

S B

142

1 of 4

COMMITTEE REPORT
SENATE

FURTHER: JUDICIARY
FINANCE

2/8/85

Date March 12, 1985

Mr. President

The Committee on C&RA considered SB 142
municipal government; efd.

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 SB 142 (C&RA)
- 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

William Steyer
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna DeVies
 Chairman
do pass
 Chairman recommendation

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

Senate	Community & Regional Affairs	3/5/85	(Tele Conference)
"	"	3/7/85	3:37
"	"	3/11/85	8:40
"	"	3/12/85	3:35
House	"	3/14/85	3:00
"	"	2/25/85	3:00

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811



Official Business

Committee Meeting 4/17/85 ----

- CSHB 253 (C&RA) -- An Act allowing municipalities to exempt certain land from property taxes and from special assessments for fire protection service and fire protection facilities

Heard April 2 -- no action taken -- heard testimony from Borough Mayor Bill Allen, Rep. Koponen, State Assessor, Mike Worley

See Atch #1

CSHB 72 (C&RA) am -- Title 29 revisions

Following is a summary of differences between this bill and the bill that passed out of committee March 12 (CSSB 142)

- 1) Does not include Committee amendment #1a, "Purpose Clause" (see atch #2a)
- 2) Includes HC&RA amend #6 (Prohibition against Discrimination) see atch #2b
- 3) Requires 600 population for incorporation as first class or home rule (changed to 400 in SB142)
- 4) Includes one amendment passed on House floor that deals with technical changes only (see atch #2c)
- 5) Includes a letter of intent that was rendered irrelevant by the passage of the House amendment. (see atch #2d)
- 6) Does not include committee Letter of Intent. (see atch #2e)
- 7) A revised fiscal note has been attached to both the House and the Senate bill (see atch #2f)

Offered: 3/18/85
Referred: Rules

Atch #1

Original sponsors: Koponen, Davis,
Larson, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 253 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act allowing municipalities to exempt land from
property taxes and from special assessments for fire
protection service and fire protection facilities;
and providing for an effective date."

7

8

9

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

11 * Section 1. AS 29.53.025 is amended by adding a new subsection to
12 read:

13

(h) A municipality may by ordinance partially or wholly exempt
land from a tax for fire protection service and fire protection facil-
ities and may levy the tax only on improvements, including personal
property affixed to the improvements.

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* Sec. 2. AS 29.63 is amended by adding a new section to read:

18

Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this
chapter is for a fire protection facility, a municipality may exempt
land and levy the assessment only on improvements, including personal
property affixed to the improvements.

19

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* Sec. 3. This Act takes effect January 1, 1986.

CSHB 253 (C&RA)-----

Permits local government to partially or wholly exempt land
from a tax for fire protection; allowing the tax to be levied
only on improvements (including personal property).

Public Safety -- supports the bill and attaches a zero fiscal
note

Community & Regional Affairs -- is opposed to the bill and
attaches a zero fiscal note

Fairbanks North Star Borough supports the bill by Resolution 85-024

The Alaska Conference of Mayors supports the bill by Resolution 84-8

3/11/85 1:30p

Cook

Atch 21

A M E N D M E N T #1A

Offered in the SENATE

TO: SB 142

By the Community and Regional
Affairs Committee

Page 1, after line 3, insert a new bill section to read:

"* Section 1. PURPOSE. The legislature finds that the municipal code contains many provisions that have created problems for municipalities that must function under AS 29 and that the title is poorly organized and difficult for people to use. Therefore, it is the purpose of the legislature to revise and reorganize the municipal code to permit local government to function more effectively. Except as expressly provided, the legislature does not intend by this Act to alter or affect in any way the relationship or balance of authority between the state and home rule or general law municipalities with respect to the timing or manner of resource development under AS 31, AS 38, or other provisions of law. Except as expressly provided, the legislature does not intend by this Act to increase or reduce the authority of state agencies to carry out their functions under other titles."

