

SB

359

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED BY:
APR 30 2002
SENATE FINANCE
COMMITTEE

DATE: 4/18/02

FURTHER:

DATE TURNED IN TO OFFICE: 30 April 2002

Finance Committee considered

SENATE BILL NO. 359

SB 359 MUNICIPAL ORGANIZATION GRANTS

"An Act relating to organization grants for mergers, consolidations, or unifications involving th.rd class boroughs."

and recommends:

- be replaced with CS SB 359 (FIN)
- adopt previous CS forthcoming ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

F/n forthcoming DDED \$

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✗	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>		✓		
COCHAIR: <i>[Signature]</i>			✓	

APR 29 2002

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS SB 359 (FIN)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Municipal Organization Grants BRU Community Assist & Econ. Dev. (405)
Sponsor Senate Community & Regional Affairs Component Community & Business Development
Requester Senate Finance Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	15.0					
Travel	20.0					
Contractual	15.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims	200.0	200.0				
Miscellaneous						
TOTAL OPERATING	250.0	200.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	250.0	200.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	250.0	200.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Please see second page.

Prepared by: Patrick K. Poland, Director Phone 907-269-4578
Division: Community & Business Development Date/Time 4/30/02 4:25 PM
Approved by: D. Borah, B. Sedwick, Commissioner Date 4/30/2002
Agency: Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS SB 359 (FIN)

ANALYSIS CONTINUATION

This legislation provides grants for transitional costs where a third class borough is dissolved as a result of merger, consolidation, or unification. The successor municipality is entitled to \$200.0 (\$ in thousands) for the first full or partial fiscal year and an additional \$200.0 for the second fiscal year.

The legislation also requires the Local Boundary Commission to undertake a preliminary review of conditions in the unorganized borough and report to the 2003 Legislature on areas that the Commission has preliminarily identified as meeting the standards for incorporation. The Commission is to also report the basis for its preliminary determination and make recommendations for legislative consideration. To the extent possible, the Commission will utilize existing staff resources to carry out the preliminary review. Doing so, however, will impact other workload of the Commission. It is estimated that travel for staff and the Commission to conduct the preliminary review and to prepare the report will cost \$20.0. Personal services for a temporary research associate are projected to cost \$15.0. Contractual services, which will pay for publication of notices, publication of reports, and professional services, are projected to cost \$15.0.

ADOPTED

Amendment #1
4/29/02

CONCEPTUAL AMENDMENT

OFFERED IN THE SENATE
TO: SB 359

BY SENATOR WILKEN

Page 1, line 2, following "boroughs":

Insert "; and relating to identification by the Local Boundary Commission of areas that meet the standards for borough incorporation"

Page 2, following line 2:

Insert a new section to read:

"*Sec.3. The uncodified law of the State of Alaska is amended by adding a new section to read:

REVIEW OF UNORGANIZED BOROUGH. The Local Boundary Commission shall review conditions in the unorganized borough. By the 10th day of the First Regular Session of the Twenty-Third Alaska State Legislature, the commission shall report to the legislature the areas it has identified that meet the standards for borough incorporation and the basis for its determination, and make recommendations for legislative consideration.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 29 April 2002 TIME: 5:15 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please

CS SB 359 (FIN)

22-LS1633\ C Plus accompanying
amendment. JJ

Thx
Mindy

SENATE FINANCE COMMITTEE
4 FEB 2002 COMMITTEE ACTION

Bill Number	OB 350		
Amendment	-1.F		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Austerman		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

CS FOR SENATE BILL NO. 359(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to organization grants for mergers, consolidations, or unifications
2 involving third class boroughs; and relating to identification by the Local Boundary
3 Commission of areas that meet the standards for borough incorporation."

Amend #7

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

5 * Section 1. AS 29.05.190(c) is amended to read:

6 (c) Except as provided in (d) of this section, this [THIS] section does not
7 apply to a borough incorporated by consolidation or to a unified municipality that
8 occupies the area formerly occupied by a borough.

