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~~CONFIDENTIAL~~

(11)

Date Referred: February 20, 1989

FURTHER REFERRALS:

Date of Committee Action: 3/2/89

The FINANCE Committee considered:

SB 102

SENATE BILL NO. 102 [WINTER OLYMPIC FUND]

"An Act relating to Winter Olympic funding; and providing for an effective date."

RECOMMENDS:

- replacing with \_\_\_\_\_  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:  
1/19/89 Rev.

SIGNING DO PASS:

[Signature] Hoffman

[Signature] Larson

[Signature] Ulmer

[Signature] Barnes

[Signature] Rieger

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

[Signature] Swackhamm NO REC

[Signature] Brown No REC

[Signature] Koponec no REC

[Signature] Shultz No REC

[Signature] Phillips No REC

CO- [Signature]  
Chairman's signature

CO- [Signature]

R/O HFC

3-2-89

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SB 102  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

9/89

REQUEST

Revision Date: January 18, 1988  
Title: An Act relating to Winter Olympic Funding  
Sponsor: Kelly  
Requestor: Senate State Affairs

Agency Affected: Revenue  
BRU: Permanent Fund Dividend Division  
Components: Permanent Fund Dividend Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
<b>OPERATING</b>						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact.

Prepared By: Ervin Jones  
Division: Permanent Fund Dividend Division

Phone: 465-2323  
Date: January 18, 1989

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 1/18/89

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

R/O HFC 3-2-89

Introduced: 1/11/89  
Referred: State Affairs and  
Finance

6-0206A

1 IN THE SENATE BY KELLY

2 SENATE BILL NO. 102

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 Winter Olympic funding; and  
7 providing for an effective date."

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

9 \* Section 1. Section 3(a), ch. 6, SLA 1986, is repealed and reenacted  
10 to read:

11 (a) Section 2 of this Act takes effect as follows:

12 (1) on December 31, 1989, if during 1989 the United States  
13 Olympic Committee does not select Anchorage, Alaska as America's  
14 choice to host the 1998 Olympic Winter Games;

15 (2) on December 31, 1991, if before or during 1991 the  
16 International Olympic Committee does not select Anchorage, Alaska to  
17 host the 1998 Olympic Winter Games;

18 (3) on December 31, 1998, if before or during 1991 the  
19 International Olympic Committee selects Anchorage, Alaska to host the  
20 1998 Olympic Winter Games.

21 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).



# Alaska State Legislature

SENATE

*Office of the President*

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

January 24, 1989

TO: Senator Rick Uehling  
Senate Finance Co-Chair

FROM: Tim Kelly  
Senate President

*DK*

re: Background information on SB 102 , relating to the Winter Olympic checkoff.

Senate Bill 102 was introduced to create sunset provisions for the Winter Olympic checkoff program.

Specifically, the program ends on:

1. December 31, 1989 if the Anchorage is not selected by the United States Olympic Committee as America's choice to host the 1998 Olympic Winter Games;
2. December 31, 1991 if the International Olympic Committee does not select Anchorage as the host for the 1998 Olympic Winter Games;
3. December 31, 1998 if Anchorage is selected to host the 1998 Olympic Winter Games.

According to Mr. Rick Nerland, the Executive Director of the AOC, these proposed sunset provisions meet with the approval of the Anchorage Organizing Committee.

Additionally, it should be noted that this program is self-funded: any costs associated with running the program are paid for with checkoff funds before the funds are distributed to the AOC. Thus, there is "zero" fiscal impact with this legislation.

Item 4



## Alaska State Legislature

House of Representatives  
COMMITTEE ON STATE AFFAIRS

February 16, 1989

HOUSE STATE AFFAIRS COMMITTEE

LETTER OF INTENT  
For  
Senate Bill 102

Testimony before the House State Affairs Committee has revealed that the Department of Revenue, Division of Permanent Fund Dividends, has not received adequate funding for administrative costs resulting from the Alaska Olympic Committee Permanent Fund Dividend checkoff program.

The House State Affairs Committee respectfully requests that the House Finance Committee, when reviewing the Department of Revenue's budget, determine whether the Division of Permanent Fund Dividends receives adequate program receipts to cover the actual administrative costs for the checkoff program.

