

SB

183

# ALASKA STATE LEGISLATURE



## SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Senator Tom Wagoner, Chair

Official Business

Senator Robin Taylor, Vice-Chair  
Senator Kim Elton  
Senator Georgianna Lincoln  
Senator Gary Stevens

State Capitol, Room 427  
Juneau, AK 99801-1182  
Phone: (907) 465-4989  
Fax: (907) 465-4779

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DATE: April 24, 2003

TO: Senate Secretary

FROM: Senator Tom Wagoner, Chair *Tom*  
Senate Community and Regional Affairs Committee

RE: Meeting Schedule: April 28 through May 2, 2003

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April 28: No meeting scheduled.

April 30: +1:30 – 3:30pm: Fahrenkamp, Room #203  
\*+ SB 183 Municipal Economic Development

May 2: No meeting scheduled.

\* First Hearing  
+ Teleconferenced  
++ Testimony by invitation only

|                                   |               |                      |   |
|-----------------------------------|---------------|----------------------|---|
| Sponsor and/or Committee Name     |               |                      | Date  |
| SCRA - Sen. Thomas Wagoner, Chair |               |                      | 4-30-03   |
| Start/End Time                    | Chairing site | Juneau Room          | Testimony   |
| 1:30-3:30                         | Juneau        | CAP 203              | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Invitational <input type="checkbox"/> |
| Contact Person and                | Phone Number  | Other sites may add? | Testimony Limit   |
| Mary Jackson                      | 465-4989      | YES                  |   |

Subject of meeting and/or Bills on agenda

SB 183 Muni. Eco. Dev.

| Sites - LIOs   | Sites - Offnets | Phone # |
|----------------|-----------------|---------|
| Anchorage      |                 |         |
| Barrow         |                 |         |
| Bethel         |                 |         |
| Cordova        |                 |         |
| Delta Junction |                 |         |
| Dillingham     |                 |         |
| Fairbanks      | ✓               |         |
| Glennallen     |                 |         |
| Homer          |                 |         |
| Juneau         | ✓               |         |
| Kenai          |                 |         |
| Ketchikan      |                 |         |
| Kodiak         |                 |         |
| Kotzebue       |                 |         |
| Matsu          |                 |         |
| Nome           |                 |         |
| Petersburg     |                 |         |
| Seward         |                 |         |
| Sitka          |                 |         |
| Tok            |                 |         |
| Valdez         |                 |         |
| Wrangell       |                 |         |

Notes

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# ALASKA STATE SENATE



Session:  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-2327  
(907) 465-5241 Fax

Interim:  
119 N. Cushman, Suite 201  
Fairbanks, Alaska 99701  
(907) 456-8161  
Senator\_Ralph\_Seekins@legis.state.ak.us

**Senator Ralph Seekins**  
District D

## MEMORANDUM

Date: April 22, 2003

To: Office of Senator Tom Wagoner

From: Senator Ralph Seekins

A handwritten signature in cursive script, appearing to read "R. Seekins".

Re: Request for Hearing of SB 183

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Attached please find Senate Bill 183 along with the corresponding Sponsor Statement and supporting documentation. Fiscal note(s) will be forwarded to your office upon our receipt.

This Bill allows second-class boroughs to utilize economic development funds for projects located either outside or inside city limits. Currently, second-class boroughs are limited to the extent that these funds can only be used to develop projects located outside imbedded municipal boundaries.

I respectfully request a hearing before your committee on this Bill at your earliest convenience. Thank you.

MAY 05 2003



FAIRBANKS LEGISLATIVE INFORMATION OFFICE  
119 N. CUSHMAN ST. SUITE 101  
FAIRBANKS, AK 99701

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WRITTEN TESTIMONY TRANSMITTAL SHEET

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|               |  |                     |              |
|---------------|--|---------------------|--------------|
| TO:           | Senator Tom Wagoner                              | FROM:               | Fran/Fbx LIO |
| COMPANY:      | Senate Community & Regional Affairs<br>Committee | DATE:               | 5/1/2003     |
| FAX NUMBER:   | 465-4779   |                     |              |
| PHONE NUMBER: | 465-4989   | FAXED ON:           | 05/01/2003   |
| RE:           | Written Comments on SB 183                       | TELECONFERENCED ON: | 04/30/2003   |

