

**HEB**

**16**

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSSSHB 16(CRA)  
(H) Publish Date: 2/7/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "An Act relating to cities incorporated under BRU Civil Division  
state law that are home rule communities. . ." Component Governmental Affairs  
Sponsor Representative Dyson  
Requester House Community & Regional Affairs Component No. 2207

## 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	2.5	2.5	2.5	2.5	2.5	2.5
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.4	0.4	0.4	0.4	0.4	0.4
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</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	2.9	2.9	2.9	2.9	2.9	2.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

Estimate of any current year (FY2001) cost: 0.0

### POSITIONS

Full-time						
Part-time						
Temporary						

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

SSHB 16 allows an existing second class city or unincorporated area to form a "home rule community" government structure. This new classification would permit the city or area to choose a narrower scope of governing powers than current law requires.

The Department of Law will provide legal assistance in developing the new model charters for home rule communities during FY02, and provide advice to the Local Boundary Commission as charter petitions are received in the following years. We anticipate approximately 30 hours of attorney time per year will be required for these more routine functions. Any litigation arising from the new charter process would require additional time. Because we have no way of predicting how much, if any, new litigation there might be, these costs are not included in this fiscal note.

Based on the department's FY02 hourly attorney rate, which includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses, the cost of SSHB 16 would be \$2,927.10 (30 hours x \$97.57/hour).

Prepared by: Joan M. Kasson Phone 465-5370  
Division Attorney General's Office Date/Time 2/5/01 10:37 AM  
Approved by: Kathryn Daughhetee for Bruce M. Botelho, Attorney General Date 2/5/01  
Agency Department of Law

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## REPRESENTATIVE FRED DYSON

### CSSSHB 16 (CRA) Sponsor Statement

**"An Act relating to villages; and providing for an effective date.**

Updated: February 9, 2001

Contact: Representative Fred Dyson's office at (907) 465-2199

House Bill 16 allows an existing Second Class City, or unincorporated area, to form a "Home Rule Community" government structure under state law. The city or area would be allowed, through the charter system, to flexibly define its scope of governing powers and services to meet specific area needs.

For instance, a community charter may be drafted to provide for police or fire protection services while leaving transportation issues in the state purview. Under the provision of their charter, a local government may assume any of a wide range of powers, from alcohol and animal control to airport and public works management.

Currently, all home rule governments are required to meet strict financial auditing requirements, provide land-use, zoning and platting services and constitute their own school district. House Bill 16 removes these requirements\* allowing smaller communities to share in the strength and flexibility of the charter system while avoiding some the thickest mazes of red tape. The goal: greater self-determination and a more locally relevant government structure.

A new charter-base Home Rule Community may be the best option for unincorporated areas that would not be viable under the second class city model. Existing second class cities that are strained by general law requirements may find relief in a more narrowly crafted charter that allows them to forego services beyond their capability, while accepting responsibility for local needs that can be met with local resources.

CSSSHB 16 requires a conforming bill to be passed before becoming law. The conforming bill directs Legislative Legal Services to prepare a technical clean-up bill that adjusts language referring to municipalities *outside of this act* to treat Home Rule Communities like Second Class Cities. This conforming bill is set up to be the "trigger" to enact HB 16.

Please feel free to contact my office with questions or concerns.

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\*Financial statements are required in lieu of a full audit. Land use, zoning and platting may be done, but are not required. A home rule community would not constitute a school district.

- E-mail -  
Representative\_Fred\_Dyson  
@Legis.state.ak.us

- Internet -  
<http://www.akrepublicans.org>

## Sectional for CSSSHB 16

22-LS0210\J

Updated: February 16, 2001

Section 1 and 22: Includes "home rule community" in the definition of "municipality".

Section 2: Defines "city" to mean a home rule community, home rule city, or general law city incorporated under the laws of the State of Alaska.

Section 3: Allows reclassification of a home rule community to a home rule city.

Section 4: Allows "charter approval" and "reclassification" to be considered together if a home rule community petitions to reclassify to a home rule city.

Section 5: Allows the standards for incorporation of a second class city to also apply to a home rule community.

Section 6: Allows for home rule communities to be considered in proposals for Municipal incorporation. Paragraph (13) allows for a home rule community to propose a charter.

Section 7: Allows a first class city or a second class city to adopt a charter and become a home rule city and a second class city to adopt a charter and become a home rule community.

Section 8: In an incorporation, merger, or consolidation election a municipality may adopt a charter and become a home rule community or a home rule borough.

Section 9: Includes "home rule communities" and "home rule" boroughs in the description of what petitioners must include to propose organization.

Section 10 and 21: Allows for local preference for name selection for the council and/or the mayor.

Section 11: Requires the department to prepare a model charter for a home rule community.

Section 12 and 14: Allows a home rule community a choice of either an audit or a annual income and expenditure statement.

