

**SB**

**280**

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
13:30:44 PARTICIPANT LIST (ALL PARTICIPANTS) BY:MAT  
TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:MAT  
PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS  
LOCATION:MATSU  
SB 280 MR MIKE GATTI MAT SU BORO TESTIFY

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
13:33:41 PARTICIPANT LIST (ALL PARTICIPANTS) BY:COR  
TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:COR  
PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS  
LOCATION:CORDOVA  
SB 280 MS. MARLA ADKINS SELF TESTIFY  
SB 280 MS. DENNY WEATHERS TESTIFY  
SB 280 MR. ERIC WEATHERS TESTIFY

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
14:50:53 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN  
TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:GLN  
PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS  
LOCATION:GLENNALLEN  
SB 280 MS. JANE BROWN TESTIFY  
SB 290 MR. JOHN KUNIK TESTIFY  
SB 290 MR. HERMAN DILLBECK TESTIFY  
SB 290 MR. DAN BILLMAN TESTIFY  
SB 280 MS KATHY SLOBOTA TESTIFY  
SB 280 MR ALFRED KRINKE TESTIFY

SB 280  
*new too*

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
 14:45:17 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN  
 TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:GLN  
 PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS  
 LOCATION:GLENNALLEN  
 SB 280 MS. JANE BROWN TESTIFY  
 SB 280 MR. JOHN KUNIK TESTIFY  
 SB 280 MR. HERMAN DILLBECK TESTIFY  
 SB 280 MR. DAN BILLMAN TESTIFY  
 SB 280 MS KATHY SLOBOTA *new* TESTIFY

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
 13:36:26 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN  
 TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:GLN  
 PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS  
 LOCATION:GLENNALLEN  
 SB 280 MS. JANE BROWN TESTIFY  
 SB 280 MR. JOHN KUNIK TESTIFY  
 SB 280 MR. HERMAN DILLBECK TESTIFY  
 SB 280 MR. DAN BILLMAN TESTIFY

*Actual  
 10  
 see 3*

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
 13:45:56 PARTICIPANT LIST (TESTIFIERS ONLY) BY:DJT  
 TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:DJT  
 PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS  
 LOCATION:DELTA JCT.  
 SB 280 MR. BERNARD GOODNO TESTIFY  
 SB 280 MR. MARLIN STARNES CITY COUNCIL TESTIFY  
 SB 280 MR. GENE OTTENSTROER TESTIFY  
 SB 280 MS. JEANNE PHIPPS TESTIFY  
 SB 280 MR. NICK TORDELLA TESTIFY  
 SB 280 MR. P. R. MILLER TESTIFY

# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 2/9/96

FURTHER: State Affairs

Date of 5-Day Notice: 2/22/96  
(in accordance with Uniform Rule 23)

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

The Community & Regional Affairs Committee considered SB 280

Relating to the mandatory incorporation of certain boroughs in the unorganized borough.

and recommends:

- be replaced with \_\_\_\_\_ CS SB 280 (CRA)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Kell E (1980)</i>	✓	<i>[Signature]</i>		X	
<i>T. Kelly</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
Gov Office - Electronics Administration	3/12/96		25.4
Comm. & Reg. Affairs - L.P.C.	3/12/96		15.6
Comm. & Reg. Affairs - St. Assessor	3/12/96		63.5
Comm. & Reg. Affairs - Org. Grants	3/12/96	✓	
Education	3/12/96	✓	
Law	3/15/96	✓	
Natural Resources	3/6/96	✓	
Public Safety	3/15/96	✓	
Transportation	2/9/96	✓	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

## CS FOR SENATE BILL NO. 280(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS TORGERSON, Green, Phillips, Donley

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to the mandatory incorporation of certain boroughs in the  
2 unorganized borough."

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

4 \* Section 1. LEGISLATIVE FINDING AND PURPOSE. (a) The legislature finds that  
5 the rights, opportunities, and obligations of borough residents are not equal to those of  
6 residents in the unorganized borough, particularly in respect to education, taxation, and land  
7 use regulation, and that this is not in keeping with art. I, sec. 1, Constitution of the State of  
8 Alaska, that states in part, ". . . . that all persons are equal and entitled to equal rights,  
9 opportunities, and protection under the law; and that all persons have corresponding  
10 obligations to the people and to the State."

11 (b) It is the purpose of this Act to abide by the intent of the framers of the state  
12 constitution and the voters who adopted it and to implement a more equitable distribution of  
13 rights, opportunities, and obligations among all residents of the state by including most of the  
14 unorganized borough within the boundaries of a borough, with the expectation that the few

1 areas not organized under this Act will be annexed to existing municipalities.

2 \* Sec. 2. BOROUGH INCORPORATION PROPOSAL. (a) The Department of  
3 Community and Regional Affairs shall prepare a second class borough incorporation proposal  
4 for each of the model boroughs identified for formation in the report issued in 1995 by the  
5 Local Boundary Commission entitled "Model Borough Boundaries." During the process of  
6 preparing an incorporation proposal, the department shall hold at least one public hearing in  
7 the area covered by the proposal and consider recommendations regarding the proposal. The  
8 proposal must include the following information:

- 9 (1) name;  
10 (2) boundaries;  
11 (3) maps, documents, and other information considered by the department to  
12 be necessary;  
13 (4) composition and apportionment of the assembly;  
14 (5) a proposed operating budget for the borough projecting sources of income  
15 and items of expenditure through the first full fiscal year of operation; and  
16 (6) a designation of areawide and nonareawide powers to be exercised.

17 (b) By January 1, 1997, the state assessor shall estimate the full and true value of  
18 taxable property in each of the model boroughs identified for formation in the report issued  
19 in 1995 by the Local Boundary Commission. The Department of Community and Regional  
20 Affairs shall submit each borough incorporation proposal to the Local Boundary Commission  
21 by

- 22 (1) July 1, 1997, for model boroughs with an estimated full and true value of  
23 taxable property of at least \$550,000,000;  
24 (2) July 1, 1998, for model boroughs with an estimated full and true value of  
25 taxable property of at least \$350,000,000, but less than \$550,000,000;  
26 (3) July 1, 1999, for model boroughs with an estimated full and true value of  
27 taxable property of at least \$75,000,000, but less than \$350,000,000;  
28 (4) July 1, 2000, for model boroughs with an estimated full and true value of  
29 taxable property of less than \$75,000,000.

30 (c) Within six months after receiving a borough incorporation proposal submitted  
31 under (b) of this section, the Local Boundary Commission may request the department to

1 make changes to the proposal. When the commission determines that the proposal meets the  
2 standards for incorporation of a second class borough, the commission shall accept the  
3 proposal and notify the director of elections of its acceptance.

4 \* Sec. 3. ELECTION OF INITIAL OFFICIALS. (a) Within 30 days after receiving notice  
5 from the Local Boundary Commission of its acceptance of an incorporation proposal, the  
6 director of elections shall order an election in the proposed borough for initial borough  
7 officials. The election shall be held under AS 29.05.120 not less than 30 nor more than 90  
8 days after the date of the election order. The election order must specify the dates during  
9 which nomination petitions of election of initial officials may be filed.

10 (b) At an election held under this section, each nonareawide power included in the  
11 incorporation proposal shall also be placed separately on the ballot. Adoption of a  
12 nonareawide power requires a majority of the votes cast on the question, and the vote is  
13 limited to the voters residing in the proposed borough but outside all cities in the proposed  
14 borough.

15 \* Sec. 4. INCORPORATION OF NEW BOROUGHES. A region is incorporated as a  
16 second class borough on the first Monday following certification of the election held under  
17 sec. 3 of this Act. AS 29.05.130 - 29.05.150 and 29.05.190 - 29.05.210 apply to boroughs  
18 incorporated under this section.

9-LS1640F ✓  
Cook  
2/28/96

**CS FOR SENATE BILL NO. 280(CRA)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**NINETEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS TORGERSON, Green, Phillips**

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14 (5) a proposed operating budget for the borough projecting sources of income  
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17 sec. 3 of this Act. AS 29.05.130 - 29.05.150 and 29.05.190 - 29.05.210 apply to boroughs  
18 incorporated under this section.

# Alaska State Legislature

Committee Chair  
Community & Regional Affairs

Committee Vice-Chair  
Labor & Commerce

Committee Membership  
Legislative Council



District Address:  
145 Main St. Loop; Suite 226  
Kenai, AK 99611  
(907) 283-2690; fax 283-9267

Session Address:  
State Capitol, Room 427  
Juneau, AK 99801-1182  
(907) 465-2828; fax 465-4779

*Senator John Torgerson*

## SENATE BILL 280 SPONSOR STATEMENT

The Alaska Constitution states "that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and to the State." Unfortunately, this is not the case today, particularly in regard to local efforts required for state programs. Education is just an example of where one part of the State does not have to contribute anything, while others are required to contribute large amounts.

The constitution also requires that boroughs be formed which embrace an area and population with common interests to the maximum degree. Alaska statutes further stipulate that the borough population be "integrated as to its social, cultural, and economic activities." The unorganized borough of Alaska fails to meet this criteria. It is recognized that it embraces an area that is greatly diverse in interests and activities.

Senate Bill 280 is the first step in resolving the above conflicts and concerns by requiring that the unorganized part of Alaska be incorporated into boroughs. The Department of Community and Regional Affairs is directed to submit second-class borough incorporation proposals for all areas of the unorganized borough to the Local Boundary Commission. These proposals are to be based upon the model borough boundary report issued by the Local Boundary Commission. Once accepted by the commission, elections are held for assembly members and the selection of borough powers, and the boroughs are formed upon the certification of the election.

This legislation differs from previous attempts at mandatory incorporation in that it references a specific report as a starting point, sets a deadline for the boundary proposals to be submitted, and provides a timeline for the process of borough incorporation.

The incorporation of the unorganized areas of the state into boroughs has many advantages both to the state and to the areas themselves. The formation of boroughs and the transfer of duties and responsibilities from the state allow greater local involvement in decision making that directly affects the residents. Currently these residents must depend on lawmakers to make these decisions for them.

Residents will have to contribute to the operation and maintenance of programs and projects in their area. This removes the perception held in many organized parts of the state that others are "getting a free ride."

While a certain amount of revenues, as well as costs, will be shifted to local governments, there will also be substantial savings realized by the consolidation of services that will occur through borough formation. In the long run, the organization of the entire state into boroughs is the most cost-effective way of providing comparable and equitable services to all the residents.

**COMMITTEE SUBSTITUTE FOR SB 280  
SECTIONAL ANALYSIS**

Section 1: Legislative finding and purpose

Section 2: Requires the Department of Community and Regional Affairs to submit second-class borough incorporation proposals for all parts of the unorganized borough to the Local Boundary Commission. These proposals are to be based on the 1995 report entitled "Model Borough Boundaries"

Directs the state assessor to estimate the full and true value of taxable property in the unorganized borough by January 1, 1997. The borough incorporation proposals are to be submitted according to the following schedule.

- by July 1, 1997: model boroughs with an FY 97 estimated full property value of \$550,000,000 or more
- by July 1, 1998: model boroughs with an FY 97 estimated full property value of \$350,000,000 or more
- by July 1, 1999: model boroughs with an FY 97 estimated full property value of \$75,000,000 or more
- by July 1, 2000: model boroughs with an FY 97 estimated full property value of less than \$75,000,000 or more

Requires the commission to make a determination on each borough proposal within 6 months of its receipt. Directs the commission, after accepting each proposal to notify the director of elections of its acceptance.

Section 3: Directs the Division of Elections, after receiving notice from the Local Boundary Commission of its acceptance of an incorporation proposal, to order an election in the proposed borough for initial borough officials. Requires that each nonareawide power included in the incorporation proposal be placed separately on the ballot.

Section 4: States that each borough is incorporated as a second-class borough on the first Monday following certification of the election and that AS 29.05.130-29.05.150 (Integration of special districts and service areas; Transition; and Challenge of legality) and AS 29.05.190-29.05.210 (Organization grants to boroughs; Organization grant fund; and Transitional assistance to boroughs) apply to the boroughs formed by the legislation.

## SENATE BILL 280 FACT SHEET

The Local Boundary Commission 1995 report entitled "Model Borough Boundaries" creates 19 new boroughs, expands 5 existing boroughs and leaves 11 boroughs unaltered. Senate Bill 280 directs the Department of Community and Regional Affairs and the Local Boundary Commission to follow this report in creating boroughs in the unorganized part of the state, while allowing the commission modify the borders to account for recent developments.

### Organized Boroughs and Unified Municipalities Unaltered by Report

Aleutians East Borough	Kodiak Island Borough	North Slope Borough
Municipality of Anchorage	Lake & Peninsula Borough	Northwest Arctic Borough
Kenai Peninsula Borough	Matanuska-Susitna Borough	City & Borough of Sitka
		City & Borough of Yakutat

### Organized Boroughs Expanded by the Report

Denali Borough	Haines Borough	Ketchikan Gateway Borough
Fairbanks North Star	City & Borough of Juneau	

### Organized Boroughs Created by the Report

Aleutian-Military \Combine	Glacier Bay	Prince William Sound
Aleutians-West /	Iditarod Region	Pribilof Islands
Annette Island Reserve	Kuspuk	Southwest Region
Bering Straits	Lower Kuskokwim	Upper Tanana Basin
Chatham	Lower Yukon	Wrangell/Petersburg
Copper River Basin	Prince of Wales Island	Yukon Flats
		Yukon-Koyukuk

Schedule of Borough Incorporation based on FY 94 estimated full & true property values

**July 1, 1997:** Borough incorporation proposals for the Copper River Basin, Prince William Sound and Upper Tanana

- Local Boundary Commission would accept borough proposal by January 1, 1998;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 1998
- Borough incorporation would occur approximately mid-April 1998

**July 1, 1998:** Borough incorporation proposals for Aleutians Military/West, Yukon Flats, Yukon-Koyukuk, and Wrangell-Petersburg

- Local Boundary Commission would accept borough proposal by January 1, 1999;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 1999
- Borough incorporation would occur approximately mid-April 1999

**July 1, 1999:** Bering Straits, Lower Kuskokwim, Lower Yukon, Prince of Wales, Southwest Region (Dillingham-Nushagak)

- Local Boundary Commission would accept borough proposal by January 1, 2000;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 2000
- Borough incorporation would occur approximately mid-April 2000

**July 1, 2000:** Chatham, Glacier Bay, Iditarod, Kusupuk, Pribiloff, Annette Island Reserve

- Local Boundary Commission would accept borough proposal by January 1, 2001;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 2001
- Borough incorporation would occur approximately mid-April 2001

**SENATE BILL 280  
SECTIONAL ANALYSIS**

Section 1: Legislative finding and purpose

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Senate Community & Regional & Affairs Committee

CS SB 280 (CRA) Material

March 13, 1996

- Summary of CSSB 280 Preliminary Fiscal Implications
- Department Fiscal Notes
- 2/23/96 memo from DCRA re: property values of the unorganized borough
- Estimated schedule of incorporation based on 1994 full property value
- Legal Description of Model Borough Boundaries (provided by the Local Boundary Commission)
- Map of the model borough boundaries (provided by the local boundary commission)

## Summary of CS SB 280 Preliminary Fiscal Implications

Preliminary Estimate of Cumulative Cost to the State of Alaska for the Incorporation of the Unorganized Boroughs	\$13,213.6
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### School District Consolidation

Number of School Districts Disbanded by the incorporation of boroughs	20
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Estimated annual savings from Administrative Costs alone from the reduction in school districts	\$17,708.6
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### Property Value of Land in the Unorganized Borough not currently taxed on the local level.

1994 Estimated Value of non-Oil & Gas Property	\$1,116,014.6
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1994 Estimated Value of Oil & Gas Property	<u>\$1,984,140.0</u>
--	----------------------

Total 1994 Estimated Value of property not currently taxed by local governments	\$3,100,154.6
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Note: Only property that is not currently being taxed on the local level has been included in this summary because it is unknown how tax rates of first-class cities may change if they become part of a borough

**Estimated Local Revenues Generated from a Property  
Tax on Land not currently taxed on the local level**

Estimated annual revenues from a 4 mil levy \$12,400.6  
(This is the required local contribution equivalent  
for the school foundation formula)

Estimated annual revenues from a 11.117 mil levy \$34,464.4  
(This is the average borough rate levied by existing boroughs--  
some areas experience a higher rate because of taxes levied by  
service areas and first-class cities)

Note: Only property that is not currently being taxed on the local level has been  
included in this summary because it is unknown how tax rates of first-class  
cities and service areas may change if they become part of a borough

CS SB 280 Fiscal Notes

Department	Division	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
		(Thousands of Dollars)					
Administration		0.0	0.0	0.0	0.0	0.0	0.0
Commerce & Economic Dev.		0.0	0.0	0.0	0.0	0.0	0.0
	Organizational Grants	0.0	0.0	900.0	1,800.0	2,600.0	3,200.0
Community & Reg'l Affairs	State Assessor	63.5	70.7	79.2	79.5	77.4	78.4
	/ Local Boundary Comm.	15.6	31.2	31.2	41.6	0.0	0.0
Corrections		0.0	0.0	0.0	0.0	0.0	0.0
Education	K-12	0.0	0.0	0.0	0.0	2,530.7	41.2
Environmental Conservation							
Fish & Game							
Health & Social Services		0.0	0.0	0.0	0.0	0.0	0.0
Labor		0.0	0.0	0.0	0.0	0.0	0.0
Law	Civil Division	0.0	177.5	171.0	171.0	171.0	0.0
Military & Veterans Affairs							
Natural Resources	Resource Development	0.0	0.0	127.0	127.0	247.0	247.0
Public Safety	DPS Statewide Support	0.0	0.0	0.0	0.0	0.0	0.0
Revenue		0.0	0.0	0.0	0.0	0.0	0.0
Transportation & Public Fac.	Engineering Operations	0.0	0.0	0.0	0.0	0.0	0.0
Elections	Elective Operations	25.4	25.2	64.5	19.8		
<b>TOTAL FISCAL NOTES RECEIVED</b>		<b>104.5</b>	<b>304.6</b>	<b>1,372.9</b>	<b>2,238.9</b>	<b>5,626.1</b>	<b>3,566.6</b>
Cumulative		104.5	409.1	1,782.0	4,020.9	9,647.0	13,213.6

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB280

Revision Date: 3/12/96 Dept. Affected: Office of the Governor  
 Title: An Act relating to mandatory incorporation BRU: Elective Operations  
of certain boroughs in the unorganized borough Component: Elections  
 Sponsor: Senator Torgerson  
 Requester: Senate Community and Regional Affairs COMPONENT SERIAL NO. 21

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0		
TRAVEL	0.0	0.0	0.0	0.0		
CONTRACTUAL	25.4	25.2	64.5	19.8		
SUPPLIES	0.0	0.0	0.0	0.0		
EQUIPMENT	0.0	0.0	0.0	0.0		
LAND & STRUCTURES	0.0	0.0	0.0	0.0		
GRANTS, CLAIMS	0.0	0.0	0.0	0.0		
MISCELLANEOUS	0.0	0.0	0.0	0.0		
<b>TOTAL OPERATING</b>	<b>25.4</b>	<b>25.2</b>	<b>64.5</b>	<b>19.8</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	25.4	25.2	64.5	19.8		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>25.4</b>	<b>25.2</b>	<b>64.5</b>	<b>19.8</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

The contractual costs shown above reflect the cost of conducting the elections for initial borough officials. The division of elections used a schedule prepared by Local Boundary Commission staff to determine the year in which elections for the various boroughs will occur. The FY99 estimate is significantly larger because of the incorporation of boroughs that include two large REAAs.

The contractual line shows the cost of advertising, printing and shipping ballots, payment of election boards, absentee voting officials, and state review boards.

Prepared by: Dana LaTour *D. LaTour* Phone: 465-5347  
 Division: Division of Elections Date: 3/12/96  
 Approved by: \_\_\_\_\_  
 Commissioner: Lt. Governor Fran Ulmer *John Amstrup* Date: 3/12/96  
 Agency: Office of the Lt. Governor

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# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 280

Revision Date: \_\_\_\_\_  
Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borough providing for an effective date.  
Sponsor: Togerson  
Requestor: \_\_\_\_\_

Department Affected: Administration  
BRU: Administrative Services  
COMPONENT SERIAL NO. 46

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF /Program Receipts						
1037 GF/Mental Health						
OTHER						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 96) cost: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS: (Attach a separate page if necessary.)**

The administrative cost of the Capital Matching Grants Program in the Department of Administration would not be substantially impacted.

As new boroughs are created, this bill would increase the number of eligible grantees to the municipal side of the Matching Grants Program and would eliminate the unincorporated portion of this program. Allocated funds would need to be adjusted accordingly.

Prepared by: Sharon Barton  
Division: Administrative Services

Phone: 465-2277  
Date: 3/11/96

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 3/11/96

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# FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borou BRU: Local Gov't Assistance  
 Sponsor: Sen. Torgerson Component: Local Boundary Commission  
 Requestor: Senate CRA COMPONENT SERIAL NO. 674

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	15.6	31.2	31.2	41.6		
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>15.6</b>	<b>31.2</b>	<b>31.2</b>	<b>41.6</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

REVENUE FUND SOURCE:

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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.6	31.2	31.2	41.6		
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>15.6</b>	<b>31.2</b>	<b>31.2</b>	<b>41.6</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Local Boundary Commission:

The fiscal effects of this legislation on the Local Boundary Commission budget component are discussed in Attachment 1 under the heading "Local Boundary Commission."

Prepared by: Remond Henderson, Director Phone: 465-4708  
 Division: Division of Administrative Services Date: 3/12/96  
 Approved by Commissioner: [Signature] Date: 3/12/96  
 Agency: Community & Regional Affairs

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# FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borou BRU: Local Gov't Assistance  
 Sponsor: Sen. Torgerson Component: State Assessor  
 Requestor: Senate CRA COMPONENT SERIAL NO. 673

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	59.0	60.7	62.6	64.5	66.4	68.4
TRAVEL	2.5	7.5	15.6	14.0	10.0	10.0
CONTRACTUAL						
SUPPLIES	0.5	1.0	1.0	1.0	1.0	
EQUIPMENT	1.5	1.5				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>63.5</b>	<b>70.7</b>	<b>79.2</b>	<b>79.5</b>	<b>77.4</b>	<b>78.4</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

REVENUE FUND SOURCE:

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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	63.5	70.7	79.2	79.5	77.4	78.4
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>63.5</b>	<b>70.7</b>	<b>79.2</b>	<b>79.5</b>	<b>77.4</b>	<b>78.4</b>

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)

Office of the State Assessor:

The fiscal effects of this legislation on the Office of the State Assessor budget component are discussed in Attachment 1 under the heading "Office of the State Assessor."

Prepared by: Remond Henderson, Director Phone: 465-4708  
 Division: Division of Administrative Services Date: 3/12/96  
 Approved by Commissioner: [Signature] Date: 3/12/96  
 Agency: Community & Regional Affairs

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# FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borou BRU: \_\_\_\_\_  
 Component: \_\_\_\_\_  
 Sponsor: Sen. Torgerson  
 Requestor: Senate CRA COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS			900.0	1,800.0	2,600.0	3,200.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>900.0</b>	<b>1,800.0</b>	<b>2,600.0</b>	<b>3,200.0</b>

REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF			900.0	1,800.0	2,600.0	3,200.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>900.0</b>	<b>1,800.0</b>	<b>2,600.0</b>	<b>3,200.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Organizational Grants:

The requirement for organizational grants is discussed in Attachment 1 under the heading "Organizational Grants." Recent organizational grants have been budgeted under the Capital Budget.

Prepared by: Remond Henderson, Director Phone: 465-4708  
 Division: Division of Administrative Services Date: 3/12/96  
 Approved by Commissioner: [Signature] Date: 3/12/96  
 Agency: Community & Regional Affairs

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## Attachment 1: Fiscal Note Analysis for CSSB280

This bill provides for the mandatory incorporation of the unorganized borough into a number of new boroughs as well as the expansion of several existing boroughs and unified municipalities. The incorporation process would occur on a phased basis over four years, based on the criteria of the estimated assessed value of the areas to be incorporated. This significant undertaking would involve substantial use of DCRA staff resources, including the staff to the Local Boundary Commission, the Office of the State Assessor, and numerous local government program and technical assistance staff who would be working on an ongoing basis with area residents and other agencies to facilitate the transition to municipally incorporated status.

While this proposal places substantial new demands on the department, we believe that much of the effort can be performed by existing staff and resources. The incremental expenditures presented in this fiscal note reflect those demands that cannot be met by existing staffing and resources. With regard to this department, there are basically three areas of fiscal impact that need to be addressed: Local Boundary Commission support, State Assessor support, and the municipal organizational grants as required by statute.

### Local Boundary Commission

DCRA assumes there will be a total of 23 incorporation and annexation petitions developed under this bill. A contractor would be used to prepare the petitions at the cost of \$5,200 for each petition. DCRA will perform all other functions required by law relating to the processing of the petitions utilizing existing resources. These other requirements include publication of notice of filing of the petitions, analysis of the petitions, publication of draft and final reports concerning petitions, conducting public informational meetings concerning the proposed boroughs, publishing notice of the hearings of the Local Boundary Commission (LBC), hearings of the LBC, decisional meetings of the LBC, preparation of decisional statements, opportunity for reconsideration by the LBC, and implementation of the decisions of the LBC including coordination with the Division of Elections, preparation of the federal Voting Rights Act preclearance submissions and filing of legislative review proposals for annexation.

The contractual expenses would occur as follows:

FY 1997 - 3 petitions at \$5,200 each =	\$15,600
FY 1998 - 6 petitions at \$5,200 each =	\$31,200
FY 1999 - 6 petitions at \$5,200 each =	\$31,200
<u>FY 2000 - 8 petitions at \$5,200 each =</u>	<u>\$41,600</u>
Total - 23 petitions at \$5,200 each =	\$119,600

### Office of the State Assessor

The bill requires the Office of the State Assessor to complete Full Value Determinations for another eighteen organized boroughs. This is in addition to the existing sixteen boroughs and unified municipalities. This has been accomplished for the last four years with a staff of two. The addition of an Assistant State Assessor position would be needed to effectively accomplish the new annual requirements imposed by the bill. The addition of this position would allow the Full Value Determinations to be realistic representations of the actual value of all boroughs statewide. Additionally, this position could assist the State Assessor meet the increased demands for education and training of the staffs of the new municipalities with regard to correct and

appropriate assessment practices. This fiscal note provides for this position as well as additional travel and contractual funding associated with creation of numerous new boroughs each year.

### Organizational Grants

Alaska Statutes (AS 29.05.190) provide for organizational grants to newly incorporated boroughs to defray the start-up costs of establishing local government until the borough can establish its local revenue generation mechanisms. Every borough formed after December 31, 1985 is entitled to organizational grants of \$300,000 for the first full or partial fiscal year, \$200,000 for the borough's second year, and \$100,000 for the third year. The following table presents the anticipated order of borough incorporation and the cumulative schedule of organizational grant requirements. We are assuming that actual incorporation of boroughs would occur one year after DCRA borough proposals are presented to the LBC.

Borough	Incorporation Date	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Prince William Sound	July 1, 1998	\$300,000	\$200,000	\$100,000			
Copper River Basin	July 1, 1998	\$300,000	\$200,000	\$100,000			
Upper Tanana Basin	July 1, 1998	\$300,000	\$200,000	\$100,000			
Yukon Koyukuk	July 1, 1999		\$300,000	\$200,000	\$100,000		
Yukon Flats	July 1, 1999		\$300,000	\$200,000	\$100,000		
Aleutians West	July 1, 1999		\$300,000	\$200,000	\$100,000		
Wrangell Petersburg	July 1, 1999		\$300,000	\$200,000	\$100,000		
Lower Kuskokwim	July 1, 2000			\$300,000	\$200,000	\$100,000	
Bering Straits	July 1, 2000			\$300,000	\$200,000	\$100,000	
Southwest Region	July 1, 2000			\$300,000	\$200,000	\$100,000	
Prince of Wales	July 1, 2000			\$300,000	\$200,000	\$100,000	
Lower Yukon	July 1, 2000			\$300,000	\$200,000	\$100,000	
Pribilof Islands	July 1, 2001				\$300,000	\$200,000	\$100,000
Glacier Bay	July 1, 2001				\$300,000	\$200,000	\$100,000
Chatham (Northern SE)	July 1, 2001				\$300,000	\$200,000	\$100,000
Kuspuk (mid-Kusk.)	July 1, 2001				\$300,000	\$200,000	\$100,000
Iditarod	July 1, 2001				\$300,000	\$200,000	\$100,000
Annette Islands	July 1, 2001				\$300,000	\$200,000	\$100,000
<b>Total</b>		<b>\$900,000</b>	<b>\$1,800,000</b>	<b>\$2,600,000</b>	<b>\$3,200,000</b>	<b>\$1,700,000</b>	<b>\$600,000</b>

## Attachment 2: Evaluation of Effects of CSSB280 on DCRA Programs.

Replacing the unorganized borough with a set of incorporated boroughs would have direct programmatic effects on communities located within the unorganized borough. Much or all of DCRA program funds now going to these communities would be redirected to the new boroughs.

In general, this shift in funding would result in no net difference in the State's general fund, or in the level of federal receipts. An exception would be the National Forest Receipts Program for which certain federal funds now shared to the State in conjunction with state-maintained roads in the unorganized borough would be re-directed to certain new boroughs or expanded boroughs.

The table below presents estimates — some of these are very rough estimates — of four DCRA program funds that would be re-directed to the proposed new boroughs. The notes at the bottom of the table indicate of the how this re-redirectation of funding would affect current program participants. The effects assume no change in overall program funding levels. Following the table are descriptions of these four programs. Finally, the implications for another department-administered program, the federally-funded Alaska Coastal Management Program, are discussed.

