

**SB**

**248**

AML Borough Formation Task Force Recommendation

**Amendments to Title 29**

AS 29.05.031 Amendment: Add new subsection (c) as follows:

(c) In setting boundaries of a proposed borough or unified municipality, consideration shall be given to existing administrative or corporate boundaries and to drainage basins or other regional geographic features. However, while corporate and administration boundaries may be considered, such boundaries shall not be entitled to any presumption in the determination of the appropriate boundaries under subsection (a) of this section. The following apply:

(1) Absent a specific and persuasive showing to the contrary, the Local Boundary Commission shall, while acting in the best interest of the State, strive to preserve maximum flexibility, local preference, and areas of common interests when approving petition boundaries.

(2) All boundaries approved under subsection (a) of this section shall be structured such that all bordering areas have a reasonable potential to form viable political subdivisions. If the proposed boundary of a new borough would leave an enclave or a non-viable area between it and an existing borough, and the standards for establishing borough boundaries would call for annexation of that area to the existing borough rather than the proposed borough, the Local Boundary Commission shall extend the boundaries of the existing borough to include that area. Petitions will not be approved that would leave enclaves or non-viable areas between boroughs. Existing boroughs affected by potential boundary changes shall be given notice and have the opportunity to offer input prior to the determination of final boundaries.

(3) The Local Boundary Commission will not consider incorporation of a proposed borough containing more than one home rule and/or first class city unless its petition includes resolutions of support from each city council.

AMENDMENT

OFFERED IN THE SENATE

BY G. STEVENS

TO: HB 248, Version

Page 7, line 3

Insert "If the new borough forms within the model borough boundaries, the department shall waive the petition process."

Insert "If the department issues a rejection of the boundaries selected by the proposed borough, the proposed borough may withdraw its application for incorporation."

Page 8, line 19

Insert new (d) "This section shall not apply to the formation of an Administrative Borough."



# Alaska State Legislature

Senate Majority Web: [www.akrepublicans.org](http://www.akrepublicans.org)

**Sponsor:** Community & Regional Affairs By Request of ADVISORY COMM ON LOCAL GOVT  
**Current Version:** SB 248  
**Contact:** Kim Carnot, 465-4989

## Fact Sheet for: Senate Bill 248

**Short Title:** ADMINISTRATIVE BOROUGHS BOROUGH GRANTS/

### Summary:

- Establishes the Administrative Borough as a new class of municipal government.
- Provides an organizational grant of \$250,000 per year for three years for Administrative Boroughs.
- Stipulates that boundaries for a proposed borough encompass a natural region that promotes service delivery on an efficient and cost-effective basis.
- Allows Administrative Boroughs to levy a sales tax.
- Does not give the Administrative Borough the power to levy a property tax, meaning the current Rural Education Attendance Are system will remain intact.
- Gives boroughs that incorporate within four years of the effective date of the act a "new borough grant" that can be invested and earnings used for municipal purposes.
- Grants are in the amount of:
  - \$12.5 million for boroughs that are entitled to at least 15,000 acres of general grant land under AS 29.65.030.
  - \$15 million for boroughs entitled to less than 15,000 acres of general grant land.
- Removes obsolete references to third class boroughs.

### Benefits:

- Provides a monetary incentive to encourage borough formation.
- Bridges the gap between existing communities and future boroughs with a phased in approach to self governance.
- Helps provide financial stability through new borough grants.

### Background:

- SB 246, SB 247 and SB 248 were introduced at the request of the Advisory Commission on Local Government, which was established during the first session of the Twenty-fourth Legislature to examine local governance issues. SB 247 establishes the revenue sharing program, SB 246 provides funding for the revenue sharing program, and SB 248 establishes a new administrative borough.

The Administrative Boroughs proposed in SB 248 offer a phased in approach to self governance without the complete purview of powers found in a second class borough. In general, its three main functions will be to: analyze and make recommendations regarding capital improvements and agency programs/services that require legislative appropriations; serve as a clearinghouse for information necessary to government entities to meet responsibilities or obtain technical or financial assistance; submit a planning report that establishes goals for the borough, assesses residents' needs and examines alternative ways of meeting those needs.