  
Representative H.A. "Red" Boucher



**Anchorage Organizing  
Committee  
for the 1998 Olympics<sup>®</sup>**

The Frontier Building 3601 C Street, Suite 370 Anchorage, Alaska 99503  
Phone (907) 561-1988 Fax (907) 562-0413 Telex 25311

January 26, 1989

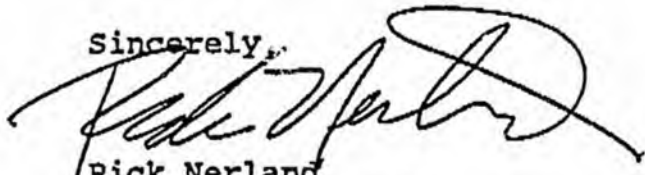
Senator Rick Uehling  
Senate Finance Committee  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Uehling:

I understand SB-102 will be considered in your committee in the near future. The Anchorage Organizing Committee wishes to go on record in support of this legislation. The bill would continue the Permanent Fund Dividend checkoff program while Anchorage pursues its bid for the 1998 Olympic Winter Games.

We appreciate your support.

Sincerely,



Rick Nerland  
Secretary-General

RN126/dag

# NO OLYMPICS 98

JAN 23 1989

7801 SCHOON STREET SUITE B, ANCHORAGE, ALASKA 99518  
(907) 344-0302

January 22, 1989

Dear Senator:

The purpose of this letter is to introduce you to our group "No Olympics 98" and to protest the exclusion of many worthy groups from the permanent fund check-off.

"No Olympics 98" is a grass-roots organization of Anchorage residents who see the proposed Winter Olympics for what it really is: a quick fix nine years down the road that will benefit a very small minority of Alaskans and damage the economy of Anchorage and Alaska for the long term. We have enclosed one of our position papers for your consideration. "No Olympics 98" would be pleased to answer any and all questions you or your staff may have concerning our group or the Olympic issue.

The issue of the permanent fund check-off is a very serious one. We have included a copy of a story that appeared in the 1/19/89 issue of the Anchorage Daily News and have taken the liberty of adding a few comments in the margins. You will notice that the AOC receives about 85% of its budget from the check-off, their fund raising shows a glaring weakness when you consider that less than 15% of the AOC's financial support comes from the very industries it proports to help. This amounts to a free ride that other, more deserving groups do not receive. Please also note that over 80% of Alaskans reject the AOC, this is a very significant measure of support or rather lack of it. Why, if the Olympics are such a great idea does the AOC plan a \$50,000 advertising campaign to encourage donations?

Perhaps the most disturbing of all mentions in the article is the statement that the legislature has given the AOC exclusive rights to the dividend check-off and that Senator Kelly would fight to keep all others off. WHY IS THE AOC THE PRIVILEGED CHILD? WHY ARE THEY MORE EQUAL THAN ANY OTHER NON-PROFIT GROUP? "No Olympics 98" feels that The United Way, The Alaska Visitors Association, The Cancer Society, The Boys and Girls Club and many other non-profit groups accomplish more for the people of Alaska year in and year out than the AOC will ever accomplish.

Perhaps the problem is that these and other groups do good and are not the "fun loving bunch" that the AOC is. Perhaps because these groups do not spend their time lobbying for more money to spend, but spend their time doing good for the community. The AOC has a track record of rubbing shoulders with European royalty, jet setters, and near-do wells and ignoring the wants and needs of Alaska, Anchorage, and the winter sporting people. This is not just the opinion of "No Olympics 98" but the views of many within the AOC itself as reported in the January 17, 1989 issue of the Anchorage Times. In that article AOC Executive Board members Tony Smith and Ron Petro are said to be concerned that the AOC ignores Alaska and socializes too much with the International Olympic Committee.

"No Olympics 98" urges you to end the free ride the AOC has enjoyed, REMOVE THIS FAILED GROUP FROM THE PERMANENT FUND CHECK-OFF THIS YEAR AND IN IT'S PLACE PUT GROUPS THAT ARE INTERESTED IN ALASKA AND ALASKANS.

Thank you for your support.



