPOINTING AUTHORITY SHALL DESIGNATE THE REPLACEMENT DURING THE DEVELOPMENT STAGE OF THE CITY. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.360. POWERS AND DUTIES OF COUNCIL. DURING THE DEVELOPMENT STAGE THE COUNCIL OF A DEVELOPMENT CITY MAY

(1) EXERCISE THE POWERS AND DUTIES OF A SCHOOL BOARD IF THE CITY IS LOCATED OUTSIDE AN ORGANIZED BOROUGH;

(2) EXERCISE THE POWERS AND DUTIES OF A PLANNING COMMISSION UNDER AS 29.33.080, EXCEPT THAT DURING THE FIRST FIVE YEARS OR UNTIL THE DEVELOPMENT CITY HAS 400 PERMANENT RESIDENTS, ZONING AND ZONING CHANGES WILL BE REVIEWED AND APPROVED BY THE DIVISION OF PLANNING AND RESEARCH AND THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.370. POWERS AND DUTIES OF DEVELOPMENT CITY EXECUTIVE DIRECTOR. DURING THE DEVELOPMENT STAGE THE CITY COUNCIL SHALL APPOINT AND EXECUTIVE DIRECTOR OF THE DEVELOPMENT CITY, WHO MAY BE ONE OF ITS MEMBERS, TO SERVE AT THE PLEASURE OF THE COUNCIL. THE EXECUTIVE DIRECTOR SHALL HAVE THE POWERS AND DUTIES OF ALL EXECUTIVE AND ADMINISTRATIVE CITY OFFICIALS SET OUT IN THIS TITLE IN ORDER TO DEVELOP THE CITY UNDER A COMPREHENSIVE COMMUNITY DEVELOPMENT PLAN. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.380. PROCEDURES. DURING THE DEVELOPMENT STAGE, THE COUNCIL MAY PROVIDE FOR CONFERENCE TELEPHONE OR RADIOPHONE MEETINGS AT TIMES DETERMINED BY THE COUNCIL AND SHALL DETERMINE ITS OWN RULES AND ORDER OF BUSINESS. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.390. DEVELOPMENT CITY CAPITAL IMPROVEMENT FUNDS. ALL STATE AGENCIES SHALL, WHERE APPROPRIATE, ADOPT PROCEDURES TO INSURE THAT, DURING THE DEVELOPMENT STAGE, THE NEEDS OF A DEVELOPMENT CITY ARE CAREFULLY CONSIDERED IN THE ALLOCATION OF FUNDS AVAILABLE FOR CAPITAL IMPROVEMENT PROJECTS WHERE THOSE FUNDS HAVE NOT OTHERWISE BEEN COMMITTED BY THE LEGISLATURE. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.400. TRANSITION. (A) WHEN A DEVELOPMENT CITY HAS 400 PERMANENT RESIDENTS ELECTIONS SHALL TAKE PLACE ACCORDING TO THE FOLLOWING SCHEDULE:

(1) IN THE FIRST YEAR TWO ADDITIONAL COUNCILMEN WHO SHALL BE CITY RESIDENTS ELECTED FOR THREE-YEAR TERMS;

(2) IN THE SECOND YEAR TWO COUNCILMEN WHO SHALL BE CITY RESIDENTS ELECTED FOR THREE-YEAR TERMS TO REPLACE ONE OF THE COUNCILMEN NOMINATED BY THE INDUSTRIAL

REVIEW BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION AND OTHER STATE AGENCIES AS APPROPRIATE. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.320. LIMITATION. THE CITY MAY NOT PROCEED WITH COMMITMENT OF FUNDS OR FORMAL UNDERTAKINGS FOR PHYSICAL DEVELOPMENT UNTIL IT HAS A SIGNED CONTRACT OR CONTRACTS FOR SALE OF THE COMPANY'S PRODUCTS IN QUANTITIES SHOWN IN THE ECONOMIC DATA AND SUBMITTED BY THE COMPANY TO BE ADEQUATE TO SUSTAIN AN ECONOMICALLY VIABLE OPERATION. THE COMPANY MAY SUBMIT ALTERNATIVE VALID EVIDENCE THAT THE PROJECTED OPERATION WILL PROCEED. THE COMPANY SHALL NOTIFY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS OF THE MEETING OF THIS REQUIREMENT. UNLESS THE DEPARTMENT OF ECONOMIC DEVELOPMENT MAKES A DETERMINATION THAT THE DATA IS INSUFFICIENT, THE CITY MAY PROCEED. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.330. LOCAL HIRE. IN CONSIDERATION OF THE INCORPORATION OF A DEVELOPMENT CITY UNDER THIS CHAPTER, THE MAJOR DEVELOPER SHALL ENTER INTO AN AGREEMENT WITH THE APPROPRIATE AGENCIES OF THE STATE CONCERNING

(1) ESTABLISHING AND MAINTAINING AN APPROVED DEPARTMENT OF LABOR ON-THE-JOB TRAINING PROGRAM TO QUALIFY ALASKA RESIDENTS LACKING IN THE REQUISITE TECHNICAL SKILLS OF THE ACTIVITIES TO BE UNDERTAKEN;

(2) ESTABLISHING RESIDENT HIRE GOALS IN TERMS OF PER CENT OF EMPLOYEES AT THE END OF THE FIRST YEAR, SECOND YEAR AND THIRD YEAR OF OPERATION;

(3) ESTABLISHING THE RESPONSIBILITIES OF THE VARIOUS STATE AGENCIES TOWARDS PROVIDING TECHNICAL ASSISTANCE, MANPOWER PROCUREMENT, RELOCATION ASSISTANCE, JOB OPPORTUNITY SERVICES TO RESIDENTS IN THE AREA, SUPPLEMENTAL VOCATIONAL TRAINING, AND THE SCOPE OF EFFORT EACH STATE AGENCY HAS IN THIS REGARD WITH SPECIFIC COMMITMENTS IN TERMS OF NUMBERS OF RESIDENTS, TIME SCHEDULE AND DOLLAR VALUE OF TRAINING;

(4) ESTABLISHING THE PENALTIES AND CONDITIONS OF NONCOMPLIANCE WITH THE AGREEMENT. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.340. DEVELOPMENT CITY COUNCIL. THE COUNCIL OF A DEVELOPMENT CITY HAS FIVE MEMBERS CONSISTING OF THE COMMISSIONER OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS, OR HIS DESIGNEE, AND FOUR PUBLIC MEMBERS DESIGNATED BY THE GOVERNOR. THE GOVERNOR SHALL APPOINT NO FEWER THAN TWO PUBLIC MEMBERS FROM A LIST OF NOMINEES DESIGNATED BY THE MAJOR DEVELOPER PROVIDING THE INDUSTRIAL BASE OF THE CITY AS MEASURED BY EMPLOYMENT AND CAPITAL INVESTMENT. THE COUNCIL SHALL SERVE AT THE PLEASURE OF THE GOVERNOR. THE DESIGNATED COUNCILMEN NEED NOT BE RESIDENTS OF THE CITY DURING ITS DEVELOPMENT STAGE. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.450. APPLICABILITY OF OTHER PROVISIONS OF THIS TITLE. ALL APPLICABLE PROVISIONS OF THIS TITLE CONSISTENT WITH THE PROVISIONS OF THIS CHAPTER APPLY TO DEVELOPMENT CITIES. PROVISIONS OF THIS CHAPTER PREVAIL OVER OTHER PROVISIONS OF THIS TITLE WHICH ARE INCONSISTENT. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.460. DEFINITION. IN THIS CHAPTER "DEVELOPMENT STAGE" MEANS THAT PERIOD OF TIME EXTENDING FROM THE DATE OF INCORPORATION OF A DEVELOPMENT CITY UNTIL SUCH TIME AS THE CITY MAY ATTAIN A POPULATION OF 400 PERMANENT RESIDENTS, OR FIVE YEARS FROM THE DATE OF INCORPORATION, WHICHEVER IS EARLIER. (§ 19 CH 118 SLA 1972)]

[ARTICLE 5. CAPITAL CITY INCORPORATION.

SEC. 29.18.510. INCORPORATION. THERE IS CREATED AND INCORPORATED A CITY OF THE STATE AS THE CAPITAL CITY OF ALASKA WHICH IS A CITY OF THE FIRST CLASS. THE CAPITAL CITY HAS ALL THE POWERS OF A FIRST CLASS CITY. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.520. BOUNDARIES. THE BOUNDARIES OF THE CAPITAL CITY SHALL INCLUDE ALL OF THAT AREA OF LAND DESIGNATED BY THE VOTERS OF ALASKA AS THE NEW CAPITAL SITE OF THE STATE. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.530. CITY COUNCIL. (A) UNTIL COUNCIL MEMBERS ELECTED BY THE RESIDENTS OF THE CAPITAL CITY TAKE OFFICE AS PROVIDED IN § 570 OF THIS CHAPTER, THE COUNCIL OF THE CAPITAL CITY SHALL HAVE FIVE MEMBERS, FOUR OF WHOM SHALL BE APPOINTED BY THE GOVERNOR AND SHALL SERVE AT THE PLEASURE OF THE GOVERNOR. THE DEVELOPMENT CORPORATION SHALL DESIGNATE ONE PERSON TO SERVE AS A MEMBER OF THE COUNCIL. THE COUNCIL MEMBERS APPOINTED BY THE GOVERNOR OR DESIGNATED BY THE DEVELOPMENT CORPORATION SHALL SERVE AN INITIAL TERM WHICH EXPIRES ON THE MONDAY FOLLOWING THE FIRST TUESDAY IN OCTOBER OF THE CALENDAR YEAR FOLLOWING THE CALENDAR YEAR OF INITIAL APPOINTMENT OR DESIGNATION. COUNCIL MEMBERS MAY BE REAPPOINTED BY THE GOVERNOR OR REDESIGNATED BY THE DEVELOPMENT CORPORATION. EXCEPT AS PROVIDED IN § 470 OF THIS CHAPTER, THE SUCCESSORS OF THE INITIAL APPOINTEES AND DESIGNEE SHALL SERVE FOR A TERM OF TWO YEARS COMMENCING ON THE DATE THE INITIAL APPOINTMENTS AND DESIGNATION EXPIRE. EACH APPOINTEE AND DESIGNEE SHALL HOLD OFFICE FOR THE TERM OF HIS APPOINTMENT AND UNTIL HIS SUCCESSOR HAS BEEN APPOINTED OR DESIGNATED AND HAS QUALIFIED.

(B) COUNCIL MEMBERS APPOINTED BY THE GOVERNOR OR DESIGNATED BY THE DEVELOPMENT CORPORATION NEED NOT BE RESIDENTS OF THE CAPITAL CITY.

(C) THE COUNCIL SHALL ELECT A CHAIRMAN FROM AMONG ITS MEMBERSHIP. THE CHAIRMAN PRESIDES AT COUNCIL MEETINGS, DETERMINES THE AGENDA FOR COUNCIL MEETINGS, AND CARRIES

DEVELOPER AND ONE OF THE PUBLIC MEMBERS DESIGNATED BY THE GOVERNOR;

(3) IN THE THIRD YEAR TWO COUNCILMEN WHO SHALL BE CITY RESIDENTS ELECTED FOR THREE-YEAR TERMS TO REPLACE THE COMMISSIONER OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AND ONE OF THE COUNCILMEN NOMINATED BY THE INDUSTRIAL DEVELOPER;

(4) IN THE FOURTH YEAR A MAYOR WHO SHALL BE A CITY RESIDENT ELECTED FOR A THREE-YEAR TERM TO REPLACE THE REMAINING COUNCILMAN NOMINATED BY THE INDUSTRIAL DEVELOPER.

(B) AT THE TIME OF THE ELECTION UNDER (A)(4) OF THIS SECTION, OR ANY TIME AFTER IT, THE ELECTORATE MAY EXERCISE THE RIGHT TO BECOME A HOME RULE CITY AS AUTHORIZED UNDER THIS TITLE.

(C) IF, WITHIN A PERIOD OF FIVE YEARS FROM THE INCORPORATION OF A DEVELOPMENT CITY, THE NUMBER OF PERMANENT RESIDENTS DOES NOT REACH 400, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL ORDER AN ELECTION FOR CITY OFFICIALS AND DESIGNATE A SUCCESSOR CLASS OF CITY BASED ON POPULATION AS PROVIDED IN THIS TITLE. IF THE DEPARTMENT DESIGNATES A SUCCESSOR CLASS OF CITY, THE PROVISIONS OF THIS TITLE RELATING TO THAT CLASS OF CITY APPLY, AND THE CITY SHALL BE RECLASSIFIED ACCORDINGLY. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.410. HOUSING POWERS. FROM THE TIME OF THE APPOINTMENT OF THE FIRST CITY COUNCIL AND FOR A PERIOD OF 10 YEARS FOLLOWING THE FIRST ELECTION OF COUNCILMEN, THE COUNCIL MAY ACT AS ITS OWN HOUSING AND URBAN RENEWAL AUTHORITY IF SUCH POWERS HAVE BEEN GRANTED TO CITIES UNDER APPLICABLE PROVISIONS OF LAW. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.420. LAND SELECTION. REPEALED BY § 5 CH 180 SLA 1978, EFFECTIVE JULY 1, 1978.]

