

HB

13

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SSHB 13
(H) Publish Date: 1/31/01

Revision Date/Time (Note if correction): 1/25/2001 1:20PM Dept. Affected: DCED
Title: SERVICE AREAS: VOTER APPROVAL/ TAX ZONES BRU: Com. Asst. & Econ. Dev.
Sponsor: Representative Bunde Component: Community and Business Development
Requester: House CRA Committee Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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 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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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: Pat Poland, Director Phone 907-269-4580
Division: DCED, Community & Business Development Date/Time 1/25/2001 1:20PM
Approved by: Commissioner Deborah B. Sedwick Date 1/25/2001
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

Alaska State Legislature

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REPRESENTATIVE CON BUNDE

District 18

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

SPONSOR STATEMENT

CSSSHB 13 (JUD)

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

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 use private contractors for necessary services and assess themselves to pay for a desired level of service.

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 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.

Alaska State Legislature

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STATE CAPITOL, ROOM 501
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REPRESENTATIVE CON BUNDE District 18

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CHAIR: HOUSE SPECIAL COMMITTEE ON EDUCATION
VICE-CHAIR: HOUSE FINANCE COMMITTEE

Sectional Analysis CSSSHB 13 (JUD)

“An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas.”

Sec. 1. This adds AS 29.35.450 to the list of statutes that apply as limitations on the power to home rule municipalities. The result of this is to require home rule municipalities to adhere to AS 29.10.450, which now applies only to general law municipalities.

Sec. 2. This addresses service areas in unified municipalities and contains a cross-reference to subsection (c), added in this draft. There are three unified municipalities in the state: Anchorage, Juneau, and Sitka.

Sec. 3. This adds subsection (c) to AS 29.10.450 which requires, before a service area is expanded, a separate vote to be held in the area of the existing service area and in the area proposed to be added. A separate vote is also required when a service area is altered or combined with another service area. Before the service area change may occur it must be approved in each of the areas that votes separately on the question. This section does not apply to a proposed change to a service area that provides fire protection services that would result in increasing the number of parcels of land in the service area or successor service area if the increase is no more than six percent.

Sec. 4. Adds a new subsection to AS 29.35.470, which is not a home rule limitation. This allows borough assemblies to set up differential tax zones in service areas, so that different rates of taxes may be levied in different portions of a service area. Under existing law, only cities set up differential tax zones.

2001 Officers

Pres. Deborah Luper 694-7700
V. Pres. Charles Horsman 694-6502
Sec. Jim Yeargan 694-2571
Treas. Brian Fay 694-3293



2001 Directors

Carl Waters 696-8886
Dave Sellie 694-3283
Floyd Gori 694-6088

**EAGLE RIVER COMMUNITY COUNCIL
P.O. BOX 773952
EAGLE RIVER, ALASKA 99577**

14 February, 2001

Dear Representative Bunde,

Eagle River Community held its last meeting on February 8, 2001. At this meeting, HB 13 and SB 75, was reviewed and discussed by the council directors and members present. As a result, Eagle River Community Council passed a resolution to support the goals and intention to protect the autonomy of service areas including (but not limited to) road service areas, parks and recreation service areas, and fire protection service areas as set forth in HB 13 & SB 75.

Thank you for your efforts in sponsoring this bill. We are confident that you will be successful in passing this bill with enough votes to override any potential veto by the governor.

Respectfully,

A handwritten signature in black ink, appearing to read 'CH Horsman', with a long horizontal line extending to the right.