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URGENT     FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

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NOTES/COMMENTS:

Enclosed, please find the originals of the written testimony for SB 183  
Fran/Fbx LIO

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PHONE: 452-4448  
FAX: 456-3346

Buzz Otis, PO Box 72441,  
Fairbanks

I strongly support SB 183.  
As you are aware this will allow  
our borough to expend monies collected  
on an areawide or nonareawide basis.  
~~for economic development.~~  
This ~~is~~ bill will be a tremendous  
help to the Fairbanks community  
e.d. efforts. Our <sup>boro</sup> assembly will  
be allowed to spend e/d. monies  
without the restrictions of the  
boundaries between the borough &  
our city. This will <sup>significantly</sup> benefit  
the communities economic development  
efforts. ~~is~~ I encourage your  
support & passage this session.  
Thank you.

465-4779



# ALASKA STATE LEGISLATURE

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SENATOR THOMAS H. WAGONER  
CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
VICE-CHAIR, SENATE RESOURCES COMMITTEE

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DATE: April 29, 2003

TO: Tam Cook, Legal

FROM: Mary Jackson

A handwritten signature in cursive script, appearing to read "Mary Jackson".

RE: SB 183 – CRA CS

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Please prepare a draft CRA CS that would accomplish the following.

1. authorize economic development as a power granted to 2<sup>nd</sup> class boroughs that exceed 80,000 in population or
2. authorize economic development as a power granted to 2<sup>nd</sup> class boroughs when a public vote is taken that supports that additional power.

I am hopeful that the title change to accommodate this would be minimal – such as inserting “certain” so that it would read:

An Act authorizing certain municipalities to provide ...

This bill will be up on CRA tomorrow at 1:30pm.



# ALASKA STATE LEGISLATURE

## SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Senator Tom Wagoner, Chair

Official Business

Senator Robin Taylor, Vice-Chair  
Senator Kim Elton  
Senator Georgianna Lincoln  
Senator Gary Stevens

State Capitol, Room 427  
Juneau, AK 99801-1182  
Phone: (907) 465-4989  
Fax: (907) 465-4779

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DATE: April 30, 2003

TO: Senate CRA Committee Members

FROM: Mary Jackson, Staff

RE: Draft CS – SB 183: version \H: 4/29/03

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This CS accomplishes the following revisions:

1. Revises the title to reflect only certain second class boroughs rather than all municipalities.
2. Amends statutes regarding second class boroughs (AS 29.35.210(d)) by specifying economic development authority for those with a population of more than 80,000.
3. Deletes previous statute amendment that provided for economic development authority for all municipalities.
4. Deletes previous repealer of AS 29.35.210(a)(8) that was specific to economic development. (This required second class boroughs to provide the service only on a nonareawide basis.)

23-LS0970\H

Cock

4/29/03

**CS FOR SENATE BILL NO. 183(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR SEEKINS

**A BILL****FOR AN ACT ENTITLED**

1 "An Act authorizing certain second class boroughs to provide for economic development  
2 on an areawide basis and authorizing boroughs to expend revenue collected on an  
3 areawide or nonareawide basis to provide for economic development."

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

5 \* Section 1. AS 29.35.110 is amended by adding a new subsection to read:

6 (c) Use of borough revenue for economic development that benefits the  
7 borough is not subject to (a) of this section.

8 \* Sec. 2. AS 29.35.210(d) is amended to read:

9 (d) In addition to powers conferred by (b) of this section, a second class  
10 borough may, on an areawide basis, exercise a power not otherwise prohibited by law  
11 if the power has been acquired in accordance with AS 29.35.300. In addition to the  
12 power conferred by (a)(8) of this section, a second class borough with a  
13 population of more than 80,000 may provide for economic development that  
14 benefits the borough on an areawide basis.

(a) A borough shall assess and collect property, sales, and use taxes that are levied in its boundaries, subject to AS 29.45.

(b) Taxes levied by a city shall be collected by a borough and returned in full to the levying city. This subsection applies to home rule and general law municipalities.

Sec. 29.35.180. Land use regulation.