[SEC. 29.18.430. REVENUE BONDS. REVENUE BONDS MAY BE ISSUED BY A DEVELOPMENT CITY UNDER THE PROVISIONS OF AS 29.58.200 - 29.53.220. HOWEVER, NO VOTE OF THE PEOPLE IS REQUIRED TO ISSUE REVENUE BONDS DURING THE DEVELOPMENT STAGE. DURING THE DEVELOPMENT STAGE REVENUE BONDS MAY BE ISSUED BY A MAJORITY VOTE OF THE CITY COUNCIL. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.440. SHARED REVENUE. A DEVELOPMENT CITY IS ENTITLED TO SHARED REVENUE AND OTHER STATE FUNDS ON THE SAME BASIS AS A CITY OR ORGANIZED BOROUGH OF THE FIRST CLASS OR, IF RECLASSIFIED UNDER § 400(C) OF THIS CHAPTER, ON THE BASIS OF THE RECLASSIFICATION. DURING THE DEVELOPMENT STAGE THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS MAY ESTABLISH AN ASSUMED POPULATION FIGURE WHICH SHALL BE USED TO DETERMINE SHARED REVENUE BASED ON POPULATION ON PER CAPITA GRANTS. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.590. TRANSFER OF UTILITIES TO CAPITAL CITY. THE DEVELOPMENT CORPORATION, IN COOPERATION WITH THE CAPITAL CITY, SHALL ARRANGE FOR AND AGREE TO AN ORDERLY SCHEDULE FOR TRANSFERRING TO THE CAPITAL CITY OWNERSHIP OF, AND FINANCIAL AND OPERATIONAL RESPONSIBILITY FOR UTILITIES AND ANY OTHER FACILITIES WHICH THE DEVELOPMENT CORPORATION CONSIDERS TO BE INTEGRAL PARTS OF THE CAPITAL CITY INFRASTRUCTURE. BEFORE JANUARY 1, 1985, THE DEVELOPMENT CORPORATION AND THE COUNCIL OF THE CAPITAL CITY SHALL JOINTLY RETAIN INDEPENDENT CONSULTANTS TO STUDY AND DETERMINE AND ORDERLY SCHEDULE FOR TRANSFER OF THESE UTILITIES AND FACILITIES TO THE CAPITAL CITY. THE EXISTING AND ANTICIPATED RESIDENTS TO FINANCE THE COST OF THESE UTILITIES AND OTHER FACILITIES AND THEIR OPERATING EXPENSES. THE CONSULTANTS SHALL PROPOSE A RECOMMENDED SCHEDULE FOR AND TERMS OF TRANSFER WHICH ARE COMMENSURATE WITH THE CAPITAL CITY'S EXISTING AND ANTICIPATED POPULATION, TAX BASE AND ANY OTHER FACTORS RELATING TO ITS CAPABILITY TO FINANCE AND OPERATE THESE FACILITIES AS THEY CONSIDER APPROPRIATE. THE DEVELOPMENT CORPORATION SHALL, AFTER CONSIDERING THE CONSULTANTS' REPORT, PROPOSE A SCHEDULE OF AND TERMS AND CONDITIONS OF THE TRANSFER TO THE CAPITAL CITY, WHICH SHALL, UPON REVIEW AND APPROVAL BY THE COUNCIL, BE INCLUDED IN AN AGREEMENT BETWEEN THE DEVELOPMENT CORPORATION AND THE CAPITAL CITY. IF THE DEVELOPMENT CORPORATION AND THE CAPITAL CITY ARE UNABLE TO AGREE WITHIN SIX MONTHS AFTER THE DEVELOPMENT CORPORATION SUBMITS ITS PROPOSAL, THE DEVELOPMENT CORPORATION SHALL SUBMIT THE PROPOSAL TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE WHICH SHALL CONSIDER THE PROPOSAL, AND IF THE COMMITTEE CONSIDERS IT APPROPRIATE TO DO SO, SHALL RECOMMEND TO THE LEGISLATURE LEGISLATION IT CONSIDERS DESIRABLE FOR THE DISPOSITION OF THE UTILITIES AND OTHER FACILITIES. IF THE LEGISLATURE DOES NOT ENACT LEGISLATION REGARDING THE DISPOSITION WITHIN ONE YEAR AFTER THE PROPOSAL IS SUBMITTED TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE, THE DEVELOPMENT CORPORATION MAY AT ANY TIME THEREAFTER SELL OR DISPOSE OF THE UTILITIES AND FACILITIES OR ANY OF THEM TO A PRIVATE PERSON OR ENTITY OR GOVERNMENT BODY, OR CONTINUE TO OPERATE THEM. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.600. DEFINITIONS. IN §§ 510 - 600 OF THIS CHAPTER, UNLESS THE CONTEXT REQUIRES OTHERWISE,

(1) "CAPITAL CITY AREA" MEANS THE AREA DESCRIBED IN § 520 OF THIS CHAPTER;

(2) "CAPITAL CITY" MEANS THE MUNICIPALITY INCORPORATED BY THIS CHAPTER;

(3) "DEVELOPMENT CORPORATION" MEANS THE ALASKA CAPITAL CITY DEVELOPMENT CORPORATION;

(4) "GENERAL DEVELOPMENT PLAN" HAS THE SAME MEANING AS PROVIDED IN AS 44.07.360 AND INCLUDES AMENDMENTS TO THE GENERAL DEVELOPMENT PLAN;

OUT THE OTHER DUTIES SPECIFIED BY ORDINANCE. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.540. FILLING A VACANCY. IF A VACANCY OCCURS AMONG THE MEMBER APPOINTED BY THE GOVERNOR, THE GOVERNOR SHALL DESIGNATE THE REPLACEMENT WHO SHALL SERVE FOR THE UNEXPIRED PORTION OF THE TERM. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.550. APPOINTMENT OF CITY OFFICIALS. UNTIL A MAYOR IS ELECTED IN ACCORDANCE WITH § 570 OF THIS CHAPTER, THE COUNCIL SHALL APPOINT A CITY MANAGER FOR THE CAPITAL CITY TO SERVE AT THE PLEASURE OF THE COUNCIL. THE CITY MANAGER MAY NOT BE A COUNCIL MEMBER. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.570. TRANSITION. (A) WHEN THE CAPITAL CITY ATTAINS A POPULATION OF 400 PERMANENT RESIDENTS, AS CERTIFIED BY THE LIEUTENANT GOVERNOR BASED ON THE BEST INFORMATION AVAILABLE THE LIEUTENANT GOVERNOR SHALL NOTIFY THE COUNCIL OF THIS DETERMINATION. THE LIEUTENANT GOVERNOR SHALL SPECIFY AN ELECTION DATE WHICH SHALL BE THE FIRST TUESDAY OF OCTOBER FOLLOWING THE NOTIFICATION, EXCEPT THAT IF IT IS LESS THAN SIX MONTHS FROM THE DATE OF THE CERTIFICATION TO THE FIRST TUESDAY OF OCTOBER THEN THE ELECTION DATE SHALL BE THE FIRST TUESDAY OF OCTOBER OF THE YEAR FOLLOWING. THE ELECTED MEMBERS SHALL TAKE OFFICE ON THE MONDAY FOLLOWING THE ELECTION.

(B) AFTER THE LIEUTENANT GOVERNOR HAS SPECIFIED THE ELECTION DATE, THE COUNCIL SHALL MAKE ARRANGEMENTS FOR AN ELECTION AT WHICH FIVE COUNCIL MEMBERS AND A MAYOR SHALL BE ELECTED IN THE MANNER PRESCRIBED BY ORDINANCE AND LAW. THE EXPENSES OF THE ELECTION SHALL BE BORNE BY THE STATE. THE COUNCIL OF THE CAPITAL CITY SHALL HAVE SIX MEMBERS. THE GOVERNOR SHALL DESIGNATE ONE COUNCIL MEMBER HOLDING OFFICE ON THE DATE OF THE ELECTION TO REMAIN A MEMBER OF THE COUNCIL FOR A SINGLE THREE-YEAR TERM COMMENCING ON THE DATE THE ELECTED COUNCIL MEMBERS TAKE OFFICE. THE SUCCESSORS TO THE APPOINTED COUNCIL MEMBERS SHALL BE ELECTED BY THE RESIDENTS, EXCEPT THAT IF THE APPOINTED COUNCIL MEMBER LEAVES OFFICE DURING THE THREE YEARS, THE GOVERNOR MAY APPOINT A SUCCESSOR. THE TERMS OF ALL OTHER APPOINTED OR DESIGNATED COUNCIL MEMBERS EXPIRE WHEN THE ELECTED COUNCIL MEMBERS TAKE OFFICE. THE TERM OF ELECTED COUNCIL MEMBERS IS AS PROVIDED IN AS 29.23.200(C) EXCEPT THAT THREE OF THE MEMBERS ARE ELECTED FOR AN INITIAL TERM OF ONE YEAR. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.580. PLANNING AND ZONING AUTHORITY. THE GENERAL DEVELOPMENT PLAN AND SPECIFIC DEVELOPMENT PLANS CONSTITUTE THE LAND USE PLAN FOR THE CAPITAL CITY AREA. WHEN A PARCEL OF LAND HAS BEEN DEVELOPED IN ACCORDANCE WITH THE APPLICABLE SPECIFIC DEVELOPMENT PLAN, THAT PARCEL BECOMES SUBJECT TO ALL PLANNING, ZONING, SUBDIVISION, BUILDING CODE OR OTHER SIMILAR ORDINANCES OF THE MATANUSKA-SUSITNA BOROUGH. (§ 3 CH 143 SLA 1978)]

(5) "SPECIFIC DEVELOPMENT PLAN" HAS THE SAME MEANING AS PROVIDED IN AS 44.07.360 AND INCLUDES AMENDMENTS TO EACH SPECIFIC DEVELOPMENT PLAN. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.610. SHORT TITLE. SECTIONS 510 - 610 OF THIS CHAPTER MAY BE CITED AS THE CAPITAL CITY INCORPORATION ACT. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.202. 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, AS REPEALED BY THIS ACT, IS 10 PER CENT OF THE MAXIMUM TOTAL ACREAGE OF VACANT, UNAPPROPRIATED, UNRESERVED LAND WITHIN THE BOUNDARIES OF EACH CITY AT ANY TIME BETWEEN THE INITIAL DATE OF ELIGIBILITY UNDER FORMER AS 29.28.190 AND 29.18.200 AND JULY 1, 1978. WITHIN SIX MONTHS OF 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. (§ 2 CH 180 SLA 1978)]

[SEC. 29.23.395. INTENT OF §§ 397 - 401. IT IS THE INTENT OF §§ 397 - 401 OF THIS CHAPTER TO PROVIDE AN OPPORTUNITY FOR THE YOUNG PEOPLE OF ALASKA TO BECOME INVOLVED IN THE INSTITUTIONS AND PROCESSES OF LOCAL GOVERNMENT COMPARABLE TO THAT EMBODIED IN LEGISLATION UNDER CONSIDERATION AT THE FIRST SESSION OF THE SEVENTH LEGISLATURE PROVIDING FOR PARTICIPATION IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT.]

[SEC. 29.23.397. COMMISSION. (A) THE GOVERNING BODY OF A MUNICIPALITY MAY BY ORDINANCE ESTABLISH A COMMISSION ON THE INVOLVEMENT OF YOUNG PEOPLE IN LOCAL GOVERNMENT.

(B) THE COMMISSION MAY CONSIST OF NOT MORE THAN NINE MEMBERS, DRAWN FROM FIELDS OF PUBLIC AFFAIRS, EDUCATION, THE SCIENCES, THE PROFESSIONS, OTHER FIELDS OF PRIVATE ENDEAVOR, FROM THE STATE OR LOCAL SERVICE, AND THREE ADDITIONAL MEMBERS FROM THE 17 - 22 AGE GROUP, AND SHALL INCLUDE WOMEN AND REPRESENTATIVES OF MINORITY GROUPS. THE MEMBERS SHALL BE APPOINTED BY THE GOVERNING BODY IN THE MANNER PRESCRIBED BY ORDINANCE WITHOUT REGARD TO POLITICAL AFFILIATION AND SHALL SERVE AT THE PLEASURE OF THAT BODY. ONE MEMBER SHALL BE DESIGNATED BY THE GOVERNING BODY AS CHAIRMAN OF THE COMMISSION.

(C) MEMBERS OF THE COMMISSION SERVE WITHOUT COMPENSATION BUT ARE ENTITLED TO PER DIEM AND TRAVEL EXPENSES AS MAY BE AUTHORIZED BY ORDINANCE.

(D) THE COMMISSION SHALL ESTABLISH PROCEDURES TO ENABLE IT TO RECOMMEND ANNUALLY TO THE GOVERNING BODY A GROUP OF PROMISING YOUNG MEN AND WOMEN FROM WHOM THE GOVERNING BODY MAY SELECT INTERNS AND YOUTH VOTING MEMBERS OF MUNICIPAL BOARDS AND COMMISSIONS. THE COMMISSION, IN ESTABLISHING THESE PROCEDURES, SHALL ENLIST THE AID OF MUNICIPAL RESIDENTS WHO ARE ACTIVELY INTERESTED IN WORKING

WITH YOUNG PEOPLE. FOLLOWING ADOPTION OF THE PROCEDURES, THE COMMISSION SHALL ACCEPT APPLICATIONS FROM PERSONS AND NOMINATIONS FOR CONSIDERATION, AND SHALL INTERVIEW ALL APPLICANTS OR NOMINEES.

(E) RECOMMENDATIONS OF THE COMMISSION SHALL BE LIMITED TO YOUNG PEOPLE WHO

(1) HAVE A CAPACITY, DESIRE, INTEREST, ABILITY AND POTENTIAL FOR LEADERSHIP AND SERVICE TO THE COMMUNITY AND TO THE STATE;

(2) WILL HAVE ATTAINED THE AGE OF 17 BUT NOT THE AGE OF 22 BEFORE THE BEGINNING OF THEIR SERVICE.