Charles Horsman
Vice-President, Eagle River Community Council

cc: Representative Dyson
Representative Kohring
Representative Halcro
Representative Fate
Representative Coghill

CLERK'S OFFICE

APPROVED

Date: 1-30-01

NOTICE OF RECONSIDERATION WAS
GIVEN BY MS. CLEMENTSON 1-31-01

Submitted by: Assemblymembers ABNEY, Teeche
Prepared by: Assembly Office
For reading: JANUARY 30, 2001

*Reconsideration
Filed 2-06-01*

ANCHORAGE, ALASKA
AR NO. 2001- 26

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING HOUSE BILL
13, "AN ACT RELATING TO MUNICIPAL SERVICE AREAS AND PROVIDING FOR VOTER
APPROVAL OF THE FORMATION, ALTERATION, OR ABOLISHMENT OF CERTAIN SERVICE
AREAS".**

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

WHEREAS, Alaska has over 200 service areas - in these areas the local residents use private contractors for necessary services and assess themselves to pay for a desired level of service; and

WHEREAS, House Bill 13, sponsored by State Representative Bunde, amends AS 29.35.450 by:

- Clearly identifying who should vote under the following scenarios:

Abolishment of a service area - subject to approval by the majority of the voters residing in the service area.

Abolishment and replacement of a service area - must be approved separately by a majority of voters residing in an existing service area and by a majority of the voters residing in the proposed service area, but outside the existing service area.

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 reside in each of the service areas or in the proposed service area affected by the proposal.

This legislation will settle a long-time debate about who is entitled to vote during the creation, alteration or abolishment of a service area.

- Allowing for differential tax zones within a service area, thus allowing smaller areas to combine with larger service areas and to assess themselves at different levels within the combined area - achieving economies of scale and getting the level of service they need.

This legislation will result in fewer service areas and it will decrease the burden on municipal and borough governments.

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NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: That the Assembly supports House Bill 13.

Section 2: That, upon passage and approval, a copy of this resolution be forwarded to the State Legislature.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 30 day of January, 2001.

Fay Van Seeningen
Chair

ATTEST:

Lelina Ferguson
Municipal Clerk



Municipality of Anchorage

George P. Wuerch, Mayor



Chugiak-Birchwood-Eagle River Rural Road Service Area Board of Supervisors

11901 Business Boulevard, Suite 107
Eagle River, Alaska 99577

FEB 06 2001

January 30, 2001

Representative Con Bunde
State Capitol, Rm. 501
Juneau, AK 99801

Re: Support for House Bill 13

Dear Representative Bunde:

At the January 22, 2001 of the Chugiak-Birchwood-Eagle River Rural Road Service Area Board of Supervisors, the Board unanimously passed a motion in support of House Bill 13. It is the opinion of the Board that this Bill will help strengthen service areas such as ours and ensure that the voting public has adequate say in the future of their service areas.

Sincerely,

Chris Ingmanson, Chair
Chugiak-Birchwood-Eagle River Rural Road
Service Area Board of Supervisors

Cc: Area Legislators
Assembly Member Anna Fairclough
Assembly Member Dan Kendall

We must maintain local control of service areas

By Sen. Rick Halford

I am currently in the process of drafting legislation (similar to the previously introduced House Bill 13) that would help ensure continuation of local service areas. For Chugiak-Eagle River, that means preserving local control of Parks and Recreation, road service, fire protection and emergency medical services.

A key component of the Charter that unified the City of Anchorage and the old Anchorage Borough (after two previous defeats) was the guarantee of local service areas. This was to allow outlying areas of the municipality the ability to determine the level of local services appropriate to their neighborhoods.

In Chugiak-Eagle River, our Parks and Recreation and rural road service areas have delivered services commensurate with the level that residents want. The service offered by Chugiak, Birchwood, Eagle River Rural Road Service Area is the envy of our city neighbors. While they get recorded messages that assures them they will be plowed out within 72 hours, our streets are usually cleared within the first day after a snowfall. And because of the dedicated work of our volunteer directors, and through the efficiencies of private sector contracting, we are able to accomplish basic road maintenance



and ongoing road and drainage improvements at a lower mill rate assessed to property owners.

Similarly, the northern end of our community is in a local service area served by the Chugiak Volunteer Fire Department. I am somewhat perplexed by the recent objections from the municipality that the CVFD does not charge for the ambulance services they provide. This fails to recognize that CVFD's EMTS are volunteers. The

elected supervisors for the CVFD should have every right to not charge, or perhaps charge a lower rate. It seems only logical to pass along the savings accrued by not having to meet the payroll of a union represented, paid fire department.

