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HOUSE COMMITTEE REPORT

(11)

Date Referred: February 17, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/7/89

The FINANCE Committee considered:

HB 40

HOUSE BILL NO. 40 [UNIFICATION OF MUNICIPALITIES]
"An Act relating to unification of municipalities."

RECOMMENDS:

- replacing with CSHB40(C&R.A) the same title
- the attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published: _____
- zero fiscal notes(s) published: C&RA 2/17/89

SIGNING DO PASS:

[Signature] Hoffman
[Signature] Barnes
[Signature] Shultz
[Signature] Phillips
[Signature] Rieger
[Signature] Wallis

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

[Signature] Larson No Rec.
[Signature] Brown No Rec
[Signature] Koponen no rec
[Signature] Ulmer No Rec

co- [Signature]
 chairman's signature
 co- [Signature]

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to unification of municipalities."
Sponsor: Miller
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
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						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance
Approved by Commissioner: [Signature]
Agency: Community & Regional Affairs

Phone: 465-4750
Date: 2/2/89
Date: 2/2/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Adopted

Original sponsor: Miller

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 40 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to unification of municipalities."

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

8 * Section 1. AS 29.06.200(a) is amended to read:

9 (a) Formation of a charter commission to prepare a unification
10 charter shall be proposed by resolution of the assembly or by peti-
11 tion. The question of [A RESOLUTION TO PROPOSE] formation of a char-
12 ter commission may be submitted to the voters [ADOPTED] not more often
13 than once every 24 [12] months.

14 * Sec. 2. AS 29.06.210(b) is amended to read:

15 (b) The petition shall be signed by at least

16 (1) the number of voters residing outside all home rule and
17 first class cities in the borough equal to 25 percent of the votes
18 cast in that area in the last regular borough election; and

19 (2) the number of voters residing in each home rule and
20 [OR] first class city [CITIES] in the borough equal to 25 percent of
21 the votes cast in each of these cities [ALL HOME RULE AND FIRST CLASSE
22 CITIES IN THE BOROUGH] in the last regular borough election.

23 * Sec. 3. AS 29.06.280(a) is amended to read:

24 (a) The votes on the question of formation of a charter commis-
25 sion shall be tabulated in [TWO] separate classifications. Votes [ONE
26 CLASSIFICATION CONSISTS OF ALL VOTES] cast in each first class and
27 home rule city [CITIES] in the borough shall be individually tabulated
28 into separate classifications. Votes [. THE OTHER CLASSIFICATION
29 CONSISTS OF ALL VOTES] cast in the remaining area of the borough shall

1 be tabulated as one classification. In order for formation of a
2 charter commission to be approved, a majority of the votes in each
3 classification must favor formation of the commission.

4 * Sec. 4. AS 29.06.360(c) is amended to read:

5 (c) If a majority of the votes in the area of the borough out-
6 side all home rule or first class cities, and a majority of the votes
7 in each [ALL] home rule and first class city [CITIES] in the borough
8 are cast in favor of the proposed charter, the charter is ratified.
9 If the charter is ratified, election results shall be certified to the
10 commission and two copies of the charter shall be filed with

- 11 (1) the lieutenant governor;
- 12 (2) the department;
- 13 (3) the district recorder for the area of the borough;
- 14 (4) the clerk of the borough;
- 15 (5) the clerk of each city in the borough.

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 3, 1989

SUBJECT: Unification of municipalities (HB 40)
TO: Representative Mike Miller
FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is a sectional analysis that you requested of HB 40.

Sec. 1. Permits the question of unification, whether it originates as a result of petition or resolution, to be submitted to the voters not more often than once every 36 months.

Sec. 2. Requires a unification petition to be signed by voters in each home rule and first class city equal to 25 percent of the votes cast in each of these cities in the last regular borough election. The existing requirement as to signatures of city residents is cumulative--that is a percentage of all the voters is used without regard to the particular city the voters reside in.

Sec. 3. Like the petition signature requirement in section 2, this requires the votes on the question of formation of a charter commission to be tabulated separately for each home rule and first class city. Votes of borough residents outside of these cities is tabulated in another, single classification. Each separately tabulated classification must approve the formation of a charter commission before one can be formed.

Sec. 4. The changes reflect the fact that approval of a unification charter must be achieved in each home rule and first class city before the charter is adopted.

TBC:gc
WKG6/019

#6

MEMORANDUM

TO: Representative Mike Miller

FROM: Staff

RE: Boroughs and Cities affected by sections 2 - 4 of HB 40

DATE: 2/7/89

The proposed statutory changes in sections two, three and four of House Bill 40 would affect any organized borough that encompasses two or more Home Rule or First Class cities. Based on information contained in the 1989 Alaska Municipal Officials Directory, four boroughs fit this description. These boroughs and their accompanying cities are as follows:

	<u>Reg.</u> <u>Voters**</u>
Aleutians East Borough	
Akutan.....Second Class	
Cold Bay.....Second Class	
King Cove.....First Class	235
Sand Point.....First Class	394
Fairbanks North Star Borough	
Fairbanks.....Home Rule	16,493
North Pole.....Home Rule	835
Kenai Peninsula Borough	
Homer.....First Class	2,053
Kachemak.....Second Class	
Kenai.....Home Rule	3,045
Seldovia.....First Class	373
Seward.....Home Rule	1,277
Soldotna.....First Class	1,772
Matanuska-Susitna Borough	
Houston.....Second Class	
Palmer.....Home Rule	1,478
Wasilla.....First Class	1,955