# ALASKA STATE LEGISLATURE

## SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

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Official Business

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### SPONSOR STATEMENT SB 248

**"An Act relating to administrative boroughs; relating to municipal school districts; relating to standards for incorporation of boroughs and unified municipalities; eliminating obsolete provisions relating to a third class borough and making technical changes to statutes relating to regional education attendance areas; and relating to new borough grants for certain newly incorporated boroughs and unified municipalities."**

Senate Bill 248 comes as a result of recommendations made by the Advisory Commission on Local Government. The Commission was established in May 2005 to explore ways in which the Legislature could help Alaska's areas of need.

SB 248 establishes a new class of municipal government called the Administrative Borough. The Administrative Borough will be comprised of areas that have populations that are integrated socially, economically, and culturally, with boundaries that encompass a natural region that promotes service delivery on an efficient and cost effective basis. However, an Administrative Borough's assembly will not have the complete purview of powers that are found in second or third class boroughs. Generally, an Administrative Borough will have three main functions:

- (1) Receive, review, and provide written comments and recommendations with respect to proposed capital improvements and agency programs and services that involve legislative appropriations and that affect the people and resources of the borough.
- (2) Serve as a clearinghouse for information, data, and other materials that may be helpful or necessary to government entities in the discharge of their responsibilities or in obtaining technical or financial assistance.
- (3) Prepare and maintain a regional planning report that establishes goals for the borough; assesses and reports the needs of residents of the borough; and analyzes alternative ways of meeting the needs of the residents of the borough.

An Administrative Borough will not have the ability to levy a property tax. This also means that the current Rural Education Attendance Area (REAA) system would remain intact.

SB 248 also changes the organizational grants that are available for the formation of boroughs. For an Administrative Borough, the organizational grants are \$300,000 a year for three years. This amount has been adjusted due to testimony from several borough governments that the current grant levels are inadequate for a newly forming borough government.

Finally, SB 248 creates a monetary incentive for borough formation in general. A major hindrance to borough formation is the lack of lands available to form a borough. Many proposed boroughs, especially in the southeast region of the state, are able to select lands that amount to less than 100 acres. These kinds of situations make it difficult to sustain a fully functioning borough. Therefore, SB 248 allows proposed boroughs who are not able to select a minimum of 15,000 acres to receive a grant \$15,000,000 that they can use to sustain themselves. The boroughs that are able to select 15,000 acres or more receive a grant of \$12,500,000 that will go towards sustaining the borough government.

Passage of SB 248 will create an environment in Alaska that promotes voluntary organization and continued sustainability of our local governments.

*Contact: Kim Carnot, Senate Community and Regional Affairs Committee Aide at (907) 165-4989*

# LEGAL SERVICES

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## MEMORANDUM

January 26, 2006

**SUBJECT:** Sectional Summary; administrative boroughs (SB 248)

**TO:** Senator Gary Stevens  
Senate Majority Leader  
Attn: Doug Letch

**FROM:** Tamara Brandt Cook  
Director

TBC

This bill would permit the incorporation of a new class of borough, the administrative borough. Unlike other boroughs, the administrative borough would not be a school district and would only be able to levy sales and use taxes. The bill would establish a new borough grant program available to boroughs that incorporate between the effective day of this bill and four years afterward. The amount of the grant would be between \$12,500,000 and \$15,000,000. The new borough would be required to invest the grant money and use only realized income. The bill also removes all reference to third class boroughs, since no third class borough now exists and none may be formed under existing law.

**Secs. 1 - 8:** Conforming changes to education statutes to reflect that administrative boroughs are not school districts.

**Sec. 9:** Conforming change to reflect that regional educational attendance areas exist in administrative boroughs as well as in the unorganized borough.

**Sec. 10:** Adds administrative boroughs to the class of general law municipalities and deletes third class boroughs.

**Secs. 11 and 12:** Permits a second class borough to reclassify as a first or second class borough and provides for the election of a school board should that occur.

**Secs. 13 and 14:** Permits incorporation of an administrative borough and makes changes to the standards for incorporation applicable to all boroughs.