New Borough Name	Municipal Assistance	Revenue Sharing	Nat'l Forest Receipts	Fisheries Business Tax
Prince William Sound	\$25,419	\$82,836	\$29,500	\$38,244
Copper River Basin	\$1,315,797	\$34,000	\$0	\$0
Upper Tanana Basin	\$205,302	\$62,899	\$0	\$0
Yukon Koyukuk	\$36,738	\$31,000	\$0	\$0
Yukon Flats	\$43,353	\$31,000	\$0	\$0
Aleutians West	\$214,338	\$52,745	\$0	\$372,304
Wrangell/Petersburg	\$18,795	\$65,761	\$1,135,000	\$23,140
Lower Kuskokwim	\$342,799	\$140,247	\$0	\$5,070
Bering Straits	\$42,813	\$99,000	\$0	\$1,778
Southwest Region	\$19,587	\$45,244	\$0	\$83,841
Prince of Wales Island	\$53,586	\$53,550	\$1,066,000	\$30,746
Lower Yukon	\$23,367	\$70,857	\$0	\$495
Pribilof Islands	\$7,080	\$29,000	\$0	\$28,248
Glacier Bay	\$43,749	\$24,000	\$363,000	\$19,183
Chatham	\$16,836	\$24,000	\$804,000	\$23,140
Kuspuk	\$26,931	\$31,000	\$0	\$0
Iditarod	\$16,332	\$31,000	\$0	\$0
Annette Islands	\$86,995	\$23,000	\$68,000	\$0
<b>Totals</b>	<b>\$2,539,817*</b>	<b>\$931,139**</b>	<b>\$3,465,500†</b>	<b>\$626,189**</b>

\* This figure represents 7.9% of the FY 96 Municipal Assistance Appropriation which would be absorbed by the other participating municipalities.

\*\* This figure represents 3.5% of the FY 96 State Revenue Sharing Appropriation which would be absorbed by the other participating municipalities.

† This money would come from the cities and REAAs located within the Tongass and Chugach National Forests and the State (\$650,000) as they would no longer be eligible for funding.

\*\* These fish tax \$ currently collected outside municipal boundaries, and shared back by DCRA, would be collected within the new borough boundaries and shared back by DOR.

## **State Revenue Sharing Program**

The State Revenue Sharing Program, established in 1970, is designed to support services provided by local governments while making allowances for the unequal distribution of taxable property throughout the state. Funding is available to municipalities, unincorporated communities and volunteer fire departments serving areas outside organized municipalities. The SRS Program includes two components: Municipal Tax Resource Equalization and State Aid for Miscellaneous Purposes. As new boroughs were formed, program payments to unincorporated communities and volunteer fire departments would cease to occur. This represents about \$500,000 at current funding levels. The estimates of program funding required for the new boroughs (about \$900,000 collectively) is difficult to project because these payments are based on formulas which include a measure of locally generated revenues. We cannot predict what these locally generated revenues will be with any substantial degree of confidence. There would clearly be some increased demand on program funding. Assuming no change in program appropriations, this additionally demand would have to come out of the payments to current program participants.

## **Municipal Assistance Program**

The Municipal Assistance program replaced the Gross Business Receipts Program (GBRP) in 1979. The program provides for a "base amount" distribution equivalent to a municipality's 1978 GBRP allocation. An appropriation to this program, above the level necessary to fund the total base amounts (\$10.6 million), is distributed on a per capita basis. Funds appropriated in excess of the base amounts are designed to provide property tax relief. According to statutes, the base amount of a newly incorporated borough is set at the same amount as whichever existing borough has the closest population count compared with the new borough. Note that the new Copper River Basin Borough would have a large Municipal Assistance payment because its population is most similar in number to the North Slope Borough which enjoys a large base amount. Assuming no increase in overall program appropriation, the payments to new boroughs would come out of the payments to existing municipalities. Because the base amounts are currently held harmless, the payments to new boroughs would come out of the per-capita element of Municipal Assistance funding. This would have much greater consequence for smaller, rural cities which typically have small base amounts.

## **Shared Fisheries Business Tax Program**

The Shared Fisheries Business Tax Program was created in 1990. The purpose of this program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. The funding available for a given program year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during the preceding calendar year. Funding has varied from \$675,000 to \$850,000 for the several years the program has existed. This program would cease to exist if the unorganized borough were incorporated as boroughs. In that case, all fisheries business tax would be collected inside of some municipality and consequently shared through the Department of Revenue's fish tax sharing program which shares back taxes collected inside municipal boundaries.

## **National Forest Receipts Program**

The National Forest Receipts Program, established in 1908, is a federal revenue sharing program where 25% of the income earned from activities within the Tongass and Chugach National Forests is distributed to boroughs, cities and Regional Education Attendance Areas (REAA's) within the national forest. Federal and state law requires that national forest income be expended only for the benefit of public schools and public roads. About \$7.6 million (federal funding) was distributed in FY 96.

Payments from the State to organized boroughs are made on the basis of the national forest acreage within each borough proportional to the entire acreage of the national forest in which the borough is located. Within the unorganized borough, payments to cities and REAAs for schools are made on the basis of school enrollment. The State's share and payments to cities for roads are based upon the number of miles of state and locally maintained roads. In FY 96, the State general fund received about \$650,000 under the program. If all areas of the state with national forests were incorporated as boroughs, all federal funds under this program would go to the boroughs containing national forests.

### **Impacts of CSSB 280 on ACMP Grants:**

The funding scheme for the FY96 ACMP grants is noted in the table on the next page. DCRA is currently proposing changes to the FY97 funding scheme. Generally, the new scheme, if approved, will reduce the CRSA grants and increase several borough grants.

As boroughs organize in accordance with CSSB 280, DCRA would simply make adjustments to the funding scheme. The adjustments would be over several years and, for this reason, would not have significant impacts. DCRA adjusts the funding scheme every few years anyway.

As noted below, in FY96, 4 CRSAs received \$382,000. 18 cities received \$108,000. As boroughs form, cities will no longer be eligible for ACMP funding (the borough will become the grant recipient) and CRSAs will dissolve. DCRA anticipates the bulk of the \$490,000 will be distributed to the boroughs along the coast. Thus, the level of funding for boroughs (as noted in the FY96 funding scheme below) will increase.

The change to borough status will require that local coastal management plans be amended, so some of the \$490,000 will likely go towards plan updates. But, the bulk of the \$490,000 will likely be distributed to the boroughs to pay for day-to-day staff functions.

**FY96 ACMP Awards:**

Group		Amount for each district	Total for the group
CRSAs	Aleutians West, Bering Straits, Bristol Bay CRSA, Cenaliulriit (4)	\$ 95,500	\$ 382,090
Municipalities over 20,000 population or high permit activity	Municipality of Anchorage, City and Borough of Juneau, Kenai Peninsula Borough, Matanuska-Susitna Borough, North Slope Borough (5)	35,500	177,560
Other Boroughs	Aleutians East, Bristol Bay Borough, Ketchikan Gateway, Kodiak Island, Lake and Peninsula, Northwest Arctic, City and Borough of Sitka, City and Borough of Yakutat (8)	23,500	188,000
Cities	All cities (18)	6,000	108,000
Special projects	Distributed on a competitive basis.	250,000	221,500
Total			\$1,077,000

Assuming the FY96 ACMP funding scheme for future years, the following estimated impacts would occur:

**FY98 (fiscal year ending 6/30/98) - No significant change.**

Lose 3 city grants (Cordova, Whittier, Valdez = \$18,000) and write 1 borough (PWS = \$23,500) grant.

**FY99 - \$72,000 would become available for reallocation.**

Lose 1 CRSA (AW = \$95,500) and write 1 borough (AW = \$23,500) grant.

Neither Wrangell or Petersburg currently participate in the ACMP. Assume no borough participation.

**FY00 - \$193,000 would become available for reallocation.**

Lose 1 CRSA (Cenaliulriit = \$95,500) and write 2 borough (Lower Kuskokwim and Lower Yukon = \$47,000) grants.

Lose 1 CRSA (Bering Straits = \$95,500) and write 1 borough (Bering Straits = \$23,500) grant.

Lose 1 CRSA (Bristol Bay = \$95,500) and write 1 borough (Bristol Bay = \$23,500) grant.

Lose 4 city grants (Craig, Hydaburg, Klawock, Thorne Bay = \$24,000) and write 1 borough (Prince of Wales = \$23,500) grant.

**FY01 - \$28,500 would be required to fund borough participation in the ACMP.**

Lose 1 city grant (St. Paul = \$6,000) and write 1 borough (Pribilofs = \$23,500) grant.

Lose 2 city grants (Hoonah, Pelican = \$12,000) and write 1 borough (Glacier Bay = \$23,500) grant.

Lose 2 city grants (Angoon, Kake = \$12,000) and write 1 borough (Chatham = \$23,500) grant.

Lose 2 city grants (Haines, Skagway = \$12,000) and write 1 borough (Haines = \$23,500) grant.

# FISCAL NOTE

STATE OF ALASKA

BILL NO. CSSB280 (CRA)

1996 LEGISLATIVE SESSION

Revision Date: February 28, 1996

Department Affected: Education

Title: "An Act relating to the mandatory incorporation of certain boroughs in the unorganized borough."

BRU: K-12 Support

Sponsor: Senator Torgerson

Component: Foundation Program

Requester: Senator Torgerson

COMPONENT SERIAL NO. 141

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	2,530.7	41.2
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						

<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	2,530.7	41.2
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<b>CHANGE IN REVENUES</b>						
---------------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	-0-	-0-	-0-	-0-	2,530.7	41.2
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary.) See Attached.

Prepared by: Eddy Jeans

Phone: 465-8685

Division: School Finance

Date: 3-12-1996

Approved by Commissioner: *Richard S. Cress*

Richard S. Cress

Agency: Education

Date: 3-12-1996

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Fiscal Note CSSB280

AS 29.05.130 allows a newly incorporated municipality to integrate service areas within two years after date of incorporation. Regional education attendance areas are included as service areas according to AS 29.03.020. AS 14.17.025(f) allows the phasing-in of local contributions to schools over a four year period after the newly formed borough operates schools. The phase-in provisions are as follows; the first year is zero, the second year is the equivalent of 2 mills, the third year is the equivalent of 3 mills and fourth year is the equivalent of 4 mills. Currently, home rule and first class cities in the unorganized boroughs are required to contribute to schools the equivalent of a four mill tax levy. When a first class city is incorporated into a borough, the city's local share to schools is subsidized with state general fund during the phase-in provisions of AS 14.17.025(f). Based on the schedule of borough incorporation outlined in section 2 of CSSB280 and the phase-in provisions of AS 29.05.130 and AS 14.17.025(f), all boroughs will be subject to the 4 mill required local effort of AS 14.17.025 by fiscal year 2007.

Following is the potential increase in required local effort when all boroughs are fully phased-in and contributing at the 4 mill requirement.

	4 Mill Equivalent	
Existing 1994 Full Values utilized in foundation formula excluding North Slope, Unalaska and Valdez. /1	\$27,658,929,310	\$110,635,717
Proposed 1994 Full Values utilized in foundation formula excluding North Slope, Aleutians West (Unalaska area) and Prince William Sound (Valdez area).	\$30,694,380,530	<u>\$122,777,522</u>
	Difference	\$12,141,805

/1 - North Slope, Unalaska and Valdez full values have been excluded because their required local effort under the foundation program is 35% of basic need of the preceding year.

	A	B	C	D	E	F	G
1	CSSB280 Fiscal Note						
2							
3							
4							
5	Incorporation						
6	Date	FY98	FY99	FY00	FY01	FY02	
7							
8	7/1/98	C & RA	C & RA	ED	2,530.70	(2,460.60)	
9						(4,991.30)	2 mill Eq.
10							
11							
12	7/1/99	N/A	C & RA	C & RA	ED	2,501.80	
13							
14				Total	2,530.70	41.20	
15							
16	<b>KEY</b>						
17	C & RA = AS 29.05.130, Integration of special districts and service areas - within two years after date of incorporation.						
18	ED = AS 14.17.025, Local Contributions - four year phase-in of required local effort, after borough operates schools.						
19	First year is zero, second year equivalent of 2 mills, third year equivalent of 3 mills and fourth year equivalent of 4 mills.						
20							
21							
22							
23							
24							4 Mill Equivalent
25	Existing FY1994 Full Values utilized in foundation formula excluding North Slope, Unalaska and Valdez				\$27,658,929,310	\$110,635,717	
26	Proposed FY1994 Full Values utilized in foundation formula excluding North Slope, Aleutians West and Prince William Sound				\$30,694,380,530	\$122,777,522	
27					Increases in required local effort by the year 2007	\$12,141,805	
28							

To: Eddy Jeans, Department of Education (by fax: 463-5279) [telephone 465-8685]

From: Dan Bockhorst (fax: 269-4539) [telephone 269-4559]

Date: March 5, 1996

Subject: CSSB 280 (C&RA)

For purposes of preparing its fiscal note for the subject legislation, DCRA will assume that incorporation of new boroughs and annexation to existing boroughs and unified municipalities will take effect according to the following schedule:

July 1, 1998

1. Incorporation of Prince William Sound Borough (Chugach REAA, Cordova and Valdez)
2. Incorporation of Copper River Basin Borough (Copper River REAA)
3. Incorporation of Upper Tanana Basin Borough (Alaska Gateway and Delta Greely REAAs)

July 1, 1999

1. Incorporation of Yukon Koyukuk Borough (Yukon Koyukuk REAA, Galena; excludes Nenana)
2. Annexation of Nenana to the Denali Borough
3. Incorporation of Yukon Flats Borough (Yukon Flats REAA, excluding Livengood, Central and Circle Hot Springs)
4. Annexation of Livengood, Central and Circle Hot Springs to the Fairbanks North Star Borough
5. Incorporation of Aleutians-West Borough (Aleutian Region REAA, Unalaska) [note: this would combine two model borough regions into one which appears warranted due to closure of Adak Naval Air Station]
6. Incorporation of Wrangell/Petersburg Borough (Wrangell, Petersburg, Kupreanof) [note: it is possible, indeed likely that DCRA would recommend that Wrangell and Petersburg be allowed to form separate boroughs]

July 1, 2000

1. Incorporation of Lower Kuskokwim Borough (Lower Kuskokwim REAA, Yupiit REAA)
2. Incorporation of Bering Straits Borough (Bering Straits REAA, Nome)
3. Incorporation of Southwest Region Borough (Southwest Region REAA, Dillingham)
4. Incorporation of Prince of Wales Island Borough (portion of Southeast Islands REAA - all of Prince of Wales Island, including Hydaburg, Craig and Klawock, the southern end of Baranof Island including Port Alexander and the southern end of Kulu Island)
5. Annexation of Hyder and Meyers Chuck to the Ketchikan Gateway Borough

Page 2

6. Incorporation of Lower Yukon Borough (Lower Yukon REAA, Kasnunamiut REAA, St. Mary's)

July 1, 2001

1. Incorporation of Pribilof Islands Borough (Pribilof Islands REAA)
2. Incorporation of Glacier Bay Borough (portion of Chatham REAA encompassing Gustavus, Elfin Cove, Freshwater Bay, Game Creek, Whitestone Logging Camp and Tenakee Springs; Hoonah, Pelican)
3. Incorporation of Chatham Borough (Rowan Bay, Cube Cove, Kake, Angoon)
4. Annexation of Skagway and Klukwan to the Haines Borough [note: DCRA may support formation of a separate borough for Skagway]
5. Annexation of Hobart Bay to the City and Borough of Juneau
6. Incorporation of Kuspuk Borough (Kuspuk REAA)
7. Incorporation of Iditarod Borough (Iditarod REAA)
8. Incorporation of Annette Islands Borough (Annette Islands REAA)

# FISCAL NOTE

Work Draft 2/28/96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. CSSB 280 (C&RA)

Revision Date: _____	Dept. Affected: <u>Department of Law</u>	_____
Title: <u>"An Act relating to the mandatory incorporation of certain boroughs in the unorganized borough."</u>	BRU: <u>Civil Division</u>	_____
Sponsor: <u>Senator Torgerson</u>	Component: <u>General Legal Services</u>	_____
Requester: <u>Senate C&amp;RA Committee</u>	COMPONENT SERIAL NO. <u>2027</u>	_____

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES		115.2	115.2	115.2	115.2	
TRAVEL		7.8	7.8	7.8	7.8	
CONTRACTUAL		43.7	43.7	43.7	43.7	
SUPPLIES		3.3	3.3	3.3	3.3	
EQUIPMENT		7.5	1.0	1.0	1.0	
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>177.5</b>	<b>171.0</b>	<b>171.0</b>	<b>171.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		177.5	171.0	171.0	171.0	
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>177.5</b>	<b>171.0</b>	<b>171.0</b>	<b>171.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	0.0	1.0	1.0	1.0	1.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill will require the Department of Community and Regional Affairs to prepare a second class borough incorporation proposal for each of the model boroughs identified for formation in the report issued in 1995 by the Local Boundary Commission entitled "Model Borough Boundaries." The bill has the effect of including most of the unorganized borough within the boundaries of a borough, with the exception that the few areas not organized under the bill will be annexed to existing municipalities. Thus, 18 new boroughs would be established, and areas of 5 existing boroughs would be expanded. These changes would take place over a four year period, beginning in FY98, based on a sliding scale of the estimated full and true value of taxable property in the areas to be incorporated.

The Department of Law believes that the mandatory incorporation of the unorganized borough into a large number of second class boroughs will result in considerable litigation involving lawsuits from opponents residing in several areas of the unorganized borough. The department therefore believes that it will be necessary to add

Prepared by: <u>Richard I. Peques, Director</u>	Phone: <u>465-3672</u>
Division: <u>Administrative Services Division</u>	Date: <u>3/5/96</u>
Approved by Commissioner: <u>Bruce M. Botelho, Attorney General</u>	Date: <u>3/5/96</u>
Agency: <u>Department of Law</u>	

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FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Work Draft 2/28/96  
BILL NO. CSSB 280 (C&RA)

ANALYSIS CONTINUATION:

a full-time attorney, and provide for out-of-pocket trial costs, to defend the bill if it is enacted. These costs will begin in FY98 and continue for three or four years thereafter, until all of the litigation is resolved.

The fiscal impact analysis is based on 1,500 project hours of Attorney IV (journey level) services annually. Project hours are those hours that are attributable to a specific work assignment, and they do not include the time lost to leave, training, supervision, or other duties and activities that are not specific as to a particular legal matter. Project specific costs include the weighted overhead cost of clerical support, space, communications, supplies, and law library. Additionally, \$7,500 for case travel and \$30,000 for experts and depositions will also be required annually.

03/05/96

15:52:51.3

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE: 11

DEPARTMENT OF LAW

SCENARIO: 1

COMPONENT #: 9701010101 NAME: GENERAL LEGAL SERVICES (GF)

DRU NAME: CIVIL DIVISION

PCN	UNAUTN PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B S C U	R&S MOS BUDG	SALARY	PREM PAY	BENES	PER.SERV. COSTS	G. F. AMOUNT
03/040		ATTORNEY IV	F	JUNEAU	A XE AA	24A 12	61923	0	20100	82023.52	

\*\*\*\* JUSTIFICATION:

This attorney position will be needed to defend SB280 which mandates the incorporation of unorganized borough into 18 new second class boroughs and the expansion of 5 existing boroughs. Challenges will probably be based both on the basis of the constitutionality of the mandate and on the actual boundaries and other fact-based situations involved in the establishment of individual boroughs. Because of the importance of these issues, Journey-level Attorney IV services will be required. Non-personal services include \$7,500 in travel and \$30,000 for depositions and experts. The remainder of the non-personal services is in accordance with the civil division's approved cost allocation/billing rate plan. Additionally, \$33.2 in personal services costs over and above the amount shown in this report is included in the fiscal note to pay clerical pool support costs.

TRAVEL COSTS	7800.00	
CONTRACTUAL COSTS	43700.00	
SUPPLIES COSTS	3300.00	
EQUIPMENT COSTS	7500.00	
OTHER COSTS	0.00	
=====		
TOTAL COSTS	144323.52	82023.52

\*\*\* FUNDING DETAIL:

1004 GENERAL FUND RECEIPTS	82023.52
=====	
TOTAL FUNDING	82023.52

\*\*\*\* COMPONENT TOTALS:

FULL TIME NEW POSITIONS	1	TOTAL PERSONAL SERVICES	82023.52
PART TIME/SEASONAL NEW POSITIONS	0		
NON PERMANENT NEW POSITIONS	0	TOTAL COSTS INC. ASSOC COSTS	144323.52
OTHER.....	0		
=====			

NUMBER OF NEW POSITIONS IN COMPONENT: 1

FUNDING DATA: G.F. & G.F. MATCH:	82023.52
OTHER FUNDS:	0.00
=====	
TOTAL FUNDING:	82023.52

# FISCAL NOTE

STATE OF ALASKA

BILL NO. SB280

1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources  
 Title: An Act relating to the mandatory BRU: Resource Development  
incorporation of certain boroughs in the unorganized borough Component: Land Development  
 Sponsor: Senator(s) Torgerson, Green, Phillips ...  
 Requestor: Senate CRA Component Serial No. 431

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES			110.0	110.0	220.0	220.0
TRAVEL			5.0	5.0	5.0	5.0
CONTRACTUAL			10.0	10.0	20.0	20.0
SUPPLIES			2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	127.0	127.0	247.0	247.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF			127.0	127.0	247.0	247.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	127.0	127.0	247.0	247.0

Estimate of any current year (FY96) cost: \$ None

POSITIONS						
FULL-TIME	0	0	2	2	4	4
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

Currently there are about 45,000,000 acres of state land located outside of existing municipalities. If boroughs are formed about 4,500,000 acres of this land must be conveyed to effected municipalities.

Current law, AS 29.65, requires us to certify the municipalities land entitlement within 2 1/2 years of incorporation. The municipality then has one year to select the land and the state is required to convey the land within nine months of selection.

This fiscal note estimates the cost to implement this process.

Prepared by: Jane Angvik, Director Phone: 269-8503  
 Division: Land Date: 6-Mar-96  
 Approved by Commissioner: *[Signature]* Date: 6-Mar-96  
 Agency: Natural Resources

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# FISCAL NOTE

STATE OF ALASKA

BILL  
NO:

SB 280

## 1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: Mandatory Incorporation of Certain Boroughs DPS Statewide Support  
 Component: Commissioner's Office  
 Sponsor: Senator Torgerson  
 Requestor: S.CRA COMPONENT SERIAL NO. 0523

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
Code      Revenue						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 96) impact: \$ \_\_\_\_\_

**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: (Attach a separate page if necessary.)**

No noticeable fiscal impact is anticipated to the Department of Public Safety at this time.

Prepared By: Sandy Perry-Provost, Special Assistant to the Commissioner Phone: 465-4322  
 Division: Commissioner's Office Date: March 5, 1996  
 Approved by Commissioner: Ronald L. Otte Date: 3/5/96  
 Agency: Ronald L. Otte, Dept. of Public Safety

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# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 280

Revision Date: 3/7/96 Dept. Affected: DOT&PF  
 Title: "An Act relating to the mandatory incorporation of BRU: Engineering & Operations  
certain boroughs in the unorganized borough." Component: Engineering & Operations  
 Sponsor: Torgerson, Green, Phillips  
 Requester: CRA, STA COMPONENT SERIAL NO. #547

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

No anticipated department cost associated with this legislation.

Prepared by: Loren Rasmussen, P.E., Acting Director *Loren Rasmussen* Phone: 465-2960  
 Division: Engineering and Operations Date: 3/7/96  
 Approved by: Joseph L. Perkins *Joseph L. Perkins* Date: 3/7/96  
 Agency: Department of Transportation and Public Facilities

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DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

333 W. 4TH AVENUE, SUITE 220 ANCHORAGE, ALASKA 99501-2341 PHONE: (907) 269-4500 FAX: (907) 269-4539

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P.O. BOX 790 DILLINGHAM, ALASKA 99576-0790 PHONE: (907) 842-1135 FAX: (907) 842-5140

February 23, 1996

The Honorable John Torgerson State Senator State Capitol, Room 427 Juneau, Alaska 99801-1182

Dear Senator Torgerson:

In response to a request from your staff, this is to provide background information, particularly projected property values, concerning the areas within model borough boundaries as defined by the Local Boundary Commission a few years ago.

Presently, there are 16 organized boroughs and unified municipalities in Alaska. The boundaries of the following 11 organized boroughs and unified municipalities would not be altered under the Local Boundary Commission's Model Borough Boundary Study:

- 1. Aleutians East Borough 2. Municipality of Anchorage 3. Bristol Bay Borough 4. City & Borough of Yakutat 5. North Slope Borough 6. Matanuska-Susitna Borough 7. City and Borough of Sitka 8. Kenai Peninsula Borough 9. Kodiak Island Borough 10. Lake & Peninsula Borough 11. Northwest Arctic Borough

The boundaries of the other 5 existing boroughs and unified municipalities listed on the following page would be expanded:

- 1. Denali Borough 2. Fairbanks North Star Borough 3. Haines Borough 4. City and Borough of Juneau 5. Ketchikan Gateway Borough

The following 19 new organized boroughs would be created under the Model Borough Boundary Study:

1. Aleutian - Military
2. Aleutians West Region
3. Annette Island Reserve
4. Bering Straits
5. Prince William Sound
6. Copper River Basin
7. Upper Tanana Basin
8. Glacier Bay
9. Iditarod Region
10. Kuspuk
11. Lower Kuskokwim
12. Lower Yukon
13. Pribilof Islands
14. Southwest Region
15. Wrangell/Petersburg
16. Yukon Flats
17. Yukon-Koyukuk
18. Prince of Wales Island
19. Chatham

Implementation of the Model Borough Boundary Study would reduce the number of school districts in Alaska from the current level of 54 to 35. That represents a 35% reduction in the number of school districts.

Although the model boundaries seemed appropriate at the time they were approved by the Local Boundary Commission, certain developments subsequent to the completion of the Model Borough Boundaries Study may warrant some modification of the boundaries. For example, the closure of the Adak Naval Air Facility would seem to warrant the consolidation of the Aleutians-Military and Aleutians West regions. In addition, there may be merit in splitting Wrangell and Petersburg into two boroughs and allowing Skagway to form its own borough.

Exact estimates of the value of all taxable property in the entire unorganized borough do not exist. However, reliable figures are available for much of the inhabited and developed portions of the unorganized borough. For example, precise figures exist for the value of oil and gas properties in the unorganized borough that are taxable under AS 43.56. Additionally, accurate figures are available for 26 cities in the unorganized borough. The 26 cities include all 5 home rule cities and 13 first class cities in the unorganized borough, as well as 8 second class cities in the unorganized borough. The 26 cities are:

1. Bethel
2. Cordova
3. Craig
4. Delta Junction
5. Dillingham
6. Eagle
7. Emmonak
8. Galena
9. Hoonah
10. Hooper Bay
11. Hydaburg
12. Kake
13. Klawock
14. Mt. Village
15. Nenana
16. Nome
17. Pelican
18. Petersburg
19. St. Mary's
20. Skagway
21. Tanana
22. Togiak
23. Unalaska
24. Valdez
25. Whittier
26. Wrangell

The combined populations of the 26 cities is 40,746, which represents 51.1% of the total population of the unorganized borough.

Estimates for the value of property in the remainder of the unorganized borough are less precise. They were prepared by the State Assessor principally on the basis of formulae projecting values on a per-capita basis.

Estimates for the values in the territory within the model borough boundaries are provided on the enclosures. Also included for comparison purposes are values of the 11 organized boroughs and unified municipalities whose boundaries would not change under the defined model boundaries. The first enclosure ranks the areas in descending order in terms of per capita values. The second enclosure ranks the areas in descending order in terms of total value, excluding oil and gas property that is taxable under AS 43.56 and also excluding property that is presently within the boundaries of a municipal school district.

If you have questions concerning this information or if you desire additional information concerning this matter, please contact me or Dan Bockhorst.