Michael P. Citti  
Chairman

# History of Payments for Oil Imprec Checkoff

Payments made during				
1	October 1986			
2	10/30	238,575.00		
3	November 1986			
4	11/4	163,950.00		
5	11/19	132,775.00		
6	December 1986			
7	12/10	212,290.00		
8	12/29	56,715.00		3
9	January 1987			
10	1/29/87	34,150.00		
11	March 1987			
12	3/25/87	22,400.00		
13	May 1987			
14	5/1/87	6,750.00		
15				
16	October 1987			
17	10/9/87	58,335.00		
18	10/13/87	51,336.50		
19	10/20/87	61,830.00		
20	November 1987			
21	11/4/87	127,220.00		
22	11/18/87	133,110.00		4
23	11/30/87	67,815.00		
24	December 1987			
25	12/5/87	65,085.00		
26	12/14/87	64,100.00		
27	12/21/87	112,560.00		
28	October 1988			
29	10/10/88	232,400.00		
30	10/15/88	74,335.00		
31	10/22/88	75,385.00		
32	10/29/88	68,035.00		
33	November 1988			
34	11/5/88	80,010.00		
35	11/14/88	78,420.00		
36	11/19/88	78,425.00		
37	11/26/88	80,930.00		
38	December 1988			
39	12/5/88	78,160.00		
40	12/10/88	84,250.00		

History of Payments for Oil per Check

Payments made during

December 1988 (continued)

12/22/88	55330.00
12/24/88	3085.00
12/31/88	1775.00
January 1989	
1/9/89	14700.00
1/17/89	2520.00

us 1/17/89

785,370

3:00 PM  
 Mailer, gave message  
 to Dave Gray.

Mill, 1 Star, Kin, 1, 1  
 Daily News of ...

210,635  
 743,420  
 785,310  
 2,239,185

SENATE COMMITTEE REPORT

FURTHER

4/25/89

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

Finance

SB 104

Committee considered \_\_\_\_\_

fourth class boroughs

and recommended

- replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

*Bill died in committee.*

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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Chair: \_\_\_\_\_ signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FURTHER

FIN

3/22/89

DATE TURNED INTO OFFICE 4/25/89

Mr. President:

HESS

Committee considered SB 104

fourth class boroughs

and recommended

+ reports it back as follows:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

*Previous FM*

FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published 3/22/89

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 *[Signature]*

2 *[Signature] - No Rec*

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*Paul G. [Signature] (Do Pass)*  
Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-16-89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

HESS  
FIN

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3-21-89

1/11/89  
Mr. President:

C&RA Committee considered SB 104

fourth class boroughs

*and a majority of the committee report it back  
with no recommendation*

and recommended:

replace with CS \_\_\_\_\_  same title  
 attached amendment(s) and  new title

\_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

*DFM*

FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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\_\_\_\_\_

*Mr. Samuels - No Rec.*  
*Drunk No Rec*  
*[Signature]*

*[Signature]* - No Rec

Chairman signature and recommendation

Committee backup attached

Introduced: 1/11/89  
Referred: Community and Regional  
Affairs, Health, Education  
and Social Services and Finance

6-0229A

1 IN THE SENATE

BY COGHILL

2 SENATE BILL NO. 104

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 fourth class boroughs."

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

8 \* Section 1. AS 14.08.031(a) is amended to read:

9 (a) The Department of Community and Regional Affairs in consul-  
10 tation with the Department of Education and local communities shall  
11 divide the area in the unorganized borough and fourth class boroughs  
12 into educational service areas using the boundaries or sub-boundaries  
13 of the regional corporations established under the Alaska Native  
14 Claims Settlement Act, unless by referendum a community votes to merge  
15 with another community contiguous to it but within the boundaries or  
16 sub-boundaries of another regional corporation.

17 \* Sec. 2. AS 14.08.031(b) is amended to read:

18 (b) An educational service area established [IN THE UNORGANIZED  
19 BOROUGH] under (a) of this section constitutes a regional educational  
20 attendance area. As far as practicable, each regional educational  
21 attendance area shall contain an integrated socio-economic, linguis-  
22 tically and culturally homogeneous area. In the formation of the  
23 regional educational attendance areas, consideration shall be given to  
24 the transportation and communication network to facilitate the admin-  
25 istration of education and communication between communities that  
26 comprise the area. Whenever possible, municipalities, other govern-  
27 mental or regional corporate entities, drainage basins and other  
28 identifiable geographic features shall be used in describing the  
29 boundaries of the regional school attendance areas.

1 \* Sec. 3. AS 14.12.010 is amended to read:

2       Sec. 14.12.010. DISTRICTS OF STATE PUBLIC SCHOOL SYSTEM. The  
3 districts of the state public school system are as follows:

4           (1) each first class and home rule city in the unorganized  
5 borough or in a fourth class borough is a city school district;

6           (2) each unified municipality and first, second, or third  
7 class [ORGANIZED] borough is a borough school district;

8           (3) the area outside a city or borough school district  
9 [ORGANIZED BOROUGHS AND OUTSIDE FIRST CLASS CITIES] is divided into  
10 regional educational attendance areas.