**Secs. 15 - 18:** Addresses the incorporation procedure for administrative boroughs in a way that is based on the procedure for incorporation of second class boroughs, taking into account that an administrative borough is not a school district.

Senator Gary Stevens

January 26, 2006

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**Sec. 19:** Changes the existing law on organization grants to boroughs in a way that treats administrative boroughs somewhat differently from other boroughs, but that also increases the grant amounts for the second and third years.

**Sec. 20:** Conforming change.

**Sec. 21:** Establishes a new borough grant program available only to boroughs that incorporate within the period from the effective date of this bill to four years later. The grant for a new borough that is entitled to at least 15,000 acres of general grant land is \$12,500,000. Otherwise it is \$15,000,000. The new borough may only invest grant money, but may use realized income from that investment for any municipal purpose.

**Sec. 22:** Precludes formation of an administrative borough through merger or consolidation.

**Sec. 23:** Prevents an administrative borough from become a unified municipality unless that is approved by the local boundary commission.

**Secs. 24 - 29:** Conforming and technical changes.

**Sec. 30:** Provides that an administrative borough is not a school district and prevents the borough from exercising education powers.

**Sec. 31:** Permits an administrative borough to levy sales and use taxes but not property taxes or other types of taxes.

**Sec. 32:** Requires an administrative borough to provide for land use regulation, but only outside of cities within its boundaries that were providing for land use regulation before the borough was incorporated.

**Secs. 33 - 51:** Deals with powers of administrative boroughs, powers of cities within administrative boroughs, and acquisition of additional powers by administrative boroughs.

**Secs. 52 - 54:** Conforming changes dealing with land use regulation by an administrative borough.

**Secs. 55 - 57:** Conforming changes.

**Secs. 59 - 64:** Addresses treatment of administrative boroughs with respect to national forest receipts.

**Secs. 65 and 66:** Addresses treatment of administrative boroughs with respect to the refunds of fishery resources taxes.

Senator Gary Stevens  
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Sec. 67: Conforming change.

Sec. 68: Repeals.

TBC:ljw  
06-029.ljw

From Dan Bockhorst, Local Boundary Commission

**Comments regarding SB 248, providing for administrative boroughs.**

**Section 19**

The bill provides that each new administrative borough is entitled to an organization grant of \$750,000 over three years; yet each new organized borough other than an administrative borough is entitled to only \$600,000 over three years. Organization grants for new boroughs other than administrative boroughs should be at least as much as organization grants for administrative boroughs.

**Section 20**

AS 29.05.190(c) in existing law provides that a newly formed unified municipality that occupies the area formerly occupied by a borough is not entitled to an organization grant. Pending before the LBC is a petition for incorporation of the Deltana Borough as a unified municipality.

Much, perhaps all, of the area proposed for incorporation was part of the Fairbanks North Star Borough as that borough was initially configured on January 1, 1964 under the 1963 Mandatory Borough Act. However, in March 1964, the area in question was detached from the Fairbanks North Star Borough.

It would seem that the intent of AS 29.05.190(c) is to avoid paying an organization grant to an existing non-unified borough that "converts" into a unified borough. That would not be the case with Deltana. However, a literal reading of the existing law might preclude payment of an organization grant to the Deltana Borough if it is formed.

Section 20 of SB 248 makes technical amendments to AS 29.05.190(c). It is recommended that the language be modified further to address the concern noted above.

**Section 21**

(b) provides that the new grant funds may be used only for "investments." "Investments" is an awfully broad term that allows a great deal of flexibility (real estate, local economic development projects, etc.). Some boroughs may lack the sophistication to prudently administer such investments. The legislature may wish to consider providing the option for assistance or guidance (without any accompanying responsibility) in the prudent administration of the investments. It would be a shame to provide for a permanent fund only to see it lose much of its value over time. There are examples where this has happened to municipal permanent funds in Alaska.

(c) presents the same concern as expressed with regard to Section 20.

Application to home-rule boroughs. It would seem that the intent of Section 21 is to apply to all boroughs. If so, it must be stipulated in AS 29.05.205 and in AS 29.10.200 that AS 29.05.205 is a home rule limitation.