9 * Sec. 2. AS 29.05.190 is amended by adding a new subsection to read:

10 (d) For the purpose of defraying the cost of government transition, each third
11 class borough that merges or consolidates with a city after January 1, 2002, and each
12 municipality that unifies after January 1, 2002, in an area formerly occupied by a third
13 class borough is entitled to organization grants as follows:

14 (1) \$200,000 for the municipality's first full or partial fiscal year after

1 the merger or consolidation or after unification;

2 (2) \$200,000 for the municipality's second fiscal year after the merger
3 or consolidation or after unification.

4 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 REVIEW OF UNORGANIZED BOROUGH
7 NEW BOROUGH INCORPORATION. The Local Boundary Commission shall
8 review conditions in the unorganized borough. By the 10th day of the First Regular Session
9 of the Twenty-Third Alaska State Legislature, the commission shall report to the legislature
10 the areas it has identified that meet the standards for ^{borough} incorporation and the basis for its
determination and make recommendations for legislative consideration.

Amend #1

actual language of conceptual amendment

Dist: by Austinman
SB 359

Outline Estimate of Costs for Consolidation

(For the formation of a new Home Rule Borough from a 3rd class borough and first class city)

1. Computer software, hardware & training (\$60,000)
 - network consultant to connect and merge two independent networks
 - DSL or FO connection between buildings (1/2 mile)
 - computers, software, licenses, servers, routers, connecting lines
 - Centralize telephone systems
 - travel and per diem
 - training

(State IT Director Larry Walsh (465-2220) suggests we can piggyback on state's IT contractor for cheapest rate with reliable expertise.)

2. Legal services - (\$100,000)
 - Merge Codes and ordinances
 - Commercial contracts review
 - Collective bargaining contracts
 - Litigation contingency

3. Human Resources Consultant - (\$45,000)
 - Personnel Audit
 - Job Qualifications/descriptions
 - Retirement and Benefits merger
 - Federal/state compliance review
 - Training, travel & per diem

4. Accounting and Finance (\$50-100,000)
 - Evaluate current systems or select new one
 - Merge accounting activities of City and Borough
 - Fixed asset inventory/depreciation schedules
 - Standardize payroll
 - training

5. Merge comprehensive plans (\$25-50,000)
 - a. (City, Borough, Tongass Forest, Bald Eagle Preserve, Northern Southeast ~~AREA~~ **AREA** Transportation Plan),
 - b. Combine platting and zoning activities, computers

6. Document Control Clerk, (\$40,000)
Restructure offices (25,000).

ALASKA STATE LEGISLATURE



SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Senator John Torgerson, Chair

Official Business

Senator Alan Austerman
Senator Pete Kelly
Senator Coergianna Lincoln
Senator Randy Phillips

State Capitol, Room 427
Juneau, AK 99801-1182
Phone: (907) 46504989
Fax: (907) 465-4779

Sponsor Statement

SB 359 – Municipal Organization Grants

This bill amends current statutes regarding organization grants to boroughs and unified municipalities.

Currently, statutes do not provide for an organization grant to be disbursed to a unified municipality that merges or consolidates by occupying an area formerly occupied by a borough.

The bill amends the statutes by providing for organizations grants for a municipality that unifies after January 1, 2002 in an area formerly occupied by a third class borough.

The grants are for \$200,000 for the first full or partial fiscal year and another \$200,000 for the second fiscal year after the merger or consolidation.

ALASKA STATE LEGISLATURE



SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Senator John Torgerson, Chair

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Senator Alan Austerman
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State Capitol, Room 427
Juneau, AK 99801-1182
Phone: (907) 46504989
Fax: (907) 465-4779

Sectional Analysis

SB 359 – Municipal Organization Grants

Section 1: Amends AS 29.05.190(c) by inserting an exception to current statutes that restrict organization grants to unified municipalities formerly occupied by a borough.

Section 2. Amends AS 29.05.190 by adding new subsection (d), exemption language regarding grants for unified municipalities formerly occupied by a third class borough.