Renumber following bill sections accordingly.

HCRA #6

Atch 2b

A M E N D M E N T

Offered in the HOUSE

TO: HB 72

Page 53, line 26, after "PROHIBITIONS." insert:

"(a) A person may not be in any way favored or discriminated against with respect to municipal employment because of the person's race, color, sex, creed, national origin or, unless otherwise contrary to law, because of the person's political opinions or affiliations."

Reletter following subsections accordingly.

Page 53, line 29:

Delete "section" and insert "subsection"

Atch 2c

COPY

POLEMY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM March 14, 1985

SUBJECT: Municipal Code Revision
(CSSB 142 (C&RA))

TO: Senator Edna DeVries
Chair, Community & Regional Affairs Committee

FROM: Tamara Brandt Cook
Deputy Director
Division of Legal Services

Here is the committee substitute that you requested. It incorporates all changes adopted by the House Community and Regional Affairs Committee in the house version of the municipal code revision with the exception of the change to Section 29.20.630. This committee substitute includes the purpose clause adopted by your committee and changes the population requirement for incorporation of a first class or home rule city from 600 to 400 residents. In addition, I have made two technical changes. Section 29.45.030(1) contains a citation to AS 19.70.081 which I have corrected to read AS 18.70.081. This cross-reference appears in existing law, and there is, in fact, no AS 19.70.081. Some changes were made in Section 29.45.080 in earlier versions of the municipal code revision bill to clarify that language. Mary Nordale, Commissioner of the Department of Revenue, has indicated to me that these changes create practical problems for the department in implementing its responsibilities under other provisions of law. Since no substantive change has ever been intended to be made to this section and since the attempt at clarifying the language has apparently failed, I have, as a drafting matter and with the permission of Yvonne Alford, conformed this section to the language that appears in existing law.

Please contact me if I can be of further assistance.

TBC: csh
c3/049

Other than date changes, this House amendment adopts the technical amendments recommended by counsel and included in CSSB 142.

HB 72

The Finance Committee has considered HOUSE BILL NO 72 (municipal government; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 72 (C&RA) (page 538) with the following amendment:

Amendment No. 1 by the Finance Committee:

- Page 10, line 27:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 11, line 2:
Delete "July 1, 1986" and insert "January 1, 1986"
- Page 11, line 3:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 11, line 20:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 12, line 21:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 12, line 24:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 105, line 28:
Delete "AS 19.70.081" and insert "AS 18.70.081"
- Page 114, line 8:
Before "property" insert "taxable"
- Page 114, line 12:
Before "property" insert "taxable"
Delete "under this chapter and"
- Page 114, line 18:
Before "property" insert "taxable"
Delete "under this chapter and"

date changes

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

LETTER OF INTENT
to
CSHB 72 (C&RA)

It is not the intent of the House Community and Regional Affairs Committee in adopting AS 29.53.045 as the renumbered section 29.45.080 in CSHB 72 (C&RA) to alter the substance or effect of that provision.

Peter Goll
Chairman

Peter Goll

R.C.C.E. Jedd

Max [unclear]

[unclear]

Pouch V
State Capitol
Juneau, Alaska 99801
(907) 465-4833



Official Business

Alaska State Legislature

Senate

Committee on
Community and Regional Affairs

March 14, 1985

Letter of Intent to Accompany Committee Substitute for
Senate Bill 142

It is not the intent of the Legislature through the passage of CSSB 142 to change the taxing provisions for electric and telephone cooperatives as set forth by AS 10.25-540-560; nor is it the intent of the Legislature to change present statute provisions covering public utility access to municipal rights of way as set forth by AS 42.05.251.

SENATE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Edna DeVries

Senator Edna DeVries, Chairman

Senator Edna DeVries, Chairm
Members
Senator Ferguson, Vice Chairm
Senator Coghill
Senator Sturgulewski
Senator V Fischer

Pouch V
Juneau, Alaska 99801

Atch #2 f

No. 43
HB
72

April 8, 1985

No. 43
HB
72

AN ACT RELATING TO MUNICIPAL GOVERNMENT

CSHB 72 (CSRA) Page 2 of 2

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date: 3/15/85

REQUEST

Bill/Resolution No.: CSHB 72 (CSRA)
Title: An Act Relating to
Municipal Government
Sponsor: Rules/Governor
Requestor: Senate CSRA Committee
Date of Request: _____

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
Program Category Affected: _____
Community Development
BRU, Program or Subprogram(s) Affected: _____
REG. Community Assistance Grants
Component: Organizational Grants

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAID & STRUCTURES						
700 GRANTS, CLAIMS		-0-	400.0	350.0		
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	400.0	350.0		

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FEDERAL FUNDS						
FEDERAL FUNDS		-0-	400.0	350.0		
OTHER						
TOTAL		-0-	400.0	350.0		

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME		-0-	-0-	-0-		
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

SEE ATTACHED ANALYSIS

Prepared By: Doug Griffin, Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: 3/15/85

Approved by Commissioner: [Signature] Date: 3/15/85
Agency: Community & Regional Affairs

ANALYSIS: This bill commits the State to paying increased levels of transitional assistance to newly incorporated cities and boroughs. However, given the increasingly complex requirements for incorporation, the fact that the bill does not become effective until January 1, 1986 (half way through FY 86), and the ability to request supplemental funding to pay transitional grants after the fact on a reimbursement basis, assumptions have been changed to produce a zero fiscal effect for FY 86. This will prevent money from being tied up to address incorporations which may not occur.

The Legislature does need to acknowledge that the bill does carry possible increased financial obligations, but it is impossible to predict when these added costs will be borne by the State. For this reason, the fiscal note reflects no additional cost for FY 86, but assumptions for future years are included as follows:

Assumptions: FY 86 - no incorporations
FY 87 - two cities and one borough incorporate
FY 88 - two cities incorporate

Program Summary: The only portion of this bill which will create fiscal impact is Sec. 29.05.180-190 which provides additional transitional assistance through increased organizational grants. The Department is also required to provide additional assistance to newly formed cities and boroughs in setting up a sales tax collection system and tax rolls for property taxation. It is difficult to gauge whether this type of assistance will in fact be requested. If it is requested, additional work will be required of the State Assessor and technical assistance sections of the Division of Municipal and Regional Assistance. Given this uncertainty, possible costs for this type of technical assistance are not reflected in this fiscal note.

Computations:

Grants in FY 86..... -0-
Grants in FY 87..... 400.0
(2 cities @ \$50,000 per -- first year grant)
(1 borough @ \$300,000 per -- first year grant)
Grants in FY 88..... 350.0
(2 cities @ \$50,000 per -- first year grant)
(2 cities @ \$25,000 per -- second year grant)
(1 borough @ 200,000 per -- second year grant)

Economic Impact: The economic impact on State and local governments will be limited.

Impact on Local Governments: This bill is strongly supported by the Alaska Municipal League and most municipalities of the State. Impacts will generally be positive, particularly for newly incorporated municipalities.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 14, 1985

SUBJECT: Municipal Code Revision
(CSSB 142 (C&RA))

TO: Senator Edna DeVries
Chair, Community & Regional Affairs Committee

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

Here is the committee substitute that you requested. It incorporates all changes adopted by the House Community and Regional Affairs Committee in the house version of the municipal code revision with the exception of the change to Section 29.20.630. This committee substitute includes the purpose clause adopted by your committee and changes the population requirement for incorporation of a first class or home rule city from 600 to 400 residents. In addition, I have made two technical changes. Section 29.45.030(L) contains a citation to AS 19.70.081 which I have corrected to read AS 18.70.081. This cross-reference appears in existing law, and there is, in fact, no AS 19.70.081. Some changes were made in Section 29.45.080 in earlier versions of the municipal code revision bill to clarify that language. Mary Nordale, Commissioner of the Department of Revenue, has indicated to me that these changes create practical problems for the department in implementing its responsibilities under other provisions of law. Since no substantive change has ever been intended to be made to this section and since the attempt at clarifying the language has apparently failed, I have, as a drafting matter and with the permission of Yvonne Alford, conformed this section to the language that appears in existing law.