Education

Education will again be at the top of the agenda of this Legislature. This session the high school exit exam has already been the subject of considerable debate. Most Alaskans continue to favor some type of standard that will provide assurance that a student receiving a diploma has achieved proficiency in the subjects they have been taught. The state Board of Education spent more than a million dol-

lars developing the exam, which tests subject matter not required for graduation. Therefore many reasonably question what would be achieved by simply following their recommendation to delay enforcing any standards until 2006. Practical changes need to be made, and

'The service offered by Chugiak, Birchwood, Eagle River Rural Road Service Area is the envy of our city neighbors.'

I certainly welcome involvement by those of you who will be most affected by this issue.

On the local front, a second high school for our community remains a top priority of the legislative delegation.

Natural gas pipeline

The debate over the construction of the gas pipeline has been thrust forward by many encouraging factors. Price, or economics, still remains the most critical factor. The current price of natural gas has been up, and has held steady. The administration and legislative leaders also appear to agree that any proposal coming south from the North Slope will probably be acceptable if economically feasible, while proposals to transport gas to the east directly into Canada from the North Slope will not be acceptable.

Finally, the looming energy crisis in the Lower 48 states, most notably California, has accentuated the need for reliable and affordable North Slope natural gas. The North Slope natural gas pipeline would not only bring increased revenue and jobs to the state (although much less than North Slope oil) but would ideally make needed natural gas available to residents of Alaska.

Rick Halford (R-Eagle River) is president of the Alaska Senate.



Star LIGHT

A lighthearted look at things

by LEE JORDAN

Service districts give local folks degree of control

When Ed Willis a couple of weeks ago saw the story about City Hall wanting to do away with the free ambulance ride for people transported by Chugiak medics, it was a call to arms. He and some other folks who were involved in the discussions that led to Anchorage's Home Rule Charter reacted like old-time fire horses. Enjoying a life of leisure and no longer called upon to rush the firefighting equipment to the scene of an emergency, they still feel the call to duty whenever the alarm rings.

Debating the threat to service areas, Ed brought up the recent feat of now-retired World War II sailors who overhauled a landing craft at its resting place in Greece, making it ship-shape and sailing it home to the States. Their story tweaked the pride in veterans all over the country, showing they can still do the job they learned to do when responding to the defense of their country.

The problem with our new challenge is slightly similar to what those intrepid old salts ran into. Not too many people remember the part the landing craft played in that war and the danger those crews faced as they ferried invasion troops from their transports to the beaches of the Pacific and at Normandy. The boats were built quickly as America rose to meet the challenges of war; they were sturdy and continued to serve in commercial ventures around the world once the invasions were a thing of the past. But 55 years later, those

exploits have long been forgotten. The history of hard-fought battles are confined to musty pages in dark archives, recounted only occasionally by students of that war and sometimes coming to light in an obituary of one of those heroes.

Just what is a service area? You may well be asking that question after seeing me rail in recent editorials about the threat.

The state constitution allows for service areas to be created by citizens who wish to provide a service for themselves that cannot be provided by the existing government.

Excellent examples of that concept can be found in Chugiak-Eagle River.

The first to be created was the Chugiak fire service area. It was seen by local residents as the ideal solution to the need for fire suppression and emergency medical service. Initially, the volunteer fire department had operated, using scrounged equipment, strictly on private donations and a steady stream of fundraisers. There was never enough money to make needed repairs, buy the gas and keep the firehouses warm enough for the trucks to start and keep the water in liquid form in winter.

But when the Greater Anchorage Borough was formed as one of seven mandatory boroughs created by legislative fiat in 1964, the possibilities were immediately evident. A proposition was put on the ballot at the request of Chugiak residents. It passed handily.

Part of the reason it passed was that the tax rate was reasonable. Even more laudable was the fact that it provided for an elected board of supervisors who would oversee the budget and serve as the liaison between the volunteer

fire department, the community and the borough assembly. How the service was operated was up to the people in Chugiak. It has worked well for 37 years. The district has four fire stations housing a large fleet of modern equipment. That equipment was bought for cash under a no-debt philosophy established at the beginning.