** Registered Voter totals were secured from the Division of Elections.

#4

STEVE COWPER, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 8, 1989

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 38TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

POSITION PAPER

RE: House Bill 40

SPONSOR: Representative Miller

Program Effects

The bill makes two main changes to the unification process. First, it would limit consideration of the question to once every three years, rather than every year as at present. Second, it would provide that each home rule and first class city within the borough be treated separately, rather than together, for the purposes of required petition signatures, voting on the question of formation of a charter commission, and voting on the ratification of the home rule charter.

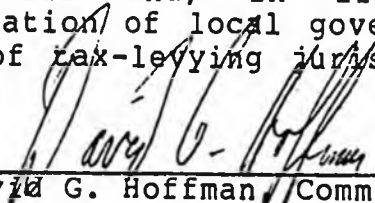
Comments

Article X, Section 1 of the Alaska State Constitution provides: "The purpose of this article is to provide for maximum self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units." The unification process, whereby the cities within a borough are unified with the borough to form a single unified municipality governed by a home rule charter, provides a means of accomplishing the constitutional goals of minimization of local government units and prevention of duplication of tax-levying jurisdictions.

Determining the appropriate limitation on consideration of the formation of a charter commission requires striking a balance between the interest in reasonably allowing the people to consider the question and the interest in not allowing frivolous requests which will dilute interest and resources devoted to discussion of the issue. The department feels a one year limitation is appropriate.

House Bill 40
February 8, 1989
Page Two

Treatment of first class and home rule cities separately, rather than as a class, for the purpose of petitioning for and voting on the charter commission and charter has the effect of giving each city a veto power over the question. Such effect could result even though an area-wide total vote favors a particular course of action by a wide margin. The existing structure, treating the cities as a separate class, may be justified as a reasonable exercise of self-government. However, the department feels the proposed treatment of each first class and home rule city separately is an unreasonable inhibition of the popular will and, in light of the constitutional goals of minimization of local government units and prevention of duplication of tax-levying jurisdictions, is not warranted.



David G. Hoffman, Commissioner

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 15, 1989

SUBJECT: Unification of municipalities (HB 40)
TO: Representative Mike Miller
FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Several questions have come up in the House Community and Regional Affairs Committee hearing on HB 40. That bill requires, among other things, that unification be approved in each first class and home rule city in a borough before it can take place. Under existing law approval is required among the voters of all first class and home rule cities, tabulated as one classification.

If a unification effort fails because voters in one or more home rule or first class cities withhold approval, may the remaining cities unite with the borough through merger and consolidation?

Existing municipalities may unite through merger and consolidation under procedures set out in AS 29.06.090 - 29.06.170. A petition for merger or consolidation would have to be accepted by the Local Boundary Commission and then the merger or consolidation would have to be approved by the voters in the area to be included in the new municipality. If a city were to merge with a borough, the city would cease to exist and the area would be incorporated into the area of the borough outside of cities. The classification of the borough would not be changed by this action. Unification, on the other hand, converts a general law borough into a home rule government.

Can a city simply dissolve in order to merge with a borough in which it is located?

This can be also done. The procedure for this is set out in AS 29.06.450 - 29.06.530. A dissolution proposal is subject

Representative Mike Miller
Page 2
March 15, 1989

to Local Boundary Commission review and acceptance and to a vote of the people in the city. But the city cannot unilaterally dissolve and force a borough to assume governing responsibility in its territory. Under AS 29.06.470(b) the borough voters must consent to assume the rights, powers, duties, assets, and liabilities of the city. Dissolving a city in a borough will not change the classification of the borough itself in the way that unification does.

TBC:kb
wkk3/009

#5

P.O. BOX 55109
NORTH POLE, ALASKA
99705

TOP OF THE WORLD
PHONE: 907-488-2281
AT YOUR SERVICE



January 16, 1989

RECEIVED JAN 19 1989

The Honorable Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Proposed Title 29 Amendments

Dear Jack:

The City of North Pole is in receipt of SB105 and the corresponding house bill, HB40. The city council is in unanimous support of the legislation.

As you are aware, recent changes in Title 29 legislation failed to protect small cities from unification proceedings. It is the hope of the City of North Pole that passage of these bills as drafted will help remedy that inequity.

Your colleague, Representative Mike Miller, has introduced the house version (HB40) and also supports our endeavors. In addition, we are requesting assistance from the Alaska Municipal League through its Director, Scott Burgess.

The people in the North Pole area overwhelmingly support this legislation. The city will encourage as many of them to correspond with you as possible.

Thank you for your support. Please keep the city posted as to the progress of the bills. We stand ready to do anything within our powers to ensure passage.

Sincerely,

Carleta Lewis
Mayor

CL/kl

cc: The Honorable Representative, Mike Miller
Alaska Municipal League, Scott Burgess, Director