11 \* Sec. 4. AS 29.04.030 is amended to read:

12       Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipal-  
13 ities are of six [FIVE] classes:

14           (1) first class boroughs;

15           (2) second class boroughs;

16           (3) third class boroughs;

17           (4) fourth class boroughs;

18           (5) first class cities;

19           (6) [(5)] second class cities.

20 \* Sec. 5. AS 29.04 is amended by adding a new section to read:

21       Sec. 29.04.070. RECLASSIFICATION OF FOURTH CLASS BOROUGHS. A  
22 fourth class borough may reclassify as a first or second class borough  
23 in the manner provided by AS 29.35.320 - 29.35.330 for the addition of  
24 an areawide power by a first or second class borough, except the  
25 petition or proposal requests reclassification instead of requesting  
26 addition of a power.

27 \* Sec. 6. AS 29.05.031(a) is amended to read:

28       (a) An area that meets the following standards may incorporate  
29 as a home rule, first class, [OR] second class, or fourth class

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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.

\* Sec. 7. AS 29.35.160(a) is amended to read:

(a) Each unified municipality, first class borough, second class borough, and third class 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

1 transfers to the borough school district in which the military reser-  
2 vation is located.

3 \* Sec. 8. AS 29.35 is amended by adding a new section to article 3 to  
4 read:

5 Sec. 29.35.230. FOURTH CLASS BOROUGH POWERS. (a) A fourth  
6 class borough may

7 (1) borrow money and issue negotiable or nonnegotiable  
8 bonds or other evidences of indebtedness as provided by AS 29.47;

9 (2) acquire the power to provide for planning, platting,  
10 and land use regulation as provided in AS 29.40 for first and second  
11 class boroughs, except the power may only be exercised within a ser-  
12 vice area; and

13 (3) acquire any power not otherwise prohibited by law,  
14 except the power may only be exercised within a service area.

15 (b) A fourth class borough may not

16 (1) exercise an areawide power other than tax assessment  
17 and collection; or

18 (2) function as a borough school district or establish a  
19 school system.

20 \* Sec. 9. AS 29.35.250(c) is amended to read:

21 (c) A home rule city in a third or fourth class borough shall  
22 provide for planning, platting, and land use regulation as provided by  
23 AS 29.35.180(b) for home rule boroughs. A first class city in a third  
24 or fourth class borough shall provide for planning, platting, and land  
25 use regulation as provided by AS 29.35.180(a) for first and second  
26 class boroughs. A second class city in a third or fourth class bor-  
27 ough may provide for planning, platting, and land use regulation as  
28 provided by AS 29.35.180(a) for first and second class boroughs.

29 \* Sec. 10. AS 29.35.260(b) is amended to read:

1 (b) A home rule or first class city in the unorganized borough  
2 or in [OUTSIDE] a fourth class borough is a city school district and  
3 shall establish, operate, and maintain a system of public schools as  
4 provided by AS 29.35.160 for unified municipalities, first class  
5 boroughs, second class boroughs, and third class boroughs. A second  
6 class city in the unorganized borough or in [OUTSIDE] a fourth class  
7 borough is not a school district and may not establish a system of  
8 public schools.

9 \* Sec. 11. AS 29.35.490(b) is amended to read:

10 (b) If the exercise of the power is approved by a majority of  
11 the voters residing in the service area, a third or fourth class  
12 borough may exercise in a service area any power not otherwise prohib-  
13 ited by law.

14 \* Sec. 12. AS 29.35.490(c) is amended to read:

15 (c) A second, [OR] third, or fourth class borough may establish  
16 a service area that includes only vacant, unappropriated, and unre-  
17 served land owned by the borough. A second, [OR] third, or fourth  
18 class borough may establish a service area, with the concurrence of  
19 the commissioner of natural resources, that includes only vacant,  
20 unappropriated, and unreserved land owned by the state and classified  
21 for disposal to individuals. By ordinance a second, [OR] third, or  
22 fourth class borough may provide the services in a service area estab-  
23 lished under this subsection necessary to develop state or municipal  
24 land as required by the planning, platting, and land use regulations  
25 of the borough.