### Section 31

The formatting on lines 5 and 6 of page 12 is odd. The words "THAT LEVIES A SALES AND USE TAX" should not be capitalized.

### Sections 65 and 66

These sections deal with the refund of fisheries business taxes to municipal governments. Commerce had recommended that cities within administrative boroughs would continue to receive allocations under the current formula. However, Sections 65 and 66 provide otherwise. The revised suggested language appears below:

Sec. 65. AS 43.75.130(a) is amended to read:

(a) Except as provided in (d) of this section, the commissioner shall pay

(1) to each unified municipality and to each city located in the unorganized borough or an administrative borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;

(2) to each city located within a borough, except an administrative borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

(A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

(B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter, except that an administrative borough shall receive no portion of the tax revenue collected within a city.

Sec. 66. AS 43.75.130(d) is amended to read:

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the commissioner shall pay

(1) to each city that is located in a unified municipality, or home rule, first class or second class borough incorporated after June 16, 1987 the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 45 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each unified municipality, or home rule, first class or second class borough that is incorporated after June 16, 1987 the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 5 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.

**(3) an administrative borough shall receive no portion of the tax revenue collected within a city.**

#### **Other Comments Regarding SB 248.**

It was previously agreed by the Advisory Commission on Local Government that the term "unified municipality" would be defined as a unified home rule borough (i.e., a home rule borough in which no city governments may exist). SB 248 contains no such definition.

**POWERS AND DUTIES OF A PROPOSED ADMINISTRATIVE BOROUGH UNDER SB 248  
 COMPARED TO A HOME-RULE, FIRST-CLASS AND SECOND-CLASS BOROUGH**  
 Prepared by Alaska Department of Commerce, Community, and Economic Development  
 February 6, 2006

POWER	PROPOSED ADMINISTRATIVE BOROUGH	HOME-RULE BOROUGH (UNIFIED AND NON- UNIFIED)	FIRST-CLASS BOROUGH	SECOND-CLASS BOROUGH
Public Education	<u>May not provide</u> education.	<u>Must provide</u> education <u>areawide</u> in accordance with AS 14.	<u>Must provide</u> education <u>areawide</u> in accordance with AS 14.	<u>Must provide</u> education <u>areawide</u> in accordance with AS 14.
Planning, Platting, and Land Use Regulation	<u>Must provide</u> the services, but only <u>for that portion of the borough lying outside of cities that were providing the services on the day before the borough was formed</u> .  The borough may also allow other cities to assume such powers within their boundaries.	The borough <u>must provide</u> the services <u>areawide</u> , but not necessarily in accordance with AS 29.40.	The borough <u>must provide</u> the services <u>areawide</u> ; in accordance with AS 29.40.  The borough may allow cities to assume such powers within their boundaries.	The borough <u>must provide</u> the services <u>areawide</u> ; in accordance with AS 29.40.  The borough may allow cities to assume such powers within their boundaries.
Property Taxes	<u>Not permitted</u> to levy property taxes.	<u>May levy</u> a property tax up to 30 mills except where a higher levy is necessary to avoid default on debt. Some charters require voter approval to levy property taxes.	<u>May levy</u> a property tax up to 30 mills except where a higher levy is necessary to avoid default on debt. Voter approval is not required, although some general law boroughs limit the amount of taxes through "tax caps."	<u>May levy</u> a property tax up to 30 mills except where a higher levy is necessary to avoid default on debt. Voter approval is not required; although some general law boroughs limit the amount of taxes through "tax caps."