Please contact me if I can be of further assistance.

TBC:csh
c3/049

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

February 15, 1985

POSITION PAPER

RE: Senate Bill 142

SPONSOR: Rules Committee by request of the Governor

Program Effects of Bill

Senate Bill 142 is a comprehensive revision of the municipal code. It will establish better organization of Title 29 and greater flexibility for local governments than under existing law. It will result in greater efficiency in the general administration of department programs. Additionally, it will revise statutory language in the State Revenue Sharing Program which the Attorney General has found to be unconstitutional.

Comments

The Department has worked extensively over the past six years to achieve passage of this legislation. Currently Title 29 is a confused and sometimes controversial patchwork of state law dealing with local government. This bill is designed to restructure the organization of Title 29 to simplify administration of the law and to make it more understandable and usable to those who deal with it. Senate Bill 142 organizes most sections by class of municipality, making it easier to refer to specific sections and determine which classes of municipality are affected. Terminology is standardized through consistent use throughout Title 29 and more precise definition than in existing law. Powers and responsibilities of municipalities are thus clarified.

Aside from effecting a better organization of the contents of Title 29 and improved terminology, SB 142 also proposes some important improvements to the current body of municipal law.

Certain powers and responsibilities are clarified in SB 142, particularly in the areas of extraterritoriality and land disposal. Other portions of the bill create new flexibility for local communities, particularly in the areas of reclassification, home rule and zoning. Some changes are of great benefit to the Department in its administration of programs, such as revenue sharing for unincorporated communities. These are all worthwhile changes that argue in favor of the bill.

Extraterritorial Powers

- Extraterritorial power for all municipalities has been expanded to allow for the operation of additional facilities outside of municipal boundaries, including solid and septic waste facilities, wharfs, harbors and other marine facilities.
- A municipality which provides a facility outside its boundaries may regulate its use to the extent that the jurisdiction in which the facility is located does not regulate it. (Under existing statutes, a municipality could regulate a facility outside its boundaries, but no right to regulate was provided for the municipality within which the facility was located.)

Eminent Domain

- The exercise of eminent domain and declaration of taking is extended to second class cities. Under current law, second class cities must first receive the approval of the Department of Community and Regional Affairs (DCRA) before they can exercise this power in a specific instance.

Land Disposal

- Municipal land disposal provisions have been simplified, requiring only that the local governing body establish a set of formal procedures by ordinance.

Planning and Zoning

- Zoning laws have been broadened to allow for "land use regulations," thus providing a wider range of options for local governments to implement their local plans and programs.

All of these modifications must be viewed as important, positive and long sought after improvements to Title 29.

Revenue Sharing/Municipal Assistance

- This bill transfers the municipal assistance program to DCRA to provide for a coordinated administration.
- Cleans up an existing provision of Title 29 which makes revenue sharing funds available to "Alaska Native Village" governments, which an Attorney General's opinion ruled was unconstitutional. Senate Bill 142 would resolve this problem by making revenue sharing available to all unincorporated communities in the unorganized borough.

Incorporation and Transition Grants

- Raises the organization grant paid by the State to newly formed cities from \$10 per voter to a \$50,000 in the first year and \$25,000 in the second year. Boroughs would be eligible to receive a grant of \$300,000 in the first year, \$200,000 in the second, and \$100,000 in the third year following incorporation. Boroughs now receive \$25,000 on incorporation or \$10 per voter, whichever is higher. The increased organizational grants will make it much easier for communities or regions of the state to organize as municipalities.

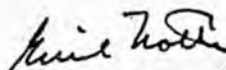
Municipal Property Taxation

In the sections which deal with local property taxation, the bill clarifies several points which are confusing under current law. In addition, it allows municipalities more flexibility in the area of assessment policy.