Chugiak-Eagle River has one of many separate road service districts within the municipality. It is overseen by a board of supervisors whose membership is designated by local community councils. Its work is accomplished by contractors. The tax rate is lower than charged in the Anchorage Bowl where work is done by city crews. How well does it work? After a snow storm, local roads are plowed within 24 hours. In the city, they take up to 96 hours to clear residential streets.

Parks and Recreation is another local service area. Again, a local board sets policy. Assistance is given to local non-profit groups who help provide the services, although maintenance is done by city crews. We happen to have some major park facilities located at Beach, Edmonds and Mirror lakes. They and the McDonald Center are supported from taxes collected in Chugiak-Eagle River but are heavily used by residents from a much wider area.

Those service areas are working just fine, so what's the big deal?

The deal is that City Hall doesn't like bothering with local groups. They figure that it's all one municipality, so all the services should be the same. They argue that people who pay

a lower tax rate are getting a free ride, just like those patients who aren't charged for emergency transportation by the unpaid volunteers. City Hall argues that having separate districts is a bookkeeping nightmare; they completely overlook the fact that they rake off more than one-third of all our tax payments to cover their exorbitant administrative costs.

And City Hall believes that now government can provide the services it could not provide 37 years ago. To the downtown bureaucracy, tailored service and commensurate tax rates are of no importance.

The reality is that they want us to pay more and they want to get rid of service areas that do a better job for less. We're an embarrassment.

So it's little wonder that folks who took a part in seeing that service areas were provided for in the city charter are ready to get back in the traces to fight this threat. It took three tries for the charter to gain voter approval. It would not have passed in 1975 without the assurance that service areas would continue.

The Legislature currently is debating a bill introduced by Rep. Con Bunde that would require approval of residents within a service area before it could be created, altered or abolished. He represents the Hillside area, the first victim of forced annexation through a gerrymandered election.

Protection against further violations of the municipal charter and existing state law are needed.

Without such protection, these old fire horses are apt to break loose and head for the scene of the inferno. And I'll be right in the midst of them.

Lee Jordan is a consultant to the Alaska Star.



Editorial:

Save our service areas

Although the Alaska Legislature will consider a myriad of bills during its current session, House Bill 13, sponsored by Representative Con Bunde of Anchorage, is probably the most important bill on the legislative agenda for anyone who cares about the preservation of local government at its most basic level. It is of utmost importance for residents of communities such as Girdwood, Eagle River and Chugiak who wish to retain even the modest amount of self-governance allowed under the centralized 'one government fits all' system of the Anchorage municipality.

The concept behind House Bill 13 is simple. If someone wants to abolish or modify a service area a majority of people residing in that area have to vote for it. What it means for residents of Girdwood is that the people of this community will continue to have a voice on how services such as fire protection and road maintenance are delivered and at what price.

Currently, the Girdwood Board of Supervisors, elected by the community, presides over the Girdwood Service Area that encompasses most of the populated section of the Girdwood Valley. Fire control and emergency medical services are provided by a non-profit volunteer fire department. A private contractor performs road maintenance and snowplowing. The end result is that local people make decisions about local services with those services delivered more efficiently, and for less money, than could ever be achieved by municipal bureaucrats.

It isn't surprising that the legislation's sponsors are lawmakers who live and represent people who live in the service areas. They understand the value the taxpayers receive and the strong support the districts enjoy. Bunde, an Anchorage hillside resident, represents the Turnagain Arm. Senators Rick Halford and Randy Phillips, who represent Eagle River and Chugiak, have introduced similar legislation in the state Senate.

And it isn't surprising that the people who oppose House Bill 13 are the state, municipal and borough governments who seem to view service areas as some type of threat. Perhaps they just don't like the idea that local people can band together without their help and actually outperform their government agencies.