(a) A first or second class borough shall provide for planning, platting, and land use regulation in accordance with AS 29.40.

(b) A home rule borough shall provide for planning, platting, and land use regulation.

Sec. 29.35.200. First class borough powers.

(a) A first class borough may exercise by ordinance on a nonareawide basis any power not otherwise prohibited by law.

(b) A first class borough may by ordinance exercise the following powers on an areawide basis:

- (1) provide transportation systems;
- (2) provide water pollution control;
- (3) provide air pollution control in accordance with AS 46.14.400;
- (4) license day care facilities;
- (5) license, impound, and dispose of animals.

(c) In addition to powers conferred by (b) of this section, a first class borough may, on an areawide basis, exercise a power not otherwise prohibited by law if the power has been acquired in accordance with AS 29.35.300.

(d) A first class borough that exercises power necessary to contain, clean up, or prevent a release or threatened release of oil or a hazardous substance, and exercises a power granted to a municipality under AS 46.04, AS 46.08, or AS 46.09 shall exercise its authority in a manner that is consistent with a regional master plan prepared by the Department of Environmental Conservation under AS 46.04.210.

Sec. 29.35.210. Second class borough powers.

(a) A second class borough may by ordinance exercise the following powers on a nonareawide basis:

- (1) provide transportation systems;
- (2) regulate the offering for sale, exposure for sale, sale, use, or explosion of fireworks;
- (3) license, impound, and dispose of animals;
- (4) subject to AS 29.35.050, provide garbage, solid waste, and septic waste collection and disposal;
- (5) provide air pollution control under AS 46.14.400;
- (6) provide water pollution control;
- (7) participate in federal or state loan programs for housing rehabilitation and improvement for energy conservation;
- (8) provide for economic development;
- (9) provide for the acquisition and construction of local service roads and trails under AS 19.30.111 - 19.30.251;

(10) establish an emergency services communications center under AS 29.35.130;

(11) subject to AS 28.01.010, regulate the licensing and operation of motor vehicles and operators;

(12) engage in activities authorized under AS 29.47.460;

(13) contain, clean up, or prevent a release or threatened release of oil or a hazardous substance, and exercise a power granted to a municipality under AS 46.04, AS 46.08, or AS 46.09; the borough shall exercise its authority under this paragraph in a manner that is consistent with a regional master plan prepared by the Department of Environmental Conservation under AS 46.04.210.

(b) A second class borough may by ordinance exercise the following powers on an areawide basis:

(1) provide transportation systems;

(2) license, impound, and dispose of animals;

(3) provide air pollution control under AS 46.14.400;

(4) provide water pollution control;

(5) license day care facilities.

(c) In addition to powers conferred by (a) of this section, a second class borough may, on a nonareawide basis, exercise a power not otherwise prohibited by law if the exercise of the power has been approved at an election by a majority of voters living in the borough but outside all cities in the borough.

(d) In addition to powers conferred by (b) of this section, a second class borough may, on an areawide basis, exercise a power not otherwise prohibited by law if the power has been acquired in accordance with AS 29.35.300.

#### Sec. 29.35.220. Third class borough powers.

(a) A third class borough may borrow money and issue negotiable or nonnegotiable bonds or other evidences of indebtedness as provided by AS 29.47.

(b) Areawide exercise of a power by a third class borough other than education and tax assessment and collection is not authorized.

(c) A third class borough may acquire the power to provide for planning, platting, and land use regulation as provided in AS 29.40 for first and second class boroughs, except the power may only be exercised within a service area.

(d) A third class borough may acquire any power not otherwise prohibited by law, except the power may only be exercised within a service area.

(e) A third class borough may by ordinance exercise power necessary to contain, clean up, or prevent a release or threatened release of oil or a hazardous substance, and exercise a power granted to a municipality under AS 46.04, AS 46.08, or AS 46.09, but the power authorized by this subsection may be exercised only on a nonareawide basis. The borough shall exercise its authority under this subsection in a manner that is consistent with a regional master plan prepared by the Department of Environmental Conservation under AS 46.04.210.

#### Sec. 29.35.250. Cities inside boroughs.

(a) A city inside a borough may exercise any power not otherwise prohibited by law.