In the past, property taxes were required to be levied equally against both real and personal property. Senate Bill 142 allows municipalities to exempt property in either category if it wishes to do so, an option which has been badly needed in some communities.

In addition, the Office of the State Assessor responds to numerous questions each year which are caused by the inferior organization of assessment and taxation laws under the current Title 29. The improved arrangement of these laws in SB 142 will be helpful in reducing the number of inquiries that the office currently addresses.

The changes in the bill are necessary to achieve these purposes and are supported by the Department. They are also supported by the Alaska Municipal League and most local governments.



Emil Notti, Commissioner

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 21, 1985

SUBJECT: Municipal Code Revision (SB 142)

TO: Senator Edna DeVries
Chairman, Community and Regional Affairs

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

You have asked me whether the versions of the municipal code revision bill, SB 142 and HB 72, are identical. According to the Governor's transmittal letter, SB 142 is identical to the house bill that was introduced first. (Senate Journal, February 8, 1985, page 250) I have compared both bills and found no difference between them.

If I may be of further assistance, please contact me.

TBC:csh
c3/015

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

January 25, 1985

The Honorable Peter Goll, Chairman
House Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, AK 99811

RE: BRIEF HISTORY OF TITLE 29 REWRITE (HB 72)

Dear Representative Goll:

To place HB 72 into perspective the Department has prepared a brief history of the issue of the Title 29 revision bill.

CS for Senate concurrent Resolution No. 66 offered during the Eleventh Legislature noted that the municipal code was in need of comprehensive revision and appointed the Alaska Legislative Council to prepare a revision of Title 29 of the Alaska Statutes. This involved having the legal services division of the Legislative Affairs Agency work with a policy advisory group to draft a total revision of the Municipal Code. The policy advisory group in turn appointed a technical advisory group consisting of municipal attorneys, clerks, and other technically oriented staff.

These two groups worked diligently during the latter half of 1980 to hammer out an acceptable comprehensive revision of Title 29. For the most part, the new bill was drafted to insure greater uniformity of terminology, eliminate inconsistencies in the present statute, and, in general, reorder the statute to a more comprehensible format.

A few policy revisions were introduced, but they were not the main focus of the bill. In short, the general intent of the new Title 29 was to create a more understandable, easier to use document which clearly enunciated State policy regarding local governments. The document tended, as a whole, to give local governments greater flexibility and freedom to address local concerns.

The Honorable Peter Goll
January 25, 1985
Page 2

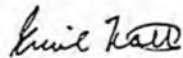
The new initiative was introduced as SB 180 during the Twelfth Legislature which convened in January 1981. The legislation was approved by this Legislature, but not before some controversial amendments regarding population, forest land taxation, and public utilities were attached on the floor of the House. These amendments resulted in a veto of the bill by then Governor Hammond. The attachment of these controversial amendments also prompted an unwritten policy among those interested in passage of this bill to keep future versions of the legislation free of controversial amendments which might stop or delay its passage.

The Title 29 bill was reintroduced in Thirteenth Legislature in generally the same form as the pre-amended SB 180. The bill that was introduced in 1982 by Governor Sheffield was numbered HB 172. The bill received extensive review by the House Community and Regional Affairs Committee and its companion in the Senate (SB 1) also received some attention by the Senate Community and Regional Affairs committee. HB 172 passed the House, but languished in the Senate Judiciary Committee until adjournment last year.

This brings us to the third legislature to address this comprehensive bill. Governor Sheffield has again identified a new Title 29 as a priority and has introduced it as HB 72. We hope to work with your committee and all supporters of a revised municipal code to assure speedy passage this year.

I hope this background information proves useful to you deliberations.