Cordially,



Patrick K. Poland  
Director

cc: Lamar Cotten, Deputy Commissioner  
Local Boundary Commission  
Dan Bockhorst, LBC Staff  
Steve Van Sant, State Assessor  
Michael Cushing, MRAD-Juneau

## Estimated 1994 Full Value (by Model Borough Boundaries)

(ranked in descending order of per capita value)

Column A      Column B      Column C      Column D      Column E      Column F      Column G

### Model Borough Boundaries that Include Territory Wholly or Partially within the Unorganized Borough

Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
Yukon Flats	1,485	\$435,075,000	\$292,980	\$405,600,000	\$0	\$29,475,000
Copper River Basin	2,935	\$668,665,000	\$227,893	\$604,440,000	\$0	\$64,425,000
Prince William Sound	7,613	\$1,272,675,200	\$167,171	\$817,060,600	\$421,429,900	\$34,184,700
Yukon-Koyukuk	3,318	\$522,226,600	\$157,392	\$446,760,000	\$31,066,500	\$44,400,000
Upper Tanana Basin	6,160	\$554,095,700	\$107,383	\$407,340,000	\$0	\$146,755,700
Aleutians West Region	4,490	\$361,535,300	\$80,520	\$0	\$358,385,300	\$3,150,000
Pribilof Islands	793	\$59,525,400	\$75,064	\$0	\$0	\$59,525,400
Upper Lynn Canal	3,375	\$223,667,600	\$66,278	\$0	\$220,912,500	\$2,775,000
Ketchikan Gateway Borough	15,074	\$988,691,900	\$65,589	\$0	\$985,541,900	\$3,150,000
City and Borough of Juneau	28,903	\$1,767,834,100	\$61,157	\$0	\$1,765,984,100	\$1,659,000
Wrangell/Petersburg	6,352	\$350,186,100	\$55,130	\$0	\$350,186,100	\$0
Fairbanks North Star Borough	82,638	\$3,578,017,970	\$43,315	\$479,107,070	\$3,093,810,500	\$2,100,000
Southwest Region	4,358	\$171,120,300	\$39,284	\$0	\$131,012,300	\$40,108,000
Denali Borough	2,343	\$91,749,700	\$39,159	\$0	\$91,749,700	\$0
Glacier Day	2,059	\$56,598,300	\$27,488	\$0	\$38,148,300	\$18,450,000
Bering Straits	8,763	\$235,140,200	\$26,833	\$0	\$132,968,700	\$102,171,500
Prince of Wales Island	5,290	\$138,869,900	\$26,251	\$0	\$84,269,900	\$54,600,000
Lower Kuskokwim	13,009	\$339,446,800	\$26,093	\$0	\$0	\$339,446,800
Aleutian - Military	15	\$376,000	\$25,000	\$0	\$0	\$375,000
Chatham	1,594	\$34,490,300	\$21,638	\$0	\$17,315,300	\$17,175,000
Kuspuk	1,575	\$31,950,000	\$20,286	\$0	\$0	\$31,950,000
Iditarod Region	1,545	\$30,600,000	\$19,806	\$0	\$0	\$30,600,000
Lower Yukon	6,491	\$94,081,000	\$14,494	\$0	\$4,533,500	\$89,547,500
Annette Island Reserve	1,600	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTALS</b>	<b>210,874</b>	<b>12,003,637,170</b>	<b>\$56,977</b>	<b>3,160,307,670</b>	<b>7,727,314,900</b>	<b>1,116,014,600</b>

### Territory within Organized Boroughs & Unified Municipalities Whose Boundaries Wouldn't Change

Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
North Slope Borough	6,743	\$12,291,192,390	\$1,822,808	\$12,072,123,590	\$219,068,800	\$0
Bristol Bay Borough	1,676	\$176,792,300	\$112,178	\$0	\$176,792,300	\$0
Kenai Peninsula Borough	44,411	\$3,640,761,750	\$79,727	\$500,476,350	\$3,034,285,400	\$0
City and Borough of Sitka	9,052	\$528,278,800	\$58,360	\$0	\$528,278,800	\$0
Kodiak Island Borough	16,012	\$858,852,600	\$57,211	\$0	\$858,852,600	\$0
Matanuska-Susitna Borough	45,936	\$2,423,675,790	\$52,762	\$9,384,890	\$2,414,290,900	\$0
Municipality of Anchorage	248,296	\$12,434,108,720	\$50,076	\$62,691,020	\$12,371,417,700	\$0
City & Borough of Yakutat	691	\$27,801,100	\$40,233	\$0	\$27,801,100	\$0
Lake & Peninsula Borough	1,827	\$68,357,600	\$37,415	\$0	\$68,357,600	\$0
Aleutians East Borough	2,569	\$89,105,700	\$34,685	\$0	\$89,105,700	\$0
Northwest Arctic Borough	6,631	\$177,209,500	\$26,724	\$0	\$177,209,500	\$0
<b>SUBTOTALS</b>	<b>382,744</b>	<b>32,616,136,250</b>	<b>\$85,217</b>	<b>12,650,675,850</b>	<b>19,965,460,400</b>	<b>\$0</b>

### Statewide Totals

<b>TOTALS</b>	<b>593,418</b>	<b>44,619,773,420</b>	<b>\$75,191</b>	<b>15,810,983,520</b>	<b>27,692,775,300</b>	<b>1,116,014,600</b>
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## Estimated 1994 Full Value (by Model Borough Boundaries)

(ranked in descending order of value of column G)

Column A	Column B	Column C	Column D	Column E	Column F	Column G
<b>Model Borough Boundaries that Include Territory Wholly or Partially within the Unorganized Borough</b>						
Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
Lower Kuskokwim	13,009	\$339,446,800	\$26,093	\$0	\$0	\$339,446,800
Upper Tanana Basin	5,160	\$554,095,700	\$107,383	\$407,340,000	\$0	\$148,755,700
Bering Straits	8,763	\$235,140,200	\$26,833	\$0	\$132,968,700	\$102,171,500
Lower Yukon	6,491	\$94,081,000	\$14,494	\$0	\$4,533,600	\$89,547,500
Copper River Basin	2,935	\$668,865,000	\$227,893	\$604,440,000	\$0	\$64,425,000
Pribilof Islands	793	\$59,525,400	\$75,064	\$0	\$0	\$59,525,400
Prince of Wales Island	5,290	\$138,869,900	\$26,251	\$0	\$84,269,900	\$54,600,000
Yukon-Koyukuk	3,318	\$522,226,500	\$157,392	\$446,760,000	\$31,066,500	\$44,400,000
Southwest Region	4,358	\$171,120,300	\$39,284	\$0	\$131,012,300	\$40,108,000
Prince William Sound	7,813	\$1,272,875,200	\$167,171	\$817,060,600	\$421,429,900	\$34,184,700
Kuspuk	1,575	\$31,950,000	\$20,286	\$0	\$0	\$31,950,000
Iditarod Region	1,545	\$30,600,000	\$19,806	\$0	\$0	\$30,600,000
Yukon Flats	1,485	\$435,075,000	\$292,980	\$405,600,000	\$0	\$29,475,000
Glacier Bay	2,059	\$56,598,300	\$27,488	\$0	\$38,148,300	\$18,450,000
Chatham	1,594	\$34,490,300	\$21,638	\$0	\$17,315,300	\$17,175,000
Aleutians West Region	4,490	\$361,635,300	\$80,520	\$0	\$358,385,300	\$3,150,000
Ketchikan Gateway Borough	15,0	\$988,891,900	\$65,589	\$0	\$985,541,900	\$3,150,000
Upper Lynn Canal	3,375	\$223,687,600	\$66,276	\$0	\$220,912,500	\$2,775,000
Fairbanks North Star Borough	82,536	\$3,575,017,970	\$43,315	\$479,107,070	\$3,093,810,900	\$2,100,000
City and Borough of Juneau	28,903	\$1,767,834,100	\$61,157	\$0	\$1,765,984,100	\$1,650,000
Arcadian - Military	15	\$376,000	\$25,000	\$0	\$0	\$376,000
Annette Island Reserve	1,600	\$0	\$0	\$0	\$0	\$0
Denali Borough	2,343	\$91,749,700	\$39,159	\$0	\$91,749,700	\$0
Wrangell/Petersburg	6,352	\$350,186,100	\$55,130	\$0	\$350,186,100	\$0
<b>SUBTOTALS</b>	<b>210,674</b>	<b>12,003,637,170</b>	<b>\$56,977</b>	<b>3,160,307,870</b>	<b>7,727,314,900</b>	<b>1,116,014,600</b>
<b>Territory within Organized Boroughs &amp; Unified Municipalities Whose Boundaries Wouldn't Change</b>						
Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
Aleutians East Borough	2,569	\$89,105,700	\$34,685	\$0	\$89,105,700	\$0
Municipality of Anchorage	248,296	\$12,434,108,720	\$50,078	\$62,691,020	\$12,371,417,700	\$0
Bristol Bay Borough	1,576	\$176,792,300	\$112,178	\$0	\$176,792,300	\$0
City & Borough of Yakutat	691	\$27,801,100	\$40,233	\$0	\$27,801,100	\$0
North Slope Borough	6,743	\$12,291,192,390	\$1,822,808	\$12,072,123,590	\$219,068,900	\$0
Matanuska-Susitna Borough	45,936	\$2,423,675,790	\$52,762	\$9,384,890	\$2,414,290,900	\$0
City and Borough of Sitka	9,052	\$528,278,800	\$58,360	\$0	\$528,278,800	\$0
Kenai Peninsula Borough	44,411	\$3,540,761,750	\$79,727	\$506,476,350	\$3,034,285,400	\$0
Kodiak Island Borough	16,012	\$858,852,600	\$57,211	\$0	\$858,852,600	\$0
Lake & Peninsula Borough	1,827	\$68,357,600	\$37,415	\$0	\$68,357,600	\$0
Northwest Arctic Borough	6,631	\$177,209,500	\$26,724	\$0	\$177,209,500	\$0
<b>SUBTOTALS</b>	<b>382,744</b>	<b>32,616,136,250</b>	<b>\$85,217</b>	<b>12,650,675,850</b>	<b>19,963,460,400</b>	<b>\$0</b>
<b>Statewide Totals</b>						
<b>TOTALS</b>	<b>593,418</b>	<b>44,619,773,420</b>	<b>\$76,191</b>	<b>15,810,983,820</b>	<b>27,692,775,300</b>	<b>1,116,014,600</b>

## Schedule of Incorporation

- By July 1, 1997, those model boroughs with an FY 94 estimated full property value of \$550,000,000 or more.
- By July 1, 1998, those model boroughs with an FY 94 estimated full property value of \$350,000,000 or more
- By July 1, 1999, those model boroughs with an FY 94 estimated full property value of \$75,000,000 or more
- By July 1, 2000, those model boroughs with an FY 94 estimated full property value of under \$75,000,000.

BOROUGH	FY 94 FULL VALUE	POPULATION	PER CAPITA VALUE	YEAR FORM
Prince William Sound	1,272,675,200	7,613	167,171	1997
Copper River Basin	668,865,000	2,935	227,893	1997
Upper Tanana	554,095,700	5,160	107,383	1997
Yukon Koyukuk	522,226,500	3,318	157,392	1998
Yukon Flats	435,075,000	1,485	292,980	1998
Aleutians West/Military	361,910,300	4,505	80,335	1998
Wrangell-Petersburg	350,186,100	6,352	55,130	1998
Lower Kuskokwim	339,446,800	13,009	26,093	1999
Bering Straits	235,140,200	8,763	26,833	1999
Prince of Wales	138,869,900	5,290	26,251	1999
Dillingham-Nushagak	171,120,300	4,356	39,284	1999
Lower Yukon	94,081,000	6,491	14,494	1999
Pribilof Islands	59,525,400	793	75,064	2000
Glacier Bay	56,598,300	2,059	27,488	2000
Chatham Region	34,490,300	1,594	21,638	2000
Kuspuk	31,950,000	1,575	20,286	2000
Iditarod	30,600,000	1,545	19,806	2000

Consolidation of School Districts

Borough Name	REAA/School District	1993-1994 Administration Cost	Average Administration Cost	Number of School Districts Disbanded	Possible Annual Savings
<b>Unchanged Boroughs</b>					
Aleutians East	Aleutians East	1,157,767			
Anchorage	Anchorage	30,264,173			
Bristol Bay	Bristol Bay	460,880			
Kenai Peninsula	Kenai	7,914,722			
Kodiak	Kodiak	2,480,813			
Lake & Peninsula	Lake & Pen	1,397,875			
Mat-Su	Mat-Su	10,734,599			
North Slope	North Slope	7,904,192			
Northwest Arctic	Northwest Arctic	3,710,913			
Sitka	Sitka	1,416,807			
Yakutat	Yakutat	310,166			
<b>Expanded Boroughs</b>					
Fairbanks	Fairbanks	11,958,105			
Juneau	Juneau	4,080,493			
Ketchikan	Ketchikan	1,889,490			
Haines	Haines	440,682 \			
	Skagway	253,066 /	346,874	1	346,874
Denali	Denali	604,621 \			
Denali	Nenana	525,743 /	565,182	1	565,182
<b>New Boroughs</b>					
Prince William	Chugach	436,018 \			
	Cordova	551,104	638,805	2	1,277,611
	Valdez	929,294 /			
Copper River	Copper River	861,394			
Upper Tanana	Alaska Gateway	1,027,331 \			
	Delta/Greely	1,243,378 /	1,135,355	1	1,135,355
Yukon Koyukuk	Tanana	398,827 \			
	Galena	406,871	754,057	2	1,508,113
	Yukon/Koyukuk	1,456,472 /			
Yukon Flats	Yukon Flats	553,228			
Aleutian West	Adak	955,641 \			
	Aleutian Region 1	261,252	572,340	2	1,144,679
	Unalaska	500,126 /			

Consolidation of School Districts

Borough Name	REAA/School District	1993-1994 Administration Cost	Average Administration Cost	Number of School Districts Disbanded	Possible Annual Savings
Wrangell/Petersburg	Petersburg	571,987 \			
	Wrangell	524,450 /	548,219	1	548,219
Lower Kuskokwim	Lower Kuskokwim	6,292,411 \			
	Yupilt	1,169,518 /	3,730,965	1	3,730,965
Bering Strait	Bering Strait	3,376,139 \			
Bering Strait	Nome	854,586 /	2,115,363	1	2,115,363
Prince of Wales	Craig	405,585 \			
	Hydaburg	214,760			
	Klawock	412,160	423,375	3	1,270,125
	SE Island	660,995 /			
Dillingham	Dillingham	717,979 \			
	SW Region	966,629 /	842,304	1	842,304
Lower Yukon	Kashunamiut	413,066 \			
	Lower Yukon	2,919,619	1,187,567	2	2,375,134
	St. Mary's	230,016 /			
Pribilof	Pribilof	398,089			
Glacier Bay	Hoonah	464,991 \			
Glacier Bay	Pelican	175,753 /	320,372	1	320,372
Chatham	Chatham	642,613 \			
	Kake	414,009 /	528,311	1	528,311
Kuspuk	Kuspuk	879,318			
Iditarod	Iditarod	1,307,265			
Annette	Annette	769,822			
TOTAL		121,867,803		20	17,708,605

CSSB 280(CRA)  
Possible new revenues from 4 mill tax

	(a)	(b)	(c)	(d)	
Borough	1994 Estimated True Property Value Currently In Local Taxing Jurisdiction	1994 Estimate of Property Not Currently In Local Taxing Jurisdiction	1994 Estimate of O & G Property Not Currently In Local Taxing Jurisdiction	1994 Estimate of Total Property Value (sum of columns a-c)	4-mil equivalent on property not currently in a local taxing jurisdiction
<b>Unchanged Boroughs</b>					
Aleutians East	89,105,700			89,105,700	0
Anchorage	12,434,108,720			12,434,108,720	0
Bristol Bay	176,792,300			176,792,300	0
Kenai Peninsula	3,540,761,750			3,540,761,750	0
Kodiak	858,852,600			858,852,600	0
Lake & Pen	68,357,600			68,357,600	0
Mat-Su	2,423,675,790			2,423,675,790	0
North Slope	12,291,192,390			12,291,192,390	0
Northwest Arctic	177,209,500			177,209,500	0
Sitka	528,278,800			528,278,800	0
Yakutat	27,801,100			27,801,100	0
<b>Expanded Boroughs</b>					
Fairbanks	3,452,917,970	2,100,000	120,000,000	3,575,017,970	488,400
Juneau	1,765,984,100	1,650,000		1,767,634,100	6,600
Ketchikan	985,541,900	3,150,000		988,691,900	12,600
Haines+Skagway	220,912,500	2,775,000		223,687,500	11,100
Denali	91,749,700	0		91,749,700	0
<b>New Boroughs</b>					
Prince William Sound	1,238,490,500	34,184,700	0	1,272,675,200	136,739
Copper River Basin	0	64,425,000	604,440,000	668,865,000	2,675,460
Upper Tanana		146,755,700	407,340,000	554,095,700	2,216,383
Yukon Koyukuk	31,066,500	44,400,000	446,760,000	522,226,500	1,964,640
Yukon Flats	0	29,475,000	405,600,000	435,075,000	1,740,300
Aleutians West/Military	358,385,300	3,525,000		361,910,300	14,100
Wrangell-Petersburg	350,186,100	0		350,186,100	0
Lower Kuskokwim	0	339,446,800		339,446,800	1,357,787
Bering Straits	132,968,700	102,171,500		235,140,200	408,686
Prince of Wales	84,269,900	54,600,000		138,869,900	218,400
Dillingham-Nushagak	131,012,300	40,108,000		171,120,300	160,432
Lower Yukon	4,533,500	89,547,500		94,081,000	358,190
Pribilof Islands	0	59,525,400		59,525,400	238,102
Glacier Bay	38,148,300	18,450,000		56,598,300	73,800
Chatham Region	17,315,300	17,175,000		34,490,300	68,700
Kuspuk	0	31,950,000		31,950,000	127,800
Iditarod	0	30,600,000		30,600,000	122,400
Annette Reservation	0			0	0
<b>34 Boroughs</b>	<b>41,519,618,820</b>	<b>1,116,014,600</b>	<b>1,984,140,000</b>	<b>44,619,773,420</b>	<b>12,400,618</b>
18 new; 5 expanded; 11 remain the same					

CSSB 280(CRA)  
Possible new revenues from 11.117 mil tax

	(a)	(b)	(c)	(d)	(e)	
Borough	1994 Estimated True Property Value Currently in Local Taxing Jurisdiction	1994 Estimate of Property Not Currently in Local Taxing Jurisdiction	1994 Estimate of O & G Property Not Currently in Local Taxing Jurisdiction	1994 Estimate of Total Property Value (sum of columns a-c)	Borough Levy	Average mil rate of boroughs with property tax (11.117 mils) Revenue from property not currently in a local taxing jurisdiction
<b>Unchanged Boroughs</b>						
Aleutians East	89,105,700			89,105,700	No property	0
Anchorage	12,434,108,720			12,434,108,720	18.120	0
Bristol Bay	176,792,300			176,792,300	7.000	0
Konai Peninsula	3,540,761,750			3,540,761,750	8.590	0
Kodiak	858,852,600			858,852,600	6.750	0
Lake & Pen	68,357,600			68,357,600	No property	0
Mat-Su	2,423,675,790			2,423,675,790	14.550	0
North Slope	12,291,192,390			12,291,192,390	18.560	0
Northwest Arctic	177,209,500			177,209,500	No property	0
Sitka	528,278,800			528,278,800	6.000	0
Yakutat	27,801,100			27,801,100	9.000	0
<b>Expanded Boroughs</b>						
Fairbanks	3,452,917,970	2,100,000	120,000,000	3,575,017,970	13.274	1,357,386
Juneau	1,765,984,100	1,650,000		1,767,634,100	13.060	18,343
Ketchikan	985,541,900	3,150,000		988,691,900	14.500	35,019
Haines-Skagway	220,912,500	2,775,000		223,687,500	4.000	30,850
Denali	91,749,700	0		91,749,700	No property	0
<b>New Boroughs</b>						
Prince William Sound	1,238,490,500	34,184,700	0	1,272,675,200		380,031
Copper River Basin	0	64,425,000	604,440,000	668,865,000		7,435,772
Upper Tanana		146,755,700	407,340,000	554,095,700		6,159,882
Yukon Koyukuk	31,066,500	44,400,000	446,760,000	522,226,500		5,460,226
Yukon Flats	0	29,475,000	405,600,000	435,075,000		4,836,729
Aleutians West/Military	358,385,300	3,525,000		361,910,300		39,187
Wrangell Petersburg	350,186,100	0		350,186,100		0
Lower Kuskokwim	0	339,446,800		339,446,800		3,773,630
Bering Straits	132,968,700	102,171,500		235,140,200		1,135,841
Prince of Wales	84,269,900	54,600,000		138,869,900		606,988
Dillingham-Nushagak	131,012,300	40,108,000		171,120,300		445,881
Lower Yukon	4,533,500	89,547,500		94,081,000		395,500
Pribilof Islands	0	59,525,400		59,525,400		661,744
Glacier Bay	38,148,300	18,450,000		56,598,300		205,109
Chatham Region	17,315,300	17,175,000		34,490,300		190,934
Kuspuk	0	31,950,000		31,950,000		355,188
Iditarod	0	30,600,000		30,600,000		340,180
Annettelee Reservation	0			0		0
<b>34 Boroughs</b>	<b>41,519,618,820</b>	<b>1,116,014,600</b>	<b>1,984,140,000</b>	<b>44,619,773,420</b>		<b>34,464,419</b>
18 new; 5 expanded; 11 remain the same						

## DESCRIPTIONS OF MODEL BOROUGH BOUNDARIES

### Aleutians - Military Region:

Beginning at Latitude 52° 45' N, Longitude 176° W, a point along or near the North mid-point of Fenimore Pass,  
thence south to Latitude 51° 7' N, Longitude 175° 15' W,  
thence westerly along an arc to Latitude 52° N, Longitude 172° E,  
thence northwest to Latitude 52° 45' N, Longitude 171° 45' E,  
thence northeast to Latitude 53° 30' N, Longitude 172° 45' E,  
thence easterly along an arc to Latitude 52° 45' N, Longitude 176° W, the point of beginning. The area described includes all of the territory west of Fenimore Pass that is under the jurisdiction of the State of Alaska pursuant to AS 44.03.010.

### Aleutians West:

Beginning at Latitude 51° 7' N, Longitude 175° 15' W,  
thence north to, Latitude 52° 45' N, Longitude 176° W, a point along or near the North mid-point of Fenimore Pass,  
thence easterly along an arc to a point on the western boundary of Aleutians East Borough at approximately Latitude 54° 45' N, Longitude 166° 37' W,  
thence south along the western boundary of the Aleutians East Borough (mid-channel through Unalga Pass extending southerly mid-line between Unalga and Sedank Islands, Latitude 53° 55' N, Longitude 166° 15' W ) to a point at approximately Latitude 53° 2' N, Longitude 164° 55' W,  
thence westerly along an arc to Latitude 51° 7' N, Longitude 175° 15' W, the point of beginning. The area described includes all of the territory east of Fenimore Pass and west of the Aleutians East Borough that is under the jurisdiction of the State of Alaska pursuant to AS 44.03.010.

**Bering Straits:**

Beginning at a point where the boundary of the Bering Straits Regional Native Corporation meets with the boundary of the NANA Regional Native Corporation and the line of mean high tide of Kotzebue Sound,

thence southeasterly along the boundary of the Bering Straits Regional Native Corporation to the line of mean high tide of Pastol Bay in Norton Sound,

thence northwesterly to Latitude 64°N, Longitude 166°W,

thence southwesterly to Latitude 62°N, Longitude 168°W,

thence northwesterly to the international boundary between Alaska and Russia at approximately Latitude 63°N, Longitude 175°W,

thence northeasterly along said international boundary to Latitude 67°N, Longitude 169°W ,

thence southeasterly to a point, Latitude 67°N, Longitude 165°W where the boundary of the Bering Straits Regional Native Corporation meets the boundary of the NANA Regional Native Corporation and the line of mean high tide of Kotzebue Sound, the point of beginning.

**Dillingham-Nushagak:**

Beginning at a point where the eastern boundary of the Calista Regional Native Corporation meets the western boundary of the Bristol Bay Regional Native Corporation at the line of mean high tide of Bristol Bay,

thence northerly and easterly along the boundary of the Bristol Bay Regional Native Corporation to the northwest boundary of the Lake and Peninsula Borough at the intersection of protracted Township 9 North, Seward Meridian and 156°00'00"W Longitude,

thence southwesterly along the boundary of the Lake and Peninsula Borough to its intersection with the boundary of the Aleutians East Borough,

thence continuing southwesterly along the northern boundary of the Aleutians East Borough to Latitude 56° 35' N, Longitude 160°W,  
thence, northwesterly to Latitude 58°N, Longitude 162°W,  
thence northeasterly to a point where the east boundary of the Calista Regional Native Corporation meets the west boundary of the Bristol Bay Regional Native Corporation at the line of mean high tide of Bristol Bay, the point of beginning.

**Chatham Region:**

Beginning at the intersection of Latitude 58°N and the mid-point of Chatham Strait,  
thence due east following the 58<sup>th</sup> parallel to the mid-point of Swan Cove,  
thence southeast following the mid-point between Swan Island and Admiralty Island,  
thence continuing southeast following the mid-point between Tiedman Island and Admiralty Island,  
thence continuing southeast following the midpoint of Seymour Canal until it meets the mid-point of Stephens Passage,  
thence southeasterly to the mouth of Big Creek (Longitude 133°38' W ),  
thence south to Latitude 56°22' N,  
thence west along Latitude 56°22' N, crossing Kuiu Island to the intersection with the eastern boundary of the City and Borough of Sitka,  
thence northerly along the eastern boundary of the City and Borough of Sitka to Latitude 56° 50' N, Longitude 134° 50' W,  
thence to the mid-line of Chatham Strait,  
thence continuing northerly along the mid-point of Chatham Strait to Latitude 58°N , the point of beginning.

**Copper River Basin:**

Beginning where the eastern boundary of the Matanuska-Susitna Borough intersects with the common boundary of the Doyon Limited Regional Native Corporation and the Ahtna Regional Native Corporation, said point being in the Amphitheater Mountains, Latitude 63° 7' N, Longitude 146° 30' W where the southern boundary of T20S F.M. intersects with the Matanuska Susitna Borough boundary,

thence easterly along said common boundary to the southern face of Mount Kimball;

thence southeasterly to the intersection of the eastern boundary of the State of Alaska with the common boundary of the Doyon Limited Regional Native Corporation and the Ahtna Regional Native Corporation,

thence south along the eastern boundary of the State of Alaska to the intersection with the common boundary of the Ahtna Regional Native Corporation and the Chugach Alaska Regional Native Corporation;

thence northwesterly along the southern boundary of the Ahtna Regional Native Corporation to the intersection with the longitude containing the southeasternmost corner of the Matanuska-Susitna Borough, said point near Longitude 147°W ;

thence north to the southeasternmost corner of the Matanuska-Susitna Borough;

thence northerly along the eastern boundary of the Matanuska-Susitna Borough to the point of beginning.

**Denali Borough:**

Beginning at the intersection of 147° 00' 00" West Longitude and the northern boundary of the Matanuska-Susitna Borough (as described in the "Certificate of Boundaries - Matanuska-Susitna Borough" issued by the Local Affairs Agency, State of Alaska on June 30, 1971, and recorded in the Palmer Recording District on July 7, 1971);

thence southwesterly, along said northern boundary of the Matanuska-Susitna Borough to its northwesternmost corner at approximately 153° 00' West Longitude and 62° 44' North Latitude;

thence northeasterly along the following described line to its intersection with the western boundary of the Denali National Park and Preserve (as established under Section 202(3)(a) of Public Law 96-487, approved by Congress on December 2, 1980) at approximately 152° 24' West Longitude and 63° 11' North Latitude; said line beginning at the northwesternmost corner of the Matanuska-Susitna Borough and extending to the baseline of the Fairbanks Meridian at 150° 00' 00" West Longitude (hereinafter "Matanuska-Susitna Borough/Fairbanks Meridian line");

thence northeasterly along said western boundary of the Denali National Park and Preserve to its intersection with the Matanuska-Susitna Borough/Fairbanks Meridian line at approximately 151° 17' West Longitude and 64° 00' 00" North Latitude;

thence northeasterly along the Matanuska-Susitna Borough/Fairbanks Meridian line to its end point at the intersection of 150° 00' 00" West Longitude and the base line of the Fairbanks Meridian;

thence east along the baseline of the Fairbanks Meridian to its intersection with the western boundary of the Fairbanks North Star Borough (as described in the "Certificate - Boundaries of the Fairbanks North Star Borough" issued by the Department of Community and Regional Affairs, State of Alaska on April 20, 1983);

thence southeasterly along said boundaries of the Fairbanks North Star Borough to its intersection with 147° 00' 00" West Longitude;

thence, south along 147° 00' 00" West Longitude to its intersection with said boundaries of the Matanuska-Susitna Borough, the point of beginning, all in the State of Alaska, containing 14,796 square miles, more or less.

#### **TERRITORY TO BE ANNEXED TO THE FAIRBANKS NORTH STAR BOROUGH**

Beginning at the southwest corner of T5N, R5W, Fairbanks Meridian (F.M.),

thence north to the northwest corner of T8N, R5W, F.M.,

thence east to the point of intersection with the boundary of the White Mountains National Recreation Area (as shown on U.S.G.S. map, scale 1:250,000, Livengood, Alaska, 1956, Limited Revisions 1984, hereinafter U.S.G.S. - Livengood),

thence in a northeasterly direction along the boundary of the White Mountains National Recreation Area (as shown on U.S.G.S. - Livengood and U.S.G.S. map, scale 1:250,000, Circle, Alaska, 1955, Limited Revisions 1982, hereinafter U.S.G.S. - Circle) to the point of intersection with the boundary of the Steese National Conservation Area (as shown on U.S.G.S. - Circle),

thence in an easterly direction along the boundary of the Steese National Conservation Area (as shown on U.S.G.S. - Circle) to its northeasternmost corner located in T11N, R13E, F.M.,

thence south to the point of intersection with the northern boundary of T9N, F.M.,

thence east to the northeast corner of T9N, R16E, F.M.,

thence south to the southeast corner of T9N, R16E, F.M.,

thence east to the northeast corner of T8N, R17E, F.M.,

thence south to the point of intersection with the eastern boundary of the Steese National Conservation Area (as shown on U.S.G.S. - Circle),

thence in a southeasterly direction along the eastern boundary of the Steese National Conservation Area (as shown on U.S.G.S. - Circle) to the point of intersection with the eastern boundary of the Fairbanks North Star Borough (as shown on U.S.G.S. map, scale 1:250,000, Charley River, Alaska, 1956, Limited Revisions 1982, hereinafter U.S.G.S. - Charley River),

thence in a northwesterly direction along the northern boundary of the Fairbanks North Star Borough (as shown on U.S.G.S. - Circle, U.S.G.S. - Livengood, and U.S.G.S. - Charley River) to the northwest corner of T4N, R5W, F.M.,

thence west to the southwest corner of T5N, R5W, F.M., the point of beginning, encompassing approximately 4,918 square miles of territory.

