

HB

133

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 31, 1999

FURTHER REFERRALS:

Date of Committee Action: 4/12/99

The FINANCE Committee considered:

HB 133

HOUSE BILL NO. 133

VOTER APPROVAL OF SERVICE AREA CHANGES

"An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 133 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____
 zero fi. . note(s) _____ zero fiscal note(s) DCRA 3/3/98

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>[Signature]</i>	Therriault	X			
<i>[Signature]</i>	Mullen			X	
<i>[Signature]</i>	Bunde				
<i>[Signature]</i>	Kohring	X			
<i>[Signature]</i>	Austerman	X			
<i>[Signature]</i>	J. Davis		X		
<i>[Signature]</i>	Grossindorf	X			
<i>[Signature]</i>	J.G. Davis			X	
<i>[Signature]</i>	Williams	X			
<i>[Signature]</i>	Post	X			

CHAIR'S SIGNATURE

[Signature] *[Signature]*
 Mullen

FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal service areas BRU: _____
and providing for voter approval ... Component: _____
 Sponsor: REPRESENTATIVES BUNDE, Halcro
 Requestor: House CRA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY99) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Yvonne Chase, Acting Director *Yvonne Chase* Phone: 465-4709
 Division: Division of Administrative Services Date: 4/22/99
 Approved by Commissioner: John Dwin Date: 4/22/99
 Agency: Community & Regional Affairs

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Cook/
4/7/99

CS FOR HOUSE BILL NO. 133(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES BUNDE, Halcro

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal service areas and providing for voter approval of
2 the formation, alteration, or abolishment of certain service areas; and providing
3 for an effective date."

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

5 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

6 (59) AS 29.35.450 (voter approval of alteration or abolishment of
7 service areas).

8 * Sec. 2. AS 29.35.450(a) is amended to read:

9 (a) A service area to provide special services in a borough or unified
10 municipality may be established, operated, altered, or abolished by ordinance, subject
11 to (c) of this section. Special services include services not provided by the unified
12 municipality or a higher or different level of services. Special services include
13 services not provided by a borough on an areawide or nonareawide basis in the
14 borough [,] or a higher or different level of services [SERVICE] than that provided

1 on an areawide or nonareawide basis. A [THE] borough may include a city in a
2 service area if

3 (1) the city agrees by ordinance; or

4 (2) approval is granted by a majority of voters residing in the city, and
5 by a majority of voters residing inside the boundaries of the proposed service area but
6 outside of the city.

7 * Sec. 3. AS 29.35.450 is amended by adding new subsections to read:

8 (c) If voters reside within a service area, abolishment of the service area is
9 subject to approval by the majority of the voters residing in the service area who vote
10 on the question. A service area in which voters reside may not be abolished and
11 replaced by a larger service area unless that proposal is approved, separately, by a
12 majority of the voters who vote on the question residing in the existing service area
13 and by a majority of the voters who vote on the question residing in the area proposed
14 to be included within the new service area but outside of the existing service area. A
15 service area in which voters reside may not be altered or combined with another
16 service area unless that proposal is approved, separately, by a majority of the voters
17 who vote on the question and who reside in each of the service areas or in the area
18 outside of service areas that is affected by the proposal. This subsection does not
19 apply to a fire service protection area.

20 (d) This section applies to home rule and general law municipalities.

21 * Sec. 4. AS 29.35.470 is amended by adding a new subsection to read:

22 (b) The assembly may by ordinance establish, alter, and abolish differential tax
23 zones within a service area to provide and levy property taxes for a different level of
24 services than that provided generally in the service area.

25 * Sec. 5. This Act takes effect July 1, 1999.