26 \* Sec. 13. AS 38.05.037(a) is amended to read:

27 (a) In areas of the unorganized borough [STATE OUTSIDE FIRST,  
28 SECOND OR THIRD CLASS BOROUGHS] where there is no city exercising the  
29 power of land use regulation [MUNICIPALITY WITH A ZONING POWER], the

1 division of lands shall exercise the zoning power by adopting zoning  
2 regulations.

3 \* Sec. 14. AS 38.05.037(b) is amended to read:

4 (b) The division of lands may exercise its zoning power

5 (1) within federal land in the unorganized borough only at  
6 the times and in the areas it is requested to do so by the Secretary  
7 of the Interior to facilitate sales of federal land within the unor-  
8 ganized borough under P.L. 88-608, 78 Stat. 988;

9 (2) within any portion of a third or fourth class borough  
10 covered by the Alaska coastal management program adopted in accordance  
11 with the provisions of AS 46.40 if the municipality has not done so.

12 \* Sec. 15. AS 40.15.070 is amended to read:

13 Sec. 40.15.070. PLATTING AUTHORITY. If land proposed to be  
14 subdivided or dedicated is situated within a first or second class  
15 borough, the proposed subdivision or dedication shall be submitted to  
16 the borough planning commission for approval. If the land is situated  
17 within a city in the unorganized borough, [OR] the third class bor-  
18 ough, or a fourth class borough, the proposed subdivision or dedica-  
19 tion shall be submitted to the city planning commission for approval.  
20 The borough planning commission is the platting authority for the  
21 first or second class borough, the city planning commission is the  
22 platting authority for the city, and the Department of Natural Re-  
23 sources is the platting authority in the remaining areas of the state  
24 [AND THIRD CLASS BOROUGH] for the change or vacation of existing plats  
25 or a portion of such plats, as provided in AS 40.15.075. If the  
26 borough or the city does not have a planning commission, the borough  
27 assembly or the city governing body, respectively, is the platting  
28 authority and the proposed subdivision or dedication shall be submit-  
29 ted to it. A subdivision may not be filed and recorded until it is

1 approved by the platting authority.

2 \* Sec. 16. AS 40.15.075 is amended to read:

3       Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND IN  
4 THIRD AND FOURTH CLASS BOROUGHS. The Department of Natural Resources  
5 is the platting authority in the area outside organized boroughs and  
6 outside cities in the unorganized borough, [AND] in the third class  
7 borough and, in each fourth class borough for only the purposes of  
8 hearing and acting on petitions for the change or vacation of plats  
9 and shall execute this function substantially in conformity with the  
10 provisions of AS 29.40.130 - 29.40.160. Costs of publication and  
11 mailing authorized in AS 29.40.130 shall be paid to the Department of  
12 Natural Resources by the petitioner. The Department of Natural Re-  
13 sources shall adopt reasonable regulations governing the exercise of  
14 the authority conferred by this section.  
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**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to fourth class  
 boroughs."  
 Sponsor: Cochill  
 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						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-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)

See attached.

Prepared by: Jim Plasman, Deputy Director  
 Division: Municipal & Regional Assistance

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

Approved by Commissioner: [Signature] DC, CRA  
 Agency: Community & Regional Affairs

Date: 6 Feb 89

**Distribution (by preparer):**

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

FISCAL NOTE CONTINUATION

SB 104

The department has taken the position of zero fiscal impact from this bill because this bill does not mandate the creation of any new boroughs. However, it should be noted that any fourth class boroughs that are created pursuant to this legislation would be entitled to receive financial assistance from the state through a number of different programs. As any other new borough, a fourth class borough would be entitled to organizational grants under AS 29.05.190 in the amounts of \$300,000 the first year, \$200,000 the second year, and \$100,000 the third year. The borough would be entitled to participate in various tax sharing programs, such as the fish tax revenue sharing program. These impacts would fall upon the state. Any new borough would also be entitled to participate in the state revenue sharing and municipal assistance programs. The financial impact in these programs would fall predominately on other recipients (mainly municipalities) unless the state put in additional funds to compensate for the new participants.

Senator John B. (Jack) Coghill

Alaska State Legislature



Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862

MEMORANDUM

To: Senator Al Adams

From: Senator Jack Coghill

Re: Bill hearing

Date: January 19, 1989

Senate Bill 104, "An Act relating to fourth class boroughs" has been referred to the Senate Community and Regional Affairs Committee.