**Glacier Bay:**

Following the southern boundary of the City and Borough of Yakutat near Cape Fairweather eastward along the US/Canada border to the intersection with the boundaries of the Haines borough,

thence southeasterly along the west boundary of the Haines Borough to the intersection of the mid-point of Icy Strait & the mid-point of Chatham Strait,

thence southerly along the mid-point of Chatham Strait to the northern boundary of the City and Borough of Sitka at or near the mid-point of Tenakee Inlet,

thence following the City & Borough of Sitka's northern boundary westward to the State boundary,

thence following the state boundary north to point of origin on the southern boundary of the City and Borough of Yakutat.

**Iditarod:**

Beginning at the intersection of the western boundary of the Doyon Limited Regional Native Corporation and the 64<sup>th</sup> North parallel;  
thence south and southwesterly along the westernmost boundary of the Doyon Limited Regional Native Corporation to its southwesternmost point of the Doyon Limited Regional Native Corporation boundary at approximately Latitude 62° North and Longitude 161° West,  
thence easterly along the southern boundary of the Doyon Limited Regional Native Corporation to Longitude 156° W,  
thence south along said longitude to protracted Township 9 North, Seward Meridian, the northwest boundary of the Lake and Peninsula Borough,  
thence east along the northern boundary of the Lake and Peninsula Borough to the western boundary of the Kenai Peninsula Borough,  
thence northerly and easterly along the western boundary of the Kenai Peninsula Borough to the intersection with the western boundary of the Matanuska-Susitna Borough;  
thence northerly along the western boundary of the Matanuska-Susitna Borough to the intersection with the western boundary of the Denali Borough;  
thence northerly along the western boundary of the Denali Borough to the intersection with Latitude 64° N  
thence west along Latitude 64° N to the point of beginning.

**City & Borough of Juneau:**

Beginning at Mount Nesselrode. Boundary Peak No. 98.,  
thence westerly along the boundaries of the Haines Borough to the mid point of Lynn Canal,  
thence southward following the Haines Borough boundary to the intersection of Icy Strait and Chatham Strait,

thence southeasterly following the mid point of Chatham Strait to  
Latitude 58°N,  
thence easterly to the midpoint of Swan Cove,  
thence southeasterly following the mid-point between Swan Island and  
Admiralty Island,  
thence continuing southeasterly following the mid-point between  
Tiedman Island and Admiralty Island to 57°24' N Latitude,  
thence due east to the Alaska/Canada border,  
thence northerly following the Alaska/Canada border to Mount  
Nesselrode, the point of beginning.

**Ketchikan Gateway:**

Beginning at the southeastermost point of Prince of Wales Borough,  
Latitude 54° 45' N, Longitude 131° 12' W,  
thence northwest to the intersection of Clarence Strait approximately  
Latitude 54° 57' N, Longitude 141° 45' W,  
thence to the mid point between Point Davison and Cow Island,  
thence northeasterly to Grass Rock,  
thence southeasterly to Ajax Reef,  
thence easterly to the mid point of Felice Strait,  
thence northeasterly to the intersection of Felice Strait and the mid point  
of Revillagigedo Channel, at approximately Latitude 55° 10' N, Longitude 131°  
15' W,  
thence northwesterly following the mid point of Revillagigedo Channel  
(west side of Bold Island),  
thence following the mid point of Clarence Strait,  
thence northwesterly following the eastern boundary of Prince of Wales  
to the intersection of the mid point of Ernest Sound,

thence northeasterly following the midpoint of Ernest Sound to approximately Eaton Point where it meets the southern boundary of the Wrangell Ranger District,

thence follow the Wrangell Ranger District's southern boundary northeasterly to the Alaska/Canada border,

thence southeasterly and southwesterly following the Alaska/Canada border through Tongass Passage where it meets the Exclusive Economic Zone Limit,

thence, westerly following the Exclusive Economic Zone Limit to the point of origin.

**Kuspuk Region:**

Beginning at the southwesternmost corner of the boundaries of the Doyon Limited Regional Native Corporation,

thence south to the intersection with the midpoint of the Kuskokwim River;

thence southeasterly to the intersection with the northwesternmost corner of the boundaries of the Bristol Bay Regional Native Corporation,

thence easterly along the northern boundary of the Bristol Bay Regional Native Corporation to the intersection with Longitude 156° W,

thence north along said longitude to the intersection with the southern boundary of the Doyon Limited Regional Native Corporation;

thence westerly along the southern boundary of the Doyon Limited Regional Native Corporation to said point of beginning.

**Lower Kuskokwim:**

Beginning at the intersection of North Latitude 61° 17' with the line of mean high tide of Augyoyoravak Bay,

thence east along said latitude to the intersection with the mid point of the Kuskokwim River;

thence southeasterly to the intersection with the northwesternmost corner of the boundaries of the Bristol Bay Regional Native Corporation;

thence southwesterly, along the western boundary of the Bristol Bay Regional Native Corporation to the intersection with the line of mean high tide of Hagemeister Bay,

thence easterly to the midpoint of Hagemeister Bay,

thence southwesterly to Latitude 58° N, Longitude 162° W,

thence west along Latitude 58° N to Longitude 168° W,

thence north along Longitude 168° W to Latitude 61° 17' N,

thence east along Latitude 61° 17' N to the line of mean high tide of Augyoyoravak Bay, the point of beginning.

**Lower Yukon:**

Beginning at the southwesternmost corner of the boundaries of the Doyon Limited Regional Native Corporation,

thence northerly along the western boundary of the Doyon Limited Regional Native Corporation to the intersection with the southeasternmost corner of the Bering Straits Regional Native Corporation boundary,

thence westerly and northwesterly along the southern boundary of the Bering Straits Regional Native Corporation to the line of mean high tide of Pasto' Bay;

thence northwesterly to 64° N Latitude, 166° W Longitude,

thence southwesterly to 62° N Latitude, 170° W Longitude,

thence south to Latitude 61°17' N, 170° W Longitude,

thence easterly along said latitude to a point which intersects with the mid-point of the Kuskokwim River;

thence northerly to the southern boundary of the Doyon Limited Regional Native Corporation,

thence east following the Doyon Limited Regional Native Corporation's southern boundary to the point of beginning.

**Pribilof Islands:**

That territory in the Bering Sea between 56° N and 58° N Latitude and between 169° W and 171°W Longitude, including the Islands of Saint Paul and Saint George, within the jurisdiction of the State of Alaska pursuant to AS 44.03.010.

**Prince of Wales:**

Beginning at the southernmost point on the boundaries of the City and Borough of Sitka, (SW of Wooden Island),

thence southwest to Longitude 135° 6' W, Latitude 56° N,

thence southwest to Longitude 133° 37' W, Latitude 54° 24' N,

thence along the Exclusive Economic Zone Limit eastward to Longitude 131° 12' W, Latitude 54° 45' N,

thence northwest to the mid-point of Clarence Strait, following the Ketchikan Gateway Borough boundary,

thence along the mid-point of Clarence Strait to the mid point of Kashevarof Passage,

thence along the mid-point of Kashevarof Passage to the intersection of the mid-point of Clarence Strait and the mid-point of Sumner Strait at Latitude 56° 22' N,

thence westerly along Latitude 56° 22' N to the boundary of the City and Borough of Sitka,

thence southerly along the boundary of the City and Borough of Sitka to the point of beginning.

**Prince William Sound:**

Beginning at the southeasternmost point of the Kenai Peninsula Borough, said point being near Point Bainbridge;

thence northerly along the eastern boundaries of the Kenai Peninsula Borough and the Municipality of Anchorage to the intersection with the southern boundary of the Matanuska-Susitna Borough;

thence east along the southern boundary of the Matanuska-Susitna Borough to the southeasternmost corner of the Matanuska-Susitna Borough;

thence south to the intersection with the northern boundary of the Chugach Alaska Regional Native Corporation;

thence southeasterly along the northern boundary of the Chugach Alaska Regional Native Corporation to the intersection with the eastern boundary of the State of Alaska;

thence south along the eastern boundary of the State of Alaska to the intersection with Latitude 59° N;

thence westerly along Latitude 59° N to the intersection with the projection of the southeasternmost point of the boundaries of the Kenai Peninsula Borough,

thence north along said projection to the southeasternmost point of the Kenai Peninsula Borough, the point of beginning.

**Upper Lynn Canal:**

Beginning at Eldred Rock Light at Latitude 58° 58.3' N, Longitude 135° 13.2' W,

thence east to Mount Nesselrode, Boundary Peak No. 98,

thence northerly and westerly along the Alaska - Canada Boundary to Mt. Harris,

thence southeasterly and southerly along the Glacier Bay National Monument Boundary to a point due north of Porpoise Island Light at Latitude 58° 22.1' N and Longitude 135° 27.2' W,

thence south to Porpoise Island at Latitude 58° 19.1' N and Longitude 135° 27.2' W, following the Haines Borough Boundary,

thence southeasterly to the southern tip of the Sisters Islands at Latitude 58° 10' N and Longitude 135° 15' W, following the Haines Borough Boundary,

thence southeasterly to Hanus Reef at Latitude 58° 07.9' N and Longitude 134° 59.8' W, following the Haines Borough Boundary,

thence north to a point midway between Lincoln Island on the east and the mainland on the west, at Latitude 58° 30' N and Longitude 135° 4.15' W, following the Haines Borough Boundary,

thence north following the boundary of the City and Borough of Juneau to Eldred Rock Light, the point of beginning.

**Upper Tanana Basin:**

Beginning at the intersection of the Alaska Highway with the Johnson River; thence north to the intersection with the eastern boundary of the Fairbanks North Star Borough, the true point of beginning;

thence southerly, and westerly along the eastern and southern boundary of the Fairbanks North Star Borough to the intersection with the eastern boundary of the Denali Borough,

thence south along the eastern boundary of the Denali Borough to the northern boundary of the Matanuska-Susitna Borough boundary

thence east to the northeasternmost corner of the boundaries of the Matanuska-Susitna Borough,

thence south along the eastern boundary of the Matanuska-Susitna Borough to the intersection with the common boundary of the Doyon Limited Regional Native Corporation and the Ahtna Regional Native Corporation;

thence easterly along said common boundary to the southern face of Mount Kimball;

thence southeasterly to the intersection of the eastern boundary of the State of Alaska with the common boundary of the Doyon Limited Regional Native Corporation and the Ahtna Regional Native Corporation,

thence northerly along the eastern boundary of the State of Alaska to Latitude 65° N,

thence west along Latitude 65° N to the boundary of the Fairbanks North Star Borough,

thence southwesterly along the boundary of the Fairbanks North Star Borough to the true point of beginning;

**Wrangell-Petersburg:**

Beginning at the point of intersection of the boundary of the State of Alaska and Latitude 57°24' N,

thence due west to Longitude 133°48' W

thence southeasterly to Latitude 57°40' N, Longitude 133°33' W, (mouth of Big Creek,

thence south to Latitude 56°22' N, Longitude 133°33' W,

thence east to Latitude 56°22' N, Longitude 133°33' W,

thence, southeasterly following the midpoint of Kashevarof Passage to the midpoint of Kashevarof Strait,

thence southeasterly following the midpoint of Clarence Strait to intersection of Ernest Sound's midpoint approximately Latitude 55°46' N, Longitude 132°24' W,

thence northeasterly following the midpoint of Ernest Sound to approximately Eaton Point where it meets the southern boundary of the Wrangell Ranger District,

thence follow the Wrangell Ranger District southern boundary  
northeasterly to the Alaska/Canada border,

thence northwesterly following the Alaska/Canada border to the point of  
origin (Latitude 57°24' N, Longitude 133°48' W).

**Yukon Flats:**

Beginning at the point of intersection of the southern boundary of the  
North Slope Borough and 150° W Longitude,

thence south along said longitude to the point of intersection with 66° N  
Latitude,

thence west along 66° N Latitude to 151° W Longitude,

thence southerly along said longitude to its intersection with the mid-  
point of the Yukon River,

thence southeasterly to the southwest corner of T1N, R5W, Fairbanks  
Meridian (F.M.);

thence north to the northwest corner of T8N, R5W, F.M.;

thence east to the point of intersection with the boundary of the White  
Mountains National Recreation Area (as shown on U.S.G.S. map, scale  
1:250,000, Livengood, Alaska, 1956, Limited Revisions 1984, hereinafter U.S.G.S.  
- Livengood);

thence in a northeasterly direction along the boundary of the White  
Mountains National Recreation Area (as shown on U.S.G.S. - Livengood and  
U.S.G.S. map, scale 1:250,000, Circle, Alaska, 1955, Limited Revisions 1982,  
hereinafter U.S.G.S. - Circle) to the point of intersection with the boundary of the  
Steese National Conservation Area (as shown on U.S.G.S. - Circle);

thence in an easterly direction along the boundary of the Steese National  
Conservation Area (as shown on U.S.G.S. - Circle) to its northeasternmost  
corner located in T11N, R13E, F.M.;

thence south to the point of intersection with the northern boundary of T9N, F.M.;

thence east to the northeast corner of T9N, R16E, F.M.;

thence south to the southeast corner of T9N, R16E, F.M.;

thence east to the northeast corner of T8N, R17E, F.M.;

thence south to the point of intersection with the eastern boundary of the Steese National Conservation Area (as shown on U.S.G.S. - Circle);

thence in a southeasterly direction along the eastern boundary of the Steese National Conservation Area (as shown on U.S.G.S. - Circle) to the point of intersection with the eastern boundary of the Fairbanks North Star Borough (as shown on U.S.G.S. map, scale 1:250,000, Charley River, Alaska, 1956, Limited Revisions 1982, hereinafter U.S.G.S. - Charley River);

thence southerly along the boundary of the Fairbanks North Star Borough to the point of intersection with 65° N Latitude,

thence along said latitude in an easterly direction to the point of intersection with the Canada-Alaska border,

thence north along said border to the point of intersection with the southeastern corner of the North Slope Borough,

thence proceeding west to the point of intersection with 146° W Longitude,

thence south to the point of intersection with the 68° N Latitude,

thence west along said latitude to the point of beginning.

**Yukon-Koyukuk Region:**

Beginning at 68° N Latitude, 150° W Longitude, a point on the southern boundary of the North Slope Borough,

thence westerly along the southern boundary of the North Slope Borough to the eastern boundary of the Northwest Arctic Borough, thence southerly and westerly along the eastern boundary of the Northwest Arctic Borough to the

intersection of the boundaries of the Bering Straits Regional Native Corporation, the NANA Regional Native Corporation and the Doyon Limited Regional Native Corporation,

thence southerly along the common boundary between the Bering Straits Regional Native Corporation and the Doyon Limited Regional Native Corporation to 64° N Latitude,

thence easterly to the intersection with the boundaries of the Denali Borough,

thence northerly and easterly along the western and northern boundary of the Denali Borough to the intersection with the boundaries of the Fairbanks North Star Borough,

thence northerly along the boundaries of the Fairbanks North Star Borough to the southwest corner of T5N, R5W, Fairbanks Meridian (F.M.);

thence northwesterly to the intersection of 151° W Longitude and the mid-point of the Yukon River,

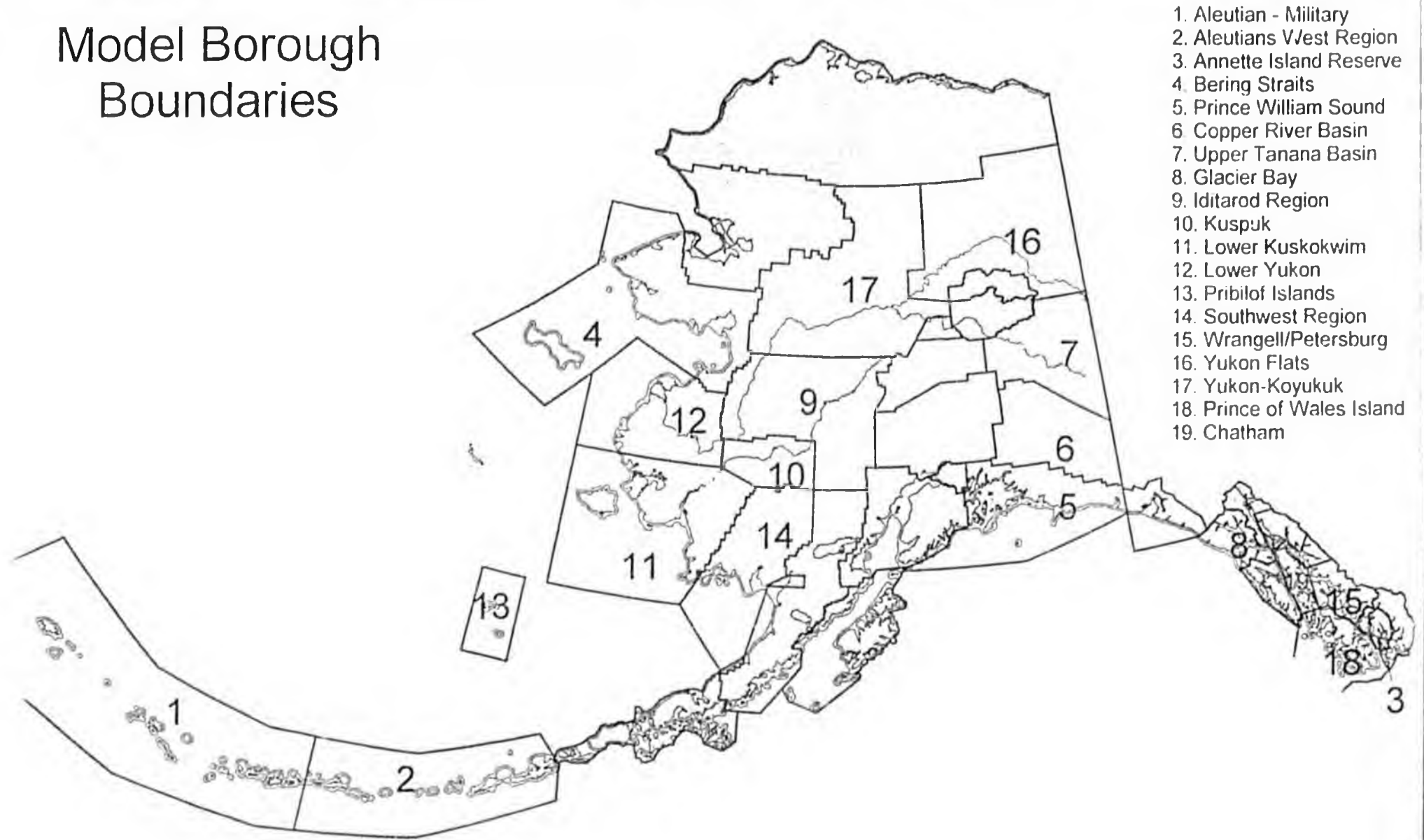
thence northerly along 151° W Longitude to 66° N Latitude,

thence east along 66° N Latitude to 150° W Longitude,

thence north along 150° W Longitude to 68° N Latitude, the point of beginning.

NOTE: All latitude and longitude information has been scaled off from the USGS ALASKA MAP B.

# Model Borough Boundaries



- 1. Aleutian - Military
- 2. Aleutians West Region
- 3. Annette Island Reserve
- 4. Bering Straits
- 5. Prince William Sound
- 6. Copper River Basin
- 7. Upper Tanana Basin
- 8. Glacier Bay
- 9. Iditarod Region
- 10. Kuspuk
- 11. Lower Kuskokwim
- 12. Lower Yukon
- 13. Pribilof Islands
- 14. Southwest Region
- 15. Wrangell/Petersburg
- 16. Yukon Flats
- 17. Yukon-Koyukuk
- 18. Prince of Wales Island
- 19. Chatham

# MODEL BOROUGH BOUNDARIES

## PURPOSE OF THE MODEL BOROUGH BOUNDARY STUDY

Article X, Section 3 of Alaska's constitution requires the entire state to be divided into boroughs, organized or unorganized. It further provides that each borough must embrace an area and population with common interests to the maximum degree possible.

To carry out the constitutional mandate that the state be divided into boroughs, the 1961 legislature passed a law providing that all areas not within the boundaries of an organized borough constitute a single unorganized borough.<sup>1</sup> At the time the law was passed, no organized borough existed. Thus, all of Alaska was originally within the unorganized borough. The establishment of a single residual unorganized borough was seemingly done to preserve maximum flexibility in the setting of boundaries for organized boroughs.

From its beginning, the unorganized borough has always embraced an area and population with greatly diverse interests. Some take the position that the constitutional mandate that each borough embrace an area and population with maximum common interests was never intended to apply to unorganized

boroughs. However, others take the opposite view.<sup>2</sup>

In the late 1980's four boroughs attempted to annex portions of the unorganized borough. Several factors precipitated those actions. Among them were declining State aid to local governments and local concerns over the allocation and development of resources.

The unorganized borough's lack of maximum common interests among its parts also contributed to the borough annexation frenzy. In some instances, the annexation petitions precipitated the filing of competing proposals to incorporate new organized boroughs.

In October of 1988, the Kodiak Island Borough petitioned to annex an estimated 12,825 square miles. That prompted residents of the Alaska Peninsula to petition for the incorporation of the Lake and Peninsula Borough. The proposed Lake and Peninsula Borough contained an estimated 16,675 square miles, including much of the territory proposed for annexation to the Kodiak Island Borough.

In May of 1989, the Fairbanks North Star Borough petitioned to annex 216 square miles. The area in question contained substantial taxable property,

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<sup>1</sup> That law is currently codified as AS 29.03.010.

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<sup>2</sup> The appendix lists the basis for some of the opposing views.

comprised principally of pump station #7 of the trans-Alaska oil pipeline and some 16 miles of the pipeline. Residents of the adjacent area were hostile to the proposed annexation. While the annexation petition prompted the adjacent region to conduct a study of the feasibility of forming a borough, no competing petition was ever filed.

In June of 1989, the City and Borough of Juneau petitioned to annex 140 square miles. The area

in question contained the Greens Creek Mine. Again, while the annexation proposal was resolutely opposed by inhabitants of the adjacent region, no competing borough proposal was filed.

In June of 1989, the Matanuska-Susitna Borough petitioned to annex an estimated 9,844 square miles to and including Healy. In October of that year, residents of the Railbelt Regional Educational Attendance Area filed a competing petition for the formation of the Denali Borough. The boundaries of the proposed Denali Borough encompassed an estimated 9,406 square miles, including much of the territory proposed for annexation by the Matanuska-Susitna Borough. That same month, another group of residents filed an unprecedented third competing petition for incorporation of the Valleys Borough. The Valleys Borough proposal took in an estimated 14,900 square miles, including most of the proposed Denali Borough as well as the community of Nenana.

Amid the intensive activity, it was readily apparent that three groups had a significant stakes in any borough boundary decision. These were residents within the proposed boundaries, people of the adjacent areas and the state as a whole. Further, it was amply evident that proposals for the formation of new boroughs or the expansion of boundaries of existing boroughs are sensitive issues in Alaska. Lawsuits or long-standing boundary disputes tend to



erupt each time a borough incorporation or annexation proposal is advanced.

On the basis of such factors, the Commission concluded that, rather than examining borough boundaries only when petitions are lodged, it would invite public testimony from throughout the entire state and adopt 'model borough boundaries' throughout the unorganized borough. Such 'model' boundaries were to be used as a frame of reference in the evaluation of future petitions. They were to be considered when existing organized boroughs seek to annex unorganized borough territory or when unorganized borough residents petition for borough incorporation.

The Commission and its staff provided by the Department of Community and Regional Affairs (DCRA) began planning the model borough boundary study in mid-1989. They focused first on the areas of the state for which borough annexation or incorporation petitions

were pending. The effort to determine specific boundaries began in earnest in 1990 and was completed by the end of 1992. Specific funding for the project had been appropriated by the Alaska legislature.

Because borough formation and annexation proposals are often very emotional issues in Alaska, the Commission's reason for pursuing the model borough boundary project was occasionally misunderstood. The purpose of the study was not to force the incorporation of new boroughs or to promote annexation to existing boroughs. Instead, the study was intended to enable the Commission and DCRA to be better prepared for future borough petitions through the information and public comment obtained in the study process. The study also encouraged communities in the unorganized borough to consider where future boundaries should be drawn, as well as give guidance to petitioners on the factors which go into borough incorporation decisions.

The Commission adopted two provisions in its regulations relating to model borough boundaries. Both provisions were adopted prior to the completion of the model borough boundaries project.

The first provision relates to the incorporation of new boroughs. 19 AAC



010.060(b) provides that, "*Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond the model borough boundaries adopted by the commission.*" [effective 10/12/91, register 120]

The second provision relates to borough annexation proposals. 19 AAC 010.190(c) provides, "*Absent a specific and persuasive showing to the contrary, the commission, in its discretion, will not approve a proposed borough or unified municipality with boundaries extending beyond the model borough boundaries adopted by the commission and identified in the 1992 Interim Report on Model Borough Boundaries.*" [effective 7/31/92, register 123]

The provisions in the regulation make it clear that the model borough boundaries are not rigid or unchangeable. Petitioners for borough incorporation or alteration of existing borough boundaries can successfully propose different boundaries if they make a specific and persuasive showing to the Commission why other boundaries are more appropriate.

## STUDY PROCEDURES

The Commission began its study of each area by sending out an eight-page tabloid which explained the study and set out the questions the Commission expected to consider in its decision-making process. Each tabloid included a map on which recipients were requested to draw suggested boundaries. DCRA prepared and widely distributed a report of its

findings and recommendations for the area, and then the Commission held hearings in as many communities as resources allowed. At the completion of the project, hearings had been conducted by the Commission in 88 communities (either in person or by teleconference).

The study prompted residents and organizations throughout the state to articulate where they believed future boundaries should be set. Municipal governments and other public and pri-

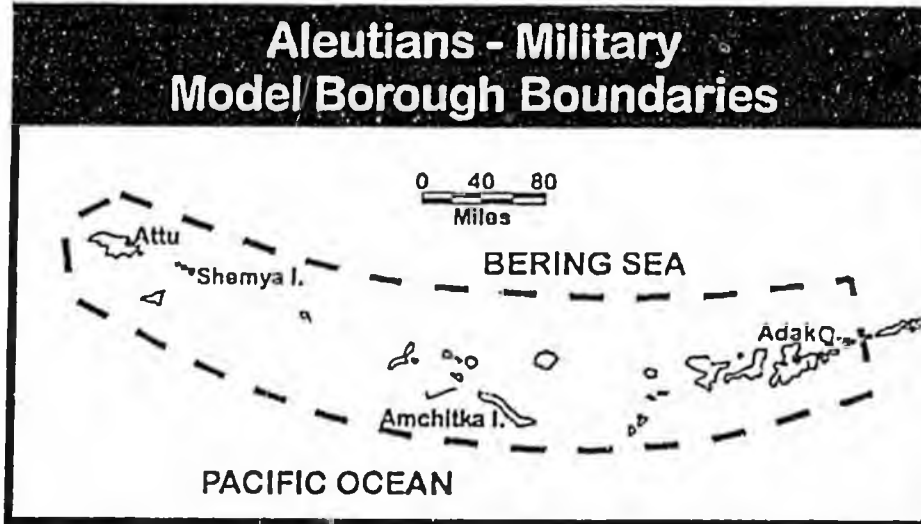
vate local and regional organizations helped execute the model boundaries project. Many hundreds of interested parties provided written comment or oral testimony.

Completion of the study renders the Commission and DCRA much better prepared to evaluate future petitions. A wealth of information and public comment was obtained in the study process.

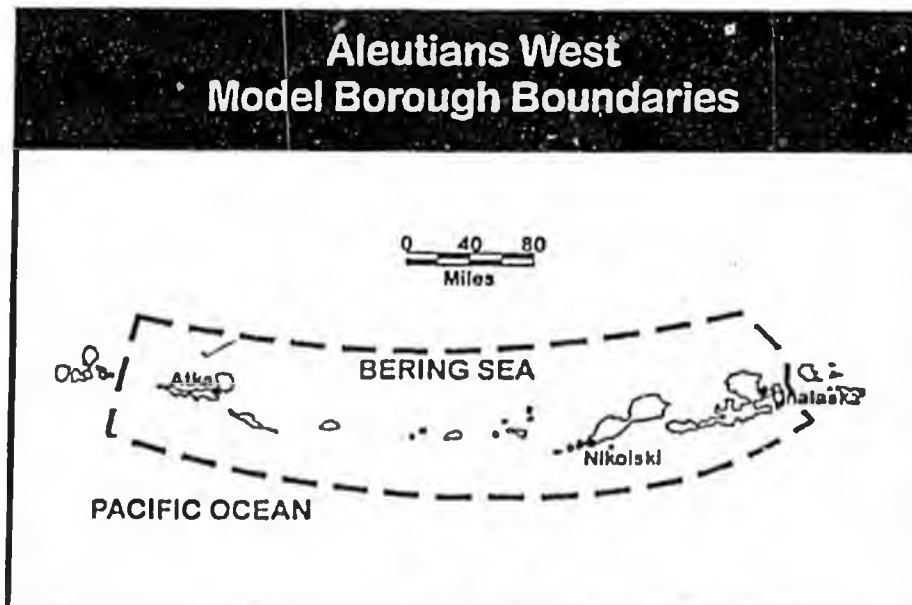
Maps and a brief discussion of model borough boundaries adopted by the Commission follow.

## MODEL BOROUGH BOUNDARIES

**Aleutians - Military Region.** The Commission conducted a public hearing on model boundaries for this region by teleconference with Adak on October 21, 1992. On November 21, 1992, the Commission set model boundaries for the region extending from the mid-point of Fenimore Pass to the boundary of the State at the western end of the Aleutian Chain. The boundaries include the military settlements of Adak, Attu and Shemya. In 1990, the area had a population of 5,345.