"Sometimes the local people are not the best to decide what is really best for the broader good," testified an assistant state attorney general at one of the hearings on the bill.

We are heartened by the fact that the Anchorage Assembly has endorsed House Bill 13 and passed a resolution forbidding the Wuerch administration from testifying against it. However, we are puzzled over why the mayor and his staff oppose this legislation. Mayoral candidate Wuerch praised the idea of turning over some government services to private contractors. Service areas do exactly that.

This is Bunde's second attempt to pass legislation protecting service areas. Last year, a similar bill passed the Legislature but was vetoed by Governor Knowles.

This year, many expect the bill to experience a similar fate. Residents of the service areas should contact their legislators and the governor to let them know that local voters value the service areas and want a direct voice in their future. If Knowles

unwisely vetoes this bill again, then we would urge the Republican "supermajority" in the Legislature to override that veto.

Without this legislation, every service area in the municipality is in jeopardy. All it would take is a mayor determined to eliminate them and a majority vote by the people of Anchorage. Since most of them live outside of the service areas, they have little reason to vote to retain them.

The history of the municipality is littered with stories of city hall running "roughshod" over the outlying communities. Longtime Girdwood residents will readily tell you that virtually none of them wanted to join the municipality when the consolidation occurred two decades ago. They were outvoted by Anchorage. Hillside residents overwhelmingly turned down Mayor Mystrom's proposal for Anchorage Police patrols. The mayor sent the police up the hillside anyway. Why? The Hillside was outvoted by Anchorage. More than three-quarters of Girdwood's residents supported a bond to build a community center. Construction, though, won't start anytime soon. Girdwood was outvoted by Anchorage.

So, it wouldn't surprise us if one day the Girdwood Service Area vanished. Instead of the local fire volunteers, fulltime unionized firefighters answering to a chief in Anchorage would take their place. Instead of a local road contractor that quickly sweeps away the snow after a storm, we'd be on the same 90-hour plan that leaves Anchorage's streets impassable for days. Local government in Girdwood would be reduced to the ignobility of a community council. With no local control, we'd see our property tax bills rise dramatically. After all, we'd have to pay the same as the rest of the municipality for all of our "new" services.

With House Bill 13, we have a chance to keep local government where it belongs - with the local community. Otherwise, one of these days it will happen again - we'll be outvoted by Anchorage and we won't like the results.

Ken Osuna

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
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Sponsor: Representative Bunde Component: Community and Business Development
Requester: House CRA Committee Component Number: 2486

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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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: Pat Poland, Director Phone 907-269-4580
Division: DCED, Community & Business Development Date/Time 1/25/2001 1:20PM
Approved by: Commissioner Deborah B. Sedwick Date 1/25/2001
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325, Fax (907)-463-5480

February 26, 2001

Representative Bill Williams, Co-Chair
House Finance Committee
State Capitol
Juneau, AK 99811

Dear Representative Williams,

We are writing in respectful **opposition to Section 3 of HB 13**. Section 3 replaces local control over local service area decisions as envisioned by the framers of the Alaska Constitution, with a statewide legislative mandate. The 2001 AML Policy Statement adopted by the entire membership of the Alaska Municipal League, states:

Part II. Local Government Powers

A. Local Autonomy

5. State Mandated Vote on Service Area Consolidation and Alteration: The League strongly opposes any legislation to mandate fragmented service area votes in home rule, first class and second class boroughs. The Constitution mandates that municipal governments are "local government," not service areas. Mandating autonomy to service areas violates the intent of the Alaska Constitution by fragmenting local governments, eliminates a statutory home rule power, and may significantly increase costs and lower efficiency for taxpayers as a whole.

The Alaska Constitution states,

"Service areas to provide special services may be established, altered, or abolished by the assembly, subject to the provisions of law or charter."

The Constitution clearly allows the State to make Assembly service area powers "subject to the provisions of law", but HB 13 virtually takes away an Assembly's Constitutional direction to "establish, alter, or abolish" service areas in the interest of the community as a whole.