(F) ANNUALLY, THE COMMISSION SHALL EVALUATE THE PROGRAM AND SHALL SUBMIT A WRITTEN REPORT TO THE GOVERNING BODY. (§ 18 CH 118 SLA 1972)]

[SEC. 29.23.399. INTERNS. AN INTERN MAY BE APPOINTED TO SERVE ON THE STAFF OF THE GOVERNING BODY OR THE MUNICIPAL ADMINISTRATION FOR A PERIOD OF TIME PRESCRIBED BY THE GOVERNING BODY, WITH A MAXIMUM OF ONE YEAR. HE MAY BE ASSIGNED RESPONSIBILITIES IN ANY OFFICE, DEPARTMENT OR AGENCY OF THE MUNICIPALITY. SERVICE WILL BEGIN AT A TIME PRESCRIBED BY THE GOVERNING BODY. INTERNS SHALL BE APPOINTED WITHOUT REGARD TO POLITICAL AFFILIATION. SALARIES SHALL BE INDIVIDUALLY ESTABLISHED BY THE GOVERNING BODY ON THE BASIS OR PRIOR EXPERIENCE AND THE RESPONSIBILITIES OF THE POSITION TO WHICH THE INTERN IS ASSIGNED. (§ 18 CH 118 SLA 1972)]

[SEC. 29.23.410. APPOINTMENT TO MUNICIPAL BOARDS AND COMMISSIONS. (A) NOTWITHSTANDING AS 39.05.100 OR A PROVISION OF LAW RELATING TO AGE, THE MUNICIPAL APPOINTING AUTHORITY FOR A MUNICIPAL BOARD OR COMMISSION MAY APPOINT A 17 - 21 YEAR OLD MUNICIPAL RESIDENT TO THE BOARD OR COMMISSION IF RECOMMENDED BY THE COMMISSION, ESTABLISHED IN § 397 OF THIS CHAPTER.

(B) A YOUNG PERSON RECOMMENDED BY THE COMMISSION MAY BE APPOINTED TO A MUNICIPAL BOARD OR COMMISSION HAVING SPECIAL QUALIFICATIONS FOR MEMBERSHIP IF THE PROPOSED NOMINEE, EXCEPT FOR HIS AGE, MEETS THE REQUIRED QUALIFICATIONS SET BY LAW.

(C) AN INDIVIDUAL APPOINTED TO A MUNICIPAL BOARD OR COMMISSION UNDER THIS SECTION IS ENTITLED TO THE RIGHTS, PRIVILEGES AND RESPONSIBILITIES OF OTHER MEMBERS, AND HIS APPOINTMENT IS SUBJECT TO CONFIRMATION BY THE GOVERNING BODY WHEN REQUIRED BY LAW.

(D) NO ADDITIONAL SEAT ON A MUNICIPAL BOARD OR COMMISSION IS CREATED BY VIRTUE OF §§ 395 - 401 OF THIS CHAPTER. (§ 18 CH 118 SLA 1972)]

[SEC. 29.23.470. APPOINTMENT OF A TEMPORARY OR NEW MANAGER. IN THE ABSENCE OR DISABILITY OF THE MANAGER, THE ASSEMBLY OR COUNCIL SHALL APPOINT A TEMPORARY MANAGER. IF THE OFFICE BECOMES VACANT, THE ASSEMBLY OR COUNCIL SHALL APPOINT A NEW MANAGER. (§ 2 CH 118 SLA 1972)]

NOTICE SHALL BE GIVEN BY POSTING A NOTICE IN THREE PUBLIC PLACES WITHIN THE CITY OR BOROUGH AREA OUTSIDE CITIES RECEIVING THE UTILITIES SERVICES AND BY SERVING WRITTEN NOTICE UPON THE CORPORATIONS, ASSOCIATIONS AND INDIVIDUALS WHOSE RATES ARE TO BE REGULATED, FIXED, OR CHANGED IN THE SAME MANNER THAT SUMMONSES ARE SERVED. THE NOTICES SHALL BE PUBLISHED OR POSTED AND SERVED AT LEAST 15 DAYS BEFORE THE HEARING. (§ 2 CH 118 SLA 1972)]

[SEC. 29.48.080. RIGHT TO PARTICIPATE AND COMPEL TESTIMONY. AT A HEARING HELD UNDER § 70 OF THIS CHAPTER, ALL PUBLIC SERVICE CORPORATIONS, ASSOCIATIONS, OR INDIVIDUALS AFFECTED BY OR INTERESTED IN THE MATTERS TO BE HEARD MAY BE PRESENT AND MAY BE REPRESENTED BY COUNSEL. THE MUNICIPALITY AND ALL INTERESTED PARTIES MAY PRODUCE WITNESSES AND EXAMINE THEM AND INTRODUCE EVIDENCE TO PROVE OR DISPROVE THE FACTS IN ISSUE OR MATTERS TO BE ESTABLISHED OR INQUIRED INTO AT THE HEARING. ALL PARTIES MAY COMPEL THE ATTENDANCE OF WITNESSES, AND SUBPOENAS REQUIRING ATTENDANCE SHALL BE ISSUED BY THE MUNICIPAL CLERK UNDER HIS HAND AND THE SEAL OF THE MUNICIPALITY. SUBPOENAS DUCES TECUM REQUIRING THE PRODUCTION OF BOOKS AND PAPERS SHALL BE ISSUED IN LIKE MANNER UPON REQUEST. IF A PERSON FAILS TO OBEY A SUBPOENA, THE PARTY AT WHOSE REQUEST THE SUBPOENA ISSUED MAY PETITION THE SUPERIOR COURT FOR AN ORDER COMPELLING THE ATTENDANCE OF THE DISOBEDIENT WITNESS OR THE PRODUCTION OF THE BOOKS OR PAPERS REFERRED TO IN A SUBPOENA DUCES TECUM. THE SUPERIOR COURT SHALL ORDER THE WITNESS TO APPEAR AND TESTIFY OR COMPEL THE PRODUCTION OF THE BOOKS OR PAPERS. A VIOLATION OF THE ORDER OF THE COURT IS A CONTEMPT OF COURT. IF A WITNESS APPEARS AND REFUSES TO TESTIFY CONCERNING A MATTER MATERIAL TO THE FACTS INQUIRED ABOUT AT THE HEARING AND TO ESTABLISH OR DETERMINE WHICH THE HEARING WAS HAD, AND APPLICATION MAY BE MADE TO THE SUPERIOR COURT TO COMPEL THE WITNESS TO TESTIFY AND ANSWER QUESTIONS PUT TO HIM CONCERNING THE MATTERS INQUIRED ABOUT AND THE COURT SHALL MAKE AN ORDER COMPELLING THE WITNESS TO TESTIFY. VIOLATION OF THE ORDER IS CONTEMPT OF COURT. (§ 2 CH 118 SLA 1972)]

[SEC. 29.48.090. FURTHER PROCEEDINGS. A HEARING UNDER § 70 OF THIS CHAPTER SHALL BEGIN AT THE TIME STATED IN THE NOTICE BUT MAY BE CONTINUED FROM TIME TO TIME. AT LEAST A QUORUM OF THE ASSEMBLY OR COUNCIL SHALL BE PRESENT AT THE HEARING. AT THE CONCLUSION OF THE HEARING THE PARTIES INTERESTED MAY MAKE SUCH ARGUMENTS BEFORE THE ASSEMBLY OR COUNCIL, EITHER IN PERSON OR BY ATTORNEY, AS THEY CONSIDER PROPER, TOUCHING THE MATTERS AT ISSUE, AND THEREAFTER THE ASSEMBLY OR COUNCIL SHALL PROCEED TO REGULATE AND FIX THE RATES BY ORDINANCE. THE DATE UPON WHICH THE RATES FIXED OR REGULATED TAKE EFFECT SHALL BE STATED IN THE ORDINANCE AND SHALL BE AT LEAST 10 DAYS AFTER PASSAGE AND APPROVAL OF THE ORDINANCE. (§ 2 CH 118 SLA 1972)]

[SEC. 29.33.120. ADJUSTMENT PROCEDURE. AN INTERESTED PARTY, INCLUDING BUT NOT LIMITED TO A BOROUGH OR CITY OFFICIAL, MAY FILE WITH THE BOARD OF ADJUSTMENT AN APPEAL SPECIFYING HIS OBJECTIONS. COPIES ARE FILED WITH THE ADMINISTRATIVE OFFICER INVOLVED AND WITH THE BOROUGH CLERK WITHIN THE TIME REQUIRED BY THE ZONING ORDINANCE. THE OFFICER SHALL PROVIDE THE BOARD WITH ALL PERTINENT RECORDS, INCLUDING HIS WRITTEN DECISION. AN APPEAL TO THE BOARD STAYS ENFORCEMENT PROCEEDINGS UNLESS THE BOARD OR A COURT ISSUES AN ENFORCEMENT ORDER BASED ON A CERTIFICATE OF IMMINENT PERIL TO LIFE OR PROPERTY MADE BY THE ENFORCEMENT OFFICER. (§ 2 CH 118 SLA 1972)]

[SEC. 29.43.100. EXTENSION OF CURFEWS OUTSIDE CITIES. THE PROVISIONS OF A CURFEW ORDINANCE ENACTED BY A CITY OF ANY CLASS CONCERNING MINORS SHALL BE IMPOSED IN THE TOTAL AREA WITHIN 20 MILES OF THE LIMITS OF THAT CITY. IF A GIVEN AREA LIES WITHIN 20 MILES OF TWO OR MORE CITIES WITH CONFLICTING CURFEW ORDINANCES, THE PROVISIONS OF THE CURFEW ORDINANCE OF THE CITY HAVING THE LARGEST POPULATION PREVAILS AS TO THE OVERLAPPING AREA. (§ 1 CH 86 SLA 1962; AM § 22 CH 166 SLA 1978)]

[SEC. 29.43.105. ENFORCEMENT OF CURFEWS. (A) THE MUNICIPAL PEACE OFFICERS SHALL ENFORCE THE PROVISIONS OF THE ORDINANCE INSIDE THE CITY LIMITS. UNDER AS 29.43.100 - 29.43.110 THE STATE PEACE OFFICERS SHALL ENFORCE THE PROVISIONS OF THE ORDINANCE IN THE AREA OUTSIDE THE CITY LIMITS.

(B) IN AN AREA WHERE STATE PEACE OFFICERS ARE NOT AVAILABLE, THE MUNICIPAL PEACE OFFICER MAY ENFORCE THE PROVISIONS OF THE ORDINANCE IN THE AREA OUTSIDE THE CITY LIMITS IF THE ENFORCEMENT RESPONSIBILITIES ARE DELEGATED BY CONTRACT BETWEEN THE STATE AND THE MUNICIPALITY. (§ 3 CH 86 SLA 1962; AM § 22 CH 166 SLA 1978)]

[SEC. 29.43.110. PENALTY FOR VIOLATION OF CURFEW. THE PENALTY FOR VIOLATION OF AS 29.43.100 - 29.43.110 IS AS PRESCRIBED BY THE CURFEW ORDINANCE OF THE CITY, AND A FINE SO PAID SHALL BE PAID TO THE CITY WHEN THE VIOLATION TAKES PLACE IN THE CITY. OTHERWISE THE FINE SHALL BE PAID TO THE STATE. HOWEVER, THE PENALTY SHALL NOT EXCEED A FINE OF $300, OR IMPRISONMENT FOR 30 DAYS, OR BOTH. (§ 2 CH 86 SLA 1962; AM § 22 CH 166 SLA 1978)]

[SEC. 29.48.070. HEARING FOR REGULATION OF UTILITIES RATES. IF THE ASSEMBLY OR COUNCIL CONSIDERS IT ADVISABLE TO REGULATE, CHANGE, OR FIX THE RATES TO BE CHARGED BY A PUBLIC SERVICE CORPORATION, ASSOCIATION OR INDIVIDUAL NOT REGULATED UNDER AS 42.05, IT SHALL ORDER A HEARING TO BE HELD BEFORE THE GOVERNING BODY AT A TIME AND PLACE SPECIFIED. NOTICE OF THE HEARING SHALL BE GIVEN BY AT LEAST ONE PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY OR, IF NO NEWSPAPER OF GENERAL CIRCULATION IS DISTRIBUTED WITHIN THE MUNICIPALITY,

[SEC. 29.48.100. APPLICATION. (A) IN THE CASE OF CONFLICT BETWEEN THE PROVISIONS OF §§ 50 - 70 OF THIS CHAPTER AND THE PROVISIONS OF AS 42.05 AS TO THE REGULATION OF RATES OF A UTILITY, THE PROVISIONS OF AS 42.05 SHALL PREVAIL.

(B) SECTIONS 50 - 100 OF THIS CHAPTER APPLY TO HOME RULE AND GENERAL LAW MUNICIPALITIES. (§ 2 CH 118 SLA 1972)

SEC. 29.48.250. CENTRALIZED PURCHASING. THE ASSEMBLY OR COUNCIL MAY PROVIDE FOR CENTRALIZED PURCHASING, STORAGE AND DISTRIBUTION OF SUPPLIES, MATERIAL AND EQUIPMENT FOR THE MUNICIPALITY AN ITS DEPARTMENTS. (§ 2 CH 118 SLA 1972)]

[SEC. 29.58.220. PAYMENT. BONDS ISSUED UNDER AS 29.58.200 - 29.58.220 OR THE PROCEEDINGS OF THE ASSEMBLY OR COUNCIL AUTHORIZING THEIR ISSUANCE MAY CONTAIN THE COVENANTS WHICH THE ASSEMBLY OR COUNCIL CONSIDERS ADVISABLE CONCERNING

(1) THE RATES OR FEES TO BE CHARGED FOR SERVICES RENDERED BY THE PUBLIC FACILITIES, THE REVENUE OF WHICH IS PLEDGED TO THE PAYMENT OF THE BONDS, OR THE TERMS AND CONDITIONS OF ANY OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(2) THE DEPOSIT AND USE OF THE REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(3) THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(4) THE RIGHTS OF TH BONDHOLDERS IN CASE OF DEFAULT IN THE PAYMENT OF THE PRINCIPAL OR INTEREST ON THE BONDS, INCLUDING THE APPOINTMENT OF A RECEIVER TO OPERATE THE PUBLIC FACILITIES;

(5) OTHER COVENANTS AS THE ASSEMBLY OR COUNCIL DETERMINES. (§ 2 CH 118 SLA 1972; AM § 22 CH 83 SLA 1979)]

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

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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 municipaiities, 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 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. This section contains only minor word changes so that language used in Title 29 which is defined is uniformly used throughout the title. (AS 29.68.010)

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 reference 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. (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;

(27) alcoholic beverages;

(31) assessment and collection of taxes;

(32) land use regulation;

(36) title to vacated areas;

(38) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);

(42) construction;

(46) 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. 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. (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, utility services, 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))

(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))

Sec. 29.35.070. The governing body may regulate a utility rate to the extent that it is not subject to regulation by the state and to the extent not otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(17). (AS 29.48.060)

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 five 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. (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 29.89.080)

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.