Sec. 29.35.110. Expenditure of borough revenues.

(a) Borough revenues received through taxes collected on an areawide basis by the borough may be expended on general administrative costs and on areawide functions only. Borough revenues received through taxes collected on a nonareawide basis may be expended on general administrative costs and functions that render service only to the area outside all cities in the borough.

(b) Use of borough revenues from a sales tax levied upon room rentals for a tourism marketing campaign is not subject to (a) of this section.

Sec. 29.35.120. Annual audit.

(a) The governing body shall provide for an annual independent audit of the accounts and financial transactions of the municipality or, in the case of a second class city, an audit or statement of annual income and expenditures. To make the audit the governing body shall designate a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the municipality. Copies of the audit shall be available to the public upon request.

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

Sec. 29.35.125. Fees for police protection services.

(a) A municipality may by ordinance impose a fee on the owner of residential property, including multi-family housing, if a member of the municipal police department goes to the property an excessive number of times during a calendar year in response to a call for assistance, a complaint, an emergency, or a potential emergency. The number of responses considered to be excessive and the amount of the fee shall be set out in the ordinance that establishes the fee. The fee may not exceed the actual cost to the municipality for the excessive responses. A fee may not be imposed under this subsection for responses to calls that involve potential child neglect, potential domestic violence, as defined in AS 18.66.990, or potential stalking under AS 11.41.260 or 11.41.270.

(b) An ordinance enacted under this section shall require actual notice to the property owner of police contacts and a warning that failure to take appropriate corrective action may result in the imposition of a fee. The ordinance must also define "appropriate corrective action" to include written notice to quit under AS 09.45.100 - 09.45.110 in appropriate situations as well as other types of corrective action, and provide that the property owner is not liable for the fee if that action is promptly taken.

(c) A municipality may provide that a fee imposed under (a) of this section is a lien on the property to which the municipal police have been called an excessive number of times and may provide for the recording and notice of the lien. When recorded, a lien under this subsection has priority over all other liens except

(1) liens for property taxes, special assessments, and sales and use taxes;

(2) liens that were perfected before the recording of the lien under this subsection; and

(3) mechanics' and materialmen's liens for which claims of lien under AS 34.35.070 or notices of right to lien under AS 34.35.064 have been recorded before the recording of the lien under this subsection.

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

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 183  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Municipal Economic Deveopment BRU Comm Assist & Econ Dev (405)  
 Component Community & Business  
 Development  
 Sponsor Senator Seekins Component No. 2486  
 Requester Senate Community & Regional Affairs

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

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

| OPERATING EXPENDITURES | FY 2004    | FY 2005    | FY 2006    | FY 2007    | FY 2008    | FY 2009    |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                   |            |            |            |            |            |            |
| 1003 GF Match                           |            |            |            |            |            |            |
| 1004 GF                                 |            |            |            |            |            |            |
| 1005 GF/Program Receipts                |            |            |            |            |            |            |
| 1037 GF/Mental Health                   |            |            |            |            |            |            |
| Other (Specify Type--Do not abbreviate) |            |            |            |            |            |            |
| <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 (FY2003) cost: \_\_\_\_\_  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

This legislation proposes to add language to Title 29, Municipal Government, to explicitly provide for the municipal power to expend municipal revenues for the purpose of economic development. This would have no fiscal effect on the department.

Prepared by: Gene Kane, Director Phone 907-269-4580  
 Division Community and Business Development Date/Time 4/24/03 9:45 AM  
 Approved by: Edgar Blatchford, Commissioner Date 4/24/2003  
 Agency Department of Community and Economic Development

# ALASKA STATE SENATE



Session:  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-2327  
(907) 465-5241 Fax

Interim:  
119 N. Cushman, Suite 201  
Fairbanks, Alaska 99701  
(907) 456-8161  
Senator\_Ralph\_Seekins@legis.state.ak.us

Senator Ralph Seekins  
District D

## SB 183 Sponsor Statement

### An Act Authorizing Municipalities to Provide for Economic Development

Current state law places a limitation on second-class boroughs with respect to expending funds designated for economic development purposes.

