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SENATE FINANCE COMMITTEE REPORT

DATE: 4/25/90

DATE TURNED INTO OFFICE: 5/6/90

The Finance Committee considered

SB 517

"An Act relating to initiative and referendum elections in home rule municipalities."

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

Gov. Elections 4/20/90

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Don't that DO NOT PASS

Don't no Rec

Gov. Elections No Rec

Peace - do not pass

B. Smith - do not pass

Keith Welch (No REC)

1. *John [Signature]* No Rec
Co-Chairs Signatures and Recommendations

2. *Keith Welch (No REC)*

FISCAL NOTE

REQUEST:

Revision Date: 4/20/90
Title: Relating to municipal initiative and referenda election
Sponsor: CRA Committee
Requestor: CRA Committee

Agency Affected: Office of the Governor
BRU: Elections
Components: I Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
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						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The fiscal impact for FY 90 is -0-.

Prepared by: Linda Edgeworth Phone: 465-4611
Division: Division of Elections Date: _____

Approved by Commissioner: [Signature] Date: 4.20.90
Agency: Division of Elections

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

BY THE C&RA COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 517

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to initiative and referendum elec-

7

tions in home rule municipalities."

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

9 * Section 1. AS 29.10.200 is amended by adding new paragraphs to read:

10 (51) AS 29.26.170(d) (initiative elections)

11 (52) AS 29.26.180(d) (referendum elections)

12 * Sec. 2. AS 29.26.170(d) is amended to read:

13 (d) If a majority vote favors the ordinance or resolution, it
14 becomes effective upon certification of the election, unless a differ-
15 ent effective date is provided in the ordinance or resolution. This
16 subsection applies to home rule and general law municipalities.

17 * Sec. 3. AS 29.26.180(d) is amended to read:

18 (d) If a majority vote favors the repeal of the matter referred,
19 it is repealed. Otherwise, the matter referred remains in effect or,
20 if it has been suspended, becomes effective on certification of the
21 election. This subsection applies to home rule and general law munic-
22 ipalities.

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 30, 1990

SUBJECT: Initiative and Referendum Elections
(SB 517)

TO: Senator Mike Szymanski

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

AS 29.26.170(d) and AS 29.26.180(d) provides that an initiative or referendum matter becomes effective upon majority vote in general law municipalities. SB 517 would apply this majority vote rule to home rule municipalities as a limitation. Right now that law sets out some requirements regarding initiative and referendum that a home rule charter must conform to.

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.

Under SB 517 the majority vote requirement for initiative and referendum elections would also apply as a restriction and preclude a home rule municipality from providing for a higher or lower vote requirement by charter.

You have asked how this would apply to a current effort in Anchorage to sell a municipal utility. I understand that the charter now prohibits the sale unless it is approved by 60 percent of the voters. It is my opinion that if SB 517 is enacted in its current form, the supermajority vote requirement contained in the charter would be invalidated if the question of the sale is presented to the voters through the initiative and referendum process.

Senator Mike Szymanski
Page 2
April 30, 1990

If this is not the desired result, an exception for the sale of municipal utilities should be included in SB 517. Let me know if you need an additional draft of that bill.

TBC:gc
WKL10/097



Alaska State Legislature

Senator Mike Szymanski

While in Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4978

Interim:
3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617
or
165 E. Parks Highway
Wasilla, Alaska 99687
(907) 376-6453

May 1, 1990

MEMORANDUM

TO: SENATOR JOHNE BINKLEY, SENATE FINANCE CO-CHAIR
SENATOR RICK UEHLING, SENATE FINANCE CO-CHAIR
SENATE FINANCE COMMITTEE MEMBERS

FROM: SENATOR MIKE SZYMANSKI *Mike*

RE: SB 517: MUNICIPAL INITIATIVE AND REFERENDA ELECTIONS

Senate Bill 517 has caused a great deal of confusion and alarm and I would like to clarify my position and motivation for introducing this legislation.

First of all, SB 517 would only affect initiatives and referenda, which are initiated by the public. SB 517 does not affect ballot propositions or measures initiated by a municipality's council or assembly. Since municipal charters are adopted by a simple majority vote of the public, it seems logical and consistent that initiatives and referenda also require a simple majority to be passed.

Last year's ballot proposition to sell ATU was initiated by the Anchorage Assembly. Therefore, SB 517, in its current form, would not affect the supermajority required by the Anchorage municipal charter for approval. SB 517 would only affect a utility sale ballot measure that originates with the public.

I have attached a copy of a legal opinion from Tam Cook which describes SB 517 and how it could modify the municipal charter of a home-rule municipality.