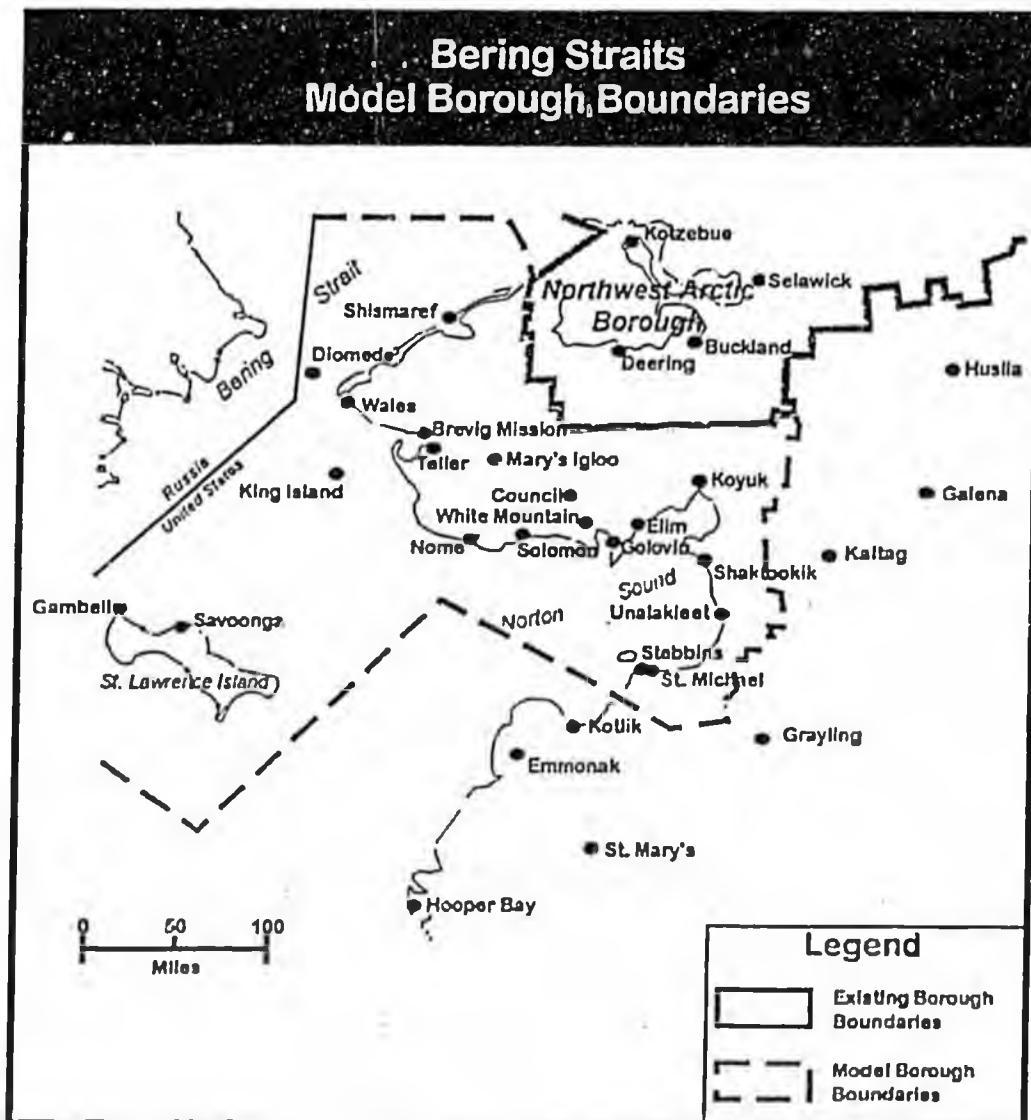


**Aleutians West Region.** The Commission received testimony on model boundaries in this region through public hearings with teleconference participation from Atka, Unalaska and Akutan on November 5, 1992. The Commission set model boundaries for the area on November 21, 1992. The boundaries extend from the western boundary of the Aleutians East Borough to the mid-point of Fenimore Pass, including Atka, Nikolski and Unalaska. In 1990, the area had a population of 3,232.



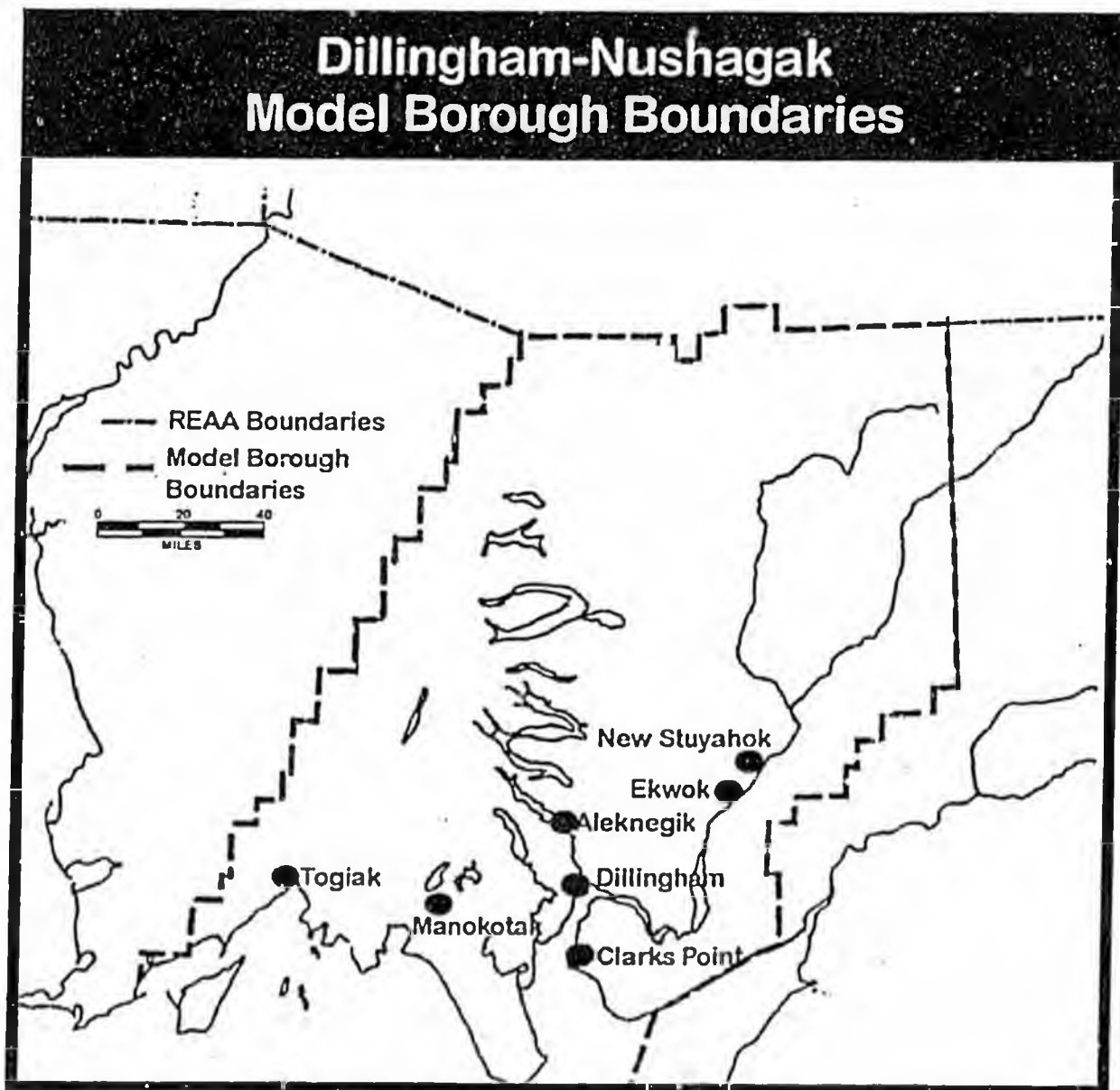
**Bering Straits Region.** The Commission held two hearings on model boundaries for this region in October 1991. The hearings took place in Nome and Unalakleet, with teleconference sites in Elim, Koyuk, Stebbins and Savoonga. Following the hearings, the Commission approved DCRA's recommendation and formally defined the model boundaries for this region to follow the boundaries of the Bering Straits Regional Educational Attendance Area (REAA). Those boundaries also match the boundaries of the Bering Straits Native Corporation, Bering Straits Coastal Resource Service Area, Nome Census District, Norton Sound Health Corporation and Bering Straits Economic Council.

The model boundaries for a Bering Straits Region borough include an estimated 23,013 square miles of land and 5,264 square miles of water. The area contains two school districts, the City of Nome School District and the Bering Straits REAA. The 1990 Federal Census indicates that the region had 8,288 residents.

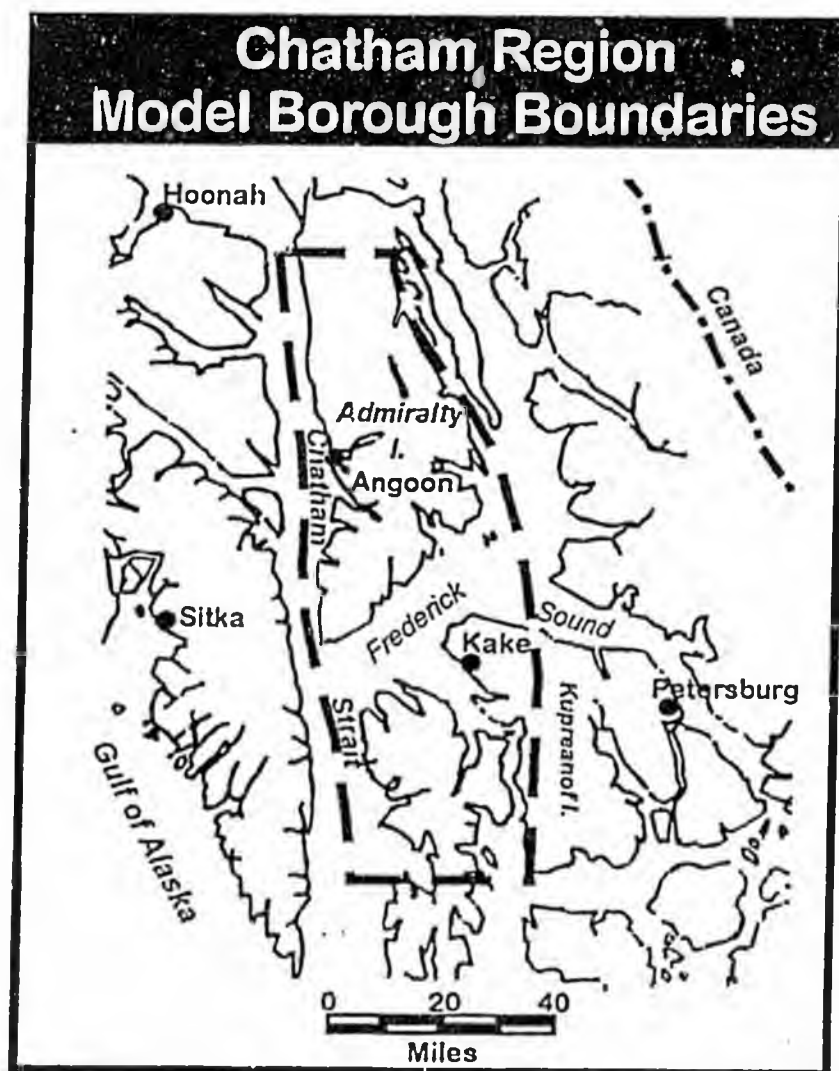


**Bristol Bay Region.** The Commission conducted public hearings on model borough boundaries for the region in Dillingham, Naknek and Togiak on November 23 & 24, 1992. Kokhanok, Pilot Point, Chignik, Levelock, Egegik, Newhalen, Nondalton and Chignik Lake participated in the November 24 Dillingham hearing by teleconference. Most of the comment and testimony at Naknek urged that Bristol Bay Borough boundaries be left unaltered. Testimony at Togiak suggested a local preference for a Northwest Bristol Bay unorganized borough. Testimony at Dillingham suggested that boundaries based upon existing Dillingham Census Area boundaries would be most appropriate.

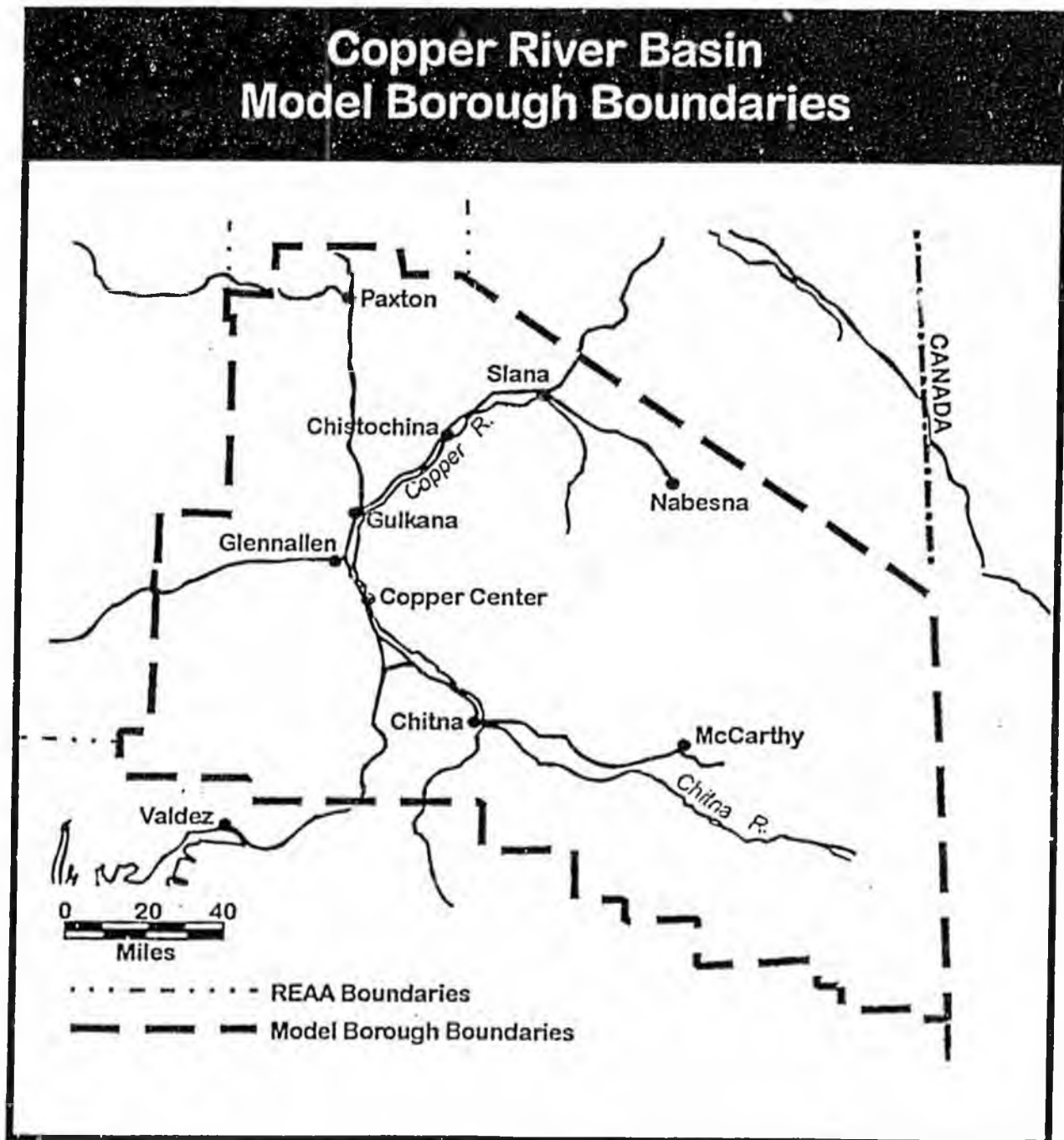
On December 4, 1992, the Commission identified model boundaries encompassing the existing Dillingham Census Area. Dillingham, Aleknagik, Clark's Point, Ekuk, Ekwok, Koliganek, Manokotak, New Stuyahok, Portage Creek, Togiak and Twin Hills are included in the model boundaries.



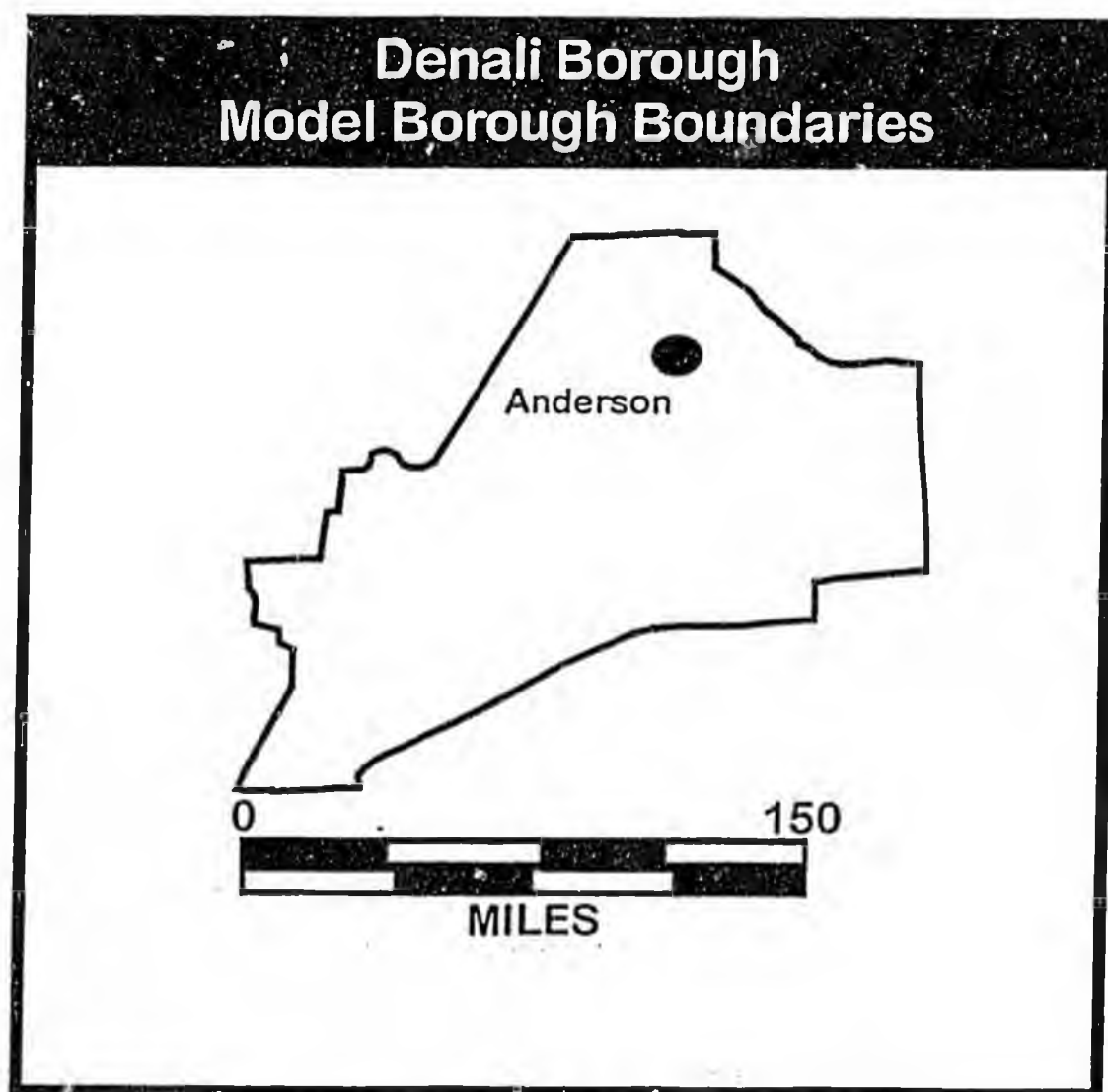
Chatham Region. In November 1990, the Commission conducted public hearings throughout the central portion of Southeast Alaska. Individuals in Gustavus, Haines, Skagway, Yakutat, Tenakee Springs, Pelican, Sitka, Elfin Cove, Port Alexander, Angoon, Hoonah, Kake and Cube Cove participated. On May 8, 1992, the Commission adopted model boundaries for the Chatham region encompassing Kake and Angoon. In 1990, the area had a population of 1,663.



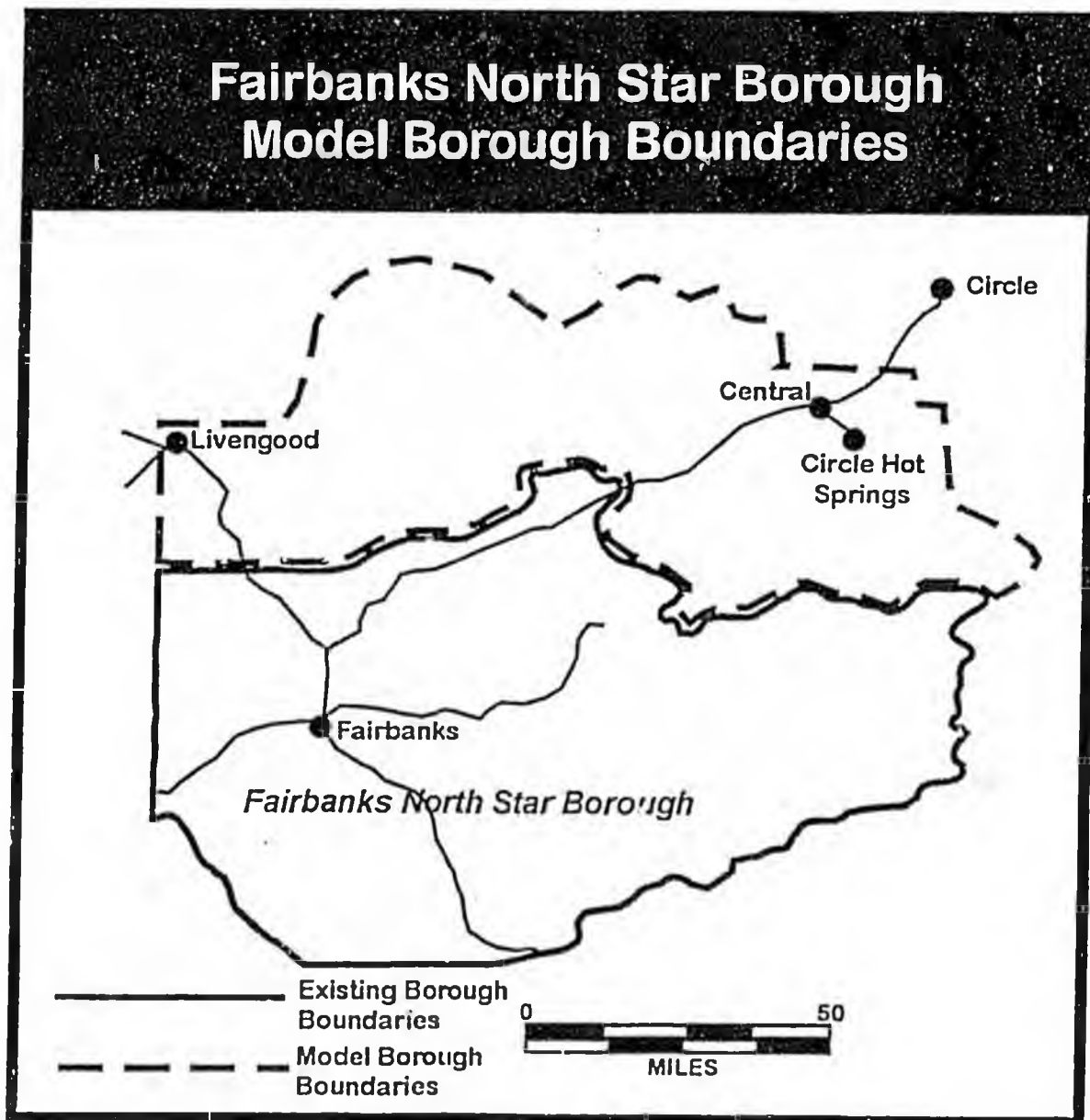
**Copper River Basin Region.** The Commission held a hearing on model boundaries in Glennallen on May 9, 1992. Additional information concerning the model boundaries for the Copper River Basin was provided to the Commission by residents of the region in June. On November 21, 1992, the Commission determined that the Copper Basin model borough boundaries should follow the boundaries of the Copper River REAA. Communities within the area include, Chistochina, Chitina, Copper Center, Gakona, Glennallen, Gulkana, Kenny Lake, McCarthy, Paxson, Slana, Tazlina and Tonsina. The area encompasses an estimated 20,649 square miles. In 1990, the area had a population of 2,638.



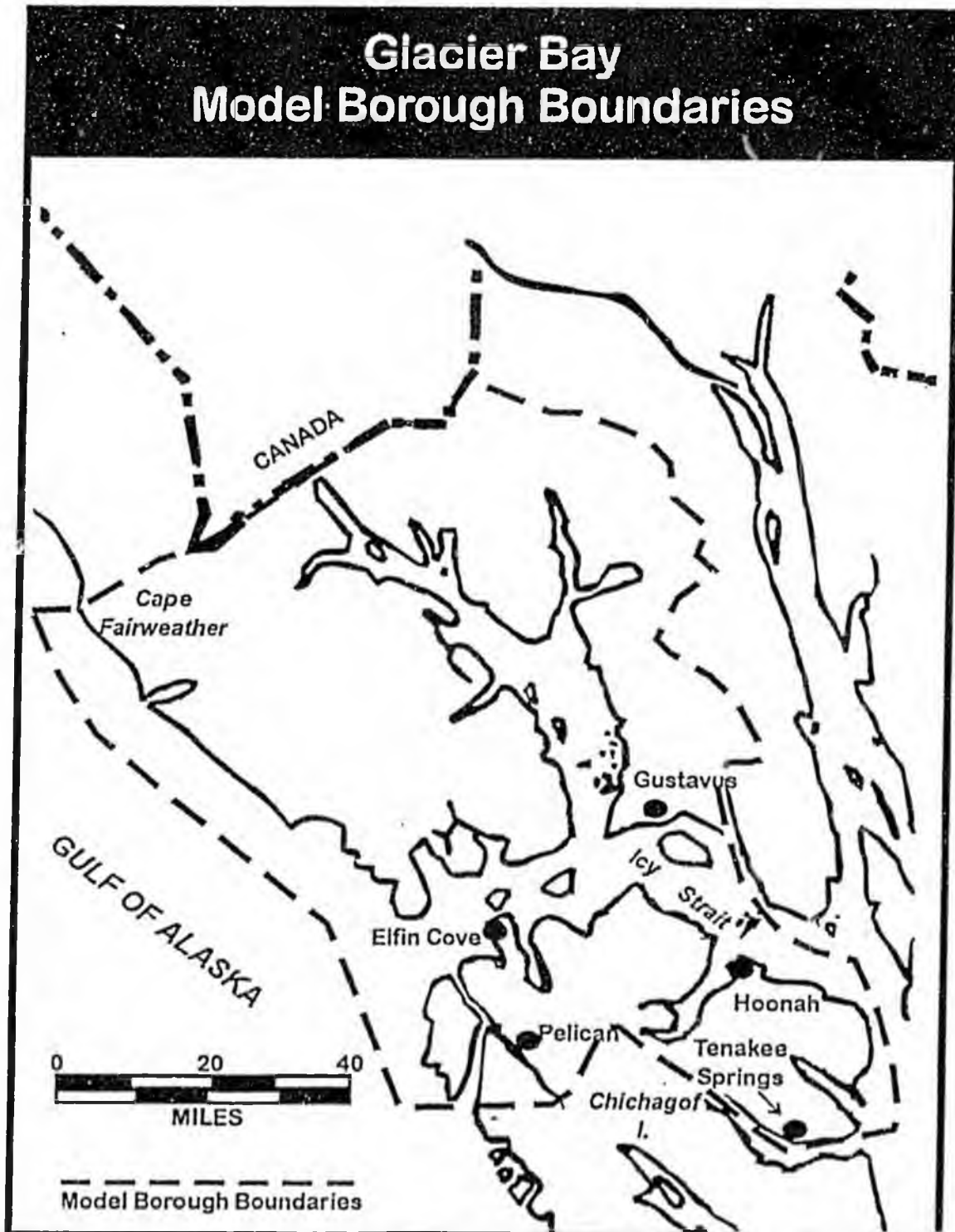
**Denali Borough.** The Commission conducted public hearings on model borough boundaries for the region in conjunction with hearings on the competing petitions for annexation of territory to the Matanuska-Susitna Borough, incorporation of the Denali Borough and incorporation of the Valleys Borough. Hearings were held in Palmer and Anderson on March 22, 1990. Three more hearings were held in McKinley Park, Fairbanks and Cantwell on March 23, 1990. Two additional hearings were held in Healy and Nenana on March 24, 1990. On April 21, 1990, the Commission held a decisional meeting on the boundaries and the petitions. The boundaries were defined to extend from the northern boundary of the Matanuska-Susitna Borough on the south and from the Delta-Greely Regional Educational Attendance area on the east. The area also takes in that portion of the Denali National Park and Preserve not located within the Matanuska-Susitna Borough. The boundaries border the Fairbanks North Star Borough on the northeast.