(4) 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, while under existing law, only "regular election" is defined;

(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(8))

(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;

(25) minor rewording; (AS 29.78.010(17))

The definition of "municipal election" has been eliminated. (AS 29.78.010(7))

* 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. The statutory references are altered to reflect new numbering.

* 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. Minor rewording. The statutory references are deleted as unnecessary.

* Sec. 69. The statutory references are deleted as unnecessary.

* Sec. 70. 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. 71. The statutory reference is altered to reflect new numbering.

* 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 new statutory reference is inserted and "former" added before the citation to a section repealed by this bill.

* Sec. 75. The new statutory references are inserted and "former" added before citations to sections repealed by this bill.

* Sec. 76. The statutory references are altered to reflect new numbering.

* Sec. 77. The statutory reference to a repealed section is deleted and language inserted to take the place of the deleted reference.

* Sec. 78. The statutory references are altered to reflect new numbering.

* Sec. 79. The statutory references are deleted as unnecessary.

* Sec. 80. The statutory references are altered to reflect new numbering.

* Sec. 81. The statutory references are deleted as unnecessary.

* Sec. 82. The statutory references are altered to reflect new numbering.

* Sec. 83. 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. 84. 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. 85. The chapter on taxation is retroactive to January 1, 1983, the beginning of the tax year.

* Sec. 86. An immediate effective date is provided for the retroactive clause and the chapter on taxation.

* Sec. 87. 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);

.. 9.53.030 (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

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

HB

457

Alaska State Legislature

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House of Representatives

COMMITTEES

CHAIRMAN
HOUSE TRANSPORTATION

MEMBER
HOUSE HEALTH EDUCATION
AND
SOCIAL SERVICES

This appropriation was made last year and the governor vetoed the language and put the appropriation into the Department of Transportation for their operations.

HB 457 appropriation will be used for:

75KW diesel Generator and transportation costs

Bulk Fuel Storage Tanks and transportation costs

Design and Engineering Platting, community plan and administrative costs.

* this is vital for the Local Service Roads and Trails moneys that appropriates $117,500 in FY 81 and 82 for a total of $232,000.

* HUD has committed to 23 housing units and this study will plan for plotting and location.

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Despite time, problems, Chenega residents still plan return

By BILL HESS
Times Staff

Almost 18 years after the great earthquake and tidal wave of 1964 destroyed their village and drove them from their homes, the people of Chenega still plan their return. Soon, they say, whether help is forthcoming or not.

"I just think of it as home," says Larry Evanoff, chairman of the Chenega Village Council, and president of the village corporation. "I want to see all the people together again. I remember the village as a fun place, a place where everybody always kind of helped each other out. Nobody kept anything locked. If someone went hunting, they left their house open. Then if someone was in a bad way, they were welcome to come in."

"It gave you a feeling of belonging. It was a far cry different from Anchorage. Evanoff's current home, where everybody is a stranger, where monetary values are put ahead of everything else. Where there is barbed wire. It all gives you a feeling of being alone." Evanoff was 14 when the disaster struck.

His wife, Gail, did not grow up in Chenega, but as president of the Village Council, she is a vigorous supporter of the move to build a New Chenega. Her childhood village of Candle was also destroyed by fire, giving her empathy with the people whose interests she represents.

There were about 120 residents of Chenega when the earth shook and then the water swept in and washed everything away, except for the schoolhouse which sat on a hill. Twenty-three of these, including Larry Evanoff's parents, were killed. The survivors found refuge in Tatitlek, but most later moved to Cordova.

Through it all the villagers kept their sense of community. Although no one was living in Chenega when the Alaska Native Claims Settlement Act passed in 1971, the Chenega survivors were able to form a village corporation in the Chugach region under a special "Act of God" clause.

Sixty-nine shareholders are enrolled in the corporation. They also have formed a village council under provisions of the Indian Reorganization Act.

Since that time, the council has been busy planning its community, and seeking help to do so. Three alternate sites covering 69,000 acres were selected. Village members plan to build New Chenega at Crab Bay 15 boat miles from the old townsite. Crab Bay provides a natural harbor and an area relatively clear of the dense forest which rises from the waters of Prince William Sound. It also should be less susceptible to annihilation in the event of a repeat of 1964, as is evidenced by the still standing remains of an abandoned cannery which survived the tidal wave.

The quest to rebuild has been met with frustrating delays and red tape. Help was sought through the Bureau of Indian Affair's Emergency Relief program, but the Chenega people learned that aid given

(Continued on Page Seven

(Continued from Page One)

them in relocating to new areas after the earthquake was all that they qualified for under the program.

In 1981, the BIA provided a $7,381.50 grant which was used to hold a community meeting in October, and to keep open a council office in Anchorage. The funds have been cut by 45 percent this year.

The state legislature last year approved a $225,000 grant for planning, engineering, and surveying in the New Chenega townsite, but this was taken out of the budget by Governor Jay Hammond. The community will be lobbying for the funds during the current legislative session, with the services of Community Regional Affairs.

The U.S. Department of Housing and Urban Development originally turned down the villagers' request for housing, but last fall finally approved 23 applications for h homes to be built in New Chenega. Funds for their construction have not actually been released, however, and with the budget cutting of the Reagan administration, construction can't be guaranteed until the money is actually received.

Aides to U.S. Senator Ted Stevens and U.S. Rep. Don Young note that the final HUD appropriations for this fiscal year were signed into law just before Christmas. Now the appropriation is in the Office of Management and Budget where it must be assigned to the different area offices by the end of January. Rick Agnew of Young's office notes that the Chenega homes have been a top priority rating in the Anchorage area, and that their outlook is "pretty good." Pam Rubinstein, press secretary to Stevens indicates that funding for the 23 homes is virtually assured.

In addition to the HUD homes, which are priced at $1.8 million, the council has projected water and sewer construction costs at $3 million, roads and trails at $117,000, a school and community center complete with a medical clinic, post office, council and corporation offices, and a community room at $500,000 to be built with a HUD community development block grant; a dock to berth up to 30 fishing vessels at $225,000 and an Alaska Native Industries Co-operative Association store, complete with stock, at $100,000.

The figures have been reached with the help of different governmental agencies, such as the Alaska Department of Transportation, whose help is being sought in obtaining them. Studies are underway to determine the costs and best methods of providing power to New Chenega.

Additionally, community members seek an airstrip, but have been told by state officials that they want to see a community in place before they attempt to justify the cost of construction.

Whatever happens, the Evanoffs say their new community will be founded come June. "We're moving back this summer," Gail Evanoff emphasizes. "If it's going to be in tents, it's going to be in tents! The government agencies want to see our plans before they justify our moving back. We say, let us build our community, then we can see what plans will work out best. But we are going back. My children will go to school next fall in Chenega!"

The Evanoffs express optimism in the potential for economic development for New Chenega. "We know there are several good opportunities for Chenega," Evanoff stresses. "The sound offers great fishing and tourism potential. We can

A Prince William Sound Aquaculture Corporation would like to build a road from New Chenega to their hatchery facilities, and would look for workers among the Chenega population. Most of their help is currently imported from the Lower 48, or urban areas such as Anchorage and Juneau.

The potential for a small sawmill, whose product could be used for building a dock as well as telephone poles and other export needs, also is being explored. Leo Barlow, coordinator of the Alaska Industrial Council, notes that the village has applied for $13,000 aid for training in sawmill skills at the Alaska Vocational and Technical Center in Seward. "We are supportive of the concept," Barlow says, but stresses that the council has yet to make any decision.

"We have encouraged them to work with their ideas," he notes, adding that there is "tremendous potential for their approach, and for their concept of starting a sawmill operation."

Ms. Evanoff contends the culture of what is believed to have been the oldest village in Prince William Sound will be lost if New Chenega is not built. There also are a number of important archaeological sites in the area. "A lot has been taken from these sites by people who are interested only in their monetary Ms. Evanoff notes. "We could help preserve these sites. What they want money for, we want respect!"

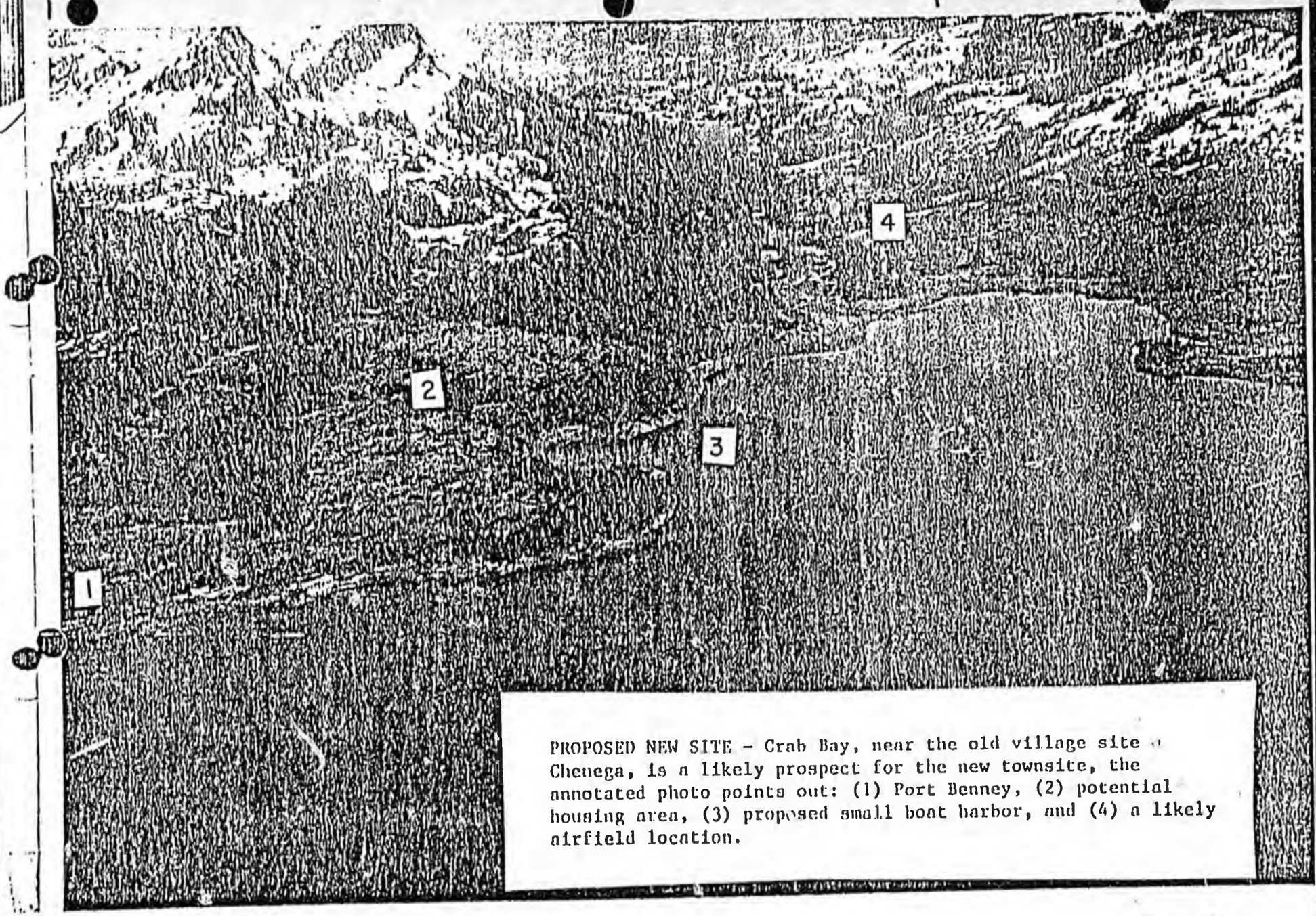
Approximately 70 people would fill the 23 HUD homes. Others among them also emphasize their desire to return. "Oh, we have wanted to go back for so many years," explains John Vlasoff, a Chenega elder. "We have wanted to have our own home there for a long time. I guess since I was a little boy." Vlasoff lives in Cordova.

"I just love village life," adds Dotty Pavek, also of Cordova. "I want to get out of town. It is so expensive here! I have so many bills. Sure, I will have bills in Chenega but it won't be so bad where we can support ourselves." "And at least you wouldn't have to contend with the booze, bars, and drugs that you have here!"

"You better believe it, I will!" Pavek answers when asked if she would be willing to go back this summer even if it means tent living for a while.

Although Evanoff admits that life in New Chenega would not be exactly like it was in the past, perhaps unattended homes could not be left unlocked for long periods of time; he still believes residents will have a strong sense of community, and will help each other. "I want my children to know village life," he stresses.

"We don't want anyone to feel sorry for us," adds his wife. "We feel we deserve to be able to go back. We're not asking something for nothing. We are tax payers too, by golly! We pay our way!"