POWER	PROPOSED ADMINISTRATIVE BOROUGH	HOME-RULE BOROUGH (UNIFIED AND NON-UNIFIED)	FIRST-CLASS BOROUGH	SECOND-CLASS BOROUGH
Sales Tax and Use Taxes	<u>May levy</u> sales and use taxes. <u>Voter approval</u> is required to levy sales taxes or to increase the rate of levy.	<u>May levy</u> sales and use taxes in accordance with <u>charter</u> .	<u>May levy</u> sales and use taxes. <u>Voter approval</u> is required to levy sales taxes or to increase the rate of levy.	<u>May levy</u> sales and use taxes. <u>Voter approval</u> is required to levy sales taxes or to increase the rate of levy.
Other Types of Taxes	Expressly <u>prohibited</u> from levying any tax other than a sales or use tax.	Because it has authority to exercise powers not specifically prohibited by law and because State law does not generally prohibit a municipal severance tax or other municipal excise taxes, it is <u>assumed to have the power</u> to levy such taxes, unless prohibited by charter.	Because it has authority to exercise powers not specifically prohibited by law and because State law does not generally prohibit a municipal severance tax or other municipal excise taxes, it is <u>assumed to have the power</u> to levy such taxes.	Because it has authority to exercise powers not specifically prohibited by law and because State law does not generally prohibit a municipal severance tax or other municipal excise taxes, it is <u>assumed to have the power</u> to levy such taxes.
Provide Transportation Systems, Water & Air Pollution Control, Animal Regulation	<u>May be exercised only upon voter approval</u> .	Determined by <u>charter or ordinance</u>	May be exercised on an <u>areawide, nonareawide or service area basis</u> by ordinance.	May be exercised on an <u>areawide or nonareawide</u> basis by ordinance.  Approval from <u>voters or property owners</u> required for service area powers.
License Day Care Facilities	<u>May be exercised only upon voter approval</u> .	Determined by <u>charter or ordinance</u>	May be exercised on an <u>areawide, nonareawide or service area basis</u> by ordinance.	May be exercised on an <u>areawide basis</u> by ordinance.  <u>Voter approval</u> required for exercise on a nonareawide or service area basis.

<b>POWER</b>	<b>PROPOSED ADMINISTRATIVE BOROUGH</b>	<b>HOME-RULE BOROUGH (UNIFIED AND NON-UNIFIED)</b>	<b>FIRST-CLASS BOROUGH</b>	<b>SECOND-CLASS BOROUGH</b>
Economic Development	<u>May provide the service by ordinance, but only for that portion of the borough lying outside of cities that were providing the service on the day before the borough was formed.</u>	Determined by <u>charter or ordinance.</u>	<p>May be exercised <u>areawide upon approval of areawide voters</u> or by transfer of powers from all cities.</p> <p>May be exercised by <u>ordinance on a nonareawide or service area basis.</u></p>	<p>May be exercised <u>areawide upon approval of areawide voters</u> or by transfer of powers from all cities.</p> <p>May be exercised by <u>ordinance on a nonareawide basis.</u></p> <p>May be exercised on a <u>service area basis with voter approval.</u></p>
Regulate Fireworks, Provide Solid & Septic Waste Disposal, Housing Rehabilitation, Roads & Trails, EMS Communications, Regulate Motor Vehicles and Development Projects	<u>May be exercised only upon voter approval.</u>	Determined by <u>charter or ordinance.</u>	<p>May be exercised <u>areawide upon approval of areawide voters</u> or by transfer of powers from all cities.</p> <p>May be exercised by <u>ordinance on a nonareawide or service area basis.</u></p>	<p>May be exercised <u>areawide upon approval of areawide voters</u> or by transfer of powers from all cities.</p> <p>May be exercised by <u>ordinance on a nonareawide basis.</u></p> <p>May be exercised on a <u>service area basis with voter approval.</u></p>
Hazardous Substance Control	<u>May be exercised by ordinance, but only on a nonareawide basis.</u>	Determined by <u>charter or ordinance.</u>	<p>May be exercised <u>areawide upon approval of areawide voters</u> or by transfer of powers from all cities.</p> <p>May be exercised by <u>ordinance on a nonareawide or service area basis.</u></p>	<p>May be exercised <u>areawide upon approval of areawide voters</u>; or by transfer of powers from all cities</p> <p>May be exercised by <u>ordinance on a nonareawide basis.</u></p> <p>May be exercised on a <u>service area basis with voter approval.</u></p>