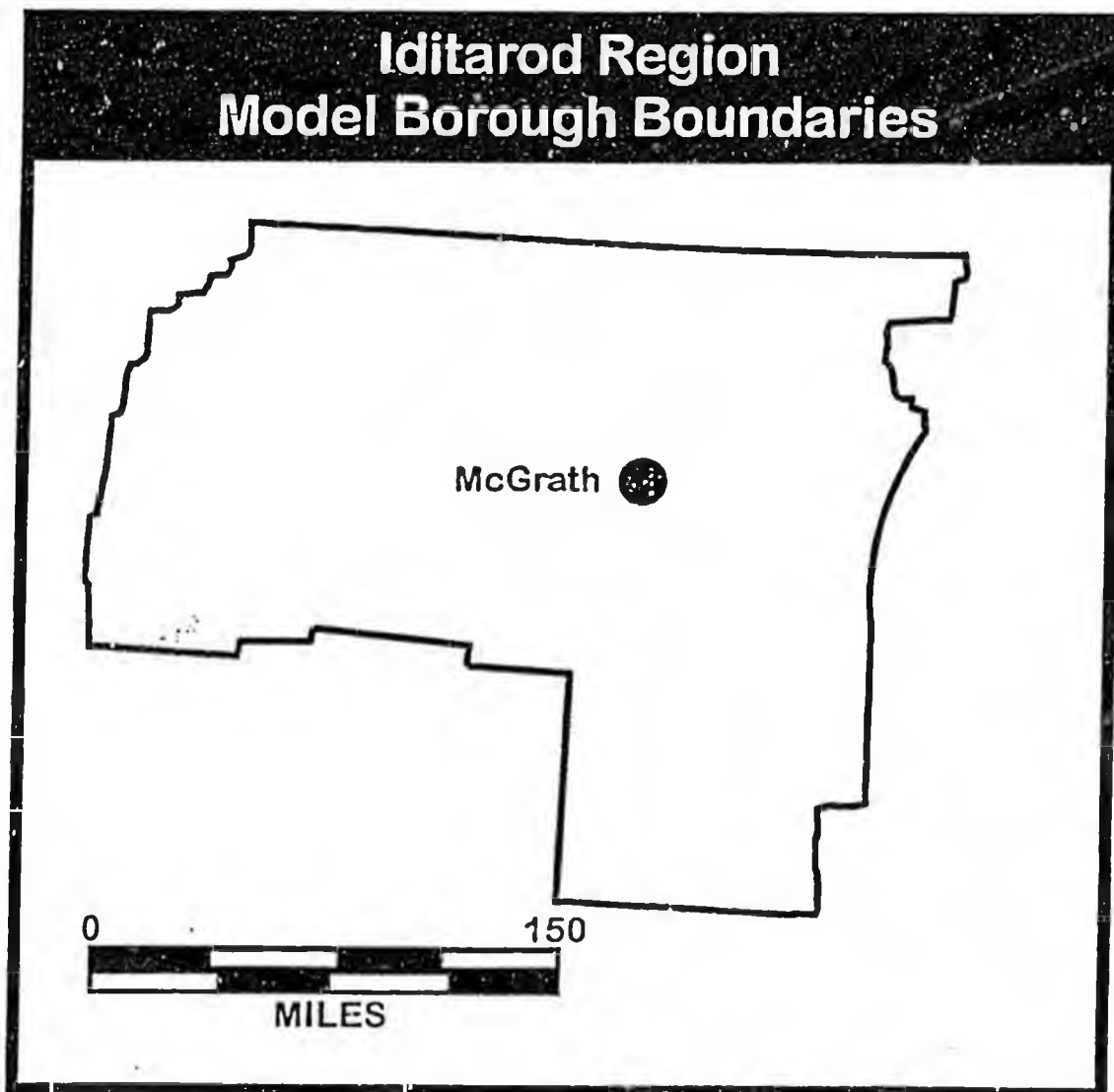
Fairbanks North Star Borough. The Commission conducted public hearings on model borough boundaries for the region in conjunction the petition for annexation of territory to the Fairbanks North Star Borough. Hearings were held in McGrath and Tanana, on May 18, 1990. Two additional hearings were held in Livengood and Fairbanks on May 19, 1990. Two more hearings were held in Fort Yukon and Central on May 20, 1990. On July 14, 1990, the Commission held a decisional meeting on the model boundaries and the petition. The model boundaries of the Fairbanks North Star Borough were defined to include the communities of Livengood, Central and Circle Hot Springs. The model boundaries also encompass the White Mountain National Recreation Area and the Steese National Conservation Area. The model boundaries of the Fairbanks North Star Borough encompass and estimated 4,918 square miles not presently within the corporate boundaries of the Borough.



Glacier Bay Region. The Commission conducted hearings on model boundaries for this region in Hoonah, Pelican and Gustavus in January 1992. On May 8, 1992,, the Commission defined model borough boundaries for the region extending from Cape Fairweather to Chatham Strait. These model boundaries encompass Glacier Bay and the communities of Elfin Cove, Pelican, Hoonah, Gustavus and Tenakee Springs. In 1990, the region had a population of 1,858.



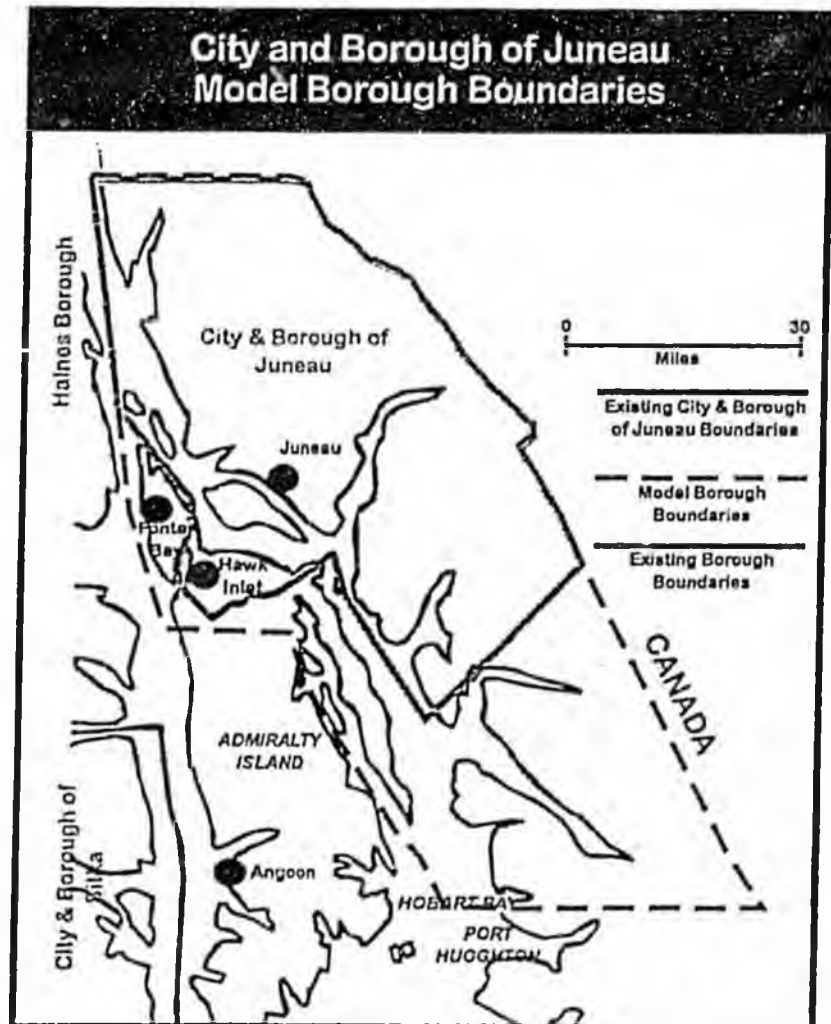
Iditarod Region. The Commission conducted a public hearing on model borough boundaries for the Iditarod region on May 8, 1990. The hearing was held in McGrath, with teleconference sites established in Nikolai and Shageluk. On November 10, 1990, the Commission defined the model borough boundaries for the region to follow the boundaries of the Iditarod Regional Educational Attendance Area, excluding the territory within the model boundaries of the proposed Denali Borough.



**City and Borough of Juneau.** The Commission conducted a hearing on the model boundaries for the City and Borough of Juneau in July, 1990, but delayed action on the boundaries pending testimony from residents of adjacent regions. In November of 1990, the Commission held model boundary hearings in Kake, Hoonah, Cube Cove, Angoon, Sitka, Elfin Cove, Port Alexander, Pelican, Tenakee Springs, Haines, Skagway, Yakutat and Gustavus (due to weather conditions, the hearings were conducted by teleconference.)

In November, 1991, the Commission defined the model boundaries for the City and Borough of Juneau to include the Mansfield Peninsula, Glass Peninsula, and Seymour Canal areas of Admiralty Island. The model boundaries extend south along Stephens Passage to Hobart Bay on the mainland. From there, the boundaries run due east to the Alaska/Canada border. The boundary continues northward along the Alaska/Canada border following the existing boundaries of the City and Borough of Juneau.

The model borough boundaries take in about 2,400 square miles of land and water outside of the current boundaries of the City and Borough of Juneau. The area defined by the model borough boundaries had a 1990 population of 26,938 residents, all but 187 of whom lived within the established corporate limits of the City and Borough of Juneau.

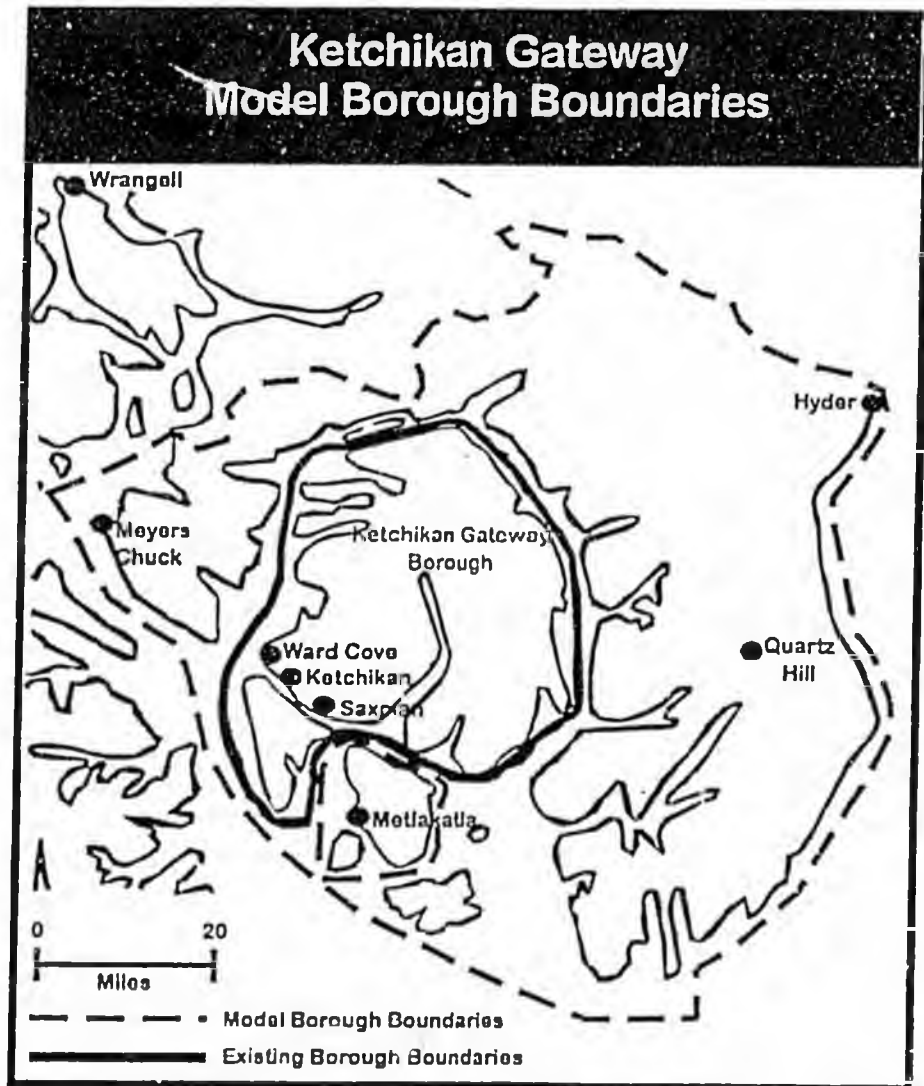


**Ketchikan Gateway Borough.** The Commission held a hearing on model boundaries for the Ketchikan region in September 1991. Residents of Meyers Chuck and Hyder participated by teleconference. Additional information concerning the model boundaries for the Ketchikan Gateway Borough was provided to the Commission in November of 1991.

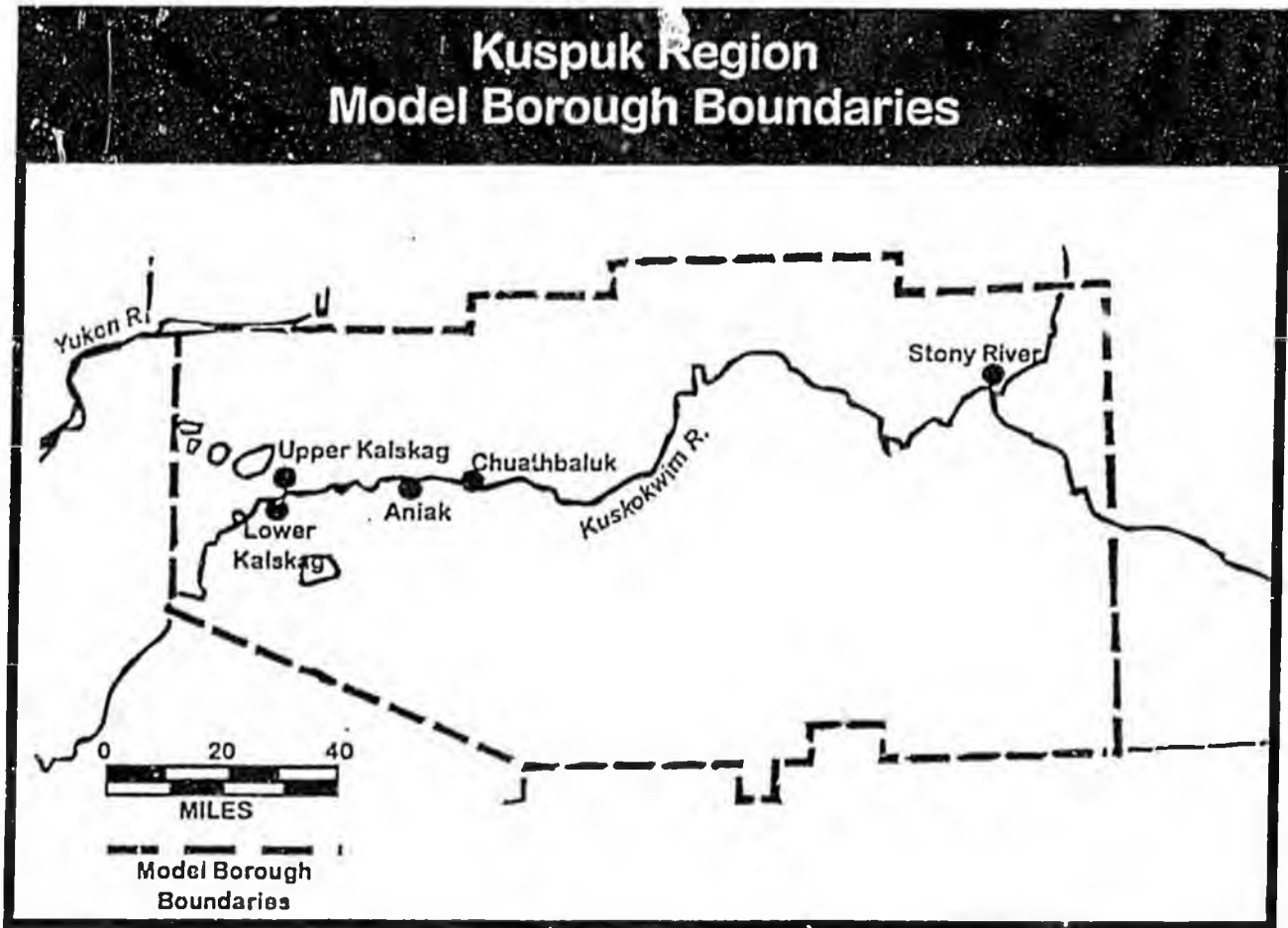
The model borough boundaries defined by the Commission for the Ketchikan area extend from the State's southern boundary along Clarence Strait to Ernest Sound. There, the boundary turns east, following the southern boundary of the Wrangell Ranger District and the northern boundary of the Misty Fjords National Monument to the Alaska/Canada border. From there, the model boundary line turns south along the Alaska/Canada border to the point of beginning. These model borough boundaries exclude the Annette Island Indian Reservation.

The area includes an estimated 7,300 square miles of land and water. Of that, approximately 1,744 square miles are already within the current corporate boundaries of the Ketchikan Gateway

Borough. According to the 1990 Federal Census, the area defined by the model borough boundaries is inhabited by 13,985 people, all but 157 of whom live within the current borough boundaries.

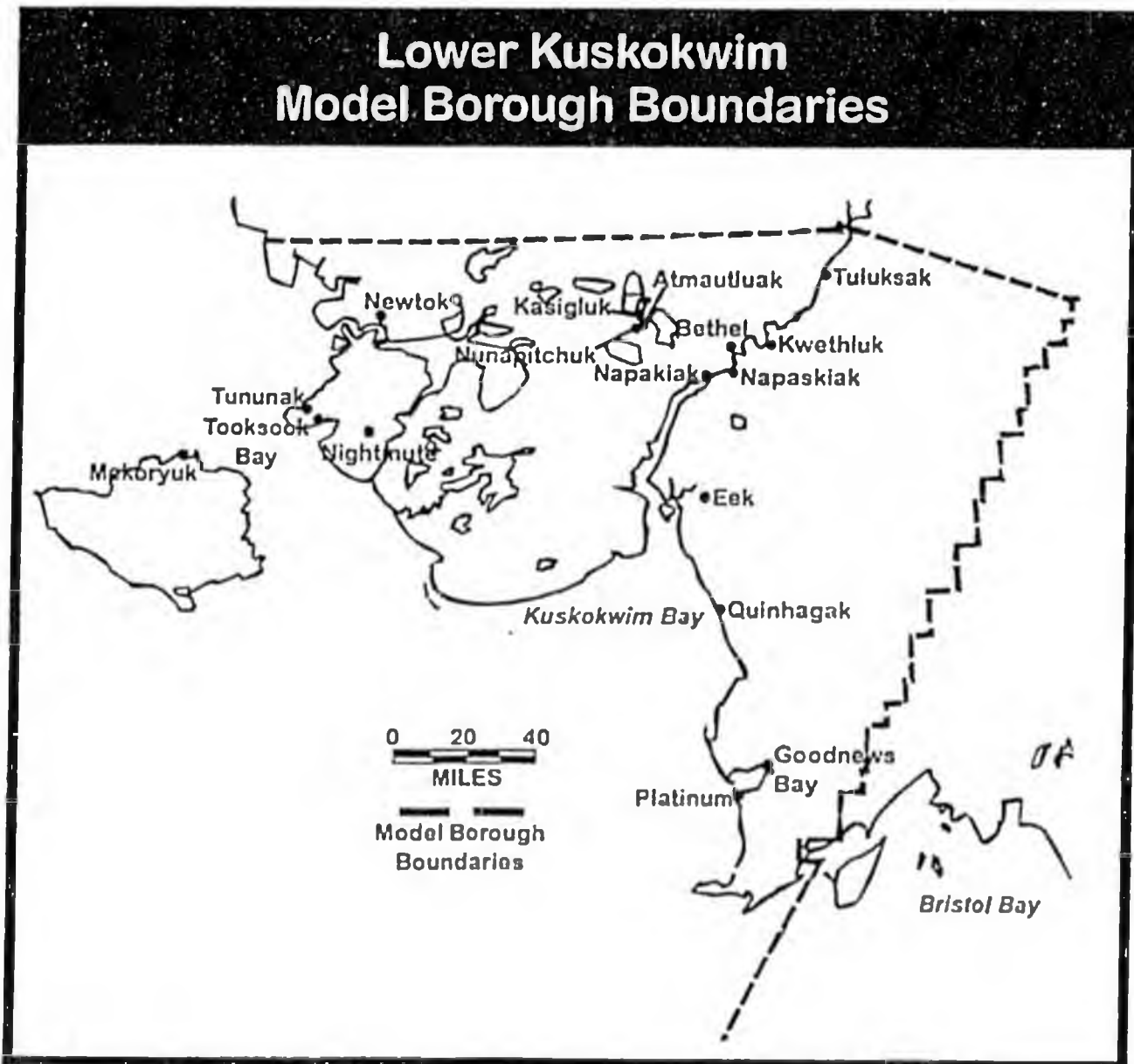


**Kuspuk Region.** The Commission conducted a public hearing on model borough boundaries for the Kuspuk region in Aniak on October 23, 1992. On November 21, 1992, the Local Boundary Commission set the Kuspuk region model boundaries to conform to those of the Kuspuk Regional Educational Attendance Area. The 1990 population for the region was 1,490 residents. Communities in the region consist of Aniak, Chuathbaluk, Crooked Creek, Sleetmute, Stony River, Upper Kalskag and Lower Kalskag.

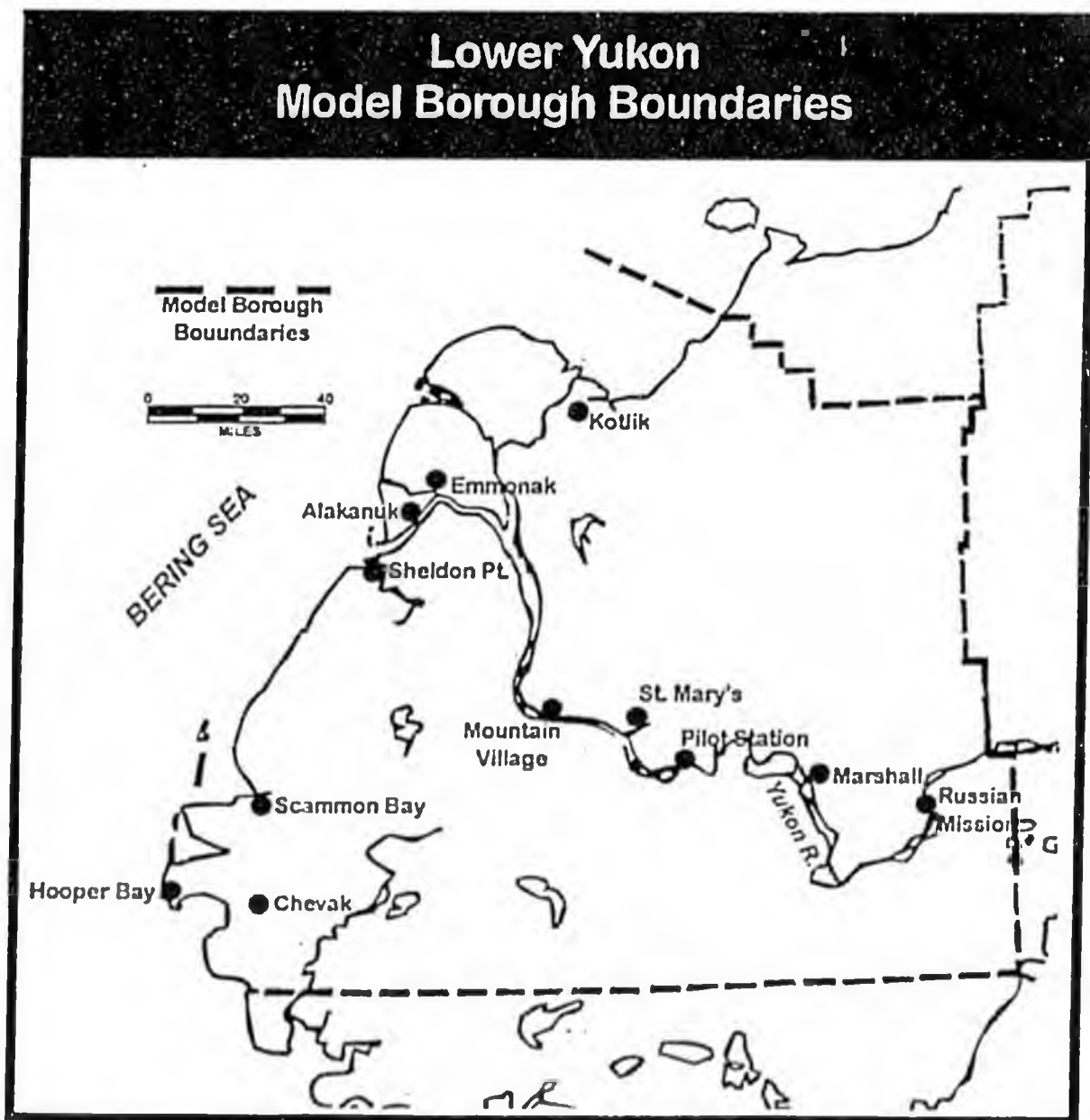


Lower Kuskokwim Region. The Commission held model borough boundary hearings concerning the Lower Kuskokwim region in Bethel on October 24, 1992. On November 21, 1992, the Local Boundary Commission set model borough boundaries for the region to conform to the boundaries of the Lower Kuskokwim Regional Educational Attendance Area (including the smaller Yupiit Regional Educational Attendance Area). The 1990 population of the region was 12,125. The region encompasses 25 communities including Akiachak, Akiak, Atmautluak, Bethel, Cheforak, Eek, Goodnews Bay, Kasigluk, Kipnuk, Kongiganak, Kwethluk, Kwigillingok, Mekoryuk, Napakiak, Napaskiak, Newtok, Nightmute, Nunapitchuk, Oscarville, Platinum, Quinhagak, Toksook Bay, Tuluksak, Tuntutuliak, and Tununak.

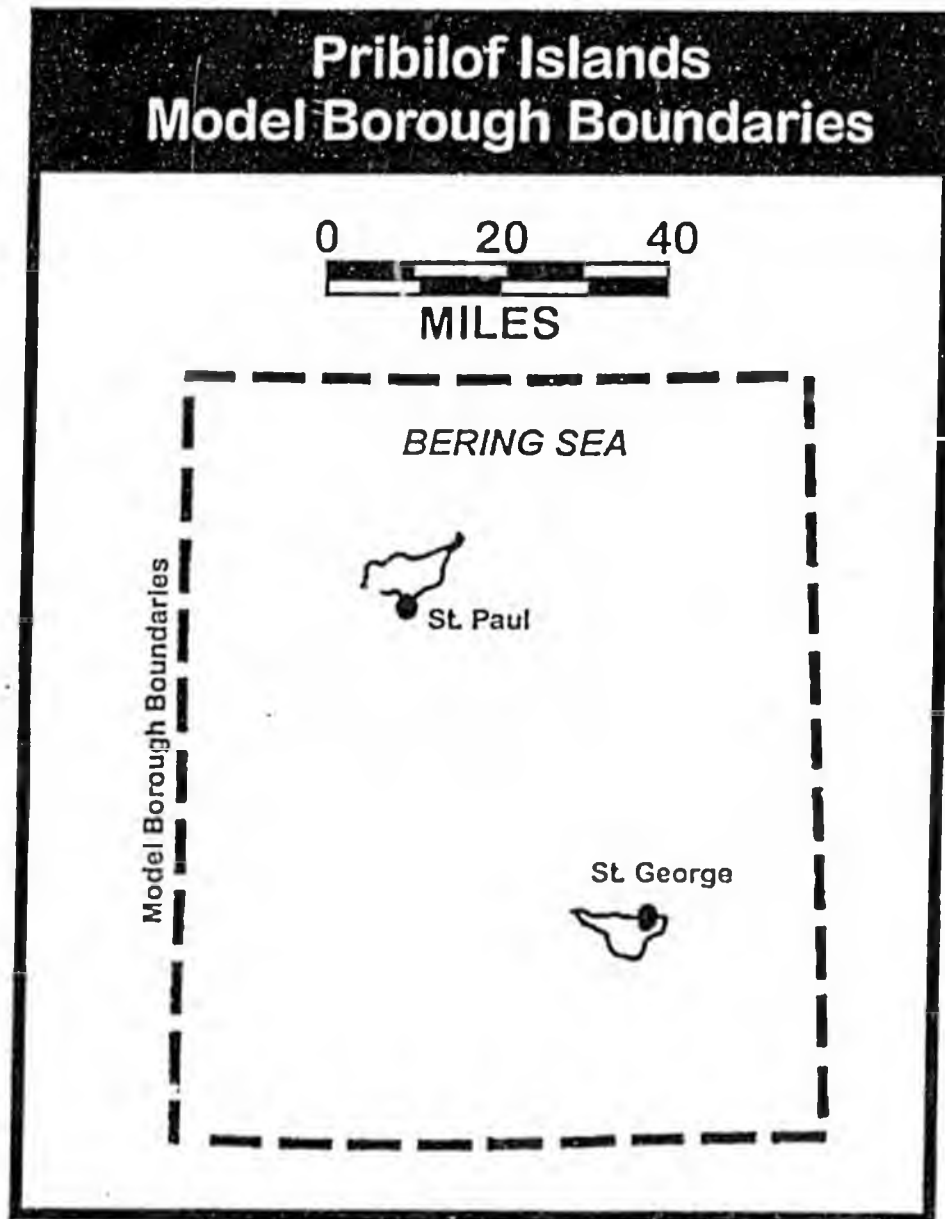
## Lower Kuskokwim Model Borough Boundaries



Lower Yukon Region. The Commission held model borough boundary hearings for the Lower Yukon region in St. Mary's on October 23, 1992. On November 21, 1992, the Commission set Lower Yukon model boundaries to conform to the Lower Yukon Regional Educational Attendance Area. The model borough boundaries include the smaller Kashunamiut Regional Educational Attendance Area and the St. Mary's City School District. The area also includes the communities of Alakanuk, Chevak, Emmonak, Hooper Bay, Kotlik, Marshall, Mountain Village, Pilot Station, Russian Mission, Scammon Bay, Sheldon Point and Pitka's Point. In 1990, the area's population totaled approximately 5,791.