PROPOSED NEW SITE - Crab Bay, near the old village site of Chenega, is a likely prospect for the new townsite, the annotated photo points out: (1) Port Benney, (2) potential housing area, (3) proposed small boat harbor, and (4) a likely airfield location.

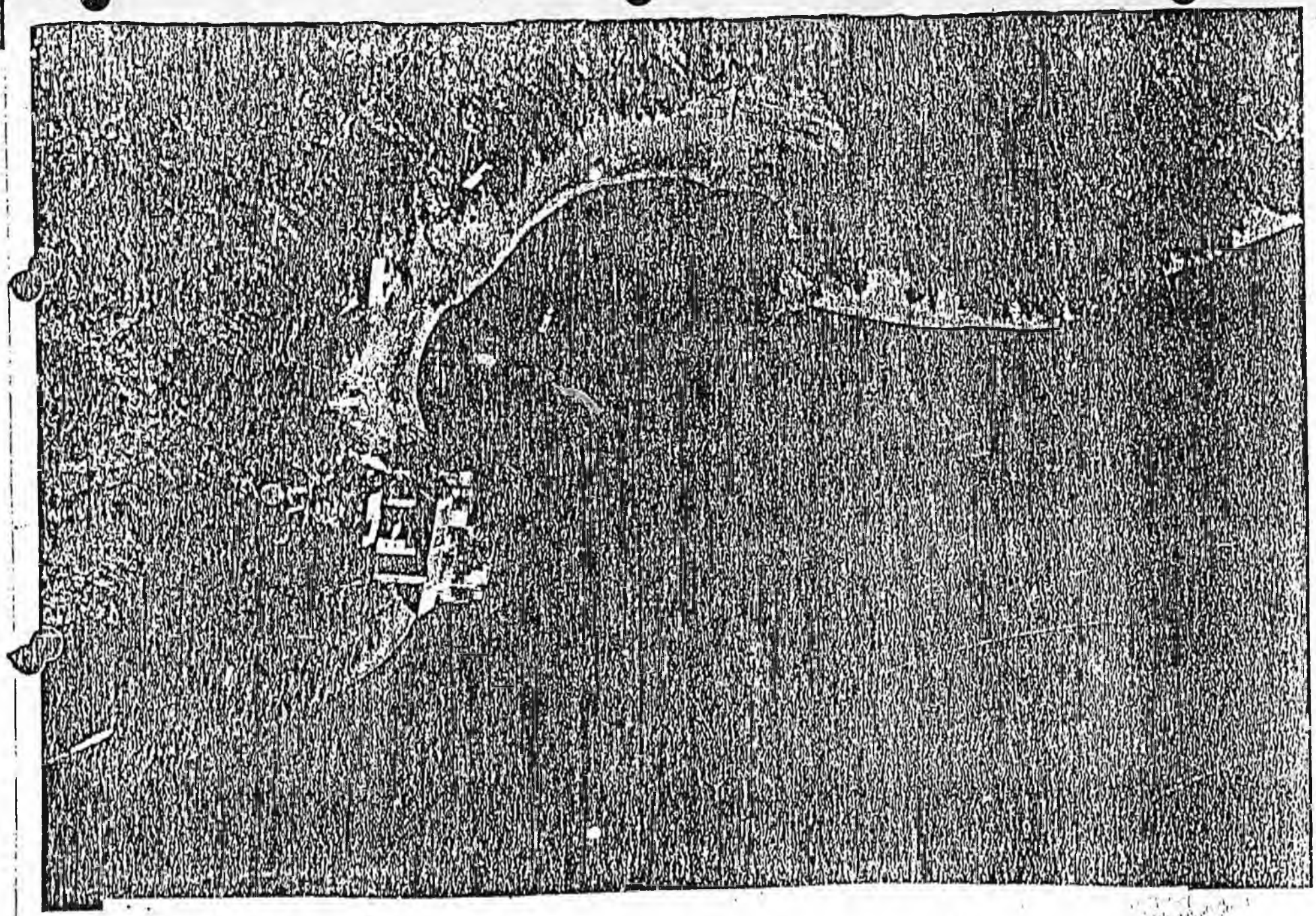


PHOTO #2. Showing one of several potential small boat harbors and abandoned cannery.

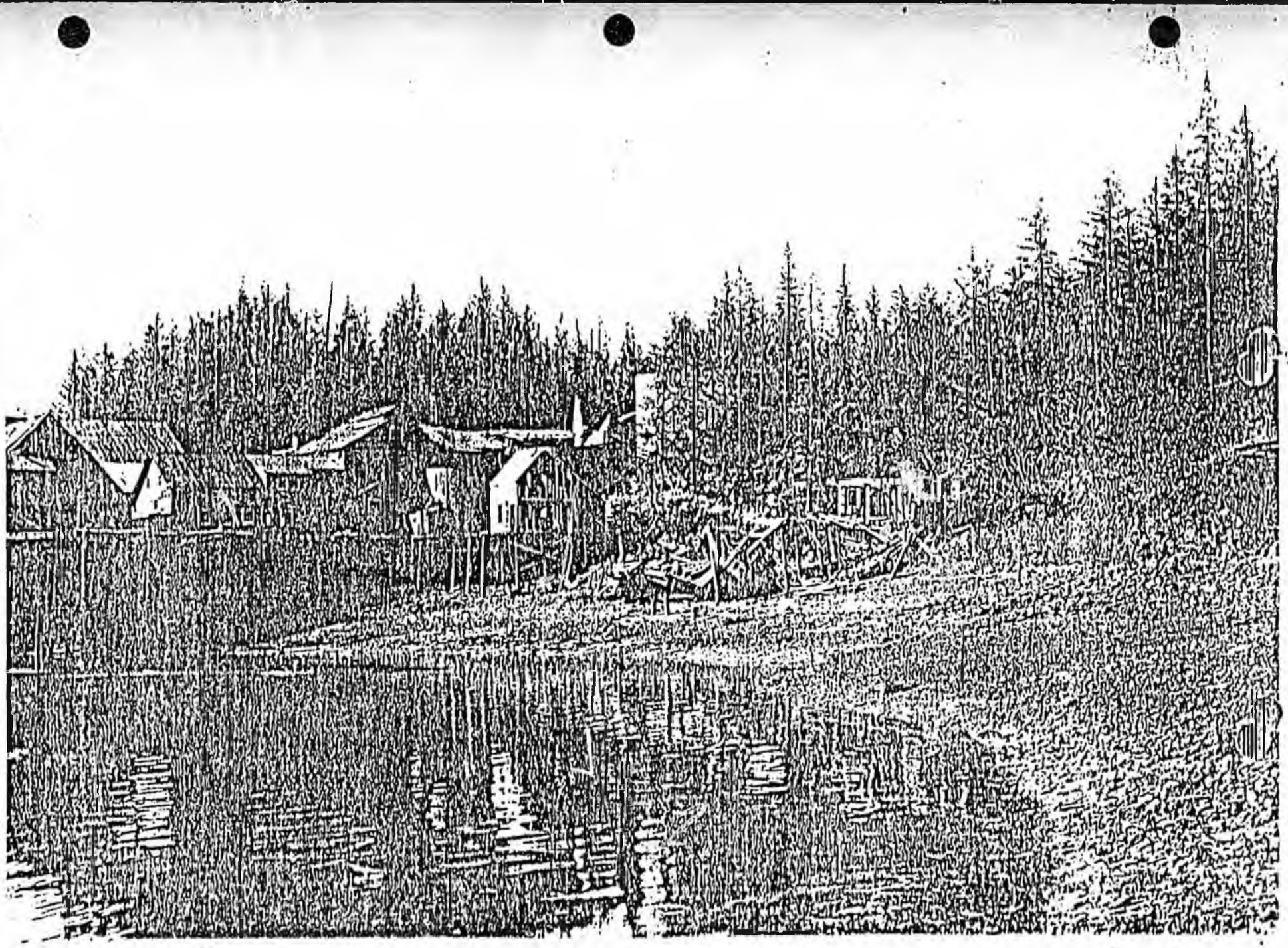


PHOTO #3. Cannery damaged during and abandoned after 1964 earthquake (uplift in area 8 to 9 feet).

NEW CHENEGA
DEVELOPMENT PROGRAM

Planning
Work Program
Budget

Prepared by:

CHENEGA VILLAGE COUNCIL
903 W. Northern Lights Blvd., Suite 203
Anchorage, Alaska 99503
Gail Evanoff, President

February 17, 1981

The Chenega Village Council is an IRA Council which is spearheading the development of the New Chenga Village. There are 23 households of Chenega residents who have committed themselves to return to New Chenega.

At first the village considered rebuilding at the village's former location on Chenega Island, and has a plan prepared to guide then on that endeavor. Then, however, the people realized that they would be vulnerable to the same kind of disaster that struck previously. They were also fearful of living at what was now considered a historic place.

Consequently, the Corps of Engineers was asked to assist the village in identifying a suitable site on lands selected by the Village Corporation under the Settlement Act. A Corps of Engineers party, led by Mason Wade and Erv Long visited the area in 1976 and recommended that Crab Bay on Evans Island be considered as the site for the new village. This site is 15 miles south of the former village location. It has a sheltered harbor, a good level area for development, plentiful water supplies and enough protection from all elements to assure that a disaster similar to the one that befell the Chenega people before would never happen again.

In the spring of 1977 the Soil Conservation Service of the U.S. Department of Agriculture visited the site and performed a soils survey. In 1980 the Anchorage firm of Lounsbury and Associates was selected to draft a design plan for the new village. These alternatives were produced under that agreement, and in October of that year the Chenega people assembled in Cordova and chose their preferred alternative.

Based on that decision, the Chenega Village Council has worked with several consultants to prepare this proposal for funding. It entails the collection of sufficient site information for

survey, engineering and design purposes, so that major construction can get underway in late 1981 and 1982.

The Chenega people were uprooted seventeen years ago by an Act of God. Hopefully, the funds granted under this proposal and the construction activities which are soon to follow will finally provide them with a home to return to.

II. DEVELOPMENT PLAN

The Chenega Council proposes to develop New Chenega in a series of phases. Planning for the site has already begun. Significant effort has gone into site selection and preliminary evaluation. A preliminary layout of lots and roads has been done and approved by the stockholders. Initial location studies have been done for a variety of community facilities, including an airport, a school site, a boat harbor, a sewage treatment plant, electrical power generation source and a water source. Consideration has been given to areas for commercial development and future expansion of the residential uses. A preliminary layout of New Chenega is attached (Attachment C). The Chenega Village Corporation owns all of the land involved in the site, thus there should be no title-related problems.

The overall schedule for the development of New Chenega stretches over several years. The short-term schedule anticipates an intensive effort that will result in initial occupancy by late 1982.

In 1981 the Village Council is ready to begin detailed planning, layout and design studies. The feasibility of the utilities should be verified and the village design needs to be adjusted to fit the exact physical conditions of the site. After that the final stages of engineering, surveying and construction can begin.

Chenega's immediate goal is to complete the planning, layout and surveying during this summer. Engineering would be started with completion of construction documents during the winter of 1981-82. It is anticipated that some preliminary construction activity would begin in 1981. However, the major construction effort would occur in 1982. This would include construction of roads, utilities and some houses. An investigation of the

hydroelectric potential identified in the preliminary planning would be conducted to determine the most efficient source of electric power for the village.

Following initial occupancy in late 1982, the Village Council will continue planning for construction of ancillary community facilities, including the small boat harbor, the airport, electrical system improvements and road extensions.

During the winter of 1982-83 design work would continue. The airport would be designed and construction prepared for. The small boat harbor would also be designed and the necessary permits would be obtained prior to construction. Design of the school and community hall would also be completed.

In the summer of 1983 construction of both the road to the airport and the airport would be completed. The school and community hall would be built. Additional housing would be completed and occupied. Improvements to the water storage system could be made, if needed.

Construction of the small boat harbor could begin in 1983 with completion by 1984. By late 1984 the village would be essentially complete.

At the same time that New Chenega is being built, several entities, including the Chugach Region and the Chenega Village Corporation, are searching for and encouraging the development of new economic enterprises in the village. This will provide a stabilizing economic base that will give New Chenega momentum and added ingredients for a stable and permanent community.

Chenega recognizes that this is an ambitious schedule. It is not, however, one that cannot be met. Since the initial planning decisions have already been made, the most critical factor

affecting scheduling of the project will be availability of funding.

The following work program and budget has been prepared for the purpose of requesting financial assistance for this project. This assistance, combined with the financial and human resources of the Chenega people, will allow the plans for replacing the Chenega Village to come to fruition after 17 years of effort.

III. NEW CHENEGA 1981 WORK PLAN

The following is an expression of the tasks that need to be accomplished within the next year in order to maintain the schedule described above.

Task 1: Soils Investigation

Prior to proceeding with final planning and actual layout of the new village on the site and before any engineering activities can begin, it will be necessary to gain definite soils information. This will be a major planning and design determinate. The soils information will be used to help adjust the preliminary site plan to actual conditions on the site, to help develop engineering studies and to develop estimates of construction costs for the village infrastructure and building foundations.

The soils investigation will involve moving a boring rig to the site by barge and taking core samples on a grid pattern. The location of test holes will have to be surveyed. Both onsite and laboratory analysis will be conducted. The final soils report will describe the subsurface conditions in detail and will make engineering and construction recommendations pertaining to the site.

Task 2: Schematic Design and Construction Cost Estimates

This task will utilize the soils information and the preliminary planning that has been done to date to develop a schematic design for utilities and roads. The sewer and water lines will be layed out on a preliminary basis and the treatment facilities will be sited. The roads will also be sited and preliminary design will be done.

This information will then be converted to cost estimates for construction and maintenance of the utilities and roads. After review of these schematic designs and cost estimates by the Village Council and its engineer, any necessary adjustments to the plan and approach to development of the new village will be made. Ths may involve changes in the site plan and in the method of handling wastewater collection and treatment. After the necessary adjustments and "fine tuning" are complete, the plan can be fitted to the site.