Alaska State Legislature

DURING SESSION
STATE CAPITOL, ROOM 501
JUNEAU, AK 99801-1182
(907) 465-4843 (800) 892-4843
FAX: (907) 465-2971

WEB SITE
<http://www.akrepublicans.org/Bunde.htm>



DURING INTERIM
716 W. FOURTH AVE.
ANCHORAGE, AK 99501-2133
(907) 269-0181
FAX: (907) 269-0184

E-MAIL

Representative_Con_Bunde@legis.state.ak.us

REPRESENTATIVE CON BUNDE

District 18

VICE-CHAIR: HOUSE FINANCE COMMITTEE
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

SPONSOR STATEMENT

House Bill 133

" An Act relating to municipal service areas and providing for voter approval of the formation, alteration. Or abolishment of certain service areas; and providing for an effective date."

Alaska's Constitution provides for maximum local self-government (Art. X sec. 1) and for the creation, alteration, or abolishment of service areas subject to the provisions of law (Art. X sec. 5).

AS. 29.35.450 codifies these Constitutional provisions and establishes the mechanism by which service areas are created, altered, and abolished.

Alaska has approximately 200 service areas; in these areas, the local residents assess themselves to pay for a particular service, like snow plowing and road maintenance from private contractors.

HB 133 amends AS. 29.35.450 to support local control by clearly identifying whom should vote on the abolishment and alteration of a service area under three scenarios:

1. **Abolishment of a service area.**
Subject to approval by the majority of the voters residing in the service area.
2. **Abolishment and replacement of a service area.**
Must be approved separately by a majority of voters inside an existing service area and by a majority of the voters residing in the proposed service area BUT OUTSIDE the existing service area.

- 3. Alteration of a service area or combining it with another service area.**
Must be approved, separately, by a majority of the voters who vote on the question and who reside in each of the service areas or in a proposed service area affected by the proposal.

This proposed legislation would settle a long time debate about who is entitled to vote during the creation, alteration or abolishment of a service area. This legislation has support throughout service areas in Alaska and I urge the favorable consideration of this committee.

FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal service areas BRU: _____
and providing for voter approval ... Component: _____
 Sponsor: REPRESENTATIVES BUNDE, Halcro
 Requestor: House CRA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY04	FY 05
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TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

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1003 GF Match						
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POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY99) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Yvonne Chase, Acting Director *Yvonne Chase* Phone: 465-4709

Division: Division of Administrative Services Date: 4/22/99

Approved by Commissioner: *Mike Durbin* Date: 4/22/99

Agency: Community & Regional Affairs

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FEB 06 1998

February 2, 1998
Cordes Drive Service Area
Service Area Commissioners
Fairbanks, Alaska

Senator Sean Parnell
State Capitol Room 504
Juneau, Alaska 99801

Dear Senator Parnell,

Thank-you for introducing Senate Bill #208. We support it and are contacting our representatives to let them know. We agree that the residents of existing service areas should have control of any proposed changes to their service areas.

Sincerely,

Francis O'Connor
Francis O'Connor

Jean Leder
Jean Leder

Bill Griffith
Bill Griffith

Refused to support
HB 133 with permission
of Cordes Drive SAC

Author: ffjha@aurora.alaska.edu (James H Anderson) at CC2MHS1
Date: 2/12/98 1:29 PM
Priority: Normal
TO: Senator Sean Parnell at LAA_TRANS
CC: bdelana@polarnet.com at CC2MHS1, alaskarc@polarnet.com at CC2MHS1
Subject: SB 208

Dear Senator Parnell,

Thank you for your letter of January 20 explaining your bill, SB 208.

I have discussed the matter addressed in your bill with the other members of the Spinach Creek Road Service Area Commission. We agree enthusiastically with the intent of the bill, and we extend to you our support of it.

I will send messages in support of SB 208 to John Davies and Gary Wilken.

Thank you for helping us to provide the best service to the residents of our service area.

Jim Anderson
Chairman
Spinach Creek Road Service Area Commission
Fairbanks North Star Borough

907 455-6077

PO Box 84607
Fairbanks AK 99708

Refused to support
HB 133 with
Permission of
SCRSAC

Board of Supervisors
R.S.A. #25 Bogard
P.O. Box 2274
Palmer, AK. 99645

January 24, 1998

TO: Senator Sean Parnell
State Capitol Room 504
Juneau, AK. 99801

Dear Senator Parnell,

The board of supervisors for R.S.A. # 25 Bogard has discussed Senate Bill 208 and we enthusiastically support it. We believe it is still important to allow taxpayers to have a voice in the spending of their tax monies. Local control is important to the residents of this road service area. Thank you for your assistance in maintaining it.