SB 104 would provide for the establishment of a fourth class borough as a class of general law municipality. Establishment of a fourth class borough has been modeled after a third class borough with one exception, a fourth class borough is prohibited from exercising educational powers.

A fourth class borough would constitute a minimal form of government. It would enable areas in the unorganized borough to ease into an organized form of government. By establishing a fourth class borough, we have provided a stair-step approach to organized government. I believe residents in the unorganized area will have more of an incentive to organize themselves into a government entity under the fourth class borough proposal.

Enclosed is the sectional analysis on SB 104. We have requested a fiscal note from the Department of Community and Regional Affairs, but have not received it yet. I would appreciate if you would schedule SB 104 for a hearing as soon as possible.

If you have any questions regarding SB 104, please feel free to contact my office.

memo to Adams

TOLSONA COMMUNITY CORPORATION  
Box 23  
Glennallen AK 99588

January 21, 1989

JAN 27 1989

Senator Jack Coghill  
Box V  
Juneau AK 99811

Dear ~~Senator Coghill~~ <sup>JACK</sup>:

Thanks for the information regarding your borough bill. It seems to address most of the concerns of the residents in the Copper River area.

1. Education:

The cost of operating the schools would take so much of the budgets of many of the proposed boroughs that they become unfeasible to operate. Your proposal solves this by retaining state funding of the schools.

2. Political:

In the Copper River basin, the school board is the only political game in town and it therefore becomes the stage for all local would-be politicians to play their games. By having another elected body in the area, some of these types would choose to act in that arena and leave the school board to those who are sincerely interested in education.

3. Protection:

By forming a 4th class borough the area would protect itself from encroachment from neighboring boroughs and yet not have to assume the massive burden of the schools and large borough bureaucracy.

4. Existing Services:

A concern I do have, as president of Tolsona Community Corporation, is the status of revenue sharing under a 4th class borough. Village councils and Non-profit corporations share about \$150,000 in the Copper River area and if the new borough would tax itself, it could easily raise enough money to continue the services provided by these organizations as well as operate the borough and provide additional funds for the school district. But, what would happen if the borough chose not to tax? (operate with volunteers)

Except for this concern, I think that your proposal would be a good vehicle to allow formation of boroughs in many of the REAAs in the state.

Sincerely,



Graham Ward

#### FOURTH CLASS BOROUGH NOTES

SB 104 would provide for the establishment of a Fourth Class Borough as a class of general law municipality. Establishment of a Fourth Class Borough has been modeled after a Third Class Borough.

A Fourth Class Borough would constitute a minimal form of government. It is similar to a Third Class Borough with the exception that a Fourth Class Borough is prohibited from exercising educational powers.

The standards for incorporation of a Fourth Class Borough are identical to those for other boroughs. The only area-wide power granted to Fourth Class Boroughs upon incorporation is taxation. However, a Fourth Class Borough would not have to tax if the assembly did not want to. Any taxation would be passed by the assembly in the form of an ordinance. Any other power the borough wants to acquire, can only be exercised in a service area.

A Fourth Class Borough can establish service areas. Any power which is not otherwise prohibited by law to be exercised in a service area must be voted on by the residents of the service area, unless nobody lives in the area.

Unlike the other classifications of boroughs, when a Fourth Class Borough incorporates, it does not have any mandatory powers. Other classifications usually have a mandatory provision to provide for education and taxation

One thing to keep in mind is that the establishment of a Fourth Class Borough does not give 100% protection from annexation of the borough's territory by another borough. The Local Boundary Commission can consider any boundary changes. However, by the establishment of a Fourth Class Borough, it would give the area a form of government to oppose annexation and make annexation more difficult.

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 13, 1989

SUBJECT: Fourth class boroughs  
(Work Order No. 6-0229A)

TO: Senator Jack Coghill

FROM: Tamara Brandt Cook *bc*  
Director  
Division of Legal Services

Here is the sectional analysis that you requested of the draft bill relating to fourth class boroughs.

Sec. 1. Fourth class boroughs are to be included into educational service areas.

Sec. 2. Deletes a reference to the unorganized borough, since service areas will include fourth class boroughs under this legislation.

Sec. 3. First class and home rule cities in a fourth class borough are city school districts, as is the case now with those types of cities located in the unorganized borough. Makes some technical, but not substantive changes, to properly identify all classifications of municipalities and their powers with respect to education.

Sec. 4. Adds the fourth class borough as a class of general law municipality.