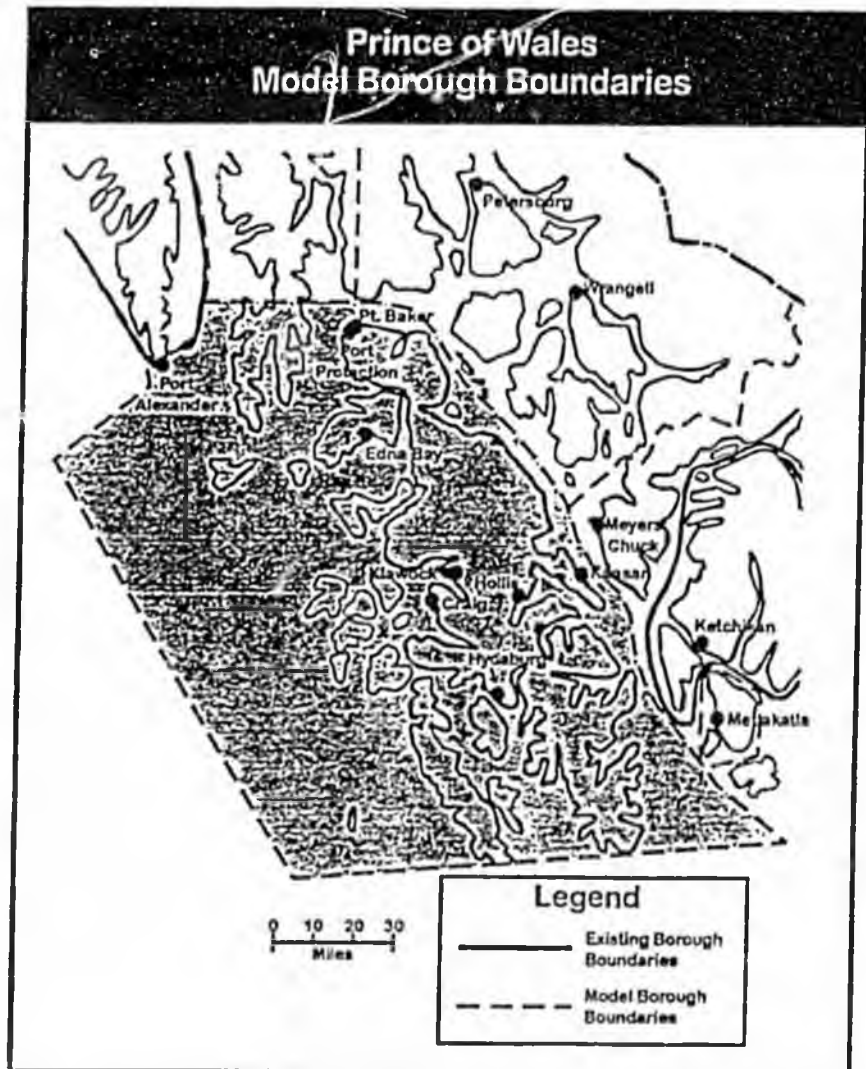


**Pribilof Region.** The Local Boundary Commission conducted a hearing on model borough boundaries for the Pribilof region on October 20, 1992. Testimony was received by teleconference from St. Paul and St. George. The Commission set model borough boundaries for the area on November 21, 1992. Those boundaries conform to the Pribilof Islands Regional Educational Attendance Area which encompass St. Paul and St. George. That area had a 1990 population of 901.



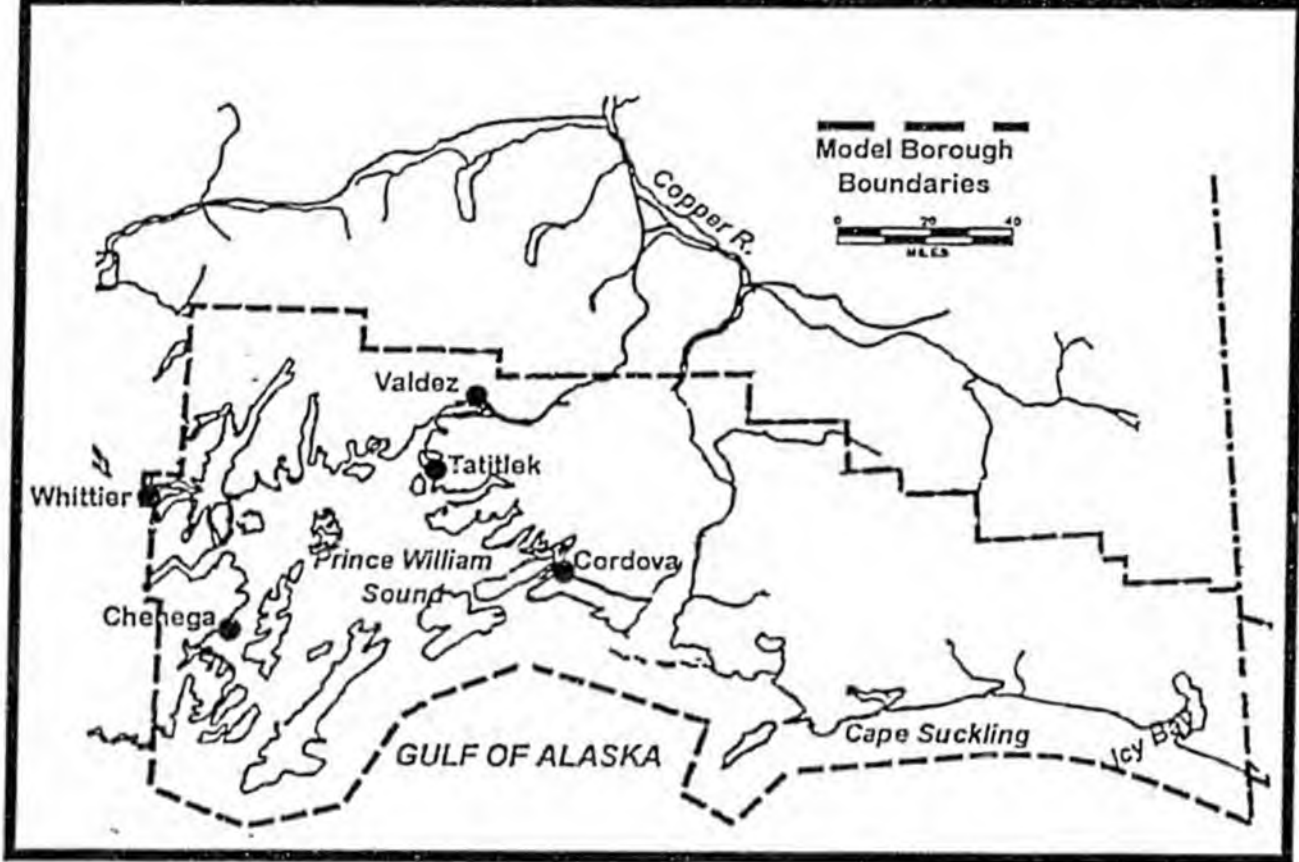
**Prince of Wales Island Region.** The Commission held its hearing on model borough boundaries for this region in Klawock in September 1991. Additional comments concerning model boundaries for this region were provided to the Commission in November of 1991.

The Commission adopted model boundaries for this region to extend from the southern boundary of the State of Alaska along Clarence Strait and Sumner Strait to an area north of Point Baker (following the Wrangell Ranger District boundary). From there the boundary extends due west across Kuiu Island to the middle of Chatham Strait where it turns south, following the State boundary back to the point of beginning. These model boundaries encompass an estimated 8,200 square miles of land and water. This area is all part of the Southeast Island Regional Educational Attendance Area, and has 4,650+ residents.

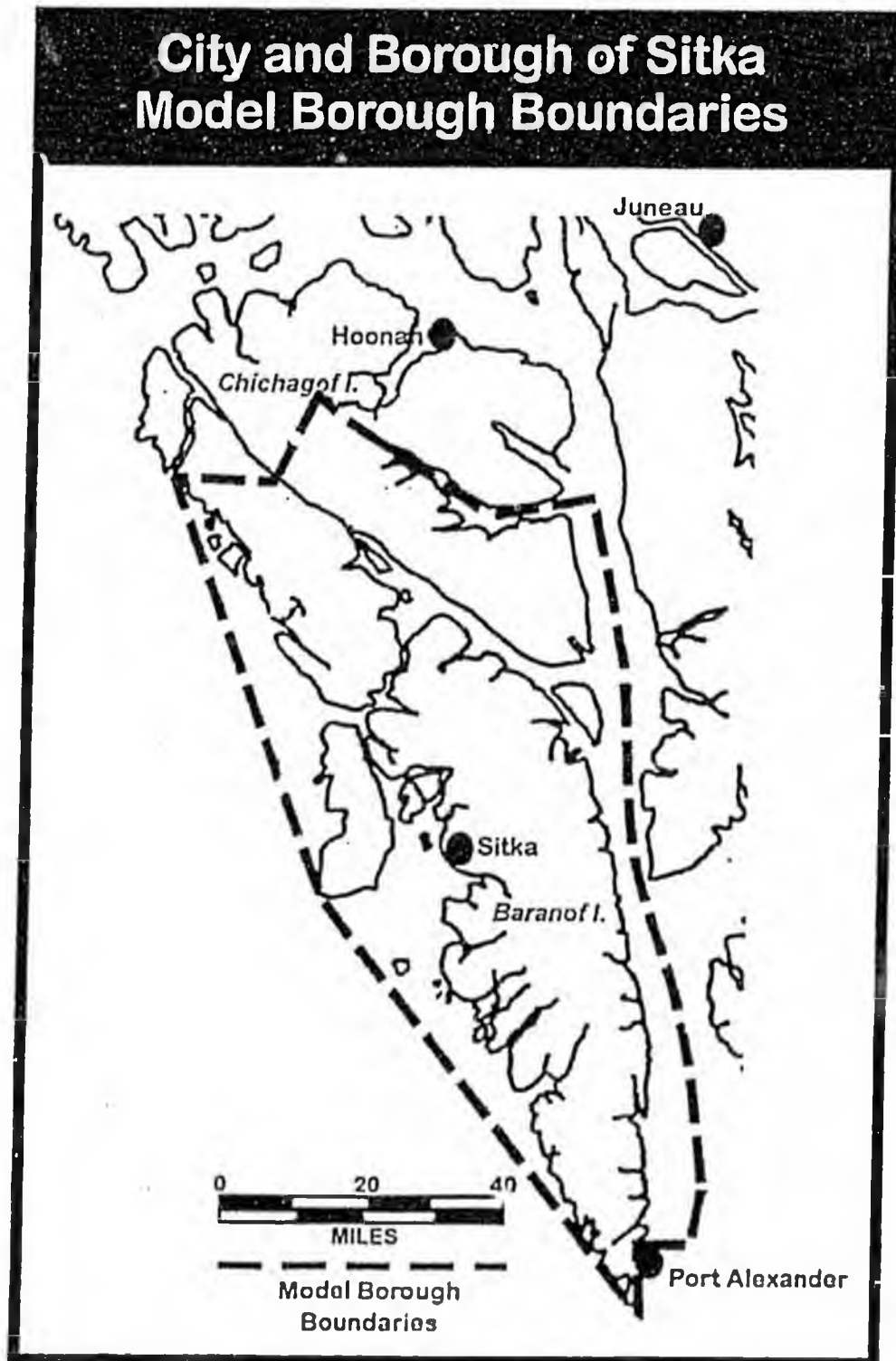


Prince William Sound Region. The Commission conducted a public hearing on model borough boundaries for the Prince William Sound region in January 1992. On May 8, 1992, the Commission set model boundaries for the area to conform to the Chugach REAA, including Cordova City School District and the Valdez City School District. The region also includes the City of Whittier and the unincorporated communities of Chenega and Tatitlek. In 1990, the area had a population of 7,189.

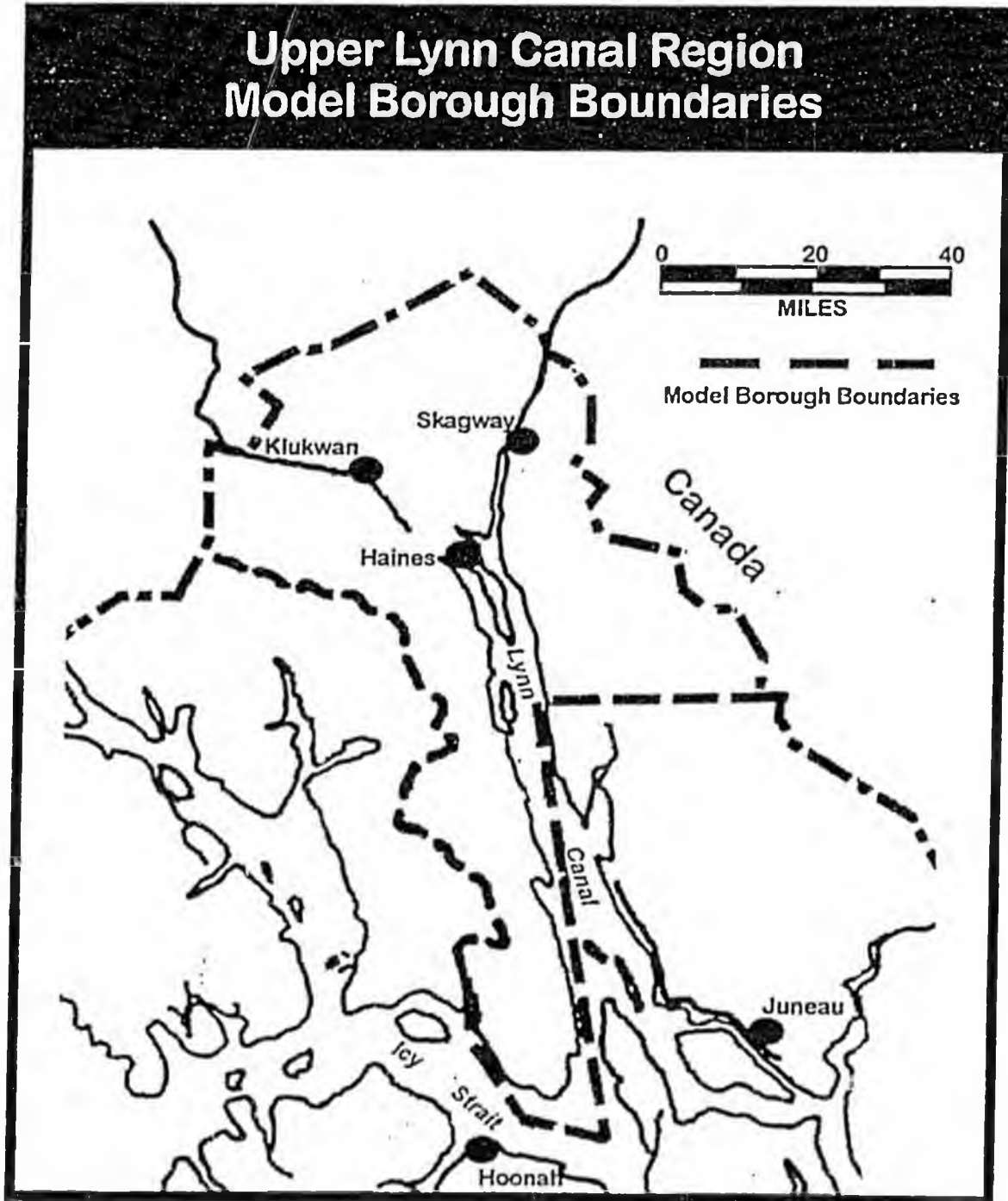
## Prince William Sound Model Borough Boundaries



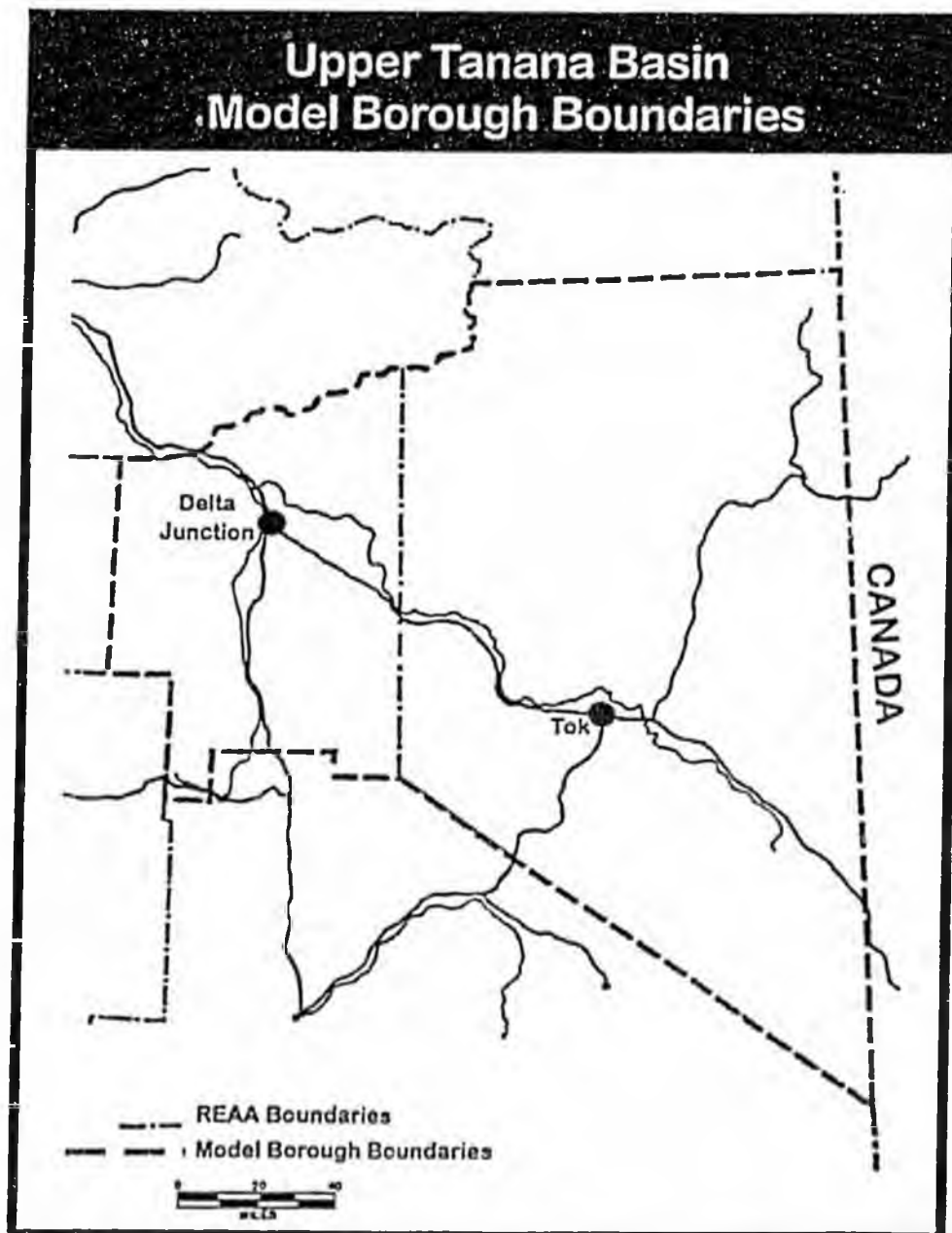
**City and Borough of Sitka.** The Commission conducted public hearings regarding model borough boundaries for the City and Borough of Sitka by teleconference in November 1990. On May 8, 1992, the Commission set model boundaries for the City and Borough of Sitka identical with its existing boundaries. That area encompasses an estimated 4,849 square miles. In 1990, the area had a population of 8,588.



Upper Lynn Canal - Haines Borough Region. On May 8, 1992, the Commission set model borough boundaries for the upper Lynn Canal area. The model boundaries were defined to encompass the area within the present Haines Borough as well as the adjacent City of Skagway and the village of Klukwan. Klukwan is presently an enclave within the Haines Borough. In 1990, the area had a population of 2,938..



Upper Tanana Basin Region. The Commission conducted hearings on model borough boundaries for the region in Delta Junction on May 8, 1992 and in Tok on May 9 and June 6, 1992. The Commission set model boundaries for the area on November 21, 1992. The Upper Tanana Basin model boundaries were defined to encompass both the Delta Greely and Alaska Gateway REAA areas. In 1990, the area had a population of 6,021. The model borough boundaries encompass an estimated 26,235 square miles. Communities within the region include two second class cities, the City of Delta Junction and the City of Eagle. Unincorporated communities in the area include Boundary, Chicken, Dot Lake, Dry Creek, the Native Village of Eagle, Fort Greely, Healy Lake, Mentasta Lake, Northway, Tanacross, Tetlin and Tok.

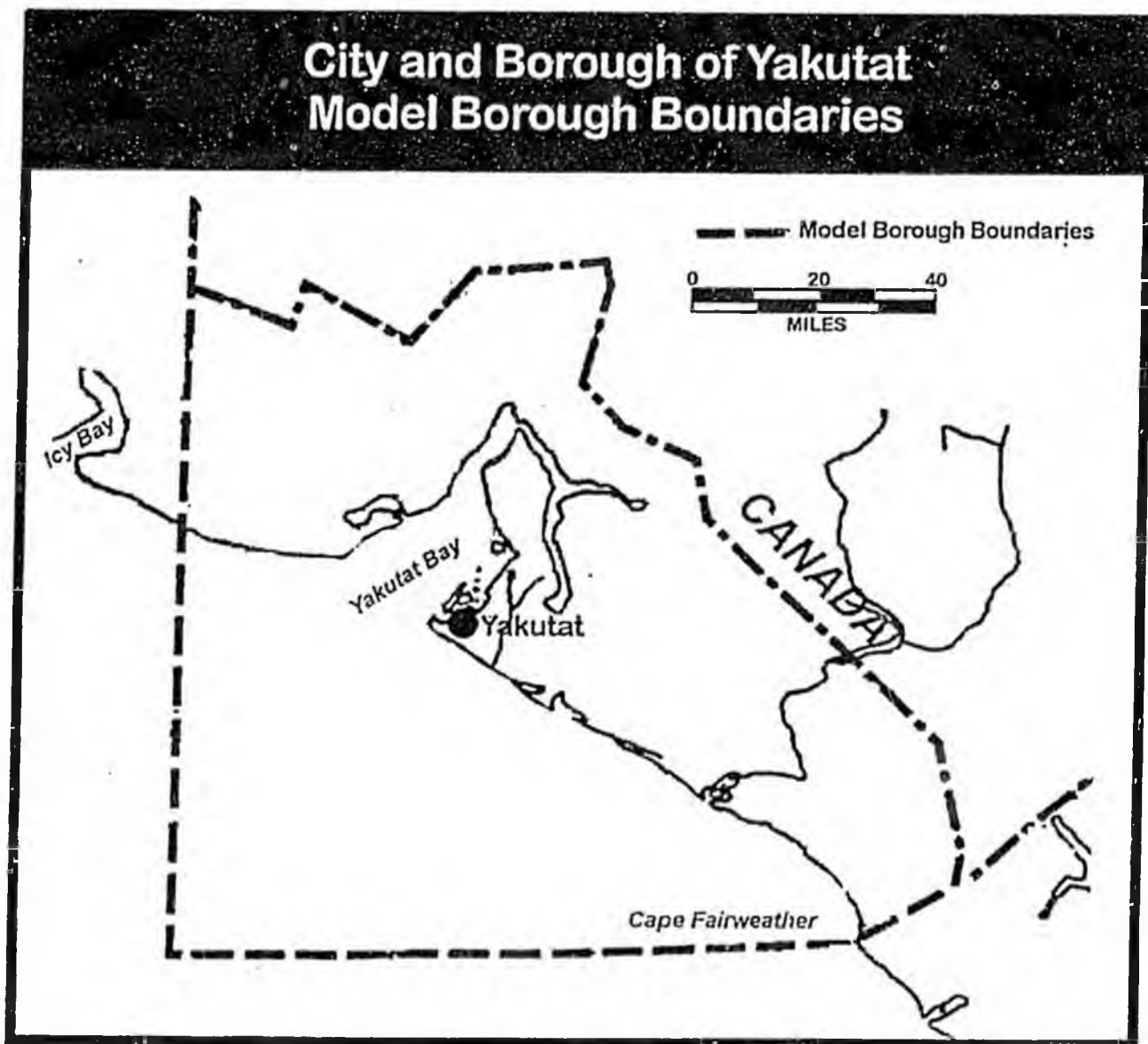


**Wrangell/Petersburg Region.** The Commission conducted hearings on model boundaries for the region in Wrangell and Petersburg in September 1991. After receiving additional comments in November, the Commission defined model borough boundaries for this region to follow the boundary of the Wrangell Ranger District along the Misty Fjords National Monument to Ernest Sound and along Clarence Strait and Sumner Strait to an area north of the community of Point Baker. From there, the model boundary runs due north to Hobart Bay then due east to the Alaska/Canada border. The boundary then turns south following the border to the point of beginning.

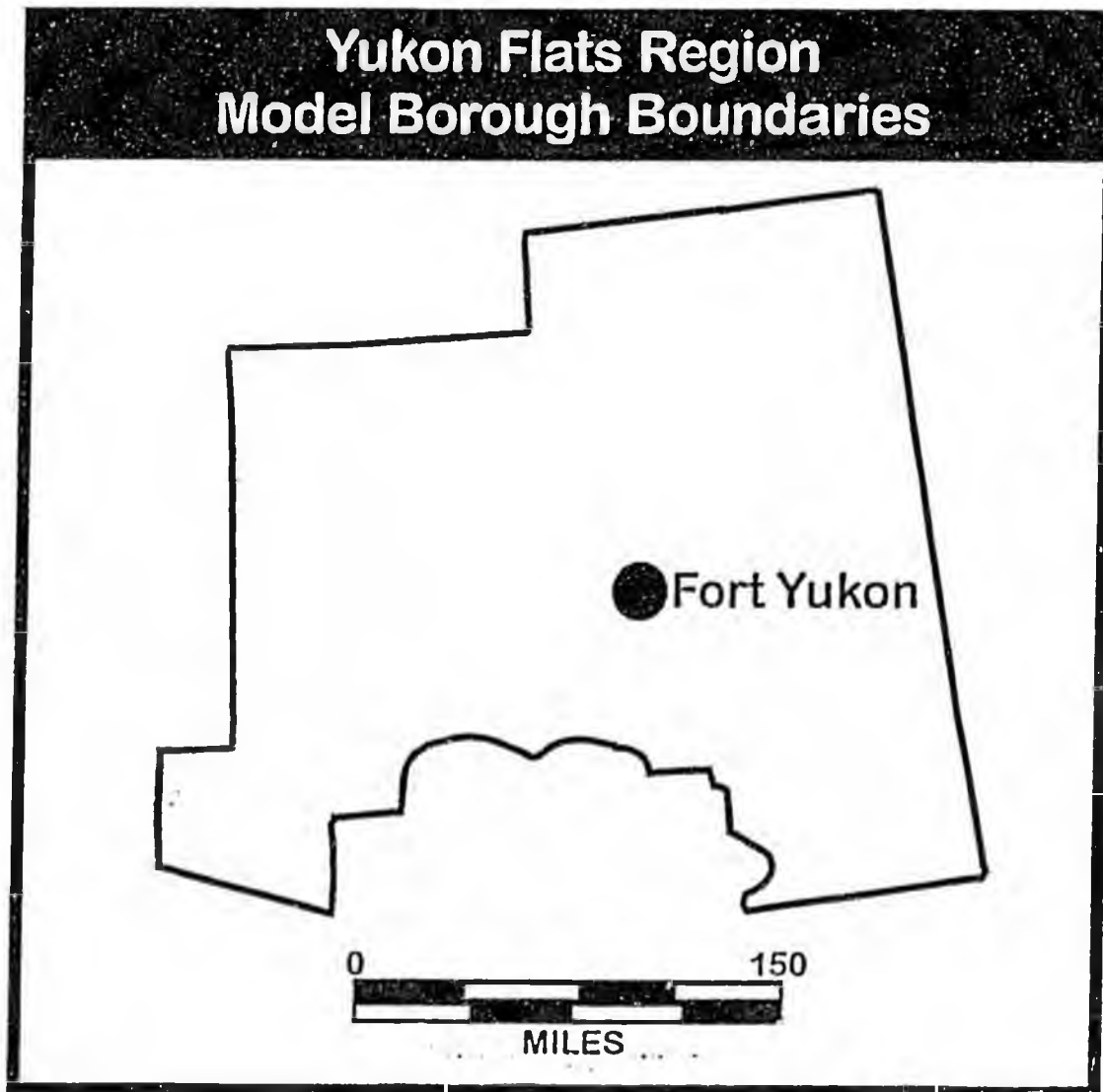
These model boundaries include an area of approximately 7,200 square miles of land and water. The 1990 population of the area was estimated to be approximately 6,000. The model boundaries encompass two complete school districts (Petersburg and Wrangell) and portions of two others (Southeast Island REAA and Chatham REAA).