POWER	PROPOSED ADMINISTRATIVE BOROUGH	HOME-RULE BOROUGH (UNIFIED AND NON-UNIFIED)	FIRST-CLASS BOROUGH	SECOND-CLASS BOROUGH
Borrow money and issue bonds and other debt.	In accordance with AS 29.47. <u>Voter approval is required for bonds.</u>	Governed generally by charter	In accordance with AS 29.47. <u>Voter approval is required for bonds.</u>	In accordance with AS 29.47. <u>Voter approval is required for bonds.</u>
Other Powers Not Prohibited by Law	<p><u>May be exercised areawide upon (1) approval of areawide voters or (2) transfer of powers from all cities and approval of nonareawide voters.</u></p> <p>May be exercised <u>nonareawide upon approval of nonareawide voters.</u></p> <p>May be <u>exercised on a service area basis with approval of voters in service area.</u></p>	Determined by <u>charter or ordinance.</u>	<p><u>May be exercised areawide upon approval of areawide voters or by transfer of powers from all cities.</u></p> <p><u>May be exercised by ordinance on a nonareawide or service area basis.</u></p>	<p><u>May be exercised areawide upon (1) approval of areawide voters or (2) transfer of powers from all cities and approval of nonareawide voters.</u></p> <p><u>May be exercised nonareawide upon approval of nonareawide voters.</u></p> <p>May be exercised on a <u>service area basis with voter approval</u></p>
Assembly composition and apportionment	Flexible; determined according to AS 29.20.060 – 29.20.120.	Flexible; determined according to AS 29.20.060 – 29.20.120.	Flexible; determined according to AS 29.20.060 – 29.20.120.	Flexible; determined according to AS 29.20.060 – 29.20.120.
Election and Term of Mayor	Elected at large for a 3-year term, unless a different term not to exceed 4 years is provided by ordinance	Established by charter or ordinance	Elected at large for a 3-year term, unless a different term not to exceed 4 years is provided by ordinance.	Elected at large for a 3-year term, unless a different term not to exceed 4 years is provided by ordinance.
Vote by Mayor	May vote to break a tie only if the borough has a manager form of government	Established by charter or ordinance.	May vote to break a tie only if the borough has a manager form of government	May vote to break a tie only if the borough has a manager form of government
Veto Power of the Mayor	Generally has veto power, except veto not permitted of ordinance prohibiting possession of alcohol.	Generally determined by charter, except veto not permitted of ordinance prohibiting possession of alcohol.	Generally has veto power, except veto not permitted of ordinance prohibiting possession of alcohol.	Generally has veto power, except veto not permitted of ordinance prohibiting possession of alcohol.

<b>POWER</b>	<b>PROPOSED ADMINISTRATIVE BOROUGH</b>	<b>HOME-RULE BOROUGH (UNIFIED AND NON-UNIFIED)</b>	<b>FIRST-CLASS BOROUGH</b>	<b>SECOND-CLASS BOROUGH</b>
Ability to Attain Home-rule Status	With approval by the Local Boundary Commission, voters may adopt home-rule charter.	Already has home-rule status.	Voters may adopt home-rule charter.	Voters may adopt home-rule charter.

Organized boroughs may provide services on three jurisdictional levels. These are (1) areawide (i.e., throughout the entire borough); (2) nonareawide (i.e., in that portion of the borough lying outside of the boundaries of city governments); and (3) service area (the size and configuration of service areas may vary; they may even include territory within the boundaries of city governments under certain circumstances).<sup>1</sup>

<sup>1</sup> "Service area" means an area in which borough services are provided that are not offered on an areawide or nonareawide basis, or in which a higher or different level of areawide or nonareawide services are provided. Borough service areas are not local governments, service area boards lack legislative and executive powers.