Task 3: Site Validation

This task will involve onsite layout of the village plan to assure that it takes advantage of the soil conditions, topography and other physical features. Changes to accommodate the characteristics of the site will be made and the final layout confirmed. Final location will be determined for the initially required community facilities, including docking facilities, school and town hall, water source and wastewater treatment facilities.

The roads will be staked out and cross-sections will be surveyed in preparation for final engineering. Computations of lot sizes for the final plat will be made so that reconveyance can be planned. This process involves the Village Corporation reconveying all lands necessary for public purposes and community expansion, including residential lots, to the State Municipal Lands Trust Officer, as provided for in Section 14(c)(3) of the Settlement Act, as amended and in Alaska Statue 49.47.150. The trust officer will deed individual lots to the residents as they are ready to move to New Chenega.

Task 4: Final Plat Preparation and Staking

This task will include final subdivision design and computation and staking of each lot. The road system will be surveyed and staked for construction and the above described community facilities will be staked.

The final plat of the village site will be prepared and processed.

Task 5: Engineering Design

This task will begin in the late summer of 1981 and continue into the winter. It will involve final design and preparation of construction documents for the following facilities and utilities:

Streets and Trails
Water Source & Storage
Waterline Extensions
Sanitary Sewer Laterals
Sanitary Sewer Treatment Plant
Initial Dock Facilities
Hydroelectric Investigation
Initial Electrical System Design
Airport Design
School Design

These designs will be totally complete by the spring of 1982. This will allow the major construction effort to be concentrated in the summer of 1982. Some initial design work will be completed by late summer 1981, which will allow initial construction of the road and trail system to begin in 1981.


PROPOSED HYDRO FACILITY
PROPOSED POWERLINE
PROPOSED ROAD
PROPOSED AIRSTRIP
PROPOSED HARBOR FACILITY
NEW CHENEGA TOWNSITE
PRINCE OF WALES PASSAGE
ELRINGTON PASSAGE
LATOUCHE PASSAGE
Sawmill Bay
Crab Bay
Shelter Bay
Panhat Pt
Evans Pt
Broon Buttes
Horsehoe Bay
Chicken Island
Lake Putnam
Powder P.
Phoenix
Latouche
Bettles
San Juan Cannery
Port Chanon
Port Bainbridge
SEWARD
BASE
EXIT

HB
537

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

2/16/84

Date 2-28-84

Mr. President

The Committee on C& MA considered HB 537

authorizing municipalities to exempt motor vehicles from taxation; eff.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[ ] replace with/or adopt CS for _____
[ ] new title
[ ] same title and recommends _____

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Vice Pres. Ex Officio

Senator Galloway

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Cook
2/27/84

Original sponsor: Grussendorf

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR HOUSE BILL NO. 537 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act authorizing municipalities to exempt motor vehicles 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 to read:

(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;

(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;

(C) historic sites, buildings and monuments; and

(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);

(3) exempt business inventories from taxation;

(4) classify (as to type) and exempt or partially exempt any or all (types) of motor vehicles from taxation.

* Sec. 2. This Act takes effect January 1, 1985.

HOUSE BILL 537

ALLOWS MUNICIPALITIES TO EXEMPT MOTOR VEHICLES (AS PERSONAL PROPERTY) FROM THE AD VALOREM TAX THEY IMPOSE ON THEIR RESIDENTS. SITKA DOESN'T WANT TO HAVE TO IMPOSE THE TAX BECAUSE THEY SAY IT COSTS AS MUCH TO TO COLLECT THEY MONEY AS THEY WILL END UP COLLECTING.

SENATE BILL 1 INCLUDES A SIMILAR PROVISION WHICH ALLOWS MUNICIPALITIES TO EXEMPT ALL PERSONAL PROPERTY FROM TAXATION.

FEB 2 1 1984

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827
(907) 766-2711

February 16, 1984

Senator Frank Ferguson
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Ferguson:

It is my understanding that House Bill #537, authorizing municipalities to exempt motor vehicles from taxation; and providing for an effective date, is to come before your Committee on Community and Regional Affairs. I believe Representative Grussendorf's bill (and Senator Eliason's identical Senate Bill) is one sorely needed.

Small communities like Haines, with limited office staff, have had to exert much time and energy levying a tax that barely pays its own way administratively. We are taxing the public because state statutes say we must, even though the people are receiving virtually no benefits to this tax other than employing two office workers. The real property tax is sufficient to fund the school and fire districts. A small increase in real property tax while eliminating personal property tax would be most attractive to our taxpayers.

Several years ago the Haines City and Borough banked on the passage of the Title 29 Revisions and moved to eliminate personal property tax. With the failure of the bills passage, we had to re-establish the tax to conform to the Statutes. I am relieved that the motor vehicle and inventory tax option has emerged on its own rather than being held captive by Title 29 —— and I would strongly support passage of House Bill 537.

As the Haines Borough Assessor and a member of the Haines City Council, I can safely say that both the City and Borough governments share my feelings and would welcome the option of eliminating the motor vehicle and inventory tax.

Thank you!

Very sincerely yours;

Kenneth E. Bryant

Kenneth E. Bryant

cc. Haines Borough Assembly
Haines City Council
Representative Ben Grussendorf
Senator Richard Eliason

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 enforcement. 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,

Peter Hallgren

Peter S. Hallgren
Municipal Attorney

cc: Administrator
Anderson

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

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Sincerely,

Pete Hallgren

Peter S. Hallgren
Municipal Attorney

cc: Administrator
Anderson

HB

608

WHY INDIRECT COSTS?

by: Carl Lake, Controller
Rural Alaska Community Action Program

Indirect costs have been called a number of things over the years: "administrative costs/charges," "overhead," "allowable costs" and "rip-off." Simply speaking, indirect costs are those costs of an organization that cannot be directly charged to any one grant or contract administered by that organization.

Nonprofit organizations are unique in that each and every piece of funding they receive must be acccounted for separately and must have its own full set of accounting records. Expenditures under each grant or contract must be reported separately and funding agencies often require different financial and auditing restrictions. This requires the organization to develop complex and sometimes even cumbersome accounting systems to properly account for those dollars in a fiscally responsible fashion.

Some nonprofits are very simple units and, even though they may be very large in dollar volume, administer only one or two grants. Usually these "single-purpose" agencies do not require an indirect rate even though, like all organizations, they do have administrative costs. Since these administrative costs can be readily identified with the programs administered, they are normally charged directly to those program funds.

Other nonprofits are "multi-purpose" organizations which administer a multitude of diverse programs from a number of funding sources. They operate under the theory that it is more efficient in both economic and practical programmatic terms, for one agency to administer a number of programs than for each program to be operated by a separate entity. For example, while it may take $600,000 to administer a $7.5 million agency with 25 different grants or contracts, it is demonstrable that, if each grant or contract were provided to

a separate organization, the actual aggregate administrative costs could exceed well over one million dollars.

Because the multi-purpose agency administers a wide variety of grants and the administrative costs cannot be readily identified as applicable to each of the grants or contracts, the agency requires some type of cost allocation plan to allocate the administrative costs to the appropriate funds. Over the course of the last ten years, the Federal government has recognized that non-governmental agencies needed a simplified and unified method to allocate these costs. Therefore, it developed the rules outlined in OMB Circular A-122 (along with other governmental publications) to provide the procedures and principles for establishing and operating an indirect cost rate. Major Federal funding agencies have departments that are responsible for reviewing, negotiating, approving and monitoring indirect cost rates with nonprofit organizations. When an organization receives funding from more than one Federal agency, one of them (normally the one providing the most funding) is designated as the lead ("cognizant") agency. It is the responsibility of that agency to negotiate with the nonprofit to establish an indirect cost rate. The process for establishing an indirect cost rate is very simple in theory: one isolates all of the costs that cannot be charged directly to a grant, divides these costs by the total dollars available to the agency and the resulting figure should be the indirect rate. However, many factors have to be taken into consideration before a final determination is made. Some of the program funds may require demonstrably less administrative attention or management support than others and therefore should be excluded from the base of program dollars and treated as "pass-through" funds with a separate rate. Other funds may be handled at a different location from the main office and require separate treatment with an "off-site" rate. Still other costs, including capital equipment purchases, must be excluded from the program dollar base prior to any rate calculation. Also, the Federal government in its infinite wisdom, may place statutory restrictions on certain programs (eg., CETA, some Aging programs and Weatherization), limiting more than a certain percentage of total funds for administrative costs. This practice places

a greater burden on other funding sources, requiring them to pay more than their "fair share" of administrative costs. There are also grants (eg., some State grants and contracts) that refuse to pay any administrative costs, again adding a disproportionate burden to those funds that do participate in the payment of administrative costs. When these extreme limitations are placed on a program, the administering nonprofit is faced with the decision to simply refuse the program or to accept it and face consequences which, in the extreme, could mean bankruptcy.

There are also a variety of methods used in determining the types of costs that are to be included in the administrative or indirect costs pool. Some agencies, such as RurAL CAP, charge the various programs directly for costs such as rent, telephone (local and toll calls) utilities, janitorial services and copier costs. Since these costs are charged directly to individual grants (with the exception of those portions related directly to the administrative unit) they do not show up in the indirect pool. Consequently, all other things being equal, RurAL CAP would have a much lower indirect rate than other similar agencies. RurAL CAP makes the considerable effort to make these direct charges because some of its funding sources will not permit any allocation of indirect costs and this is the only way these funds can be utilized to pay their appropriate share of these proper administrative expenses.

Other nonprofits pool all of the above charges (with the possible exception of telephone toll charges and, sometimes, rent) into the indirect pool and charge each program its share through an indirect rate charge. This approach is based on the primus that all of the funds are paying proportionately the same share of the costs while receiving the same general benefits.

Another variance in the application of an indirect rate is the base against which one applies the rate. Some agencies simply apply the indirect rate against total program dollars expended while others apply the rate against another figure, such as direct program salaries. Therefore, an agency with an indirect rate of 56% against a direct salary base may not have an actual

rate higher than one with a 26% rate against all available program dollars.

All of the above variations must be taken into account when trying to compare one agency's indirect rate with another. One must also consider that an agency's administrative budget is relatively fixed over a rather wide range of dollar volume. If, for example, an agency's administrative costs are budgeted at $800,000 with available program dollars of $6.5 million, the administrative costs will probably stay the same if there is a three to four million dollar fluctuation in program dollars. In this (admittedly over-simplified) example, the indirect rate (if all exclusions and restrictions have been considered) would be 12.3%. If the agency lost $3 million of funding, the effective indirect rate would be 22.9%. If funding increased by $3 million, the indirect rate would be 8.4%. This is an over-simplification to be sure but it is important to note that a variety of factors are involved that affect the indirect rate.

There are also a number of factors involved to make sure that the agency does not receive more indirect dollars than it was entitled to for the fiscal year. In the above example, the agency would probably have negotiated a provisional rate of 12.3% from its primary (cognizant) funding source based on projections of costs prior to the beginning of its fiscal year. If additional funds were received during the year and these funds would drastically affect the provisional indirect rate, the agency would probably re-negotiate its rate with its cognizant agency, resulting in a lower rate for all affected funds. In any event, the provisional rate is reviewed by the agency's own auditors and, after audit, by the funding agency itself. If the nonprofit received more indirect funds than it was entitled to, it is required to repay these funds, usually in the form of a reduction in the following year's indirect rate. If the organization received less than it was entitled to, it is obligated to bill each of its funding sources for their share of the difference.

At no time does the organization "profit" from the indirect rate process. The entire procedure is fully monitored both by independent auditors, by officials of the cognizant agency, and by the organization's board of directors and senior management staff. If the nonprofit has under budgeted for necessary administrative costs or overestimated projected funding levels, it will operate in a cash deficient position for a considerable length of time. Renegotiation, recalculation, and reallocation of funds is eventually required (frequently post-facto) in order to bring the books into alignment with reality.

Most multi-purpose nonprofit organizations operate in a functional fashion with a mandated community-based board of directors and an administrative unit consisting of executive management, accounting/data processing, and clerical staff. Costs for these functions are normally considered indirect. The program departments are responsible for one or more grants or contracts and/or share the responsibility for some funds with other departments. To a large degree, the organizational structure is very similar to that of the State government, albeit on a smaller scale. The administrative unit of a nonprofit organization could be equated to the executive branch of State government while the board of directors is similar to the legislative branch. Within the State government at least a large portion of the costs of both the administrative and legislative branches could be considered indirect or administrative costs when related to the programs actually providing services to the citizens of Alaska.

Whatever name one applies, the functions of supervision and oversight are indirect costs, whether the costs are incurred by the State or a nonprofit organization. Skilled management personnel are necessary to administer the variety of funds which are the responsibility of an organization and an impartial body with power and authority to control the actions of that entity is likewise necessary. Like the old football argument concerning the relative importance of the line versus the backfield, you cannot have program operations without some type of policy direction and administrative support. It is recognized

by all nonprofit organizations that every effort must be made to keep administrative costs as low as possible so that as many of the agency's limited funds as possible are available for necessary programs and services. However, if administrative funds are reduced to a level that cannot support the retention of viable policy-making structures with skilled management and accounting personnel, the organization will eventually be unable to operate any program in a responsible and fiscally sound fashion.

If nonprofits were not available to administer programs designed to serve the needs of many of Alaska's citizens, the State would be required to operate these programs. This eventuality would not only increase the size of government (a trend that the current legislature is seeking to reverse), it would also increase its costs. Clearly, it is in the State's interest to use existing service delivery networks that are directly responsive and responsible to the people they serve. The acceptance of the necessity for indirect costs to support these structures, and the implementation of comprehensive and uniform policies for contracting with the nonprofit sector will increase the efficient use of State funds.