Sincerely,



Emil Notti
Commissioner

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 8, 1985

SUBJECT: Comparison of HB 72 and last session's
CSHB 172(Fin) revision of the municipal code

TO: Representative Peter Goll

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

You have asked me to compare HB 72 introduced this session with CSHB 172(Fin) from the thirteenth legislative session. According to the Governor's transmittal letter, this is the version of the municipal code revision bill upon which HB 72 is based.

The most significant difference between the two bills is in chapter 10 dealing with home rule municipalities. Under HB 72, as in existing law, only a first class borough, a second class borough, or a first class city may adopt a home rule charter. This provision had been liberalized significantly in CSHB 172(Fin). It allowed a third class borough to adopt a home rule charter as well as a second class city with a population of at least 600. In addition, it permitted an unincorporated area to adopt a charter and incorporate as a home rule city or borough without organizing into a general law municipality first. The difference between HB 72 and CSHB 172(Fin) is accomplished through changes made in each section of chapter 10, with the language in HB 10 generally mirroring existing law. However, the list of requirements for an incorporation petition had been expanded in CSHB 172(Fin) to include the requirement that a home rule charter be provided in cases involving direct home rule incorporation. Since that possibility for incorporation has been deleted in HB 72, section 29.05.060(13) should also be deleted from the bill, but appears to have been inadvertently carried over from CSHB 172(Fin).

Because of the extensive changes made in chapter 10, the sections in that chapter were renumbered. Section 29.10.080

dealing with charter amendment was originally section 29.10.100. In HB 72, section 29.10.100 (as renumbered) refers to the section dealing with charter amendment in paragraph (7) as it was originally numbered. This should be corrected to reflect the new numbering in HB 72.

Section 29.40.200 has been altered in the new bill. The provision prohibiting the platting authority from disapproving a subdivision of state land on the basis of requirements for capital improvements has been deleted. Since the section no longer refers to "capital improvements" the definition of that term in subsection (e) should have been deleted, but was not. Subsection (d) from CSHB 172(Fin) has also been deleted. It provided:

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.

Section 29.60.120(3) was changed by inserting after "health facility" at the end of the paragraph the phrase "whether licensed or unlicensed". This section deals with aid to health facilities and hospitals. Under the definition of "health facility" along with certain other restrictions the term can include only licensed facilities when the license is required by the state. Presumably, the term also includes an unlicensed facility if the facility can be deemed to be a "health" facility and if the state does not require that it be licensed. HB 72 does not change the definition of "health facility", so it is unclear whether the change in paragraph (3) is intended to allow an entitlement to a facility that is not licensed even though the license is, in fact, required by the state. If so, it appears to contradict the definition. This section, as changed by HB 72 needs to be clarified.

Chapter 65 dealing with general grant land entitlements was changed in HB 72 to reflect amendments under chapter 152, SLA 1984. However, not all the amendments made last year were picked up in HB 72. For example, changes in references from the "commissioner" to the director of the division of lands were not incorporated into HB 72. This chapter should be redrafted to include all changes made in 1984.

HB 72 contains some changes to the technical amendments at the end of the bill necessary to reflect legislation passed in 1984. The change to AS 38.05.321(c) contains a minor

Representative Peter Goll
February 8, 1985
Page 3

error that needs correcting and three sections altered in 1984 need to be added to the revision bill: AS 09.45.845, 19.30.260, and 19.30.280. In addition, AS 28.35.260(a)(10) was renumbered by the revisor in 1984 and needs to be corrected in the repealer section of HB 72. Sections 29.05.180 - 29.05.200 dealing with organization grants contained dates that should be revised. Since HB 72 does not take effect until January 1, 1986 and these provisions are of a fiscal nature, it seems that the dates should be July 1, 1986.

Lastly, as I just mentioned, HB 72 makes the revision effective January 1, 1986. CSHB 172(Fin) had an effective date tied to the fiscal year. Since the provisions dealing with taxation needed to correspond to the calendar year, certain sections of that bill had a January 1 effective date. HB 72 avoids the complexities caused by having two effective dates. However, this may create some slight administrative difficulty with the revenue sharing provisions which contain some changes that would then be in effect for only half a fiscal year.