Presently, second-class boroughs may only use these funds on a *non-areawide* basis. This means that the Fairbanks North Star Borough can only deploy these funds on projects located *outside* the city limits of Fairbanks and North Pole.

It is desirable for the Borough to have the ability to utilize economic development funds on an *areawide* basis. In this way, worthy projects can be funded irrespective of their location--within, or without, municipal boundaries--so long as the project remains within the greater Borough boundary. Such projects will benefit the *entire* Borough community while physical location, whether within city boundaries or not, is considered immaterial to this greater good.

This legislation is proposed at the request of the Fairbanks North Star Borough as well as the Cities of Fairbanks and North Pole. In summary, it will facilitate the development of economically attractive projects throughout the *entire* Fairbanks North Star Borough without regard to internal municipal boundaries. Senate Bill 183's companion is HB 126.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 28, 2003

**SUBJECT:** Municipal economic development; sectional summary (HB 126)

**TO:** Representative James Holm  
Attn: Jos Govaars

**FROM:** Tamara Brandt Cook  
Director *TBC*

Sec. 1. Adds as a general power that all municipalities may exercise, subject to other provisions of law, the power to provide for economic development that benefits the municipality.

Sec. 2. Under AS 29.35.110(a) boroughs may use revenue received through taxes collected areawide (that is, in borough areas both outside and inside of cities) only for general administrative costs and areawide functions. Taxes collected on a nonareawide basis may not be used for services in cities. This bill section creates an exception that allows use of borough revenue for economic development without regard to the areawide/nonareawide distinction.

Sec. 3. This repeals the provision that permits a second class borough to exercise the power of economic development by ordinance, but only on a nonareawide basis.

TBC:med  
03-217.med

By: Rhonda Boyles, Mayor  
Introduced: 09/12/02  
Adopted: 09/12/02

**RESOLUTION NO. 2002 -70**

**A RESOLUTION IN SUPPORT OF AN AMENDMENT TO STATE LAW REGARDING MUNICIPAL POWERS AND ECONOMIC DEVELOPMENT**

WHEREAS, the Fairbanks North Star Borough is a second class borough and has the power to provide economic development only on a non-areawide basis, outside the city limits; and

WHEREAS, the Fairbanks North Star Borough cannot expend revenue collected on an areawide basis for economic development; and

WHEREAS, the current separation of how funds may be expended for economic development reduces the overall effectiveness of city and borough funds; and

WHEREAS, an amendment of state law to provide that all municipalities may expend funds for economic development in their region of the state would grant the Fairbanks North Star Borough the authority to promote economic development for the Interior, including within the boundaries of the City of Fairbanks.

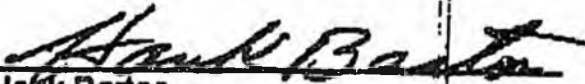
NOW, THEREFORE BE IT RESOLVED that Rhonda Boyles, Borough Mayor, and the Fairbanks North Star Borough Assembly supports an amendment to Alaska state law to authorize all local governments to provide economic development in their region of the state using areawide funds.

BE IT FURTHER RESOLVED that this resolution be distributed to:

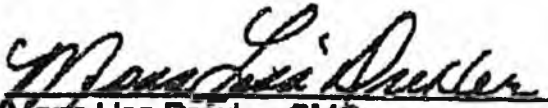
- Governor Tony Knowles
- Interior Delegation
- Mayor Rhonda Boyles, Fairbanks North Star Borough
- Fairbanks North Star Borough Assembly
- Mayor Steve Thompson, City of Fairbanks
- Fairbanks City Council
- Mayor Jeff Jacobson, City of North Pole
- North Pole City Council

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

PASSED AND APPROVED THIS 12<sup>th</sup> DAY OF SEPTEMBER 2002.