## STRUCTURES of LOCAL GOVERNMENT in ALASKA

Home Rule Cities								Home Rule Borough (Unified)	
Cordova	* Kena	* Kodiak	* North Pole	Petersburg	Valdez			Municipality of Anchorage City & Borough of Juneau City & Borough of Sitka	
* Fairbanks	* Ketchikan	Nenana	* Palmer	* Seward	Wrangell				
First Class Cities								Home Rule Borough (Non-Unified)	
* Barrow	Galena	Hydaburg	Klawock	St. Mary's	Skagway	Unalaska			Denali Haines Lake and Peninsula North Slope Northwest Arctic Yakutat
Craig	* Homer	Kake	Nome	* Sand Point	* Soldotna	* Wasilla			
Dillingham	Hoonah	* King Cove	Pelican	* Seldovia	Tanana				
Second Class Cities								Second Class Borough	
Adak	Bethel	Eek	* Houston	Kupreanof	Nikolai	* Port Heiden	Shishmaref	Aleutians East Bristol Bay Fairbanks North Star Kenai Peninsula Ketchikan Gateway Kodiak Island Malanuska-Susitna	
* Akhiok	Bettles	* Egegik	Huuglees	Kwethluk	* Nondalton	* Port Lions	* Shungnak		
Akiak	Brevig Mission	Ekwok	Huslia	* Larsen Bay	* Noorvik	Quinhagak	Stebbins		
* Akutan	* Buckland	Elim	* Kachemak	Lower Klaskag	* Nuiqsut	Ruby	Teller		
Alakanuk	Chefornak	Emmonak	* Kaktovik	Manokotak	Nulato	Russian Mission	Tenakee Sprg		
Aleknagik	Chevak	* False Pass	Kallag	Marshall	Nunam Iqaa	St. George	Thorne Bay		
Allakaket	* Chignik	Fort Yukon	Kasaan	McGrath	Nunapitchuk	St. Michael	Togiak		
* Ambler	Chuathbaluk	Gambell	* Kiana	Mekoryuk	* Old Harbor	St. Paul	Toksook Bay		
* Anaktuvuk Pass	Clark's Point	Golovin	* Kivalina	Mt. Village	* Quzinkie	Savoonga	Unalakleet		
* Anderson	Coffman Cove	Goodnews Bay	* Kobuk	Napakiak	* Pilot Point	* Saxman	Upper Kalskag		
Angoon	* Cold Bay	Grayling	Kotlik	Napaskiak	Pilot Station	Scanmon Bay	* Wainwright		
Aniak	* Deering	Gustavus	* Kotzebue	NewStuyahok	Platinum	* Selawik	Wales		
Anvik	Delta Jct.	Holy Cross	Koyuk	* Newhalen	* Point Hope	Shageluk	White Mt.		
Atka	Diomedes	Hooper Bay	Koyukuk	Nightmute	Pl. Alexander	Shaktolik	Whittier		
* Atkasuk	Eagle	* City is within an organized borough.							
								1st Class Boro - none	
								3rd Class Boro - none	

Organized City Government				Organized Borough Government		Definitions	
Type	In Org. Boro	In Unorg. Boro	Total			<b>Areawide</b> - throughout the entire borough <b>Nonareawide</b> - throughout the entire borough exclusive of the area lying within the corporate limits of city government's <b>Service Area</b> - an area in which the borough provides higher or different levels of service than it provides on an areawide or non-areawide basis.	
Home Rule	7	5	12	Home Rule Boroughs (Unified)	3		
First Class	7	13	20	Home Rule Boroughs (Non-Unified)	6		
Second Class	34	80	114	First Class Boroughs	0		
<b>Total</b>	<b>48</b>	<b>98</b>	<b>146</b>	Second Class Boroughs	7		
				Third Class Boroughs	0		
				<b>Total</b>	<b>16</b>		

- \* Eight boroughs were formed under the 1963 Mandatory Borough Act (Mat-Su, Kodiak Is., Ketchikan Gateway, Kenai Peninsula, Fairbanks North Star, Anchorage, Sitka, Juneau)
- \* Currently 83% of Alaskans live in mandated boroughs; 4% live in boros formed voluntarily.
- \* Approximately 12.6% of Alaskans (1 in 8 Alaskans) live in the unorganized borough.
- \* Denali, Lake and Peninsula, Northwest Arctic and Aleutians East Boroughs have no property tax.
- \* Alaska is the only state in the union that has unorganized regions within its boundaries.
- \* The size of the unorganized borough is greater than France and Germany combined.