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

TBC:ojb
J11/068

TITLE 29 FACT SHEET

SUMMARY OF HB 72/SB 142 - TITLE 29 (MUNICIPAL CODE)

HB 72 and SB 142 are comprehensive bills that reorganize and clarify Title 29 (Municipal Code), but do not substantially change that part of the state statutes that direct the operation of local government in Alaska.

History: The current Title 29, last revised in 1972, is a hodgepodge of 13 years worth of amendments. It is very difficult for the average citizen to read and understand.

Recognizing the problem, the Legislature adopted SCR 66 in 1980, directing the rewrite of Title 29. A broadly representative policy committee, with the assistance of a technical committee, prepared a revised code after an exhaustive series of meetings, hearings, and public presentations.

HB 170 and SB 180 were introduced in 1981. More hearings were held during the 1981 legislative session, during the interim, and continuing through the 1982 session. SB 180 passed the legislature, but because of controversial floor amendments, Governor Hammond vetoed the bill.

In 1983, SB 1 was introduced by Senators Sturgulewski and Gilman; HB 172, by Governor Sheffield. Both bills are basically the same as the bill that had passed the previous year minus the controversial amendments. More committee work was done in both the House and Senate on the 204 page bill. HB 172 passed the House in the Second Session of the 13th Legislature but it did not reach the Senate.

Governor Sheffield has introduced HB 72 and SB 142 in the 14th Legislature. These identical bills are the same as HB 172, the bill that passed the House last year, except for removing the ability of a second class city to adopt a home rule charter.

Changes: For the most part, these bills reorganize and reword Title 29 for clarity and flexibility. Policy changes of any substance are very few. The main changes are:

Third Class Boroughs: The existing third class borough, Haines Borough, continues in existence, but there is no provision for incorporating new third class boroughs in the future.

Municipal Powers: A general grant of municipal powers is given to municipalities, instead of a long list of enumerated powers. The difference is more semantic than actual, since the list includes almost every conceivable municipal power. There is no change in the manner in which boroughs acquire powers.

Organizational Grants/Feasibility Studies: The organizational grants are increased and expanded, depending on the category of local government. Studies for the feasibility of local government are authorized.

Incorporation Requirements: The minimum number of people required for incorporation as either a first class or home rule city is increased from 400 to 600.

Ordinance Violation: Penalties for ordinance violations are increased from a maximum \$500 and 30-days to class B misdemeanor penalties, which are a maximum of \$1000 and 90-days.

Extraterritorial Jurisdiction: Solid and septic waste disposal, utility services, wharves, harbors, and other marine services are added to the list of powers that may be exercised outside the boundaries of the municipality, if the municipality has the authority to exercise the power inside its boundaries.

Economic Development: Allow economic development as a non-area-wide power for second class boroughs, without requiring a vote of the people to exercise it.

Franchise: Requires a vote on franchises of more than 5 years; current law requires a vote on all franchises.

Eminent Domain: Removes the requirement that second class cities get permission from the Department of Community and Regional Affairs and the voters before exercising the power of eminent domain.

Planning, Platting, and Land Use: Updates the language, changing "zoning" to "land use".

Run-Off Elections: Allows run-off election procedures and requirements to be changed by ordinance.

Personal Property: Allows exemption of personal property from taxation.

Taxation of Boats: Removes the \$5 and \$15 property tax limit on boats if assessed on the basis of net tonnage.

Penalties and Interest: Increases the maximum penalty on delinquent property and sales tax from 10% to 20% and interest from 8% to 15%.

Revenue Bonds: Authorizes revenue bonds to be payable solely from the revenue and property of the project.

Municipal Assistance Fund: Moves the administration of the Municipal Assistance Fund from the Department of Revenue to the Department of Community & Regional Affairs.

Municipal Property Disposal: Requires municipalities to adopt formal procedures by ordinance; current law sets out procedures including requiring an election on the disposal of any property valued at more than \$25,000.