Sincerely Yours,

Valen C. Bair
Primary R.S.A. # 25

Valen C. Bair

William Larkin
Board R.S.A. # 25

William Larkin

Wrex Diem
Board R.S.A. # 25

Wrex R Diem

Reused to support
HB 133 with
Permission of those
signed above

1998 Officers

Pres. Bill Kuhlmann 694-2426
V. Pres. Jim Yeargan 694-2571
Sec. Barbara Ferrell 696-2570
Treas. Floyd Gori 694-6088



1998 Directors

Michelle Adams 696-1274
Dr. Gregory Culbert 696-4878
Jim Young 689-5200

**EAGLE RIVER COMMUNITY COUNCIL
PO BOX 773952
EAGLE RIVER, ALASKA 99577**

FEB 20 1998

12 February, 1998

Senator Sean Parnell
State Capital
Juneau, Alaska 99801-1182

Subject: Senate Bill 208

Dear Senator Parnell;

Eagle River Community Council supports the passage of Senate Bill 208. We agree that the abolishment or alteration of service areas within a borough or municipality should be prohibited without first requiring a vote of the people residing in or owning a business within that service area.

We appreciate your sponsorship of this bill and look forward to its passage.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Kuhlman".

Bill Kuhlman, President
Eagle River Community Council

cc: Senator Rick Halford
Senator Randy Phillips
Representative Fred Dyson
Representative Vic Kohring
Representative Pete Kott

*Reused to support
HB 133 with permission
of Bill Kuhlman*

cc:Mail for: Senator Sean Parnell

Subject: SB208

From: vhoefler@mosquionet.com (Vaughan Hoefler) at CC2MHS1 1/28/98 11:18 AM

To: Senator Sean Parnell at LAA_TRANS

Dear Senator Parnell,

On behalf of the road service area commissioners for the Ester Lump Service Area located near Fairbanks, we support your effort to implement SB 208.

Voter approval for the formation, alteration, or abolishment of certain service areas would allow residents to more fairly decide on such changes. Our service area recently faced an annexation issue in which the Borough sought to add non-contiguous roads several miles distant to our road system. The condition of the roads proposed for annexation were significantly different than our own, built at different times, and subject to

slightly different weather conditions. Nevertheless, the North Star Borough

Rural Services Division presented this annexation issue as the only option to the residents of both areas. Many of our area's residents vented their frustration for not having any "say" in the ability to direct the future of our roads.

After two Assembly meetings, and following the testimony of many residents, the assembly moved for the creation of a separate service area.

Had AS 29.35.450 (voter approval of alteration or abolishment of service areas)

been in effect, our concerns would have been brought forth long before the Borough expended considerable time and funds developing this plan.

Thank you for taking the effort to make these changes, as they will provide service area residents the opportunity to more effectively govern the growth or change of their areas.

Carol Hoefler

This letter is
being reused to
support HB 133
with permission of
sender



Hillside East Community Council

March 13, 1998

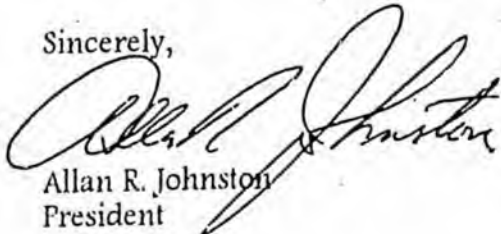
Senator Sean Parnell
State Capital Room 504
Juneau, AK 99801

Re: Senate Bill 208

Dear Senator Parnell:

Congratulations on your introduction and good work on Senate Bill 208. Please put Hillside East Community Council unanimously behind your bill.