## STRUCTURES of LOCAL GOVERNMENT in ALASKA

Type	No.	Requirement	Powers by	Jurisdiction-wide			Optional Powers	Examples
				Educ	Plan <sup>1</sup>	Tax <sup>2</sup>		
Home Rule City (Organized Boro)	7	400 or more residents	Charter	NO	MAY <sup>3</sup>	MAY	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Ut; Lb; P&H; Rd; Pk
Home Rule City (Unorganized Boro)	5	400 or more residents	Charter	MUST	MUST	MAY	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Ut; Lb; P&H; Rd; Pk
First Class City (Organized Boro)	7	400 or more residents	State Statutes	NO	MAY <sup>3</sup>	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.250)	S&W; Fr; Pl; Rc; Lb; P&H; Rd; Hc
First Class City (Unorganized Boro)	13	400 or more residents	State Statutes	MUST	MUST	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.260)	S&W; Fr; Pl; Rc; Lb; P&H; Rd; Hc
Second Class City (Organized Boro)	34	25 or more voters	State Statutes	NO	MAY <sup>3</sup>	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.250)	S&W; Fr; PS; Rc; Lb; Hc;Ws; Pk
Second Class City (Unorganized Boro)	80	25 or more voters	State Statutes	NO	MAY	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.260)	S&W; Fr; PS; Rc; Lb; Hc;Ws; Pk
Home Rule Borough (Unified)	3	Area & population with same interests	Charter	MUST	MUST	MUST <sup>5</sup>	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Ut; Lb; P&H; Rd; Pk; Pz, Ac
Home Rule Borough (Non-Unified)	6	Area & population with same interests	Charter	MUST	MUST	MUST <sup>5</sup>	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Lb; P&H; Hc; Ws
First Class Borough (Non-Unified)	0	Area & population with same interests	State Statutes	MUST	MUST	MUST <sup>5</sup>	May exercise by ordinance (not voter approval) on a non-areawide basis any power not otherwise prohibited by law. (AS 29.35.200)	No First Class Boroughs Exist
Second Class Borough (Non-Unified)	7	Area & population with same interests	State Statutes	MUST	MUST	MUST <sup>5</sup>	May exercise by voter approval on a non-areawide basis any power not otherwise prohibited by law. (AS 29.35.200)	S&W; Fr; Pl; Rc; Lb; Rd; Pk; Pz; Ac; Hp
Third Class Borough (Non-Unified)	0	Area & population with same interests	State Statutes	MUST	NO	MUST	May exercise any power not prohibited by law by service areas. <b>Although state statutes refer to a third-class borough, no such borough exists and none can be formed under existing law.</b> <sup>4</sup>	Fr; Rc; Lb; Rd; Pz; Hc; P&H
Administrative Borough (Senate Bill 248)	0	Area & population with same interests	State Statutes	NO	MUST <sup>6</sup>	MAY <sup>7</sup>	May exercise a power not otherwise prohibited by law. Most additional powers require voter approval.	Ac, Dc, EMS, Rd, S&W

<sup>1</sup> Plan means planning, platting and land use regulation.

<sup>2</sup> Tax means the assessment and collection of property, sales, and use taxes.

<sup>3</sup> This power requires delegation from the borough.

<sup>4</sup> Third-class borough: Authorized in 1968, but prohibited in 1985 - AS 29.05.031 (b).

<sup>5</sup> Borough must assess/collect taxes IF levied thru local choice.

<sup>6</sup> Excludes cities that were providing the services on the day before new borough.

<sup>7</sup> May levy only sales and use taxes; expressly prohibited from levying any other tax

### Example of Other Powers -- Code Explanation

Ac - Animal Control

Fr - Fire/Paid or Volunteer

Hc - Health Clinic

Hp - Hospital

Lb - Library

Pk - Parks/Recreation

Pz - Planning/Zoning

Pl - Police/VPSO

P&H - Ports & Harbors

Rc - Refuse Collection/Landfill

Rd - Road Maintenance

S&W - Sewer/Water

Ut - Utilities

Ws - Washeterias

DC - Licensed Day Care

EMS - EMS Communications