HJR 59

SJR 34

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

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

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 genera' ule is that separability questions are to be determined a rding to either the will of the legislature or its manifes d 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

M E M O R A N D U M

January 31, 1984

SUBJECT: Haines Annexation Recommendation

TO: Representative Peter Goll

FROM: Billy G. Berrier
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

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

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

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,

RE Henderson

R. E. Henderson
Mayor

REH:AMJ

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.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER ONE TO THE
SECOND SESSION OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF HAINES

On September 22, 1982 the City of Haines submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with the applicable laws and regulations of the State of Alaska. The petition proposed the annexation of territory comprising approximately 3.5 square miles of territory extending north from the current City boundaries to and including the City-owned port facilities on Lutak Inlet. On October 6, 1982 the Department determined the petition to be acceptable as to form and content.

On December 12, 1982 the Commission held a public hearing in Haines on the petition for annexation which was prematurely concluded due to a power outage. On January 14, 1983 the Commission rendered its decision amending the City of Haines' proposed annexation to include only the noncontiguous Lutak Port facility. Subsequently, the First Session of the Thirteenth Legislature approved the annexation of the Lutak Harbor facility.

The Commission notified the City of Haines and the Haines Borough that it was going to consider the annexation of additional territory to the City (hereinafter referred to as the "Greater Haines Area") during 1983. On February 19, 1983 the Commission conducted a public hearing in Haines on the annexation of additional territory to the City making the Lutak Port facility contiguous and extending the City's boundaries to include Haines Borough residents receiving City services but not paying commensurate property taxes.

On March 26, 1983 the Commission conducted a decisional meeting on the proposed annexation of additional territory to the City of Haines and did approve the annexation;

On January 7, 1984 the Commission, at the request of the Haines Borough and the City of Haines, conducted a decisional meeting on proposed changes to the Commission's Statement of Decision on the annexation of territory to the City of Haines. These

changes would set an effective date for the annexation two years from the date of legislative approval of the Commission's recommendation. The annexation would not occur if the City of Haines and the Haines Borough unified during the two year period following legislative approval of the annexation. The Commission approved the requested changes to the Statement of Decision.

NOW, THEREFORE, based upon the extensive briefing of the petitioner, the investigation of and report on the petition by the Department, and the information obtained from the public hearing conducted on the matter, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. The Greater Haines Area is urban in character. The population density of this area is greater than the population density standard used by the Department to determine whether a group of people living in a geographically defined area constitutes a community.

2. The Greater Haines Area is currently receiving municipal services which at this time only the City is capable of providing.

3. There is a reasonable likelihood that growth and development will occur within the Greater Haines Area. There is a need for the provision of planning and zoning in the territory.

4. There are conditions existing within the Greater Haines Area which endanger the health, welfare and safety of City residents. Of particular concern is the sewage contamination found within the Piedad Road area.

5. The residents and property owners within the Greater Haines Area receive direct and indirect benefits of City government without commensurate property tax contributions.

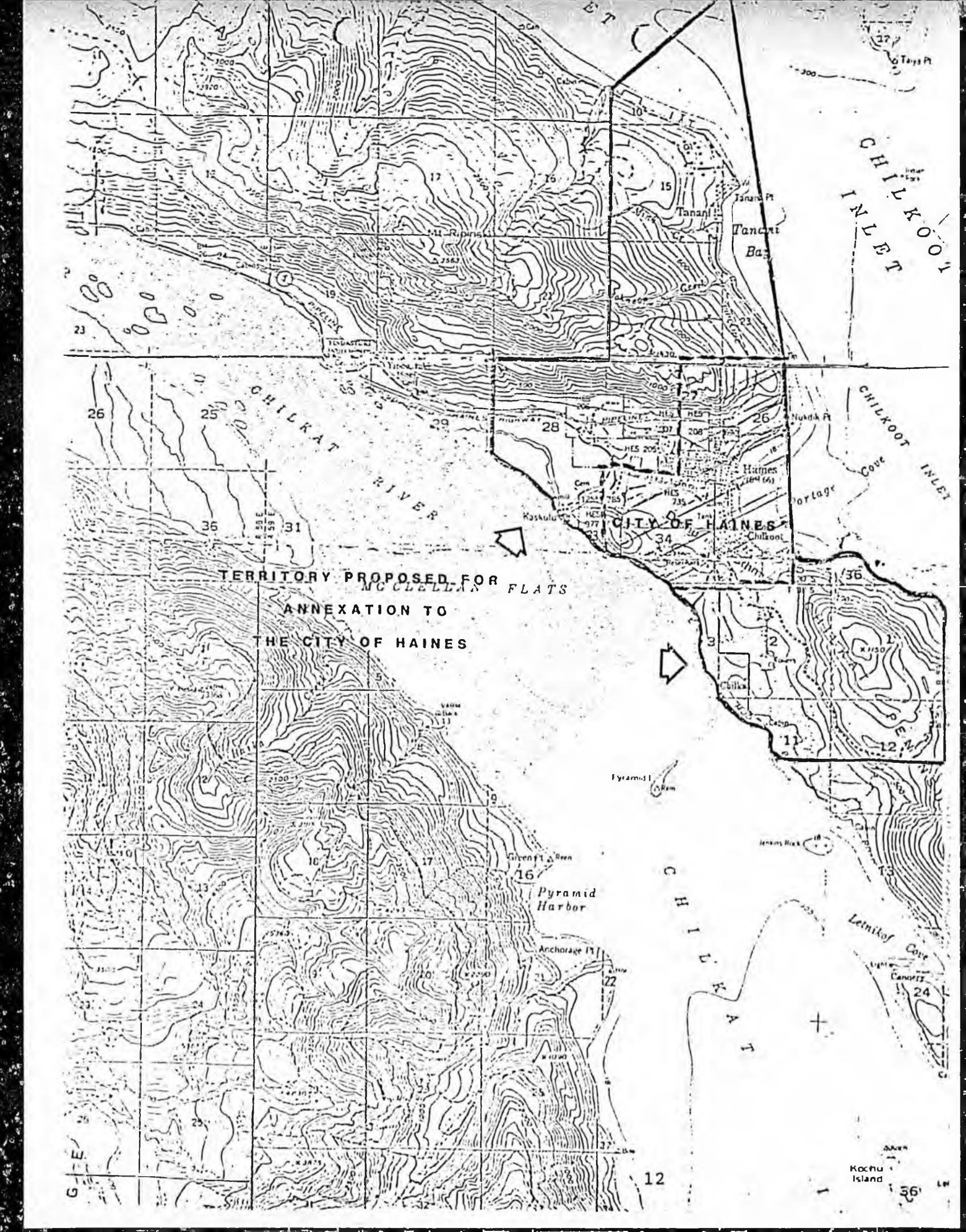
The Commission amended and subsequently approved the City of Haines' petition for annexation dated September 15, 1982 to provide for the annexation of territory which would result in the boundaries herein described for the City of Haines.

THEREFORE, the Commission hereby makes the following recommendations to the Second Session of the Thirteenth Legislature of the State of Alaska:

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

2. Annexation of territory to the City of Haines will result in the following legal description for the City of Haines:

   Beginning at the NW corner of protracted Section 28, T30S, R59E, Copper River Meridian (C.R.M.); thence east to the NW corner of protracted Section 27, T30S, R59E, C.R.M.; thence north to the line of mean high tide of Lutak Inlet; thence northeasterly along a line of sight to the U.S.C.G.S. monument named "Sanka" which is located on the north shore at the mouth of Lutak Inlet within Section 2, T30S, R59E, C.R.M.; thence southeasterly along a line of sight to the point where the common line between Sections 23 and 26, T30S, R59E, C.R.M. intersects with the line of mean high tide of Chilkoot Inlet; thence meandering said line of mean high tide in a southerly direction to a point identical with the southeasterly meander corner of Lot 2, protracted Section 26, T30S, R59E, C.R.M.; thence southerly across Portage Cove to the point where the line of mean high tide of Portage Cove intersects with the northerly extension of the easterly side lines of Lots 16 and 5, Section 35, T30S, R59E, C.R.M.; thence meandering easterly along the mean high tide line of Portage Cove and Chilkoot Inlet to the intersection with the east boundary of protracted Section 1, T31S, R59E, C.R.M.; thence south to the southeast corner of the N1/2 of protracted Section 12, T31S, R59E, C.R.M.; thence west to the intersection with the line of mean high tide of Chilkat Inlet; thence meandering northwesterly along the line of mean high tide of Chilkat Inlet and the line of mean high water of the Chilkat River to the intersection with the west boundary of Section 28, T30S, R59E, C.R.M.; thence north to the NW corner of protracted Section 28, T30S, R59E, C.R.M., the true point of beginning, containing 10.79 square miles more or less, all in the First Judicial District of the State of Alaska.


TERRITORY PROPOSED FOR
ANNEXATION TO
THE CITY OF HAINES
CITY OF HAINES
CHILKOOT INLET
CHILKAT RIVER
McCLELLAN FLATS
Pyramid Harbor
Haines
Chilkoot
Tanani Pt
Nukdik Pt
Letnikof Cove
Kochu Island

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. Porter Goll
Pouch V
Juneau 99811

Dear Porter -

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 In 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 these 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 Jeminie

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.

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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 1111, Lodge

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 cabins to build but City will stop our water will close.

Dear Pete,

I could take all day writing but I can now to the point that what we want doesn't count. I have all the info. on this for the past 5 yrs. If you can't untersand that call and help us it's you.

Please help. Answer we will sell out if I can the city get there way.

Thank you

Sincerely,
Susan M. Ramsey

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 menn 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 tc annexation and also to unification.

Sincerely

Judy K. Bolander
Borough Assembly Member

P.S. I have delayed sending this pending the outcome of any tangible results between the City & Borough. To date there have been no formal actions. Judy Bolander 7/2/84

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 Fygdor

James [illegible] Parker
Box 438
Naines, 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 to be taxed at the same rate (by 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 on the lands 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 more

(over)

such rights should be preserved.

1. The people presently outside the city already pay the same sales tax and the same sales tax. All of the stores are in the city limits. Also the fire districts are paying reasonable fire protection.

2. More Police services would be required, at city expense. Therefore we might risk the jeopardy of losing our State Patrolman.

There are other reasons as well, but these you are aware of.

Thank you.

Sincerely,

Ethan A. 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 against 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 against 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.

John Roth

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 ~~heard~~ 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. Lucy Hamstad
Box 87
Haines, Ak. 99827
1/14/84

Rep. Peter Goll
Rm. W Ltt Capitol
Juneau, Ak. 99811

Dear Rep. Peter Goll,

Regarding the proposed annexation to the City of Haines, as you know, the Borough Commission passed it, because the Borough did not have Planning + Zoning — which they do now have, since both City + outside City people voted in Oct 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, but I've worked for taxes + these outside the City 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.

I would dissolve the City, but if I cannot do this, because I would want what to be exempted.

It is an unhappy situation which does not promote or threaten, like our parking things do, but + destroys the natural-loveliness of rural life.

Please vote against the proposed annexation to Haines.

Very sincerely
Lucy 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 in 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 want to dominate the people in the proposed annexed area. It is against the principles of democracy. ~~and~~
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 SOME THOUGHT 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 writing 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 O.A. 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.

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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,

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 ans thru Board hearing? Seems to feel so I'll explain this one

TELEPHONED
RETURNED YOUR CALL
PLEASE CALL
WILL CALL AGAIN
CAME TO SEE YOU
WANTS TO SEE YOU

SIGNED

TOPS FORM 4002

Dear Peter Goll,

We urge you to support Senator Ellabon 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 Co

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

Lynn Canal Leader 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 decisio... "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 seems 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 Wooding

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.

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Sincerely, Bridget Edwards

Box 749
Haines, Ak. 99827

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

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Sincerely,

Henry Chilcoty
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

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Sincerely,

Linda L. Matthews
Box 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

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Sincerely,

Deborah A. Ingram
General Delivery
Haines, Alaska
99827

December 5, 1983

Representative Peter Goll
Pouch V
State Capitol
Juneau, Ak. 99811

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Sincerely,

Irene Morris Shaw
Douglas Rick Shaw
PO 722 Haines F.A.A.R.D.
HAINES AK. 99827

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 13-18, 1984

COMM. & REG. AFFAIRS Behrends 110 3:15 p.m.

465-3870 M-W-F

Monday, February 13
No meeting scheduled

Tuesday, February 14
*Joint House/Senate Community & Regional Affairs public hearing/teleconference - HJR 59, SJR 34 - LOCAL BOUNDARY COMMISSION
3:15 p.m., Beltz Room, Capitol

Wednesday, February 15
SSHB 442 - re: state aid/volunteer fire departments; ed.

Friday, February 17
No meeting scheduled

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 propcsed annexation of territory other than the dock.

Annexation of dock is not disapproved by the First Session of the Thirteenth Legislature.

Jan. 20, 1983 - Borcugh 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 tc 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.

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."

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

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

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

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M 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

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM 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

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 restriction on the agency's choice of annexation method is the requirement that there be no abuse of discretion. Port Valdez, 522 P.2d at [illegible]. 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

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,

RE Henderson

R. E. Henderson
Mayor

REH:AMJ

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER ONE TO THE
SECOND SESSION OF THE THIRTEENTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF HAINES

On September 22, 1982 the City of Haines submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with the applicable laws and regulations of the State of Alaska. The petition proposed the annexation of territory comprising approximately 3.5 square miles of territory extending north from the current City boundaries to and including the City-owned port facilities on Lutak Inlet. On October 6, 1982 the Department determined the petition to be acceptable as to form and content.