5/2/90
Szymanski

CITY OF VALDEZ

RESOLUTION NO. 9014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING AMENDMENT OF THE ALASKA STATUTES BY THE ALASKA LEGISLATURE TO REQUIRE ALL INITIATIVES ON ALL STATE OR MUNICIPAL MATTERS BE PASSED ON A SIMPLE MAJORITY BASIS

WHEREAS, the City Council of the City of Valdez supports the democratic ideals of majority rule embodied in the initiative process; and

WHEREAS, the City Council of the City of Valdez recognizes that efforts to require a greater than simple majority vote in initiatives undermines that democratic ideal.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1. The City Council of the City of Valdez supports amendment of the Alaska Statutes by the Alaska Legislature to require that all initiatives on all state or municipal matters properly addressed by initiative be passed on a simple majority basis.

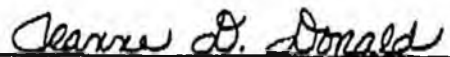
Section 2. A copy of this resolution, properly certified, shall be sent to the Speaker of the Alaska State House of Representatives, the President of the Alaska State Senate, and the Governor's Office.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 20th day of February, 1990.

CITY OF VALDEZ, ALASKA


Lynn Chrystal, Mayor

ATTEST:


Jeanne D. Donald, City Clerk

***** F A X T R A N S M I T T A L M E M O *****

TO: Kim

DEPT: _____ FAX #: 586-1579

FROM: Jeanne PHONE: 835-4313

CO: City FAX #: 835-2992

Post-It-brand fax transmittal memo 767

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Cold Weather Contractors, Inc.

4797 Business Park Blvd., Building I, Sulte 4
Anchorage, Alaska 99503-7143
(907) 561-1289 Fax 561-6104

April 30, 1990

Senator Mike Szymanski
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

APR 30 1990

Dear Senator Szymanski;

I am strongly urging you not to proceed with efforts to pass SB517. In light of the "Big Brotherism" that Alaskans struggle with daily as it relates to our Federal Government, it causes me great frustration to see our state government enter into this mode of operation regarding our local governments.

I have had numerous conversations with those originally involved in the development of Anchorage's municipal charter. The stories that have been shared with me indicate that it was with a great deal of discussion and debate the charter commission felt compelled to require a 60% majority vote when disposing of a city asset. For proof of the wisdom of this group, one has to go back no further than last fall when P.T.I. (Alascom) spent 1.2 million dollars to convince the citizens that they should be allowed to buy our phone company. Regardless of the merits of the sale issue, our city's founders specifically discussed this type of potential situation and felt that something other than "Who had the most money to spend" should be the criteria for such an irrevocable step - that something they concluded was a 60% majority vote. I see no reason to change that.

Regarding the newspaper editorial aimed at you and Mr. Hutchison, I do not believe that you have been bought by Alascom. I am, however, troubled by Mr. Hutchsion's actions and what appears to be influence for sale by Jay Hammond, Tom Fink, et al...

Mike, please do not undo our charter.

Sincerely,

Randall D. Kowalke

cc: Alaska Senate

State lawmakers shouldn't meddle with Anchorage city charter

The battle over selling the Anchorage Telephone Utility has spilled into the state legislature. A late-starting, but fast-moving Senate bill would pre-empt Anchorage's city charter and make it easier to unload the city-owned utility. SB517 is a back-door maneuver that strips Anchorage of local control for no good reason. The measure is a cynical way of helping the sell-ATU forces by getting the state to change the city's rules.

Those rules raise a big barrier to selling a city utility. Under the Anchorage charter, voters must endorse any sale by a 60 percent majority. And rightfully so. The utilities are the city's single biggest asset. Selling them is the kind of radical step that should require an unusually strong voter mandate.

Last year's ATU sale proposal fell short at only 52 percent. Mayor Fink and ATU's prospective buyer, Pacific Telecom, think the charter should demand a simple majority.

If they don't like the charter requirement, fine. There's a responsible and proper way for them to seek a change: Ask Anchorage voters to change the charter.

Now it's true, under Anchorage's charter, such an amendment needs a 60 percent voter endorsement to pass. That might explain why SB517 surfaced in the legislature. Sneaking a bill through 60 lawmakers could prove easier than winning over 60 percent of local voters.

Publicly, Anchorage's pro-ATU sale partisans are staying in the background. Two of SB517's key backers are Sen. Mike Szymanski, and lobbyist Kim Hutchinson. Mr. Szymanski's district includes South Anchorage and Valdez; Mr. Hutchinson lobbies for the city of Valdez. They say they're pushing the bill on behalf of Valdez.

That explanation smells fishy. Valdez's mayor, Lynn Chrystal, said he didn't know about the bill. Lobbyist Hutchinson also happens to represent Alascom, a subsidiary of Pacific Telecom, ATU's most interested suitor.

Valdez, like Anchorage, requires 60 percent voter endorsement to sell a city utility. But no state law requires Valdez to do so. Valdez, like Anchorage, is free to change its 60 percent rule by amending its city charter.

Under state law, both Anchorage and Valdez are home-rule governments. Home rule is supposed to bring maximum autonomy from state interference. Home rule is supposed to mean what it says: rule at home, not from Juneau. State legislators should keep their hands off Anchorage's charter.