Sec. 5. Permits a fourth class borough to reclassify as a first or second class borough in the manner that reclassification is currently permitted for other types of boroughs.

Sec. 6. Establishes standards for incorporation of a fourth class borough that are identical to those for other boroughs.

Sec. 7. Identifies boroughs that are school districts. A fourth class borough is not included. Under existing law all boroughs are school districts.

*Sectional Analysis*

Sec. 8. Sets out powers of a fourth class borough which are similar to those of the third class borough, except a fourth class borough may not function as a school district.

Sec. 9. Requires a home rule city and first class city in a fourth class borough to provide for planning, platting and land use regulation, as is the case for those types of cities in the third class borough. Permits a second class city to do so.

Sec. 10. Provides that a home rule or first class city in a fourth class borough is a school district, as is the case for such cities located in the unorganized borough.

Sec. 11. Permits a fourth class borough to exercise in a service area any power not otherwise prohibited, as is the case for the third class borough.

Sec. 12. Treats fourth class boroughs the same as second and third class boroughs with respect to service areas containing only vacant land.

Sec. 13. Provides that in areas of the unorganized borough where no city exercises the power of land use regulation the division of land shall exercise the zoning power. This provision treats fourth class and third class boroughs alike, but neither type can provide land use regulation except on a service area basis. Perhaps the provision should be modified to allow the division of lands to zone in any area where no municipal land use regulation is being exercised, including within third class and fourth class boroughs and certain second class cities. This, however, would go beyond the scope of this bill.

Sec. 14. Fourth class boroughs are treated like the third class borough with respect to the power of the division of lands to exercise zoning power in areas covered by the Alaska coastal management program.

Sec. 15. Fourth class boroughs are treated like the third class borough with respect to subdivisions of state land. Like the provision dealt with in Section 13, this provision does not now appear to adequately recognize the existing scheme for municipal exercise of land use regulation, but to correct the provision would be beyond the scope of this bill.

Sec. 16. Fourth class boroughs are treated like the third class borough with respect to the platting authority of the

Senator Jack Coghill  
Page 3  
January 13, 1989

Department of Natural Resources. Like the provision dealt with in Sections 13 and 15, this provision does not now appear to adequately recognize the existing scheme for municipal exercise of land use regulation, but to correct the matter would be beyond the scope of this bill.

TBC:kb  
wkk1/033

Senator John B. (Jack) Coghill

Alaska State Legislature

LEGISLATIVE REPORT

BY

SENATOR JACK COGHILL



Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862

I have recently introduced Senate Bill 104, "an Act relating to fourth class boroughs." This bill would provide for the establishment of a fourth class borough as a class of general law municipality. A fourth class borough would constitute a very minimal form of organized government. It would enable areas in the unorganized borough, that want to form a government structure, to ease into an organized form of government. Unlike the other classifications of boroughs, when a fourth class borough incorporates, it would not have any mandatory powers. Other boroughs usually have a mandatory provision to provide for education and taxation.

The standards for incorporation of a fourth class borough are identical to those for other boroughs. A fourth class borough would be prohibited from establishing a school district. In fact, the only area-wide power granted to a fourth class borough upon incorporation, would be taxation. However, just because they have that power, it does not mean the new borough would have to exercise it. The borough would only have to tax to generate revenues to provide for "extra" services that residents may want.

You may be wondering why on earth I would introduce a fourth class borough bill. Well, as you may recall, during the 15th Legislature Representative Ron Larson introduced legislation that would create mandatory boroughs. This session he introduced a similar bill. I am adamantly opposed to any form of mandatory borough. I believe local government should be up to the people, not forced upon them. But we must keep in mind the interest and support that is developing on the concept of new borough formation in the unorganized areas of the state. I felt, by introducing legislation that allows for the establishment of fourth class boroughs, we would be providing an alternative for the Administration to consider instead of them advocating a mandatory borough policy. We would also be allowing residents of an area to protect their interests from annexation procedures by other established boroughs.

Please keep in mind that SB 104 does not mandatorily force the establishment of fourth class boroughs. It merely provides an avenue to establish a very minimal borough government. I assure you I will continue to fight against the mandatory borough concept. On a final note, I would like to take this opportunity to publicly thank the Copper River Borough Committee for their help and input in formulating SB 104.

If you have any questions regarding SB 104, please feel free to contact my office at P.O. Box V, Juneau AK 99811.