On December 12, 1982 the Commission held a public hearing in Haines on the petition for annexation which was prematurely concluded due to a power outage. On January 14, 1983 the Commission rendered its decision amending the City of Haines' proposed annexation to include only the noncontiguous Lutak Port facility. Subsequently, the First Session of the Thirteenth Legislature approved the annexation of the Lutak Harbor facility.

The Commission notified the City of Haines and the Haines Borough that it was going to consider the annexation of additional territory to the City (hereinafter referred to as the "Greater Haines Area") during 1983. On February 19, 1983 the Commission conducted a public hearing in Haines on the annexation of additional territory to the City making the Lutak Port facility contiguous and extending the City's boundaries to include Haines Borough residents receiving City services but not paying commensurate property taxes.

On March 26, 1983 the Commission conducted a decisional meeting on the proposed annexation of additional territory to the City of Haines and did approve the annexation;

On January 7, 1984 the Commission, at the request of the Haines Borough and the City of Haines, conducted a decisional meeting on proposed changes to the Commission's Statement of Decision on the annexation of territory to the City of Haines. These

changes would set an effective date for the annexation two years from the date of legislative approval of the Commission's recommendation. The annexation would not occur if the City of Haines and the Haines Borough unified during the two year period following legislative approval of the annexation. The Commission approved the requested changes to the Statement of Decision.

NOW, THEREFORE, based upon the extensive briefing of the petitioner, the investigation of and report on the petition by the Department, and the information obtained from the public hearing conducted on the matter, the Commission made the following findings of fact and entered its decision pursuant thereto:

1. The Greater Haines Area is urban in character. The population density of this area is greater than the population density standard used by the Department to determine whether a group of people living in a geographically defined area constitutes a community.

2. The Greater Haines Area is currently receiving municipal services which at this time only the City is capable of providing.

3. There is a reasonable likelihood that growth and development will occur within the Greater Haines Area. There is a need for the provision of planning and zoning in the territory.

4. There are conditions existing within the Greater Haines Area which endanger the health, welfare and safety of City residents. Of particular concern is the sewage contamination found within the Piedad Road area.

5. The residents and property owners within the Greater Haines Area receive direct and indirect benefits of City government without commensurate property tax contributions.

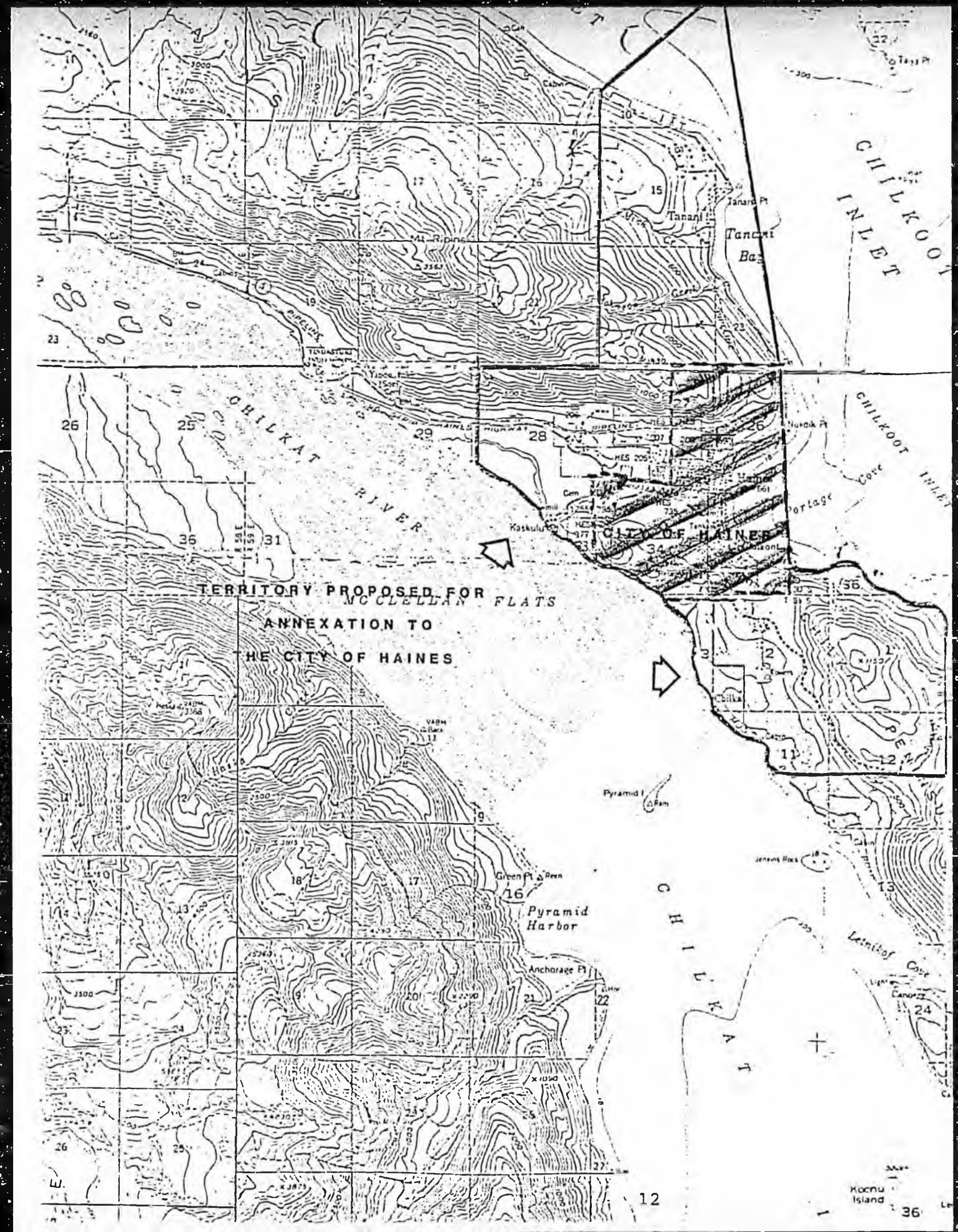
The Commission amended and subsequently approved the City of Haines' petition for annexation dated September 15, 1982 to provide for the annexation of territory which would result in the boundaries herein described for the City of Haines.

THEREFORE, the Commission hereby makes the following recommendations to the Second Session of the Thirteenth Legislature of the State of Alaska:

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

2. Annexation of territory to the City of Haines will result in the following legal description for the City of Haines:

   Beginning at the NW corner of protracted Section 28, T30S, R59E, Copper River Meridian (C.R.M.); thence east to the NW corner of protracted Section 27, T30S, R59E, C.R.M.; thence north to the line of mean high tide of Lutak Inlet; thence northeasterly along a line of sight to the U.S.C.G.S. monument named "Sanka" which is located on the north shore at the mouth of Lutak Inlet within Section 2, T30S, R59E, C.R.M.; thence southeasterly along a line of sight to the point where the common line between Sections 23 and 26, T30S, R59E, C.R.M. intersects with the line of mean high tide of Chilkoot Inlet; thence meandering said line of mean high tide in a southerly direction to a point identical with the southeasterly meander corner of Lot 2, protracted Section 26, T30S, R59E, C.R.M.; thence southerly across Portage Cove to the point where the line of mean high tide of Portage Cove intersects with the northerly extension of the easterly side lines of Lots 16 and 5, Section 35, T30S, R59E, C.R.M.; thence meandering easterly along the mean high tide line of Portage Cove and Chilkoot Inlet to the intersection with the east boundary of protracted Section 1, T31S, R59E, C.R.M.; thence south to the southeast corner of the N1/2 of protracted Section 12, T31S, R59E, C.R.M.; thence west to the intersection with the line of mean high tide of Chilkat Inlet; thence meandering northwesterly along the line of mean high tide of Chilkat Inlet and the line of mean high water of the Chilkat River to the intersection with the west boundary of Section 28, T30S, R59E, C.R.M.; thence north to the NW corner of protracted Section 28, T30S, R59E, C.R.M., the true point of beginning, containing 10.79 square miles more or less, all in the First Judicial District of the State of Alaska.


TERRITORY PROPOSED FOR
ANNEXATION TO
THE CITY OF HAINES
CITY OF HAINES
McCLELLAN FLATS
CHILKAT RIVER
CHILKOOT INLET
Pyramid Harbor
Tanani
Mt. Riping
Pyramid I.
Green Pt.
Anchorage Pt.
Kaskulut
Portage Cove
Chilkat Peninsula
Kochu Island
12
36

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 analogous 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

Feb. 8, 1984

Rep. Mike Miller
Juneau
Alaska

Dear Sir:

Would you please help us by not allowing the annexation proposed for the city of Haines? The city had 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

A. W. Jurgeleit
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. Jurgeleit

Harriet L. Jurgeleit

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

Hays
Box 98
Haines, AK.
99827

Boards &
January 7, 1984
Commissions



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 arrested.

I ask ~~that~~ you consider my concerns.

Thank you..

Sincerely,

Ed Hoyt
10½ Mile Mud Bay Rd
Box 98
Haines, AK. 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 Affai[illegible] 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

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 13-18, 1984

COMM. & REG. AFFAIRS Behrends 110 3:15 p.m.

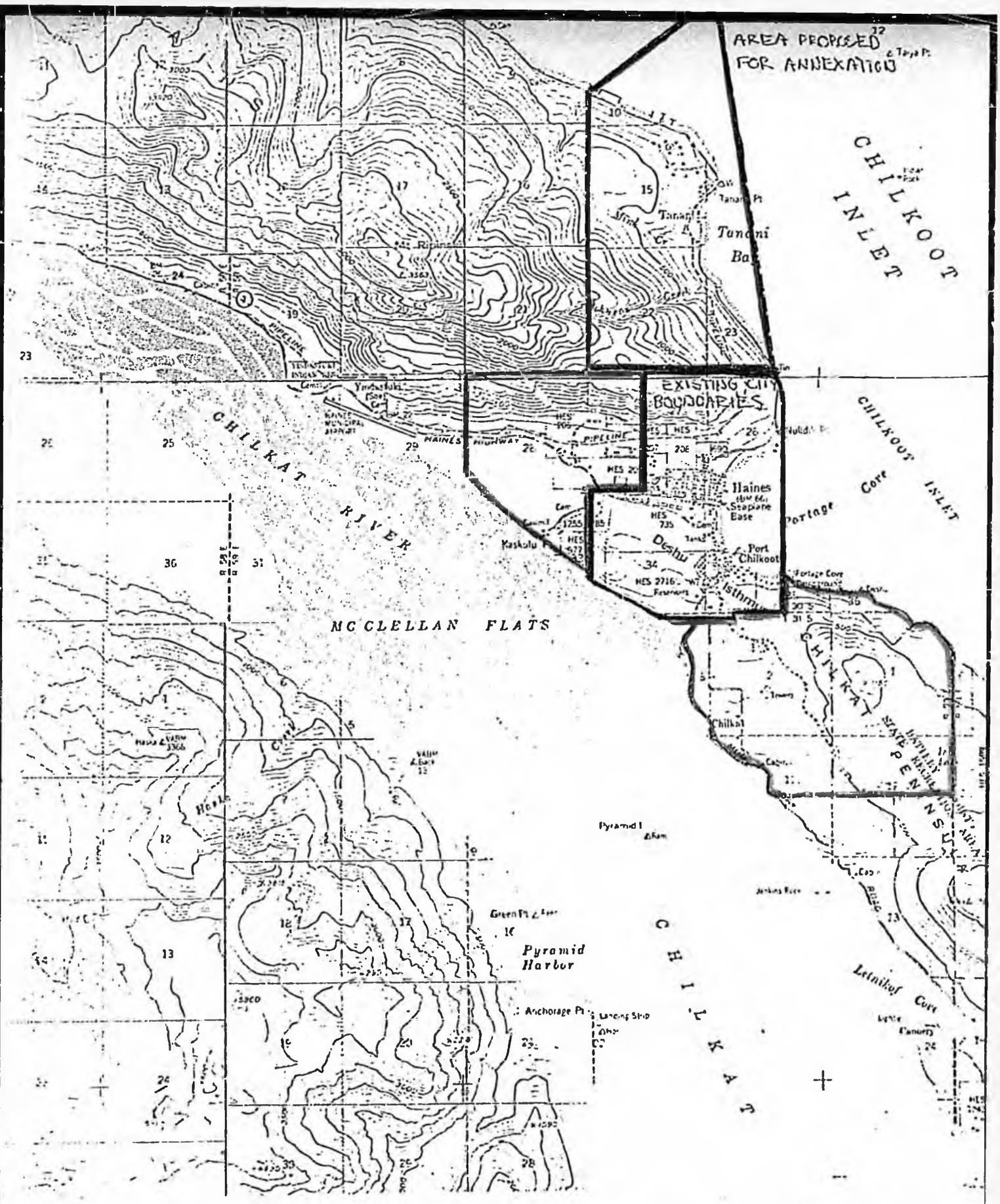
465-3870 M-W-F

Monday, February 13
No meeting scheduled

Tuesday, February 14
*Joint House/Senate Community & Regional Affairs public hearing/teleconference - HJR 59, SJR 34 - LOCAL BOUNDARY COMMISSION
3:15 p.m., Beltz Room, Capitol

Wednesday, February 15
SSHB 442 - re: state aid/volunteer fire departments; ed.

Friday, February 17
No meeting scheduled



Scale: 1 inch to 1 mile

PROPOSED CORPORATE LIMITS
CITY OF HAINES, ALASKA

EXHIBIT C

PROPOSED ANNEXATION OF 3.5 MILES - PETITIONED FOR BY CITY 1982

SHOWS AREA INCLUDED BY C+RA TO EXPAND CITY'S PETITION TO ANNEX 3.5 MILES TO INCLUDE 8.1 MILES OF TERRITORY

ORIGINAL 3.5 SQ MILE PROPOSED ANNEXATION

EXISTING CITY BOUNDARY