Section 13: Equates home rule communities with second class city in the description of powers of eminent domain.

Section 15 and 17: Allows the power to provide for planning and platting as a charter option.

Section 16: Equates home rule communities with second class cities in prohibiting establishment of a public school system.

Section 18 and 19: Equates home rule communities with second class cities in option to tax and the related requirements.

Section 20: Includes home rule communities in definition of city.

Section 23: Adds the definition of a home rule city to exclude a home rule community.

Section 24: Requires and describes a CONFORMING BILL to be passed before HB 16 becomes law.

Section 25 and 26: Sets the effective date to 1 \_\_\_\_\_ ' the conforming bill.

# SOUTHEAST CONFERENCE

*Working for strong economies, healthy communities, and a quality environment in Southeast Alaska*

February 21, 2001

Representative Fred Dyson  
Alaska State Legislature  
Room 104  
State Capitol Bldg.  
Juneau, AK 99801-1182

RE: Support for HB 16

Dear Representative Dyson:

The Southeast Conference Board offered support for HB 255 last year, related to "Home Rule Communities" and we continue to support that effort in HB 16, before the legislature this year. Thanks for your efforts last session, and we are hopeful you are successful in moving it through the House and Senate this year.

Many communities in the Southeast Alaska Region would benefit from the ability to offer services scaled to their local needs. This legislation provides the means for smaller communities to offer a limited range of services, without the prohibitive overhead associated with larger community organizations. We think the legislation has the potential to measurably improve the quality of life in the smaller communities, allowed to organize and provide services within their means.

The Southeast Conference appreciates your work on this important legislation, and we remain hopeful it can be signed into law this year.

Sincerely,



Loren Gerhard  
Executive Director

# HYDER COMMUNITY ASSOC. INC.

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(604) 636-9148  
FAX (604) 636-2714

IN JUNEAU REPLY TO:  
John Pearson  
HCA Economic Development Office  
8216 Cedar Drive  
Juneau, Ak 99801  
Tel: 907-789-1402  
Fax: 907-789-1403

Date: March 22, 2000

To: Members of the Alaska Legislature  
From: Paul Larkin, Administrator, Hyder Community Association  
Ref: HB 255 "Home Rule Community"



Dear Legislative Members:

With great interest and full support, the Hyder Community Association, representing approximately 130 residents of Hyder, Alaska has become very supportive of HB255 addressing a new "Home Rule Community" designation.

We view this legislation as a great opportunity for smaller communities such as ours, to go the extra step in assuming local responsibility and providing added services within the community.

Under HB 255 we would be able to assume any of a wide range of local powers from environmental controls to public works management. This bill would allow us to contract with state and local governments to provide certain services; contract with private organizations for services, apply for and receive federal funds; engage in funding measures such as bonds, establish a legally recognized forum to address local concerns; and have a platform to petition the state and federal government.

Much of our interest in this bill results from our desire to improve life and bring positive economic development to Hyder, while not being strapped with the costly complications found in the Incorporated First Class City designation process.

As an unorganized community, the Hyder Community Association presently provides fire and emergency services, operates a library, plows snow on the side streets, oversees the state harbor, float facility and local roads. In addition we operate a visitor center, museum, and manage various grants.

Today Hyder is in the process of establishing a new job creating economic base. With a historical five or six, year round jobs in the community, we currently have a major Alaska bottled water plant under construction, creating 41 new jobs in Hyder. This remarkable feat, with no assistance from the State of Alaska in our efforts to eliminate all unemployment and welfare in our community, brings the focus this needed legislation into realistic view.

I want to assure you of our full support for HB255 and trust you will recognize the value this bill to our small Alaska communities.

Please feel free to contact John Pearson in Juneau, on 789-1402 if there are any questions or a need for additional support for this important bill.

# SOUTHEAST CONFERENCE

*Working for strong economies, healthy communities, and a quality environment in Southeast Alaska*

March 24, 2000

Representative Fred Dyson  
Alaska State Legislature  
Room 104, Capitol Bldg  
Juneau, AK 99801-1182

Re: Support for HB 255

Dear Representative Dyson:

The Southeast Conference Board of Directors recently met and discussed HB 255 (CRA) "An Act relating to cities incorporated under state law that are home rule communities" and would like to offer their support to this important legislation.

Many of the smaller communities of Southeast Alaska would benefit from the ability to participate and offer services within the capability of their local resources. This has been a missing piece and your bill does an excellent job of filling the gap. HB 255 gives the smaller communities the option to pursue strategies that are meaningful to them and to tailor those services offered to local consensus.

The Southeast Conference appreciates the work you have done on this legislation in the House and supports passage in the Senate. A part of the mission statement of the Southeast Conference is to help develop strong economies and healthy communities. We feel that HB 255 will be a welcome addition to the building tools for our region.

Thank You.

Sincerely,



Frank Homan  
Executive Director