  
Hank Bartos  
Presiding Officer

ATTEST:

  
Mona Lisa Drexler, CMC  
Municipal Borough Clerk

Ayes: Holm, Hutchison, Henry, Williams, Beck, Webb, Foote, Battley, Bartos  
Noes: None

RESOLUTION NO. 2002-70  
Page 2 of 2

Introduced by: Mayor Thompson  
Date: August 12, 2002

**RESOLUTION NO. 4015  
A RESOLUTION IN SUPPORT OF THE AMENDING STATE LAW  
REGARDING MUNICIPAL ECONOMIC DEVELOPMENT POWERS.**

**WHEREAS**, As a Home Rule municipality, the City has the power to expend funds to promote economic development for interior Alaska without regard to the corporate boundaries of the City; and

**WHEREAS**, under current state law, second class boroughs like the Fairbanks North Star Borough only have non-area wide economic development powers, meaning that they face the impractical and illogical situation where they can technically only promote economic development in the areas of the borough outside cities; and

**WHEREAS**, amendment of state law so all municipalities may expend funds for economic development in their region of the state would grant the Fairbanks North Borough the authority to promote economic development for the Interior.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Fairbanks,

Section 1. The City of Fairbanks respectfully requests the Governor and the Alaska Legislature to amend state law to authorize all municipalities to expend funds to promote economic development of the region of the state in which they are located. Attached is suggested wording.

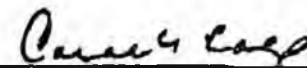
Section 2. That a copy of this Resolution be sent to the Governor, the Interior Delegation, and to the Alaska Municipal League.

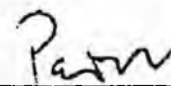
Passed and Approved this 12 day of Aug, 2002.

  
STEVE M. THOMPSON, MAYOR

AYES: 6  
NAYS: 0  
ABSTAIN:  
ABSENT:  
ADOPTED: August 12, 2002  
ATTEST:

APPROVED AS TO FORM

  
\_\_\_\_\_  
Carol L. Colp, City Clerk

  
\_\_\_\_\_  
for Herbert P. Kuss, City Attorney

Introduced by: Mayor Jacobson  
Adopted: August 5, 2002

**CITY OF NORTH POLE**

**RESOLUTION 02-26**

**A RESOLUTION IN SUPPORT OF THE AMENDMENT OF STATE LAW  
REGARDING MUNICIPAL POWERS REGARDING ECONOMIC  
DEVELOPMENT**

**WHEREAS**, the City of North Pole, as a Home Rule municipality, has the power to expend funds to promote economic development for Interior Alaska without regard to the corporate boundaries of the city; and

**WHEREAS**, over the past decades, the City has supported the visitor industry and other organizations that promote the economic development of the City of North Pole and the Interior; and

**WHEREAS**, under current state law, the Fairbanks North Star Borough only has non-area wide economic development powers, meaning that it faces the impractical situation where it can technically only promote economic development in the areas of the borough outside the City of Fairbanks and the City of North Pole; and

**WHEREAS**, amendment of state law to provide that all municipalities may expend funds for economic development will clarify that the Borough may promote economic development for Interior Alaska in the same manner as the City does.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of North Pole, that the City of North Pole respectfully requests the Governor and the Alaska Legislature to amend state law to authorize all municipalities to expend funds to promote economic development of the State and that a copy of this Resolution be sent to the Governor, the Interior Delegation, and to the Alaska Municipal League.

**Passed and Approved this 5<sup>th</sup> day of August, 2002**



*Jeffrey James Jacobson*  
JEFFREY JAMES JACOBSON, Mayor

*Kathryn Weber*  
KATHRYN WEBER, City Clerk



GREATER \* FAIRBANKS  
**CHAMBER**  
OF COMMERCE

250 Cushman St., Suite 2D, Fairbanks, AK 99701-4665  
phone: (907) 452-1105, fax: (907) 456-6968

e-mail: [staff@fairbankschamber.org](mailto:staff@fairbankschamber.org)  
website: [www.fairbankschamber.org](http://www.fairbankschamber.org)

March 4, 2003

Representative Jim Holm  
State Capitol Building  
Juneau, AK 99801

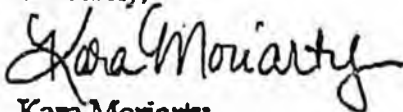
Dear Representative Holm:

On behalf of the Greater Fairbanks Chamber of Commerce Board of Directors, I would like to thank you for introducing House Bill 126, an act authorizing municipalities to provide for economic development and authorizing boroughs to expend revenue collected on an area-wide or non area-wide basis to provide for economic development.