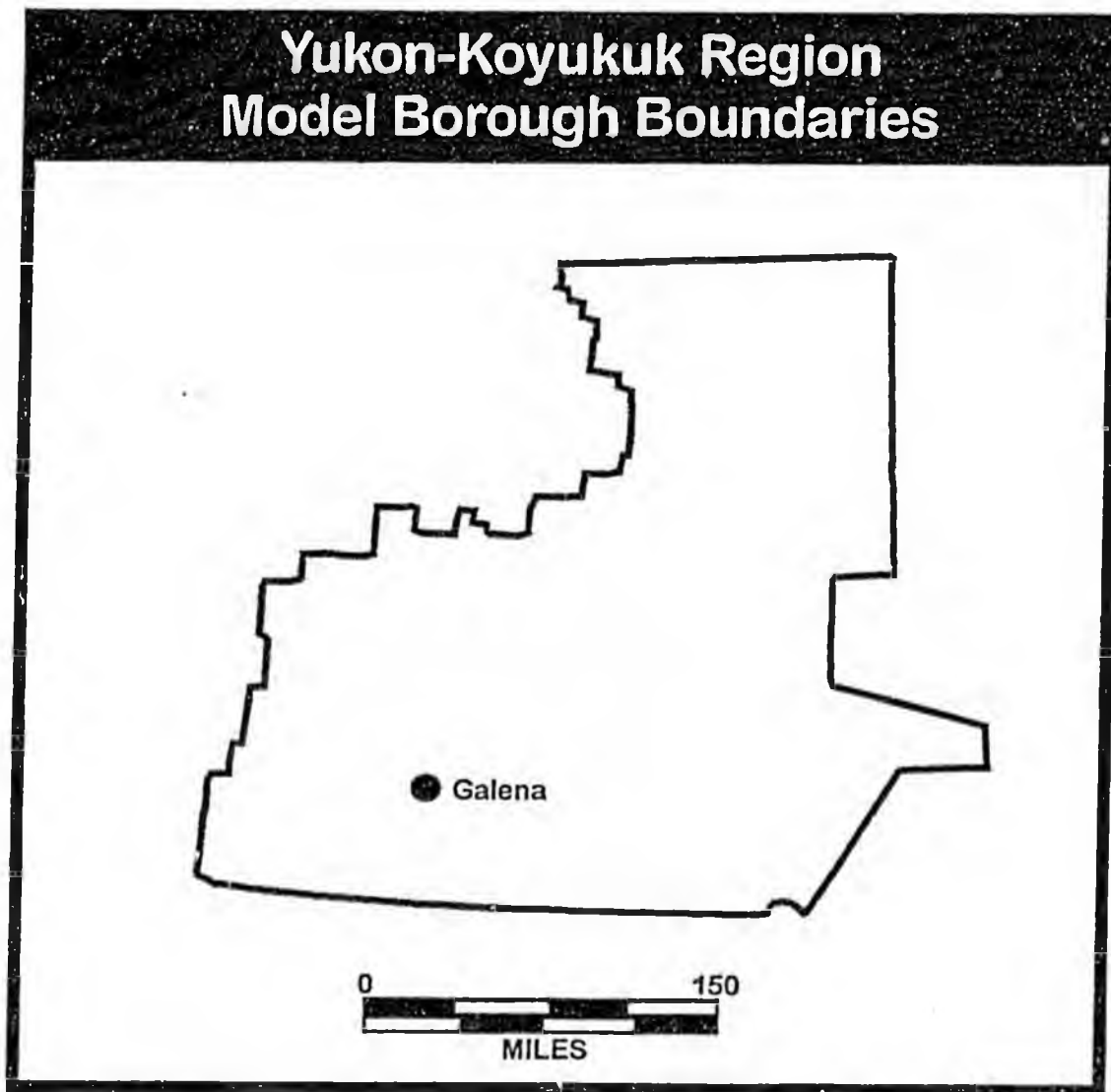
**Yakutat Borough.** The Commission set model borough boundaries for the Yakutat region on May 8, 1992. The boundaries are identical to those approved by the Commission for incorporation of the City and Borough of Yakutat. The model boundaries encompass approximately 4,224 square miles with boundaries extending from the 141st Meridian to Cape Fairweather. In 1990, the area had a population of approximately 705.



**Yukon Flats Region.** The Commission conducted a public hearing on model borough boundaries for the Yukon Flats region on May 20, 1990. The hearing was held in Fort Yukon, with teleconference sites established in Rampart, Birch Creek, Beaver, Arctic Village, Venetie and Stevens Village. On November 10, 1990, the Commission defined the model borough boundaries for the region to follow the boundaries of the Yukon Flats Regional Educational Attendance Area with the exclusion of the territory in the model boundaries of the Fairbanks North Star Borough.



Yukon Koyukuk Region. The Commission conducted a public hearing on model borough boundaries for the Yukon-Koyukuk region on May 18, 1990. The hearing was held in Tanana, with teleconference sites established in Nenana, Ruby, Galena, Nulato, Manley Hot Springs, Kaltag, Hughes, Allakaket and Bettles. On November 10, 1990, the Commission defined the model borough boundaries for the region to follow the boundaries of the Yukon-Koyukuk Regional Educational Attendance Area, excluding the area within the model boundaries of the proposed Denali Borough.



## APPENDIX

The following lists certain of the reasons why some believe that the provision of Article X, Section 3 of Alaska's Constitution requiring each borough to embrace an area and population with common interests to the maximum degree possible, applies to both organized and unorganized boroughs.

A direct reading of Article X, Section 3 is unambiguous in its application to unorganized boroughs. The provision states in relevant part, "The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. . . Each borough shall embrace an area and population with common interests to the maximum degree possible. . ."

The Public Administration Service (PAS) expressed the view that unorganized boroughs had to conform to the borough boundary standards.<sup>3</sup> On page 52 of its Local Government Under the Alaska Constitution (January 1959) the PAS notes that "*Returning then, to the question of the proper size and number of the initial unorganized boroughs, it would seem desirable to begin with a small number of very large boroughs. One possibility would be to begin with only four, which might correspond precisely or substantially to the four major senate districts. Since these districts were drawn primarily on the basis of the way in which the State is divided into natural 'socio-economic' areas, with drainage and other geographic factors such as mountain barriers being considered in setting the boundary lines, this division of the State might well provide a logical*

<sup>3</sup> The PAS, a non-profit organization, was selected by the Alaska Statehood Committee to provide research and consulting services in conjunction with the efforts to develop Alaska's constitution. (See Alaska's Constitutional Convention, Victor Fisher, pages 18 - 21.) The PAS also provided consulting services to the First Alaska State Legislature in the implementation of Alaska's constitution.

*basis for the differential treatment of local affairs which, as already indicated, the borough system permits. If experience showed the need for further differentiation, the large boroughs could be broken down into somewhat smaller ones. It is important to remember that it is always easier to subdivide a political area than it is to combine areas previously subdivided."* (emphasis added).

The Executive Director of the Alaska Legislative Council held those same views. In a December 1, 1959 paper entitled Local Government and the State Constitution - Constitutional Intent, the John C. Doyle wrote that, "*Under the terms of the proposed article, all of Alaska would be subdivided into boroughs. Each would cover a geographic area with common economic, social, and political interests. Boundaries are to be established by the state. . . . Three classes of boroughs might be sufficient, but the legislature is not limited to three. . . . The unorganized borough would be the third class borough. . .*"<sup>4</sup>

Vic Fischer states on page 119 of

<sup>4</sup> The paper was submitted to Representative Peter J. Kalamarides, Chairman of the Alaska Legislative Council with the following statement, "*Attached hereto you will find a report on the local government article of the State Constitution. The report is the one which was submitted by the Committee on Local Government to the Constitutional Convention (1955-56), but it has been revised to reflect the amendments and thinking of the Convention when the proposal was discussed and finally approved on the floor. The Committee's report and comments, and the transcript of the Convention's proceedings were used in preparing this revised report. . .*" At the time the report was submitted, two of the ten members of the Alaska Legislative Council had been delegates to the Constitutional Convention. These were Senator Frank Peratrovich, Vice Chairman of the Council, and Representative Warren A. Taylor.

Alaska's Constitutional Convention (University of Alaska Press 1975) that one of the initial principles set forth by the Convention's Committee on Local Government was that "Provision should be made for subdividing all Alaska into local units (boroughs) based on economic, geographic, social, and political factors; initially, not all need be organized."<sup>5</sup>

Thomas A. Morehouse and Victor Fischer wrote in Borough Government in Alaska under the heading "Organized and Unorganized Boroughs" that, "All of Alaska was to be subdivided into logical borough units. Depending on readiness and capability for government, these would be classified as organized or unorganized boroughs . . ."

Richard W. Garnett, III, wrote in a paper for the Institute of Social, Economic and Government Research that, "The local government article of the state constitution calls for the division of the state into boroughs, organized and unorganized. The language of the article presupposes plural unorganized units."<sup>6</sup> The specific reference in Section 6 to 'maximum local participation and responsibility' in unorganized boroughs

*indicates that manageable units encompassing communities of interest were contemplated for unorganized as well as organized boroughs. It is difficult to believe that the single unorganized borough that now exists complies with the intention expressed in the constitution."*

The Local Boundary Commission expressed views consistent with this interpretation during its "Model Borough Boundary Study".<sup>7</sup> For example, in the LBC's paper announcing the model borough boundary study for the Aleutian/Pribilof Islands Region, the LBC stated, "Clearly, the Unorganized Borough does not meet the requirement of Article X, Section 3 of the Alaska Constitution that, 'each borough embrace an area and population with common interests to the maximum degree possible.'" (August 1991, page A-2)

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<sup>5</sup> Vic Fischer was a Delegate to Alaska's Constitutional Convention and was also a member of the Convention's Committee on Local Government. He is widely regarded as an expert on Alaska's Constitution, particularly the local government article.

<sup>6</sup> Equalization of Local Government Revenues in Alaska (ISEGR Occasional Papers, January 1973). Richard W. Garnett, III, is a former Assistant Attorney General for the State of Alaska. His remarks may have represented his personal views rather than those of the Department of Law.

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<sup>7</sup> The LBC and its DCRA staff began the Model Boundary study throughout the unorganized borough in mid-1989. The goal of the study was to "identify the best potential boundaries for future boroughs." The project was completed in 1992.

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

 118 North Binkley Street • Soldotna, AK 99669-7598 • Phone 907/262-5846 • Fax 907/262-9645

March 25, 1996

Senator John Torgerson  
State Capitol, Room 427  
Juneau, AK 99801-1182

Dear Senator Torgerson:

I want to applaud your efforts in introducing and bringing forth Senate Bill 280. Mandatory boroughs, as I foresee them, are a long term solution to the educational problems that exist within the state. I have supported this initiative since I took up residence in the State of Alaska seventeen years ago.

It seems only appropriate to me that all districts in the state should be treated equally. Consolidation of small districts is not only prudent in dollar savings, but it will make the Legislature look more favorably towards education. Until such time that small districts are pulled together into boroughs, I do not feel that the State Legislature will be comfortable with the educational system as it currently exists in the state.

Again, I want to thank you for sponsoring Senate Bill 280. I encourage your continued drive to make this bill a reality.

Sincerely



John K. Dahlgren, Associate Superintendent  
Planning, Operations and Technology

JKD/blm

Post Office Box 384  
Delta Junction, AK 99737  
18 March 1996

Dear Sirs,

At the tele-conference on Mandatory Borough Formation I prefaced my comments by "We don't care how they do it in the smaller forty-eight, this is Alaska." This is more true than ever, especially in the formation of boroughs. In some places in the smaller forty-eight counties are no longer in existence and in many they are bankrupt or have been bypassed by cities or service areas. So why try to saddle Alaska with a dead dinosaur? The boroughs that have been established, mostly by legislative mandate, are very costly to the state, don't do anything and are an extra level of government bureaucracy that is totally unnecessary.

A few years back (1965), I did a study of North Star Borough and found that the borough cost the State of Alaska about five million dollars just to operate the borough. I am not talking of the functions of the borough, I'm talking of the insurance, utilities, equipment, maintenance, additional personnel that are there to keep the borough in operation but do nothing for the people. When this was extrapolated to the other boroughs in existence at that time, the total for the state was in excess of 500 million dollars. Does this number sound familiar? It should, as it is the shortfall of revenue that the past three Governors complained about each and every year.

Another thing the Delta/Deltana area is paying their fair share for the meager services that we receive. We do not tax the pipe line and the tax then goes to the state. So at seven mill tax rate this is a big amount of money. We don't really need all of the fancy frills of extra curricular activities, so we do with what we get, about 75% of what other schools get! Please note: this could be a huge savings to the state and the state economy if other schools could do the same.

Another thing - this I was told would not be appropriate for the tele-conference - What is a bunch of supposedly conservative Republican Legislators doing sounding like a bunch of ultra liberal democrats? This mandating of boroughs, especially if you are successful, could bring back a democrat legislature, as the people out in the bush in many cases cannot afford the taxes that would be placed upon them.

The proposed mandatory borough might have been a viable enterprise in 1980, but some people that could see the future of the pipeline were able to keep the borough from being formed. At present the proposed Upper Tanana Basin

Model Borough would be near bankruptcy upon formation. First almost all of the land in the new borough would be Federal Military, State, Native, religious, or educational in nature. Second, without massive infusions of money into it, it would not survive. Third, the struggling farms left over from the Agriculture Plans would be forced in to bankruptcy. Fourth, this area has one of the highest unemployment rates in the state and with the closing of Ft Greely which is the highest employer in the area, this area would be depressed by taxes so badly that it would take years to become a viable area again. So, go ahead and form the borough, this area could use the millions that it would take to keep the people in Alaska and a low level economy.

In the long run it would be better to do away with the existing boroughs and use the service areas that are already in existence in the state and implement a State wide sales tax, an income tax, or a land use tax. By land use tax, I'm not talking about property tax or school tax. For additional funding for schools the permanent fund could be of assistance. The application form could be prepared in a manner in which persons that have children in school and students themselves could be assessed a fee from their dividend to help pay for education.

So, lets bring the State of Alaska into the twentieth century by doing away with boroughs, they're dead any way, and using service areas for distributing services, they do most of the boroughs work anyway, and lastly form some lower levels of government that are not bound by taxes or rigid regulation. These fourth, fifth, sixth class cities would be the direct contact to the state agencies that make the communication of the people to the government connection. This would give the native villages and the unincorporated cities an equal standing and a more fair distribution of service.

Sincerely yours,

  
Paul R. Miller



# STATE of ALASKA

## Delta Junction Legislative Information Office

P.O. Box 1189  
Room 210, Jarvis Office Center  
Delta Junction, AK 99737  
(907) 895-4236

Fax: (907) 895-5017

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March 13, 1996

TO: Senate Community & Regional Affairs

Please accept the enclosed originals of written testimony for the Senate Community & Regional Affairs hearing that was scheduled on 3/13/96.

Copies of this testimony were transmitted by fax on 3/13/96.

Thank you,

A handwritten signature in cursive script that reads "Tammy Renee Hall".

Tammy Renee' Hall  
Information Assistant

Enclosures: 2



# Alaska State Legislature

Please enter into the record my testimony to the S. C. R. A.  
committee name

committee on SB 380/Boroughs, dated March 13 1996

bill/ subject VOTE NO TO TAKING AWAY FREEDOM!

This bill is another attempt at complete control. It's another way for the State to grab what does not belong to them and never did. It appears that the legislature does not want people to be Free men so it helps its Master (Washington D.C.) Senator to destroy Sovereignty and the Republic. IF this is not true then why do all judges, attorneys, and elected officials in America take two oaths of office? IF there are two entities for two oaths, then there must be two sets of rules or laws framed to give allegiance to.

THIS BILL IS ANOTHER CONSTRUCTIVE FRAUD BILL TO STEAL FROM THE PEOPLE AND GIVE TO AN GREEDY MARXIST SYSTEM. People were not intended to give up their birthright to those who claim it is for the betterment of the people. NOT!

Every government program that has ever been undertaken or planned has been a total failure. All the programs are riddled with fraud, incompetence, deceit, red tape, inefficiency, ineffectiveness, and other problems. THE MORE government spends to help the worse things get.

The more the government talks about balancing the budget the more it spends. This legislature and the legislature in Washington D.C. wants to bring all resources under its control. THIS IS USURY and the BIBLE FORBIDS USURY. It appears that the judges, police, attorneys, politicians, and bureaucrats are all working to protect their system. They don't care about the people, they develop more ways to steal from the people, by mistaking them into believing its for their good. It appears the only ones who will benefit are those who follow the BEAST SYSTEM. It sure isn't the ones being lied to. Has it ever dawned on the bureaucrats, legislature that people don't want taxes, don't want to be in a borough to be controlled and dictated to? Has it occurred to you that people want their unalienable God given rights and that God never gave us permission to have dominion over one another? Has it dawned on you that their are people who are trying to take back their birthright to repossess the land which is their right, but taken away by Constructive Fraud and laws meant to put people in servitude bondage and slavery? Has it dawned on any of you that when people discover the lies and Constructive Fraud told and committed that you who believe you would the power may be tried for TREASON and SEDITION for not upholding your oath of office? This condition of inequity or iniquity is involuntary servitude brought on by Constructive Fraud which looks like this: Corporations, Government, Man, Creations, Our Creator.

But it should look like this: Our Creator creations, man, Government, Corporations. WE THE PEOPLE DO NOT WANT TO BE PART OF THE CORPORATION! THE right to property does not come from the state. It comes from the creator. The state did not create the earth, thus the state cannot claim ownership to the land. THE people can. To acquire and to own property is not just a mere American right, but a God-given undeniable right. All rights are God-given rights and are guaranteed by the U.S. Constitution. Property taxes and etc are designed to keep people under control. Quit trying to steal WE THE PEOPLES SUSTINANCE through evil legislation.

Restoration of rights without prejudice under UCC 1-207

Signed:

Jessie Marie Phlips

Testifier

Concerned Sovereign Citizens

Representing (Optional)

Fourth Judicial District % P.O. Box 594

Address

Delta Junction, Alaska Republic

Phone No. 907-895-4505

The people are not created by the state, but corporations are. The state does not own the people to be free; the people tell the state that they are free. The people surjoin to their Creator and are endowed at birth by their creator with certain undeniable rights (Declaration of Independence) Rights are property of the common law guaranteed by the United States Constitution. Rights are superior to government, as the Constitution is the supreme law of the land.



# Alaska State Legislature

Please enter into the record my testimony to the SCRA

committee on \_\_\_\_\_, dated \_\_\_\_\_ committee name

SB 280, dated 2-13-96 bill/ subject

Lets look at the advantages of having a borough. We will get the opportunity of supporting another government. We will get the opportunity to pay our assembly members. We will get the opportunity to pay for public worker and another police force, after all who will enforce all these new contracts we will have the opportunity to comply to. We will have the opportunity to build new monuments like a public works building, jail, community center and library, New School etc... Lets look at where the revenue for all these conveniences will come from.

The Regional AFFAIR Surveyed Delta and said we need 1000 people to support a borough. It said we had approximately 3,000 people, we ask them how they got there numbers, they said from the Dividend. We asked them how many were military they said approximately 1500. Military personell usually dont pay taxes as they leave at the end of there term. We ask them how many they had figured was per family, they dont know I would say approximately 4, and out of those 4 I would say 2 are working. I would say simple math that brings the 1500 down to 750 to pay taxes. We ask them how many of those are retired or on fixed income they didnt know. I figure approximately 200, now that leaves 550 to pay for all these opportunity we will have to support this bondage slavery boy are we going to have fun.

In my opinion putting a borough on Delta is a monkey on our backs that can only turn to the State and jump on them and the State will end up supporting another government and holding the bag in the end.

I ask you this, under what authority do you have to force us in a borough.

Revocation of right without prejudice  
under UCC 1-207

Signed: [Signature]  
Testifier  
Concerned Citizen

Representing (Optional)  
Fourth Judicial District C/O P.O. Box 1059

Address  
Delta Junction Alaska Republic

Phone No. 995 4805

APR 28 1996 08:23  
JEN LTO  
19960322092

Alden & Frances Gagnon  
P.O. Box MYK # 137  
Glennallen, AK. 99588

May Creek, AK.  
March 22, 1996

Dear Senator Torgerson

Regarding your proposed Senate Bill # 280 (CRA), we are oppose to any mandatory incorporation of new boroughs in the unorganized boroughs.

Very little tax base in most of the bush areas of the State of Alaska. We have old time neighbors that live on Permanent Fund income and energy subsidy grants. These monies often times are all they have as an income. Not much fat in the bush that I know of.

You start taxing the bush and you'll find many bush residents forced of their land and into towns and cities, so that they can also get on welfare. We have no economic base, we have very little appertained to make a living out this way, from my extensive travels in bush areas of Alaska this is the norm. We also have few if any skills that would make us a living in towns and cities.

If this bill is passed you'll have half the bush residents in town on state and federal dole. Truth of the matter, we can't afford to live in the bush and pay borough tax's for services we don't need or want. Services that are almost impossible perform economically. With the exception of large private investments, mines, pipelines, tourist facilities, I see no tax base for most of rural Alaska.

This is not a good bill for the state or rural Alaska. This bill if in acted will cost State of Alaska and it's rural residents big troubles, time and monies. Their's no Fat in the bush, believe me. You'll find the Fat in urban areas of the state.

Sincerely,

Al & Fran Gagnon

SENATE BILL # 280 (CRA)

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS

OIL & GAS, CHAIRMAN  
LABOR & COMMERCE, VICE CHAIRMAN  
ADMINISTRATIVE REGULATION REVIEW, VICE CHAIRMAN  
HEALTH, EDUCATION & SOCIAL SERVICES, MEMBER  
ECONOMIC DEVELOPMENT, MEMBER



INTERIM  
710 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE (907) 258-8191  
FAX (907) 258-2016

SESSION  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4068  
FAX: (907) 465-2040

## Representative Norman Rokeberg

### MEMORANDUM

TO: Senator John Torgerson, Chair  
Senate Community & Regional Affairs Committee

FROM: Representative Norman Rokeberg

A handwritten signature in cursive script, appearing to read "Norman Rokeberg".

DATE: April 3, 1996

SUBJECT: Establishing Mandatory Boroughs

---

I have attached a copy of a letter of support for mandatory boroughs. Mrs. Yerkes is absolutely right about the inequities between Alaska citizens within a borough boundary and those individuals residing in the unincorporated areas of the state.

I hope your bill on boroughs is moving faster than mine.

Attachment

March 25, 1996

The Hon. Drue Pearce, President  
The Alaska Senate  
716 W. 4th Avenue  
Anchorage, AK 99501

The Hon. Gail Phillips, Speaker  
The Alaska House of Representatives  
716 W. 4th Avenue  
Anchorage, AK 99501

**SUBJECT: HB 250 - REQUIRING UNORGANIZED BOROUGH  
AREAS TO INCORPORATE**

It is with a great deal of disappointment that I write to you about the lack of progress of HB 250. This bill, introduced more than a year ago, still appears to be a long way from enactment. Although I understand the politics and pressures behind the lassitude, I am surprised that the legislative body, as a whole, has apparently succumbed to this pressure.

I live in a remote area of the Matanuska-Susitna Borough, more than 50 miles from a road. I am taxed at a rate in excess of 14 mils and receive absolutely no services from the taxing authority. I choose to live where I live and I ask for no services. But, I am aware of the following:

☛ I am taxed for services which residents of the unorganized borough receive from the State with no contribution being made by the receivers of those services.

☛ My taxes are higher than they would be if the State treated all its residents--inside and outside incorporated areas--equally. For example, schools in the unorganized borough are fully funded by the State. I pay more than 12 mils for a marginally adequate school located more than 25 miles from my door--with no transportation system between the two. My taxes would be lower if the State treated all of its residents as equal partners in this union.

☛ I am precluded from receiving some services that I would receive if I were in the unorganized borough. The State provides services to residents of the unorganized borough that it does not provide within incorporated municipalities. Those same services are not provided to me by the Mat-Su Borough because of the prohibitive cost associated with providing those services to remote locations within its boundaries.

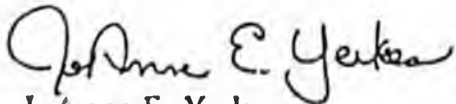
☛ The State has adopted a position disallowing remote areas of an organized municipality receiving no services from detaching and reverting to unorganized borough

The Hon. Drue Pearce  
The Hon. Gail Phillips  
March 25, 1996  
Page 2

status. While this position would seem to support a philosophical position that all areas of the State should be organized into some form of local government entity, the State continues to avoid acting in a manner which would lead to such an eventuality.

HB 250 addresses an issue and seeks to correct inequities ignored since Statehood. Not only would enactment of the bill greatly assist the State in resolving its fiscal crisis, it would guarantee rights of citizens as promised by the State Constitution. To continue to disallow detachments while delaying enactment of this legislation is a flagrant violation of the State Constitution.

I urge you to take the measures necessary to act responsibly and in the best interests of all Alaskans by addressing this inequity as a priority measure in the remaining days of this session. If I can provide assistance in any way, please let me know.



JoAnne E. Yerkes  
P. O. Box 36  
Skwentna, AK 99667

cc: Norm Rokeberg

April 12, 1996

The Hon. Senators John Torgerson, Rick Halford,  
Dave Donley, Randy Phillips & Lyda Green  
The Alaska Senate  
State Capitol  
Juneau, AK 99801

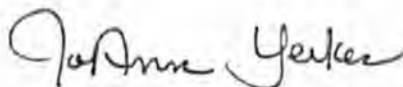
**SUBJECT: SB 280 - MANDATORY INCORPORATION OF UNORGANIZED  
AREAS OF STATE**

Dear Senators:

Enclosed is a letter I recently sent to President Drue Pearce regarding HB 250. I was unaware at the time that there was a similar bill, SB 280, before the Senate.

I understand that this legislative session is drawing to a close and that your plates are full. However, I am hoping that you will enact SB 280 in the time remaining as too much time has past already in perpetuating the inequities inherent in the current system.

Sincerely,



JoAnne E. Yerkes  
P. O. Box 36  
Skwentna, AK 99667

Enclosures

March 25, 1996

The Hon. Drue Pearce, President  
The Alaska Senate  
716 W. 4th Avenue  
Anchorage, AK 99501

The Hon. Gail Phillips, Speaker  
The Alaska House of Representatives  
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☛ My taxes are higher than they would be if the State treated all its residents--inside and outside incorporated areas--equally. For example, schools in the unorganized borough are fully funded by the State. I pay more than 12 mils for a marginally adequate school located more than 25 miles from my door--with no transportation system between the two. My taxes would be lower if the State treated all of its residents as equal partners in this union.

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☛ The State has adopted a position disallowing remote areas of an organized municipality receiving no services from detaching and reverting to unorganized borough

The Hon. Drue Pearce  
The Hon. Gail Phillips  
March 25, 1996  
Page 2

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HB 250 addresses an issue and seeks to correct inequities ignored since Statehood. Not only would enactment of the bill greatly assist the State in resolving its fiscal crisis, it would guarantee rights of citizens as promised by the State Constitution. To continue to disallow detachments while delaying enactment of this legislation is a flagrant violation of the State Constitution.

I urge you to take the measures necessary to act responsibly and in the best interests of all Alaskans by addressing this inequity as a priority measure in the remaining days of this session. If I can provide assistance in any way, please let me know.

JoAnne E. Yerkes  
P. O. Box 36  
Skwentna, AK 99667

cc: Norm Rokeberg

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

 48 North Binkley Street • Soldotna, AK 99669-7598 • Phone 907/262-5846 • Fax 907/262-9645

March 25, 1996

Senator John Torgerson  
State Capitol, Room 427  
Juneau, AK 99801-1182

Dear Senator Torgerson:

I want to applaud your efforts in introducing and bringing forth Senate Bill 280. Mandatory boroughs, as I foresee them, are a long term solution to the educational problems that exist within the state. I have supported this initiative since I took up residence in the State of Alaska seventeen years ago.

It seems only appropriate to me that all districts in the state should be treated equally. Consolidation of small districts is not only prudent in dollar savings, but it will make the Legislature look more favorably towards education. Until such time that small districts are pulled together into boroughs, I do not feel that the State Legislature will be comfortable with the educational system as it currently exists in the state.

Again, I want to thank you for sponsoring Senate Bill 280. I encourage your continued drive to make this bill a reality.

Sincerely,



John K. Dahlgren, Associate Superintendent  
Planning, Operations and Technology

JKD/blm

# Alaska State Legislature

Committee Chair  
Community & Regional Affairs

Committee Vice-Chair  
Labor & Commerce

Committee Membership  
Legislative Council



District Address:  
145 Main St. Loop; Suite 226  
Kenai, AK 99611  
(907) 283-2690; fax 283-9267

Session Address:  
State Capitol, Room 427  
Juneau, AK 99801-1182  
(907) 465-2828; fax 465-4779

*Senator John Torgerson*

Sioux Plummer, Mayor  
City of Skagway

Fax: 983-2713

Following are the work draft of CS for SB 280, the sponsor statement, and the page from the Model Borough Boundary report that pertains to the city of Skagway.

The only thing that SB 280 does is to mandate the organization of the unorganized borough. The intent of this legislation is to assure that the entire state becomes part of an organized borough.

According to the Local Boundary Commission, Skagway could either be annexed into the Haines Borough, or it could incorporate as its own borough (it may make sense to form a unified borough to avoid having two separate government entities within one small area).

As I told you on the phone, any annexation proposal would need to be presented by the Local Boundary Commission to the Legislature which would then have 45 days to act upon it.

I apologize for the delay in getting this to you, and hope you receive it in time for your meeting.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deb Davidson".

Deb Davidson  
Committee Aide  
Senate Community & Regional Affairs

# Alaska State Legislature

Committee Chair  
Community & Regional Affairs

Committee Vice-Chair  
Labor & Commerce

Committee Membership  
Legislative Council



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Kenai, AK 99611  
(907) 283-2690; fax 283-9267

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Juneau, AK 99801-1182  
(907) 465-2828; fax 465-4779

*Senator John Torgerson*

## SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 15, 1996

MS. Jan Tronrud  
P.O. Box 194  
Skagway, Alaska 99840

Dear Ms. Tronrud:

Enclosed is a copy of Committee Substitute for Senate Bill 280 (CRA) which passed out of the Senate Community and Regional Affairs Committee Wednesday, March 13, 1996. The legislation is now awaiting scheduling in the Senate State Affairs Committee.

Please call if you have any questions or would like additional information

Sincerely,

A handwritten signature in cursive script, appearing to read "Deb Davidson".

Deb Davidson  
Committee Aide