Sincerely,


Allan R. Johnston
President

This letter is being
reused for HB 133
with permission of
Allan R Johnston
former President
and
Ann Ballaw
President - Hillside East CC

Community Councils Center

301 E. Fireweed Lane, Suite #101 Anchorage, AK 99503-2110

Allan R. Johnston, President H 346-1087
John O'Brien, 1st Vice-President H 562-6949
Richard Day, 2nd Vice-President H 346-3689

Inge Lentfer, Treasurer H 346-1567
Ann Ballaw, Secretary H 346-1989
James Cazort, Director H 346-8308

Jennifer Williams, Director H 346-0188
Linda Orell, Director H 346-2745
Joan Dewey, Director H 346-1756



Municipality of Anchorage

Rick Mystrom, Mayor



Girdwood Board of Supervisors

P.O. Box 890 • Girdwood, Alaska 99587

February 25, 1998

Senator Sean Parnell
State Capitol
Room 504
Juneau, AK 99801-1182

Re: Senate Bill 208

Dear Sen. Parnell,

The Girdwood Board of Supervisors unanimously supported a motion to endorse the passage of Senate Bill 208 at our last regular meeting, February 16, 1998. The board also supports Rep. Bunde's companion bill, HB 365.

The board strongly feels both bills strengthen the intent of the Municipal Charter as we understand it.

Sincerely,

Keith Tryck
Keith Tryck
Chairman

*Refused to Support
HB 133 with
Permission of
Keith Tryck*

Mid-Hillside Community Council

10005 Main Tree Drive Anchorage, Alaska 99516-6430
Chris Birch, Board President
907 346-3265 (home)
907 346-3197 (fax)



February 13, 1998

Senator Sean Parnell
State Capitol
Juneau, Alaska 99801-1182

Subject: **SB 208, A:1 Act Relating to Municipal Service Areas**

Dear Senator Parnell;

VIA FAX ONLY

Thank you for providing a copy of the subject legislation for community review and comment.

The Mid-Hillside Community Council is forcefully on record supporting the community right of decision regarding self-determination in service area related annexations. I very much appreciate your efforts to affirm in statute what most would assume was well outlined in our municipal charter, the right of a community to vote their approval of additional proposed services and taxes.

You have our full support in your efforts to advance this vital legislation. You may even wish to consider a means of enabling existing Anchorage service areas an opportunity to competitively bid current neighborhood services. I have heard repeated complaints from the members of the Anchorage Road and Drainage Service Area (ARDSA), the service area providing municipal road maintenance, about the 3 day delay in snow removal and excessive costs for this service. Our Valli Vue Road Service Area contractor provides a much better quality of service for half the ARDSA mill rate. It would be wonderful if the residents of Anchorage could enjoy these same competitive advantages, kind a reverse annexation opportunity!

I hope to see you in Juneau next week or tomorrow at the Anchorage Caucus and District 18 Town Meetings.

Sincerely,

Chris Birch
Board President

This letter is being
reused to support
HB 133 with the
Permission of
Chris Birch

XC: Mid Hillside Board of Directors
Allan Johnston, President, Hillside East Board of Directors

FEB 18 1998



Karen L. Hendrickson

DESIGN OPTIONS CONSULTANT

February 12, 1998

Senator Sean Parnell
State Capitol Room 504
Juneau, AK 99801

Dear Senator Parnell:

I am writing to you on behalf of the Board of Supervisors of the Talus West Limited Road Service Area. The board wishes to express its support for Senate Bill 208. The legislation you have sponsored speaks directly to our ability as residents of a particular area to decide upon, and contract for, the services that best suit our particular needs. The recent forced annexation of the hillside to the Anchorage Police Departments jurisdiction, against the wishes and votes of the residents, has made it obvious the service areas lack protection from a local government takeover of those services they choose to administer for themselves. We urge you to vigorously pursue passage of protection for our service area.

Sincerely,

Karen L. Hendrickson

Karen L. Hendrickson
Member - Talus West LRSA Board of Supervisors
4731 Talus Drive
Anchorage, AK 99516

This letter is
being reused to
support HB 133
with permission of
Karen L. Hendrickson