This issue has been identified as one of the Chamber's top three legislative priorities for the year. The Board of Directors passed its first resolution of support for this change in state law in August 2002. Today, the Board made some simple revisions to the resolution and it attached.

We appreciate your leadership on this issue and we support House Bill 126 in its current form. We look forward to working with you on this issue. If you have any questions, please do not hesitate to give me a call.

Sincerely,



Kara Moriarty  
President/CEO

**GREATER \* FAIRBANKS  
CHAMBER  
OF COMMERCE**

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Introduced By: Board of Directors  
Date Introduced: March 4, 2003  
Date Passed: March 4, 2003  
Date Transmitted: March 4, 2003

**RESOLUTION 03-0304**

**A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF  
COMMERCE SUPPORTING A CHANGE IN ALASKA STATE LAW  
REGARDING MUNICIPAL POWERS AND ECONOMIC  
DEVELOPMENT**

**WHEREAS** the City of Fairbanks is a Home Rule municipality; and

**WHEREAS** as a Home Rule municipality, the City of Fairbanks has the power to expend funds to promote economic development without regard to the city boundaries; and

**WHEREAS** this allows the City of Fairbanks to use public funds to promote economic development throughout Interior Alaska; and

**WHEREAS** the Fairbanks North Star Borough is a second class borough; and

**WHEREAS** as a second class borough, the Fairbanks North Star Borough may only expend funds for non-area wide economic development, which means the Fairbanks North Star Borough can only promote economic development in areas of the borough outside city limits; and

**WHEREAS** non-area wide economic development powers do not allow the Fairbanks North Star Borough to effectively expend funds for economic development due to the impractical stipulation that the funds cannot be spent within the city limits; and

**WHEREAS** a change in Alaska state law allowing municipalities to expend funds for economic development in their region of the state would allow the Fairbanks North Star Borough the authority to promote economic development for the Interior, including inside the city limits:



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NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce fully supports a change in Alaska state law to authorize all local governments to fund economic development in their region of the state, regardless of the source of funding.

BE IT FURTHER RESOLVED that this resolution be distributed to:

- Representative Jim Holm
- Governor Frank Murkowski
- Interior Delegation
- Mayor Rhonda Boyles, Fairbanks North Star Borough
- Fairbanks North Star Borough Assembly
- Mayor Steve Thompson, City of Fairbanks
- Fairbanks City Council
- Mayor Jeff Jacobsen, City of North Pole
- North Pole City Council

PASSED in Fairbanks, Alaska this 4th day of March, 2003 by the Greater Fairbanks Chamber of Commerce Board of Directors.

Terry Aldridge  
Board Chair

Kara Moriarty  
President/CEO

**Subject:** HB126

**Date:** Fri, 28 Feb 2003 14:23:38 -0900

**From:** Dean Owen <fedcowen@alaska.com>

**To:** jos\_govaars@legis.state.ak.us

Jos, the Fairbanks Economic Development Corporation was very pleased to learn that Representative Holm has introduced HB 126 related to Municipal Economic Development. This legislation greatly assist the efforts of FEDC to develop economic opportunity in the Fairbanks area. We need to be able to apply our funding toward the best opportunities to develop a sustainable economy for our communities and the State.

Dean M. Owen  
President and CEO  
Fairbanks Economic Development Corporation



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

March 5, 2003

Representative James Holm  
State Capitol, Room 110  
Juneau, AK 99801

Re: HB 126

Dear Representative Holm,

The AML Policy Statement strongly supports local economic development activities. In fact, this year the AML created a special Economic Development Task Force to stimulate more local action in support of economic development. The AML Policy Statement also supports allowing municipalities optional powers and authority. Our understanding of HB 126 is that it simply creates an additional optional local power and is therefore consistent with AML Policy.

On a technical level, the ability to avoid areawide vs. nonareawide issues in economic development is basically simply broadening the current exemption in AS 29.35.100 for tourism marketing, which is also an economic development exemption.

An official specific AML position on HB 126 will be discussed by the AML Legislative Committee at their teleconference on March 24<sup>th</sup>.

Sincerely,

Kevin Ritchie  
Executive Director