Alaska is lucky to have access to people who framed its Constitution. **Senator Vic Fischer, Secretary to the Local Government Committee of the Constitutional Convention**, states, "The proposed service area legislation flies directly in the face of the Alaska constitution. It undermines the Local Government Article. And it violates the basic principles of constitutional home rule." (see attached statement)

The Constitutional Convention fully discussed the role of an assembly in service area decisions. For example, on pages 2716-2717 of the Constitutional Convention Minutes member Taylor states,

"Now, I can visualize what a service area may be and possibly could be, as Mr. Rivers says, for fire protection; it might be an area that was not near a city but could be near another service area that was already established, and then this particular area would then attempt to incorporate themselves or organize themselves into a service area. We should not lose sight of the fact that, also, that this area is represented, or the people in this area are represented in the assembly. They have the representative there, so when the matter is brought up to the assembly they have the right to protest, or to propose that they be organized as a service area...if the assembly saw fit to, to affiliate with an adjacent service area...So I think it should be left in here so that that body, the assembly, could meet and consider all factors...It is a wide latitude that they are given and I think that in an assembly in which they are represented and are a part of that body, I think they would receive proper consideration. I think the amendment should be defeated."

The Convention defeated the amendment. The framers of the Constitution addressed the issue of service areas as a dynamic local government process. The Local Government Committee's objective was to avoid having "a lot of separate little districts set up...handling only one problem..."; (P.2715 Proceedings).

In summary,

- **AML Policy does not oppose Section 4.** It gives an optional tool each assembly to set variable rates in service areas and its optional nature is consistent with general local control principles.
- **AML Policy does oppose Section 3** mandating fragmented service area votes. AML is willing to work with the Committee and sponsors to explore options to preserve an Assembly's Constitution responsibility while addressing the concerns of the sponsors.

Sincerely,


Kevin Ritchie
Executive Director

Cc: AML Board of Directors, AML Legislative Committee

Vic Fischer 2/5/01 on HB 13

Vic Fischer 2/12/01 on SB 75

Mr. Chairman, members...

The proposed service area legislation flies directly in the face of the Alaska constitution. It undermines the Local Government Article. And it violates the basic principles of constitutional home rule.

The letter and intent of the Local Government Article are perfectly clear:

- all local government powers is vested in boroughs and cities
- the are to exercise maximum self-government, ideally full home rule
- the powers of local governments shall be construed liberally, that is, with least restrictions

The proposal goes against all these.

Service areas are provided under the Constitution as service areas of boroughs, and nothing more. They are not units of local government, they are not autonomous. They are units of their borough.

Service areas have been established over many years by borough assemblies to meet local needs within their jurisdictions. Different municipalities and boroughs have followed different policies in creating service areas, and their rules for altering boundaries vary substantially. (e.g., Ketchikan charter)

This proposal would interpose the Legislature into the local government system and say that all service areas heretofore established are frozen as of the year 2001, with overwhelming obstacles for change. Maybe that's not the intent, but that's the effect.

The whole Local Government Article is based on establishment of a local government system that is flexible, that is adaptable to changing times and different geographic conditions. Local government boundaries are not frozen (unlike ALL other state constitutions) and a process for revisions is provided for. Yet, HB 13 would make it harder to revise service area than borough boundaries.

The proposal treads on the basic prerogatives of home rule municipalities. Their charters provide for service areas. They provide rules for boundary changes, with varying degrees of voting.

I don't think legislators should substitute their judgement for that of the voters of home rule municipalities. Some charters now require separate votes, others combined votes.

What is proposed here is exactly the same concept as in last year's tax cap initiative. It would -- by state law -- impose one-size-fits-all rule on all municipalities in Alaska, overriding borough ordinances and home rule charters. That is wrong, wrong, wrong.

I believe it is very improper to use state legislation to fight parochial battles in Juneau when local solutions don't please somebody.

I think the committee and the legislature should reject this proposed legislation. Instead of enacting another straitjacket, you should focus on how you can strengthen Alaska's local government for the benefit of all people at the local level.