Tony Knowles, Governor



State of Alaska Local Boundary Commission

550 West Seventh Avenue, Suite 1770 • Anchorage, AK 99501
Telephone: 907-269-4560 • Fax: 907-269-4539

April 17, 2002

The Honorable John Torgerson
Chairman
Senate Community and Regional Affairs Committee
State Capitol, Room 427
Juneau, AK 99801-1182

RE: *SENATE BILL NO. 359* "An Act relating to organization grants for mergers, consolidations, or unifications involving third class boroughs."

Dear Senator Torgerson:

The Local Boundary Commission endorses Senate Bill No. 359, which provides funding to defray the cost of government transition relating to the reconstitution of a third class borough as a second class, first class, or home rule borough through merger, consolidation, or unification.

By providing an incentive for such reconstitution of a third class borough, Senate Bill No. 359 is wholly consistent with the fundamental policy enacted by the legislature in 1985 to proscribe the formation of new third class boroughs. Therefore, the Commission encourages favorable consideration of the proposal.

Cordially,

A handwritten signature in black ink, appearing to read "Kevin Waring".

Kevin Waring
Chairman

cc: The Honorable Alan Austerman, Senate CRA Committee
The Honorable Randy Phillips, Senate CRA Committee
The Honorable Pete Kelly, Senate CRA Committee
The Honorable Georgianna Lincoln, Senate CRA Committee
The Honorable Dave Black, Mayor, City of Haines
The Honorable Jerry Lapp, Acting-Mayor, Haines Borough

Members: Kevin Waring, Chairperson; _____, First Judicial District;
_____, Second Judicial District; Allan Tesche, Third Judicial District; Ardith Lynch, Fourth Judicial District



CITY OF HAINES, ALASKA

P.O. BOX 1049

HAINES, ALASKA 99827

(907) 766-2231 • TOURISM (907) 766-2234 • FAX (907) 766-3179

April 16, 2002

Members of the Alaska Legislature
Juneau, Alaska

Dear Legislator:

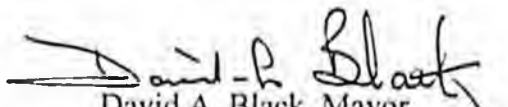
The City of Haines is pleased to present testimony in favor of Senate Bill 359 and its companion, House Bill 518. Our community supports this bill. This legislation is an evolution of our constitutional principle to provide the least number of governmental and taxation units.

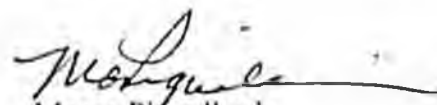
Home rule powers allow our Borough to be less dependant of the State of Alaska over time. It is necessary, after voter approval, that consolidation be implemented quickly and comprehensively. A drawn out process due to the lack of funds will be troublesome, litigious and frustrating.

Haines has outgrown the Third Class Borough. The community has been sorting through the consolidation process for over 4 years, at great expense of the public's time and resources.

We appreciate the State of Alaska's help in completing this process in a manner that is exemplary to other local government consolidations that will follow.

Sincerely,


David A. Black, Mayor
CITY OF HAINES, ALASKA


Marco Pignalberi
CITY MANAGER

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 4/10/02

FURTHER: Finance

Date of 5-Day Notice: 4/11/02
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/17/02

Community and Regional Affairs Committee considered

SENATE BILL NO. 359

SB 359 MUNICIPAL ORGANIZATION GRANTS

"An Act relating to organization grants for mergers, consolidations, or unifications involving third class boroughs."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DCED	4/2/02	✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>	✓			

SENATE FINANCE COMMITTEE
SB 359-MUNICIPAL ORGANIZATION GRANTS

SIGN-IN

NAME: MARCO Pignatelli Subject/Bill No: SB 359
Co./Dept./Title: CITY MGR Phone: _____
Address: HAINES Zip: 99827

Do you wish to testify? Yes No Respond To Questions

NAME: Lucy Harrell Subject/Bill No: SB 359
Co./Dept./Title: Base Assembly member Phone: 766-2835
Address: Haines Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: David Black Subject/Bill No: SB 359
Co./Dept./Title: Haines City Mayor Phone: 766 2583
Address: Box 597 Zip: 99827

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions