

LEG. FINANCE - BILLS 1981 - 1982 1636

SB 170 cont. - SB 178

1636

Original sponsor: Ferguson

<u>Funding Information</u>	
General Fund	\$3,590,000
Other Funds	-0-
	<u>\$3,590,000</u>

Offered: 3/4/81
Referred: Rules

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 174 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Alaska Power Authority; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$1,050,000 is appropriated from the general fund
11 to the Alaska Power Authority, power production cost assistance fund (AS 44.-
12 83.162), to cover costs of the power production cost assistance program for
13 the fiscal year ending June 30, 1981

14 * Sec. 2. The sum of \$2,540,000 is appropriated from the general fund to
15 the Alaska Power Authority for the study of the Susitna River hydroelectric
16 project for the fiscal year ending June 30, 1981.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

19
20
21
22
23
24
25
26
27
28
29

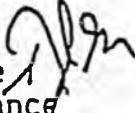
BUDGET AND MANAGEMENT

TO: Mr. Richard Aks
Division of Budget & Management
Office of the Governor

DATE: February 17, 1981

FILE NO:

TELEPHONE NO:

FROM: Terry J. McGuire 
Director of Finance
Alaska Power Authority.

SUBJECT: Susitna Hydroelectric
Project

Attached is a copy of a letter recently received from Acres American Incorporated, principal contractor for the Susitna studies. The amount allocated to Acres and subcontractors does not include funds for Power Authority staff and other direct contracts with the Power Authority, or funds RSA'd to the Department of Fish and Game. The memo illustrates the need for the FY'81 supplemental funding request of the Power Authority.

Attachment:
as noted



FEB 10 1981

BUDGET AND MANAGEMENT

February 4, 1981

P5700.11

T.700

RECEIVED

FEB 11 1981

ALASKA POWER AUTHORITY

Mr. Eric P. Yould
Executive Director
Alaska Power Authority
333 West 4th Avenue
Suite 31
Anchorage, Alaska 99501

Dear Eric:

Susitna Hydroelectric Project
Limitation of Funds

As required in the contract Acres hereby notifies the Authority that within the next 60 days we will exceed the \$15,255,000 currently allotted by Mr. McGuire's letter of July 1, 1980.

Please allot additional funds as soon as possible so that the current schedule can be maintained.

Very truly yours,

David C. Willett
Vice President

DCW/ljr

ACRES AMERICAN INCORPORATED

ALASKA POWER AUTHORITY

33 WEST 41st AVENUE - SUITE 31 - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-2715

July 21, 1980

RECEIVED

JUL 23 1980

Mr. Ron Lehr, Director
Division of Budget
& Management
Pouch AM
Juneau, Alaska 99811

Budget and Management

Re: FY'81 Supplemental Funding

Dear Mr. Lehr,

The Alaska Power Authority will be requesting supplemental funding for two programs for FY'81, the Susitna Feasibility Study and the Power Production Assistance Program. The Power Production Assistance Program request is for reinstatement of the FY'81 funds in the amount reduced by the Governor. The Susitna funding request includes a \$2.540 million supplemental FY'81 request and a \$13.019 FY'82 request as outlined in the attached cash flow projections. Explanations of items in the cash flow follows:

- A: (1) Excess liability insurance to include aircraft accident insurance purchased for the 2½ year period of the study. Item not identified programmed in the original budget estimate, but was subsequently determined to be necessary.
- (2) The U.S. Geological Survey withdrew federal funding from the stream gauging program for the Susitna basin after the budget estimate was completed. This action was not anticipated and it is a necessary activity which required a program funding addition.
- (3) System planning funds for compilation of a data base on system components were identified as necessary to maintain the schedule of the formulation and analysis of basin development plans leading to the Development Selection Report in March 1981. This activity was identified as a complication associated with deletion of power market and alternatives studies from the Acres contract, and as a duplication of work to be performed by the new Alternatives studies contractor.
- (4) Task 6 - Tussing Scope Changes - This activity and funding were identified as part of the program response to the comments of Arlon Tussing on the Plan of Study. This activity was not part of the power market and alternatives study which was

directed to be deleted from the Acres contract. This funding was appropriated to the Office of the Governor and retained for the Alternatives Study. Reference our letter to you dated June 25, 1980.

(5) Task 11 - Tussing Scope Changes - The comments in (4) above apply.

(6) Comments of FERC on the Plan of Study following preparation of the budget identified instream flow study activities that would be necessary before submission of the license application in Phase I. This work was originally planned to be accomplished in Phase II. A budget of \$125,000 for two years of work by Mr. Trihey, an expert in this area, was proposed as a necessary response to the FERC requirements.

(7) Comments of FERC on the Plan of Study following preparation of the budget established that the more data on fisheries available at the time of license submission, the greater the potential for acceptance. Therefore, resident and juvenile fishery studies and fishing habitat studies originally programmed for one year of study in Phase I and additional years in Phase II were advanced to include 2 years in Phase I and additional years in Phase II. The identified cost increase represents ADF&G increased costs associated with this work.

(8) and (9) ADF&G additional costs for salary increases and transportation cost increases. The budgets originally prepared did not reflect true negotiated salary rates for state employees in the original budget since they were unknown at that time. The budget increases for fisheries and Big Game are calculated exactly, however, they are for STEP A salaries for every position range. ADF&G does not feel that all positions can be filled at STEP A, and will try to stay within budget through turnover and hiring delays.

(10) Escalation on additional program study changes and additions.

B. The original budget estimate did not include any escalation of the Non-Discretionary Funding to include Native Inspector, External Review, Power Authority Study Coordination, and the Public Participation Program. Salary cost escalation is calculated based upon approved salary increases for exempt bargaining status employees which were unknown for the original budget preparation. External Review costs are escalated in accordance with the major Task budget escalation factor of 8½%/year.

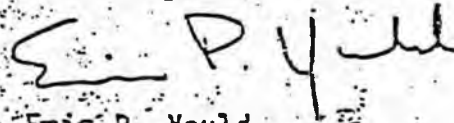
C. Major cost escalation has been experienced in all activities associated with logistical support of field study activities, principally in camp operations, fuel, fuel resupply, and transportation. Based upon costs incurred to date and identification of realistic requirements, additional funding for logistical support is estimated at \$900,000.

D.

The decision to submit a license application to FERC to construct the project will be made by approximately April 1, 1982. Phase I funding does not include field activities starting in the spring of 1982. Phase II field activities could begin in the spring of 1982 and continue on through the license application processing period. An estimated \$1.720 million is necessary to fund Phase II activities up to June 30, 1982. Included in this is bulk fuel purchase and transport to the field storage site which may have to be performed in January and February of 1982 in order to have an adequate field fuel supply to initiate Phase II field activities.

In summary, the Susitna program estimated cost for Phase I has increased from \$29.612 million to \$32.113 for the 2½ year study if the Phase II cost estimate requirements are not considered. This 8.45% increase is composed of \$1.29 million of Program Changes and Additions (4.45%), \$311,000 (1%) of escalation not calculated in the original budget estimate for activities administered by the Power Authority, and \$900,000 (3%) for increased requirements and extraordinary escalation associated with field logistical support requirements.

Sincerely,



Eric P. Yould
Executive Director

cc - Chuck Conway
Mr. Jerry Reinwand

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: September 30, 1980

FILE NO:

TELEPHONE NO:

277-7641

RECEIVED

FROM: Terry J. McGuire *TJM*
Director of Finance
Alaska Power Authority

SUBJECT: FY 1981 Supplemental
Funding

1980

ALASKA

The Alaska Power Authority is requesting supplemental funding for two programs for FY 1981, the Power Production Assistance Program and the Susitna Feasibility Study. The Power Production Assistance Program request is for reinstatement of the FY 1981 funds in the amount reduced by the Governor, \$1.4 million. The Susitna funding request is for \$2.540 million in supplemental funding during FY 1981.

The reinstatement of FY 1981 funding to the Power Production Assistance Program to the original level will permit the Power Authority to more fully satisfy the requirements specified in HCS CSSB 438, Article 3A, to reduce electric rates charged for residential service, service to charitable organizations and service to local community facilities. Under the PPA Program, all electric utilities in the State that satisfy specific eligibility requirements described in the legislation qualify for financial assistance from the Power Production Cost Assistance Fund. Unless supplemental funding is received by the Power Authority, the existing fund will be insufficient to satisfy the full FY 1981 requirements.

The supplemental funding requested for the Susitna Feasibility Study is due to several factors, shown below.

- A.1) Increased liability insurance and aircraft accident insurance purchased for the study. This item was not programmed in the original budget estimate, but was subsequently determined to be necessary.
- 2) After the original budget estimate was completed the U.S. Geologic Survey withdrew federal funding from the stream gaging program for the Susitna basin. This action was not anticipated and is a necessary activity which required a program funding addition.
- 3) Funds were identified as necessary to maintain the schedule of planning leading to the System Studies and Basin Development Selection Report in March 1981. This activity was identified as a complication associated with deletion of power market and alternative studies from the Acres contract.
- 4) Activities and funding were identified as part of the program response to the comments of Arlon Tussing on the Plan of Study. This activity, Tussing Task 6, was not part of the power market and alternatives study which was directed to be deleted from the Acres Contract. This funding was appropriated to the Office of the Governor and retained for the Alternatives Study (reference our letter to you, June 25, 1980). Activities and funding were also identified for the Tussing Scope Changes Task 11, to which our comments to Task 6 also apply.
- 5) Comments of FERC on the Plan of Study following budget preparation identified in-stream flow study activities that would be required before license application submission, in Phase I. This work was originally planned for Phase II.

TO: Ron Lehr

DATE: September 30, 1980

FILE NO:

TELEPHONE NO:

FROM: Terry J. McGuire *TJM*

SUBJECT:

Page 2 of 2

- 6) FERC comments on the Plan of Study, following preparation of the budget, established that the more detailed data available on fisheries at the time of license submission, the greater the potential for acceptance. Therefore, resident and juvenile fishery studies and fishing habitat studies, originally scheduled for one year during Phase I and additional years in Phase II, were advanced to include 2 years in Phase I and additional years in Phase II.
- 7) ADF&G additional costs for salary increases and transportation cost increases. The original budget did not reflect actual negotiated salary rates for state employees, since they were unknown at that time. The budget increases for Fisheries and Big Game are calculated exactly, however they are for Step A salaries for every position range. ADF&G does not feel that all positions can be filled at Step A, but will try to stay within budget through turnover and hiring delays.
8. The original budget estimate did not include any escalation of the Non-Discretionary Funding for the Native Inspector, External Review, Power Authority Study Coordination, and the Public Participation Program. Salary cost escalation is based upon approved salary increases for exempt bargaining status employees, which were unknown for the original budget preparation. External Review cost escalation is consistent with the major Task budget escalation factor of 8½%/year.
9. Major cost escalation has been experienced in all activities associated with logistical support of field study activities, principally in camp operations, fuel, fuel resupply, and transportation.

For a detailed cash flow projection of these factors and escalations on additional program study changes and additions, our letter to you of July 21, 1980 is attached.

Original sponsor: Rules/Governor

Offered: 4/16/81

Funding Information

General Fund \$1,749,300
Other Funds -0-
\$1,749,300

1 IN THE SENATE

BY THE RULES COMMITTEE

2

CS FOR SENATE BILL NO. 178 (Rules)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making supplemental appropriations to the
7 Department of Administration and Department of Trans-
8 portation and Public Facilities to fund the Inland
9 Boatmen's Union and Masters, Mates and Pilots con-
10 tracts; and providing for an effective date."

11

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

12

* Section 1. The sum of \$1,504,000 is appropriated from the general fund
13 to the Department of Transportation and Public Facilities for fiscal year
14 1981 for costs of the Inland Boatmen's Union contract which was signed in
15 August 1980.

16

* Sec. 2. The sum of \$240,300 is appropriated from the general fund to
17 the Department of Transportation and Public Facilities for fiscal year 1981
18 for costs of the Masters, Mates and Pilots contract which was signed in
19 February 1981.

20

* Sec. 3. The sum of \$5,000 is appropriated from the general fund to the
21 Department of Administration for fiscal year 1981 for costs of the Masters,
22 Mates and Pilots contract which was signed in February 1981.

23

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

25

26

27

28

29

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

JAY S. HAMMOND, GOVERNOR

POUCH AM — JUNEAU 99811
PHONE 465-2213

March 18, 1981

The Honorable Don Bennett and Ed Dankworth
Co-Chairmen, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Amendment to SB178
Increase of \$245,300
Departments of Transportation
& Public Facilities and
Administration

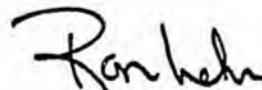
Dear Senators Bennett and Dankworth:

Your committee will soon be reviewing SB178 which makes a supplemental appropriation to pay for the FY 81 costs of the Inland Boatman's Union contract. This bill is currently in the Transportation Committee. The Administration has recently concluded negotiations with the Masters, Mates and Pilots bargaining unit. We request that SB178 be amended to add the funding necessary to pay the FY 81 costs of the agreement between the Masters, Mates and Pilots and the State. The FY 82 costs of this agreement will be requested by a budget amendment (#B100111).

The Masters, Mates and Pilots contract is retroactive to July 1, 1980 and expires on June 30, 1981. The total increased payroll costs for FY 81 required by this agreement are \$240,300. This represents a 6.3% increase over the total MMP payroll prior to the increase. In addition, the agreement also requires the Department of Administration to pay \$5,000 toward a jointly commissioned wage study.

An attachment to this letter proposes language to amend SB178 so that the necessary costs will be funded. Your assistance in amending the bill would be appreciated.

Sincerely,



Dr. Ronald D. Lehr
Director

cc: Senator Ray, Chairman, Senate Transportation Committee
Representative Sam Cotten, Chairman, House Finance Committee
Commissioner Hudson, Administration
Jay Hogan
Keith Specking

Attachment to Senators Bennett and Dankworth

Suggested Amendments to SB 178 (S101409)

1. Change title to: "An act making supplemental appropriations to the Department of Administration and the Department of Transportation and Public Facilities to fund the Inland Boatman's Union and Masters, Mates and Pilots contracts; and providing for an effective date."
2. Renumber section 2 to section 4.
3. Add a new section 2 to read: "The sum of \$240,300 is appropriated from the general fund to the Department of Transportation and Public Facilities to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."
4. Add a new section 3 to read: "The sum of \$5,000 is appropriated from the general fund to the Department of Administration to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."

6178

February 13, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which would make a supplemental appropriation to the Department of Transportation and Public Facilities to fund the FY 81 costs of the recently approved Inland Boatmen's Union (IBU) contract.

The funds would be appropriated to DOT/PF since all IBU members are in that department.

Sincerely,

S/SSH

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

TO: Martin Nusbaum
 Special Assistant to the Commissioner
 Division of Marine Highway Systems
 Department of Transportation and
 Public Facilities

DATE: August 8, 1980

FILE NO:

TELEPHONE NO: 465-4404

FROM: Bruce I. Ludwig
 Labor Relations Analyst
 Division of Labor Relations
 Department of Administration

SUBJECT: Cost of IBU
 Tentative Agreement

Per your request, following is a breakdown of the costs of IBU's tentative agreement which will be submitted by this office to Budget and Management for legislative appropriation.

<u>ITEM</u>	<u>APPROPRIATION REQUEST</u>
Supervisory Classification Adjustments:	
SE (+ \$.33/hr. & + \$.20/hr.)	\$67,643.00
SW (+ \$.27/hr. & + \$.16/hr.)	10,120.00
Across-the-Board Increases:	
SE (1,117,962 hrs. @ \$1.10 ea.)	1,229,758.20
SW (194,679 hrs. @ \$.91 ea.)	177,157.89
"Step A" Savings, FY 81	[61,448.42]
<hr/> Subtotal - Wage Increase	<hr/> \$1,423,230.50
Maintenance & Cure: \$7.50/day increase in rate for injuries; liberalized availability of sick leave for injuries	\$20,000.00
Uniform & Laundry Allowances:	
\$1/pay period increase, 74 members	1,924.00
\$1.50/pay period increase, 531 members	13,806.00
Joint Actuarial Study of PERS Inclusion	4,000.00
Unemployment Insurance Increase (varies as % of payroll costs)	9,962.61
Alaska Supplemental Benefits Increase-Employer Contribution (varies as % of payroll costs)	31,029.31
<hr/> Total Increase to Payroll	<hr/> <u>\$1,503,952.50</u>

Martin:Kusbaum

-2-

August 8, 1980

This amounts to an 8.49% increase in IBU's FY 81 payroll of \$17,717,163.00. ("Payroll" includes variable benefits, Maintenance and Cure, Welfare and Retirement, and Uniform/Laundry Allowances.)

BIL/mls
3/CLR2/M

COMMITTEE REPORT
SENATE

FURTHER: None

3/18/81

Date: April 6, 1981

Mr. President:

The Committee on FINANCE has had SB 178

making a supplemental appropriation to the Dept. of Transportation & Public Facilities to fund the Inland Boatmen's Union contract

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s) same title
- replace with CS for _____ new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ~~recommendation~~ recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

John Patrick

Lawrence

James

William

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John Patrick
CHAIRMAN

do pass

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811
PHONE 465-2213

Received 4/24/81
after bill passed
from SFC.
JAY S. HAMMOND, GOVERNOR

Supp.
Gen. Acct.

March 18, 1981

The Honorable Don Bennett and Ed Dankworth
Co-Chairmen, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Amendment to SB178 ✓
Increase of \$245,300
Departments of Transportation
& Public Facilities and
Administration

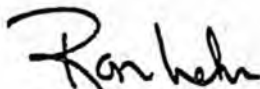
Dear Senators Bennett and Dankworth:

Your committee will soon be reviewing SB178 which makes a supplemental appropriation to pay for the FY 81 costs of the Inland Boatman's Union contract. This bill is currently in the Transportation Committee. The Administration has recently concluded negotiations with the Masters, Mates and Pilots bargaining unit. We request that SB178 be amended to add the funding necessary to pay the FY 81 costs of the agreement between the Masters, Mates and Pilots and the State. The FY 82 costs of this agreement will be requested by a budget amendment (#B100111).

The Masters, Mates and Pilots contract is retroactive to July 1, 1980 and expires on June 30, 1981. The total increased payroll costs for FY 81 required by this agreement are \$240,300. This represents a 6.3% increase over the total MMP payroll prior to the increase. In addition, the agreement also requires the Department of Administration to pay \$5,000 toward a jointly commissioned wage study.

An attachment to this letter proposes language to amend SB178 so that the necessary costs will be funded. Your assistance in amending the bill would be appreciated.

Sincerely,



Dr. Ronald D. Lehr
Director

cc: Senator Ray, Chairman, Senate Transportation Committee
Representative Sam Cotten, Chairman, House Finance Committee
Commissioner Hudson, Administration
Jay Hogan
Keith Specking

Attachment to Senators Bennett and Dankworth

Suggested Amendments to SB 178 (S101409)

1. Change title to: "An act making supplemental appropriations to the Department of Administration and the Department of Transportation and Public Facilities to fund the Inland Boatman's Union and Masters, Mates and Pilots contracts; and providing for an effective date."
2. Renumber section 2 to section 4.
3. Add a new section 2 to read: "The sum of \$240,300 is appropriated from the general fund to the Department of Transportation and Public Facilities to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."
4. Add a new section 3 to read: "The sum of \$5,000 is appropriated from the general fund to the Department of Administration to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."

MM&P AGREEMENT - FY '81 COST

Across the Board Increases
(\$100/mo. x 12 mos. x 65 Deck Officers) \$ 78,000.00

"Master's Pay" Increases
SE: (\$140/mo. x 12 mos. x 17 Deck Officers) 28,560.00
Tustumena: [\$75/mo.] x 12 mos. x 2 Deck Officers) [1,800.00]

Non-Watch Pay, In Lieu of Overtime, Increases
Masters - SE (including Chilkat):
\$260/mo. x 12 mos. x 19 Deck Officers 59,280.00
Masters - SW: \$260/mo. x 12 mos. x 4 Deck Officers 12,480.00
Chief Mates - SE: \$95/mo. x 12 mos. x 10 Deck
Officers 11,400.00

Equalization of SE 2nd and 3rd Mates:
\$126.95 x 12 mos. x 6 Deck Officers 9,140.40

Taku Upgrade
Masters: \$162.95/mo. x 12 mos. x 2 Deck Officer 3,903.60
Chief Mate: \$142.82/mo. x 12 mos. x 2 Deck Officers 3,427.68

Overtime Rate Increases - SE 34,558.63

Overtime Savings - SE Chief Mates [8,991.45]

Maintenance and Cure Improvement 3,000.00

Uniform Allowance Increase
\$1/pay period x 26 pay periods x 65 Deck Officers 1,690.00

Subtotal \$234,648.86
UI Increased Cost - 7% gross wages 1,609.71
License Insurance Increase 4,037.39

SUBTOTAL \$240,295.96

Jointly Commissioned Wage Study. \$ 5,000.00
These funds to be allocated to the Commissioner
of Administration to pay the State share of
study costs.

TOTAL \$245,295.96

MM&P Projected Payroll, CY 1981
(Absent new Agreement) \$ 3,868,816.70

Package represents approximately 6.3% increase
to total projected payroll.

8/LRI/A

Funding Information
General Fund \$1,504,000
Other Funds -0-
\$1,504,000

Introduced: 2/16/81
Referred: Transportation and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 178

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Transportation and Public Facilities to
8 fund the Inland Boatmen's Union contract; and providing
9 for an effective date."

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

11 * Section 1. The sum of \$1,504,000 is appropriated from the general fund
12 to the Department of Transportation and Public Facilities to fund the FY 81
13 costs of the Inland Boatmen's Union contract which was signed in August 1980.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

16
17
18
19
20
21
22
23
24
25
26
27
28
29

April 7, 1981

BACKUP RECEIVED AFTER THE BILL
PASSED FROM COMMITTEE (COPY
FORWARDED O. TO RULES)

March 18, 1981

5 101409

The Honorable Don Bennett and Ed Dankworth
Co-Chairmen, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Amendment to SB178
Increase of \$245,300
Departments of Transportation
& Public Facilities and
Administration

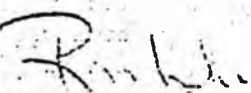
Dear Senators Bennett and Dankworth:

Your committee will soon be reviewing SB178 which makes a supplemental appropriation to pay for the FY 81 costs of the Inland Boatman's Union contract. This bill is currently in the Transportation Committee. The Administration has recently concluded negotiations with the Masters, Mates and Pilots bargaining unit. We request that SB178 be amended to add the funding necessary to pay the FY 81 costs of the agreement between the Masters, Mates and Pilots and the State. The FY 82 costs of this agreement will be requested by a budget amendment (#B100111).

The Masters, Mates and Pilots contract is retroactive to July 1, 1980 and expires on June 30, 1981. The total increased payroll costs for FY 81 required by this agreement are \$240,300. This represents a 6.3% increase over the total MMP payroll prior to the increase. In addition, the agreement also requires the Department of Administration to pay \$5,000 toward a jointly commissioned wage study.

An attachment to this letter proposes language to amend SB178 so that the necessary costs will be funded. Your assistance in amending the bill would be appreciated.

Sincerely,



Dr. Ronald D. Lehr
Director

r1/jm/tl

cc: Senator Ray, Chairman, Senate Transportation Committee
Representative Sam Cotten, Chairman, House Finance Committee
Commissioner Hudson, Administration
Jay Hogan
Keith Specking

Attachment to Senators Bennett and Dankworth

Suggested Amendments to SB 178 (S101409)

1. Change title to: "An act making supplemental appropriations to the Department of Administration and the Department of Transportation and Public Facilities to fund the Inland Boatman's Union and Masters, Mates and Pilots contracts; and providing for an effective date."
2. Renumber section 2 to section 4.
3. Add a new section 2 to read: "The sum of \$240,300 is appropriated from the general fund to the Department of Transportation and Public Facilities to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."
4. Add a new section 3 to read: "The sum of \$5,000 is appropriated from the general fund to the Department of Administration to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."

MM&P AGREEMENT - FY '81 COST

Across the Board Increases
(\$100/mo. x 12 mos. x 65 Deck Officers) \$ 78,000.00

"Master's Pay" Increases
SE: (\$140/mo. x 12 mos. x 17 Deck Officers) 28,560.00
Tustumena: [\$75/mo.] x 12 mos. x 2 Deck Officers) [1,800.00]

Non-Watch Pay, In Lieu of Overtime, Increases
Masters - SE (including Chilkat):
\$260/mo. x 12 mos. x 19 Deck Officers 59,280.00
Masters - SW: \$260/mo. x 12 mos. x 4 Deck Officers 12,480.00
Chief Mates - SE: \$95/mo. x 12 mos. x 10 Deck
Officers 11,400.00

Equalization of SE 2nd and 3rd Mates:
\$126.95 x 12 mos. x 6 Deck Officers 9,140.40

Taku Upgrade
Masters: \$162.95/mo. x 12 mos. x 2 Deck Officers 3,903.60
Chief Mate: \$142.82/mo. x 12 mos. x 2 Deck Officers 3,427.68

Overtime Rate Increases - SE 34,558.63

Overtime Savings - SE Chief Mates [8,991.45]

Maintenance and Cure Improvement 3,000.00

Uniform Allowance Increase
\$1/pay period x 26 pay periods x 65 Deck Officers 1,690.00

Subtotal \$234,648.86
UI Increased Cost - 7% gross wages 1,609.71
License Insurance Increase 4,037.39

SUBTOTAL \$240,295.96

Jointly Commissioned Wage Study. \$ 5,000.00
These funds to be allocated to the Commissioner
of Administration to pay the State share of
stud' costs.

TOTAL \$245,295.96

MM&P Projected Payroll, CY 1981
(Absent new Agreement) \$ 3,868,816.70

Package represents approximately 6.3% increase
to total projected payroll.

8/LRI/A

February 13, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which would make a supplemental appropriation to the Department of Transportation and Public Facilities to fund the FY 81 costs of the recently approved Inland Boatmen's Union (IBU) contract.

The funds would be appropriated to DOT/PF since all IBU members are in that department.

Sincerely,

S/SSH

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

TO: Martin Nusbaum
 Special Assistant to the Commissioner
 Division of Marine Highway Systems
 Department of Transportation and
 Public Facilities

DATE: August 8, 1980

FILE NO:

TELEPHONE NO: 465-4404

FROM: Bruce Ludwig
 Labor Relations Analyst
 Division of Labor Relations
 Department of Administration

SUBJECT: Cost of IBU
 Tentative Agreement

Per your request, following is a breakdown of the costs of IBU's tentative agreement which will be submitted by this office to Budget and Management for legislative appropriation.

<u>ITEM</u>	<u>APPROPRIATION REQUEST</u>
Supervisory Classification Adjustments:	
SE (+ \$.33/hr. & + \$.20/hr.)	\$67,643.00
SW (+ \$.27/hr. & + \$.16/hr.)	10,120.00
Across-the-Board Increases:	
SE (1,117,962 hrs. @ \$1.10 ea.)	1,229,758.20
SW (194,679 hrs. @ \$.91 ea.)	177,157.89
"Step A" Savings, FY 81	[61,448.42]
<hr/> Subtotal - Wage Increase	<hr/> \$1,423,230.50
Maintenance & Cure: \$7.50/day increase in rate for injuries; liberalized availability of sick leave for injuries	\$20,000.00
Uniform & Laundry Allowances:	
\$1/pay period increase; 74 members	1,924.00
\$1.50/pay period increase, 531 members	13,806.00
Joint Actuarial Study of PERS Inclusion	4,000.00
Unemployment Insurance Increase (varies as % of payroll costs)	9,962.61
Alaska Supplemental Benefits Increase-Employer Contribution (varies as % of payroll costs)	31,029.31
<hr/> Total Increase to Payroll	<hr/> <u>\$1,503,952.50</u>

Martin Kusbaum

-2-

August 8, 1980

his amounts to an 8.49% increase in IBU's FY 81 payroll of \$17,717,163.00. ("Payroll" includes variable benefits, Maintenance and Cure, Welfare and Retirement, and Uniform/Laundry Allowances.)

BIL/mls
3/CLR2/H

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: HCS for CS for SB 180 (Judiciary) am H

Title: An Act relating to municipal government.

Requested by: Judiciary

Date: May 28, 1982

II. FISCAL DETAIL

Agency Affected: _____

Program Category Affected: _____

BRU, Program, or Subprogram(s) Affected: _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See attached analysis.

IV. DATE: May 28, 1982

PREPARED BY: Joseph K. Donohue

AGENCY: Department of Revenue

PHONE: 465-2300

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

May 28, 1982

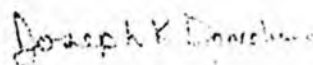
The Honorable Patrick O'Connell
Alaska State Legislature
House of Representatives
Pouch V
Juneau, AK 99811

Re: HCS for CS for SB 180 (Judiciary) am H

Dear Representative O'Connell:

Enclosed is the Fiscal Note for the above referenced bill as you requested.

Sincerely,



Joseph K. Donohue
Deputy Commissioner, Taxation

JKD:jas

Enclosure

cc: The Honorable Jalmar Kerttula
President of the Senate

The Honorable Don Bennett
Co-Chairman
Senate Finance Committee

The Honorable M. E. Dankworth
Co-Chairman
Senate Finance Committee

The Honorable Joe Hayes
Speaker of the House

The Honorable Al Adams
Chairman
House Finance Committee

The Effect on AS 29.53.045(c)

The tax effect of this bill, during 1982, under AS 29.53.045(c), assuming the two different population estimates as provided by the Department of Community and Regional Affairs, would result in a loss of \$18,688,707 to the state.

The methodology to derive this figure is illustrated as follows:

<u>Average Per Capita Statewide Assessed Value</u>	x	<u>225%</u>	x	<u>Population</u>	x	<u>30 mills</u>	=	<u>Tax Amount</u>
\$70,538	x	2.25	x	11,252	x	.03	=	\$53,574,316
\$70,538	x	2.25	x	7,098	x	.03	=	-\$33,795,814
Difference								<u>\$19,778,502</u>

Of this total difference the state's loss is $.9449 \times \$19,778,502$ or \$18,688,707.

Similar losses would accrue in future years.

The Effect on AS 43.20

The proposed bill would not affect the total amount distributed for municipal revenue sharing purposes under AS 43.20 but would probably change the allocation between communities. To the extent that double counting (i.e., isolated workers counted in one area while at the same time being counted as permanent residents in an entirely different area of the state) might prevail, the total amount per capita would be diluted. Hence, some communities would increase their overall portion of the revenue pie while others would be subject to a reduction in revenues.

(Please see attached historical record of revenue distribution as determined under AS 43.56 and AS 29.53)

		AV.	20 Hill Tax	Local Credit	Not for State
1975					
6.54	Kenai	403,603,450	8,072,069	2,640,122	5,432,398
18.40	Anchorage	3,568,840	71,376	55,692	5,684
15.00	Bristol Bay	364,840	7,296	5,472	1,824
12.3	North Slope	424,416,960	8,488,339	5,220,328	3,268,010
7.4	Valdez	170,519,000	3,410,380	1,262,546	2,147,832
13.0	Mat-Su	680,240	17,605	11,443	5,162
6.62	North Star	64,850,240	1,297,005	429,425	867,580
20.0	Unorganized	220,056,330	4,401,127	-0-	4,401,127
TOTAL		1,288,259,900	25,765,197	9,635,030	16,130,617

1976					
6.65	Kenai	457,274,120	9,145,482	3,041,121	6,104,576
19.30	Anchorage	8,857,750	177,155	175,266	2,945
10.30	North Slope	1,520,250,510	30,405,010	15,658,580	14,746,429
8.12	Valdez	452,983,000	9,059,650	3,678,635	5,381,025
8.00	Mat-Su	1,622,620	32,452	12,981	19,471
6.40	North Star	306,204,140	6,124,083	1,960,034	4,164,049
20.00	Unorganized	1,875,413,490	37,508,270	-0-	37,508,270
TOTAL		4,622,605,630	92,452,112	24,526,617	67,926,765

1977					
6.32	Kenai	460,400,980	9,208,020	2,909,945	6,298,095
16.67	Anchorage	9,142,580	182,852	152,277	30,475
7.52	North Slope	3,304,836,500	66,096,730	24,852,370	41,244,360
6.28	Valdez	1,104,313,000	22,086,260	6,935,241	15,161,019
10.70	Mat-Su	367,630	7,353	3,934	3,419
5.19	North Star	505,326,780	10,106,536	2,622,475	7,484,061
13.10	Yakutat	3,886,610	77,732	50,915	26,818
20.00	Unorganized	3,103,971,480	62,079,430	-0-	62,079,430
TOTAL		8,492,245,560	169,844,913	37,527,257	132,317,677

1978					
5.69	Kenai	452,631,280	9,052,626	2,555,782	6,496,844
16.91	Anchorage	16,495,680	329,914	278,880	51,033
7.29	North Slope	4,456,310,700	89,126,214	32,487,908	55,638,306
5.33	Valdez	1,557,558,000	31,151,160	8,301,784	22,849,376
7.80	Mat-Su	2,709,650	54,193	21,135	33,058
7.28	North Star	595,042,140	11,900,843	4,329,916	7,570,927
13.70	Yakutat	3,212,540	64,251	44,012	20,239
20.00	Unorganized	3,993,024,680	79,860,494	-0-	79,860,494
TOTAL		11,076,984,670	221,539,695	48,019,417	173,520,277

		AFV	0.011%	Local	to State
			Tax	Unpaid	
1979					
3.22	Kenai	45,727,170	8,914,543	1,433,345	7,481,198
14.32	Anchorage	24,311,750	486,234	348,075	188,159
10.35	North Slope	4,810,887,800	96,217,756	49,800,530	46,417,225
5.97	Valdez	1,541,897,000	30,837,940	9,211,293	21,625,647
7.40	Mat-Su	2,975,710	59,514	22,020	37,494
7.27	North Star	792,249,650	15,844,993	5,757,872	10,087,121
13.70	Yakutat	2,639,910	52,798	36,167	16,631
20.00	Unorganized	4,325,758,440	86,515,169	-0-	86,515,169
TOTAL		11,946,447,380	238,928,947	66,609,302	172,319,645

1980					
3.67	Kenai	499,955,160	9,999,103	1,833,758	8,165,345
12.46	Anchorage	31,636,780	632,736	394,270	238,466
10.33	North Slope	5,450,597,290	109,011,946	55,974,326	53,037,620
6.55	Valdez	1,626,511,000	32,530,220	10,650,394	21,879,826
8.95	Mat-Su	721,530	14,431	6,458	7,973
6.28	North Star	638,848,930	12,776,979	4,014,332	8,762,647
13.70	Yakutat	1,943,700	38,874	26,629	12,245
20.00	Unorganized	3,915,419,560	78,308,391	-0-	78,308,391
TOTAL		12,165,633,950	243,312,680	72,900,167	170,412,513

1981					
2.79	Kenai	562,862,700	11,257,254	1,569,841	9,687,413
8.62	Anchorage	50,612,980	1,012,260	436,043	567,217
16.70	North Slope	6,297,616,550	125,952,331	105,150,647	20,801,684
6.36	Valdez	1,620,048,000	32,400,960	10,309,985	22,090,975
7.22	Mat-Su	5,627,910	112,558	40,633	71,925
5.60	North Star	639,604,430	12,792,089	3,581,162	9,210,927
13.70	Yakutat	2,032,760	40,655	27,849	12,806
20.00	Unorganized	3,992,227,950	79,844,550	-0-	79,844,559
TOTAL		13,170,633,280	263,412,666	121,116,160	142,296,506

HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary) am H

Under Uniform Rule (43)(b), engrossment has been waived and certified amendments are attached.

Original sponsor: Rules/Legislative Council

Offered: 5/5/82
Referred: Finance

1 IN THE SENATE BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary) am H

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government,

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.03 is amended by adding a new section to read:

10 Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the
11 Department of Natural Resources is the platting authority in the un-
12 organized borough in the area outside all cities.

13 * Sec. 2. AS 29 is amended by adding a new chapter to read:

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

15 Sec. 29.04.010. HOME RULE. A home rule municipality is a munici-
16 pal corporation and political subdivision. It is a city or a borough
17 that has adopted a home rule charter, or it is a unified municipality.
18 A home rule municipality has all legislative powers not prohibited by
19 law or charter.

20 Sec. 29.04.020. GENERAL LAW. A general law municipality is a
21 municipal corporation and political subdivision and is an unchartered
22 borough or city. It has legislative powers conferred by law.

23 Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipali-
24 ties are of five classes:

- 25 (1) first class boroughs;
26 (2) second class boroughs;
27 (3) third class boroughs;
28 (4) first class cities;
29 (5) second class cities.

CERTIFIED AMENDMENTS

HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary)

PAGE: 149 LINE: 22

through page 150 line 6
Delete Sec. 29.60.140 and replace with
the following

AMENDMENT NO. 3

Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The Department of Community and Regional Affairs shall pay an entitlement of \$25,000 each fiscal year to each unincorporated community. The Department of Community and Regional Affairs with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the Department of Community and Regional Affairs shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The Department of Community and Regional Affairs may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for contract claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit.

AMENDMENT TO AMENDMENT No. 3

Line 4: After "community" insert "to be used for a public purpose."

Line 14: Delete "contract"

AMENDMENT No. 5

OFFERED IN THE HOUSE:

By: _____

To: HCS CSSB 180 (Jud) HOUSE BILL No. _____

SENATE BILL No. _____

PAGE:s 31, 73, 94, 187

LINES As marked

Page 31, Line 3

Add a new paragraph to read:

(46) AS 29.35.120 (regulation of firearms prohibited)

Page 73, Line 7

Add a new section to read:

Sec. 29.35.120. REGULATION OF FIREARMS PROHIBITED. (a) A municipality may not regulate the ownership and possession of firearms.

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

Page 94, Line 8

Add a new paragraph to read:

(7) firearms.

Page 187, line 17

Insert a new section to read:

Sec. 83. The tax exemption provided in AS 29.45.030(a)(7) of this Act begins January 1, 1983.

Re-number following section

AMENDMENT NO. 6

Page 55, Line 4: Delete "a municipality" and add "the legislative body of a municipality"

AMENDMENT NO. 7

Page 59, Lines 6 and 24: Delete "60" add "90"

AMENDMENT NO. 8

On line 25: After "(23)" add "(A)"

After line 28 add: "(B) Does not include cadastral plats, cadastral control plats, open-to-entry plats, or remote parcel plats created by or on behalf of the State regardless of whether these plats include easements or other public dedications."

AMENDMENT NO. 9

Page 97, Line 22: Delete "\$10,000" and insert "\$25,000"

AMENDMENT NO. 10

page 103, line 4 through line 8. Delete text after "shall" through "year".

Insert:

"include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include all persons working at isolated job sites in a municipality. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 104, delete lines 3 through 7.

Insert.

"include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include all persons working at isolated job sites in a municipality. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 143, line 3, delete text after "shall" through line 6 "reliable".

Insert:

"include permanent residents and military personnel or employees of a military reservation located in the taxing unit. Population shall also include all persons working at isolated job sites

AMENDMENT NO. 10 Cont'd.

in a taxing unit. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 149, line 15, insert following "marshal".:

"For purposes of this subsection, population shall include permanent residents and military personnel or employees of a military reservation served by the fire department. Population shall also include all persons working at isolated job sites served by the fire department. The state fire marshal shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

AMENDMENT NO. 11

Page 97, Lines 24 - 26: Delete paragraph (1) and add new (1)

(1) classify boats and vessels for the purpose of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or documented net tonnage; a tax based upon a tonnage valuation shall not exceed \$25 a year for a boat or vessel of less than five net tons and shall not exceed \$75 a year for a boat or vessel of more than five net tons;

AMENDMENT NO. 12

Page 100, Line 18: After the word "tax" delete "at the current mill levy"

AMENDMENT NO. 13

Page 58, Lines 21 & 22 are amended to read as follows: (3) relates to a legislative or administrative matter; and

AMENDMENT NO. 16

Page 86, Line 13: Delete paragraph (1) and renumber following paragraphs.

page 94, line 7. After subsection (6), insert new subsection (7):

(7) forest land as defined in AS 41.17.950(6).

page 94, line 8, insert new subsection:

(8) real property or interests in real property that are exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully provided in (k) and (l) of this section.

page 96, line 22, add new subsections:

(k) The tax exemption required by 43 U.S.C. 1620(d), as amended, shall be implemented according to the following conditions and interpretations.

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful or productive present use without further substantiation modification; surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the above conditions, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources,

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(l) If the property or interest in the property reverts to an undeveloped state, or if the lease is terminated, the exemption shall be reinstated, subject to the provisions of (k) of this section.

page 187, add new sections:

Sec. 83. AS 29.45.030(a)(8), (k) and (l) as enacted in sec. 11 of this Act are retroactive to December 31, 1980.

Sec. 84. AS 29.45.030(a)(8), (k) and (l) as enacted in sec. 11 of this Act and sec. 83 of this Act take effect immediately in accordance with AS 01.10.070(c).

Sec. 85. Except for AS 29.45.030(a)(8), (k) and (l) as enacted in sec. 11 of this Act, and sec. 83 of this Act, this Act takes effect July 1, 1982.

Page 187, line 17, delete sec. 83.

COMMITTEE REPORT

HOUSE

FURTHER:

(11)

5/12/82

Date: 5/13/82

Mr. Speaker: (Taken from Rules and returned
to Finance 5/12)

The Committee on FINANCE has had CSSE 180 (CLRA) am

"An Act relating to municipal government; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS SB 180 (2d Fin) same title
 new title
- and recommends w/attached amendment
- AND attaches a "Letter of Intent" -New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: Finance Committee

TO: HCS CS HOUSE BILL No. _____

SENATE BILL No. 180 (2nd Finance)

PAGE: _____ LINE: _____

PAGE 33, after line 7, insert:

"(46) AS 29.35.120 (regulation of firearms prohibited)"

Page 75, after line 11, insert:

"Sec. 29.35.120. REGULATION OF FIREARMS PROHIBITED. (a) A municipality may not regulate the ownership or possession of firearms.

(b) The prohibition in (a) of this section applies to home rule and general law municipalities. "

Page 96, after line 16, insert:

"(9) firearms."

Page 196, after line 4, insert:

"* Sec. 86. AS 29.45.030(a)(9) enacted in sec. 11 of this Act takes effect January 1, 1983."

Page 196, line 5:

Delete "Sec. 86" and insert "Sec. 87"

After "AS 29.45.030(a)(7)" insert "(a)(9),"

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Finance Committee

To: HCS CS

HOUSE BILL No. _____

SENATE BILL No. 180 (2nd Finance)

PAGE: _____

LINE: _____

PAGE 33, after line 7, insert:

"(46) AS 29.35.120 (regulation of firearms prohibited)"

Page 75, after line 11, insert:

"Sec. 29.35.120. REGULATION OF FIREARMS PROHIBITED. (a) A municipality may not regulate the ownership or possession of firearms.

(b) The prohibition in (a) of this section applies to home rule and general law municipalities. "

Page 96, after line 16, insert:

"(9) firearms."

Page 196, after line 4, insert:

"* Sec. 86. AS 29.45.030(a)(9) enacted in sec. 11 of this Act takes effect January 1, 1983."

Page 196, line 5:

Delete "Sec. 86" and insert "Sec. 87"

After "AS 29.45.030(a)(7)" insert "(a)(9),"

I. REQUEST
 Bill/Resolution No. SB 240 / HCS CSSB 180 (Finance)
 Title An Act..for feasibility studies of proposed boroughs in the unorganized borough
 Requested by Office of the Governor Date February 2, 1981

II. FISCAL DETAIL
 Agency Affected Community and Regional Affairs
 Program Category Affected Community Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL		15.0	16.5	18.2	20.0	
300 CONTRACTUAL		350.0	360.0	360.0	360.0	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		375.0	376.5	378.2	380.0	

FUNDING (Thousands of Dollars)

GENERAL FUND	375.0	376.5	378.2	380.0
FEDERAL FUNDS				
OTHER (Specify Fund Source)				

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-
PART TIME				
TEMPORARY				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 The funding for the proposed feasibility studies are set by formula. The studies may not cost more than the amount equal to \$30,000 plus \$30 for each person residing within the area of the study.

Assumptions:

- 1) The average population for areas to be studied will be 3,000 persons. Therefore, the average cost of each study will be \$120,000.
- 2) Two borough studies will be funded each fiscal year.
- 3) In the event more than two regions wish to have studies conducted each year, or if a more populated region of the state (Prince William Sound for example) wishes to have a study conducted, it is prudent to have a reserve amount equal to the cost of one additional study available for these purposes each fiscal year.
- 4) Travel funding will be needed to coordinate and monitor studies. A 10% inflation factor is used in computing travel each fiscal year.

IV: DATE February 2, 1981

PREPARED BY Doug Griffin
 AGENCY Community and Regional Affairs / LGAD
 PHONE 465-4736

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

State of Alaska

Department of Community & Regional Affairs

Date: March 15 1982

POSITION PAPER

Requested by: Senate Community & Regional Affairs

Subject: SB 735 "An Act Relating to Organization Grants and Transitional

Assistance"

Departmental Position: Support

Remarks:

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of \$50,000 the first year and \$25,000 the second year.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of \$300,000 the first year, \$200,000 the second year and \$100,000 the third and final year.

AS 29.05.210 of the bill would provide for transitional technical assistance in the area of tax collections.

Even before the era of great state wealth the status quo in the unorganized borough was characterized as inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient to the extent that existing service delivery mechanisms (cities and State regional offices) often lack the necessary expertise to provide services on an efficient and responsive basis. The inequity and inefficiency of the present system are now even more pronounced in light of the attention focused on and the millions of dollars spent in the unorganized borough. More goods and services are being provided in rural Alaska without the benefit of local control and a coordinated delivery mechanism.

The solution must be a voluntary one if it is to work. To make a voluntary progression from unorganized status to organized borough status work, it must have three major incentives to make it more attractive than the status quo: 1) money, 2) a mechanism for substantial local control, and 3) transitional assistance to help get a regional government off the ground. Rural areas of the State should not be rushed into any regional governance nor should they be presented with an all-or-nothing situation.

This bill combines monetary incentive with guarantees of assistance that will make regional government more attractive to residents of the unorganized borough.

The Department has long supported increased financial and technical assistance to municipalities (including newly formed cities) during the period immediately after incorporation. That initial period is critical in the development of municipal government and the assistance provided by this bill will help newly formed governments get started.

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of \$50,000 the first year and \$25,000 the second year. The proposed funding level in this fiscal note is based on 2 cities incorporating in Fiscal 82 and 1 every other year after that time.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of \$300,000 the first year, \$200,000 the second year and \$100,000 the third and final year. The proposed funding level in this fiscal note assumes one borough incorporation in each of the following years: FY 83, FY 85 and FY 87.

Page 5 of the bill (AS 29.05.270) deals with transitional assistance to boroughs and establishment of taxation systems. It is not completely clear how much assistance is intended by this language. Depending on the legislative intent, the cost of setting up those tax systems could run as high as \$300,000 per borough per year. This fiscal note assumes technical assistance only and that that assistance would be provided with existing staff. The only cost based on those assumptions would add additional travel of \$5,000.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 735 / HCS CSSB 180 (Finance)
 Title "An Act relating to municipal government"
 Requested by Rules committee by request of Legislative Date January 20, 1982
Council

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Community Development
 BRU, Program, Or Subprogram(s) Affected Local Government Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		400	250.0	425	250	
TOTAL		405.0	255.0	430.0	255	

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		405	255	430	255	
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		0	0	0	0	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

SEE ATTACHED

IV. DATE March 15, 1982 PREPARED BY Terry E. Earley
 AGENCY C&RA/ Local Government Assistance
 Original: Legislative Finance PHONE 465-4730
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

POSITION PAPER

Requested by: Senate Community & Regional Affairs

Subject: SB 735 "An Act Relating to Organization Grants and Transitional

Assistance"

Departmental Position: Support

Remarks:

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of \$50,000 the first year and \$25,000 the second year.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of \$300,000 the first year, \$200,000 the second year and \$100,000 the third and final year.

AS 29.05.210 of the bill would provide for transitional technical assistance in the area of tax collections.

Even before the era of great state wealth the status quo in the unorganized borough was characterized as inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient to the extent that existing service delivery mechanisms (cities and State regional offices) often lack the necessary expertise to provide services on an efficient and responsive basis. The inequity and inefficiency of the present system are now even more pronounced in light of the attention focused on and the millions of dollars spent in the unorganized borough. More goods and services are being provided in rural Alaska without the benefit of local control and a coordinated delivery mechanism.

The solution must be a voluntary one if it is to work. To make a voluntary progression from unorganized status to organized borough status work, it must have three major incentives to make it more attractive than the status quo: 1) money, 2) a mechanism for substantial local control, and 3) transitional assistance to help get a regional government off the ground. Rural areas of the State should not be rushed into any regional governance nor should they be presented with an all-or-nothing situation.

This bill combines monetary incentive with guarantees of assistance that will make regional government more attractive to residents of the unorganized borough.

The Department has long supported increased financial and technical assistance to municipalities (including newly formed cities) during the period immediately after incorporation. That initial period is critical in the development of municipal government and the assistance provided by this bill will help newly formed governments get started.

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of \$50,000 the first year and \$25,000 the second year. The proposed funding level in this fiscal note is based on 2 cities incorporating in Fiscal 82 and 1 every other year after that time.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of \$300,000 the first year, \$200,000 the second year and \$100,000 the third and final year. The proposed funding level in this fiscal note assumes one borough incorporation in each of the following years: FY 83, FY 85 and FY 87.

Page 5 of the bill (AS 29.05.210) deals with transitional assistance to boroughs and establishment of taxation systems. It is not completely clear how much assistance is intended by this language. Depending on the legislative intent, the cost of setting up those tax systems could run as high as \$300,000 per borough per year. This fiscal note assumes technical assistance only and that that assistance would be provided with existing staff. The only cost based on those assumptions would add additional travel of \$5,000.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House CS for Senate Bill 830 (Finance)/HCS CSSB 180 (Fin)
Title "An Act relating to assistance for municipalities and... communities..."
Requested by House Finance Committee Date 5/6/82

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
Program Category Affected Development
BRU, Program, Or Subprogram(s) Affected Local Government Assist./Rev. Sharing Adm
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		27.5	29.4	31.5	33.7	
200 TRAVEL		5.2	5.7	6.2	6.7	
300 CONTRACTUAL		4.1	4.5	4.9	5.3	
400 COMMODITIES		.7	.1	.1	.1	
500 EQUIPMENT		.6	-0-	-0-	-0-	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		38.1	39.7	42.7	45.8	

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		38.1	39.7	42.7	45.8	
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		1	1	1	1	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

- Assumptions: 1) HCSSB 830 includes a provision transferring the Municipal Assistance Program from the Department of Revenue to the Department of Community and Regional Affairs.
- 2) No personal services transfers are made from the Department of Revenue to the Department of Community and Regional Affairs.
 - 3) The FY 83 Personal Services funding is based on the existing salary schedule.
 - 4) Succeeding years after FY 83 are adjusted for inflation at an annual rate of 7% for personal services and 9% for other categories, less one time items.

A detailed breakdown and justification are attached.

IV. DATE May 5, 1982

PREPARED BY Doug Griffin
AGENCY C & RA/Local Gov't Assistance

Original: Legislative Finance PHONE 465-4736

cc: Budget and Management
Prime Sponsor: (First Legislator Named)

33-001 (Rev. 12/81)

Detailed Breakdown

100 Personal Services 27,475

Accounting Techincian I (Range 12) Juneau

1,761 X 12 = 21,132
Benefits 6,343

200 Travel 5,200

8 Trips @ \$450 ner trip 3,600
20 Days per diem @ \$80 per day 1,600

300 Contractual Services 4,100

Communications 1,100
Printing and Advertising 1,000
Space rent 2,000

400 Commodities 700

Office supplies 100
Office equipment 600
(one time item)

500 Equipment 600

Major Office Equipment (desk) 600
(one time item)

Justification

The addition of the Municipal Assistance program will create additional work for the staff assigned to administer the State Revenue Sharing Program. The administrative capabilities of present State Revenue Sharing staff in the Division of Local Government Assistance are already spread thin to properly implement what has become an increasingly complex and comprehensive program. It could be argued that the Department of Revenue, whose responsibilities will be reduced as a result of transferring the Municipal Assistance Program out of their agency, could look at a staff reduction or simply the transfer of Municipal Assistance staff to the Department of Community and Regional Affairs. This Department, however, has been advised by the Department of Revenue that this transfer is not possible due to the other related duties performed by Municipal Assistance staff. Therefore, one additional staff person is requested to assist in the administration of a jointly administered State Revenue Sharing/Municipal Assistance Program.

Analysis
page 2

Travel funding is requested to provide better outreach and communication so that the combined program funds can be made available to all eligible communities. Travel funding for State Revenue Sharing Program administration has historically been quite modest and therefore a slight increase is needed to provide adequate travel support.

Contractual funding is needed to provide additional funding for printing, advertising, postage, and telephone calls.

Commodities and equipment funding is needed to provide adequate support for the new position that is requested.

DG/1f/0885U

Original sponsor: Rules/Legislative Council

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 180 (2d Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and providing
7 for an effective date."

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

9 * Section 1. AS 29.03 is amended by adding a new section to read:

10 Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the
11 Department of Natural Resources is the platting authority in the un-
12 organized borough in the area outside all cities.

13 * Sec. 2. AS 29 is amended by adding a new chapter to read:

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

15 Sec. 29.04.010. HOME RULE. A home rule municipality is a munici-
16 pal corporation and political subdivision. It is a city or a borough
17 that has adopted a home rule charter, or it is a unified municipality.
18 A home rule municipality has all legislative powers not prohibited by
19 law or charter.

20 Sec. 29.04.020. GENERAL LAW. A general law municipality is a
21 municipal corporation and political subdivision and is an unchartered
22 borough or city. It has legislative powers conferred by law.

23 Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipali-
24 ties are of five classes:

- 25 (1) first class boroughs;
26 (2) second class boroughs;
27 (3) third class boroughs;
28 (4) first class cities;
29 (5) second class cities.

1 Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may be
2 reclassified as a first class city by holding an election on the ques-
3 tion, if the department determines from the best figures available that
4 the population of the city has reached 600 permanent residents.

5 (b) An election on the question of reclassification may be ini-
6 tiated in two ways:

7 (1) a number of voters equal to 15 percent of the number of
8 votes cast in the city at the preceding regular election may file a
9 petition with the council; or

10 (2) the council may propose reclassification.

11 (c) The council shall hold at least one public hearing in the city
12 on the question of reclassification. The council shall then evaluate
13 the ability of the city to assume first class status and make its find-
14 ings public.

15 (d) The council shall, within 30 days after its findings have been
16 made public, order an election on the question of reclassification. The
17 election shall be held at least 30 days after the order and not later
18 than the next regular election occurring after the 30-day period. If
19 more than one question is to be voted on at the election, each appears
20 separately on the ballot.

21 (e) The council shall certify the election results to the depart-
22 ment. If the majority of votes cast is favorable, the city shall be
23 considered reclassified to first class status 30 days after certification
24 of the election results.

25 (f) A second class borough may reclassify as a first class borough
26 in the manner provided by AS 29.35.320 - 29.35.330 for the addition of
27 an areawide power by a first or second class borough, except the petition
28 or proposal requests reclassification instead of requesting addition of
29 a power.

1 (g) A third class borough may reclassify as a first or second
2 class borough in the manner provided by AS 29.35.320 - 29.35.330 for the
3 addition of an areawide power by a first or second class borough, except
4 the petition or proposal requests reclassification instead of requesting
5 addition of a power.

6 (h) At the time of voting on reclassification of a third class
7 borough to first or second class status, voters shall vote also on
8 whether the borough shall on reclassification retain a combined assembly
9 and school board or elect a separate assembly and board as otherwise
10 provided for first and second class boroughs. If the majority of votes
11 cast on the question favors retention of the combined assembly and
12 board, the assembly serving at the time of the reclassification election
13 continues to serve as the assembly and board on voter approval of re-
14 classification and until terms of assemblymen expire as provided before
15 reclassification. If a separate board and assembly are approved at the
16 reclassification election, a school board shall be elected in conformity
17 with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs
18 within 90 days of the date of the reclassification election, or other-
19 wise at a special election within 90 days of the date of the reclassi-
20 fication election. Expiration dates of terms of school board members
21 elected at a special election must coincide with the date of the regular
22 election. Until a board is elected and qualified, the assembly continues
23 to serve as the board.

24 * Sec. 3. AS 29 is amended by adding a new chapter to read:

25 CHAPTER 05. INCORPORATION.

26 ARTICLE 1. REQUIREMENTS.

27 Sec. 29.05.010. INCORPORATION OF A CITY. (a) A community that
28 meets the following standards may incorporate as a home rule or first
29 class city:

- 1 (1) the community has 600 or more permanent residents;
2 (2) the boundaries of the proposed city include all areas
3 necessary to provide municipal services on an efficient scale;
4 (3) the economy of the community includes the human and
5 financial resources necessary to provide municipal services; in con-
6 sidering the economy of the community, the Local Boundary Commission
7 shall consider property values, economic base, personal income, resource
8 and commercial development, anticipated functions, and the expenses and
9 income of the proposed city, including the ability of the community to
10 generate local revenue;
11 (4) the population of the community is stable enough to
12 support city government;
13 (5) there is a demonstrated need for city government.

14 (b) A community that meets all the standards established in (a) of
15 this section except (a)(1) may incorporate as a second class city.

16 Sec. 29.05.020. LIMITATIONS ON INCORPORATION OF A CITY. (a) A
17 community in the unorganized borough may not incorporate as a city if
18 the services to be provided by the proposed city can be provided by
19 annexation to an existing city.

20 (b) A community within a borough may not incorporate as a city if
21 the services to be provided by the proposed city can be provided on an
22 areawide or nonareawide basis by the borough in which the proposed city
23 is located, or by annexation to an existing city.

24 Sec. 29.05.030. INCORPORATION OF A BOROUGH. (a) An area that
25 meets the following standards may incorporate as a home rule, first
26 class, or second class borough:

27 (1) the population of the area is interrelated and integrated
28 as to its social, cultural, and economic activities, and is large and
29 stable enough to support borough government;

1 (2) the boundaries of the proposed borough conform generally
2 to natural geography and include all areas necessary for full develop-
3 ment of municipal services;

4 (3) the economy of the area includes the human and financial
5 resources capable of providing municipal services; evaluation of an
6 area's economy includes land use, property values, total economic base,
7 total personal income, resource and commercial development, anticipated
8 functions, expenses, and income of the proposed borough;

9 (4) land, water and air transportation facilities allow the
10 communication and exchange necessary for the development of integrated
11 borough government.

12 (b) An area may not incorporate as a third class borough.

13 ARTICLE 2. PROCEDURE.

14 Sec. 29.05.060. PETITION. Municipal incorporation is proposed by
15 filing a petition with the department. The petition shall include the
16 following information about the proposed municipality:

17 (1) class;

18 (2) name;

19 (3) boundaries;

20 (4) maps, documents, and other information required by the
21 department;

22 (5) composition and apportionment of the governing body;

23 (6) a proposed operating budget for the municipality project-
24 ing sources of income and items of expenditure through the first full
25 fiscal year of operation;

26 (7) for a borough, based on the number who voted in the
27 respective areas in the last general election, the signature and resident
28 address of 15 percent of the voters in

29 (A) home rule and first class cities in the area of the

1 proposed borough; and

2 (B) the area of the proposed borough outside home rule
3 and first class cities;

4 (8) for a first class borough, a designation of areawide
5 powers to be exercised;

6 (9) for a second class borough, a designation of areawide and
7 nonareawide powers to be exercised;

8 (10) for a first or second class city, a designation of the
9 powers to be exercised;

10 (11) for a home rule or first class city, based on the number
11 who voted in the area in the last general election, the signatures and
12 resident address of 50 voters in the proposed city or of 15 percent of
13 the voters in the proposed city, whichever is greater;

14 (12) for a second class city, based on the number who voted in
15 the area in the last general election, the signature and resident address
16 of 25 voters in the proposed city or of 15 percent of the voters in the
17 proposed city, whichever is greater;

18 (13) for a home rule municipality, a proposed home rule
19 charter.

20 Sec. 29.05.070. REVIEW. The department shall review an incorpora-
21 tion petition for content and signatures and shall return a deficient
22 petition for correction and completion.

23 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation petition
24 contains the required information and signatures, the department shall
25 investigate the proposal and shall hold at least one public informational
26 meeting in the area proposed for incorporation. The department shall
27 publish notice of the meeting.

28 (b) The department may combine incorporation petitions from the
29 same general area.

1 (c) The department shall report its findings to the Local Boundary
2 Commission with its recommendations regarding the incorporation.

3 Sec. 29.05.090. HEARING. The Local Boundary Commission shall hold
4 at least one public hearing in the area proposed to be incorporated for
5 the purpose of receiving testimony and evidence on the proposal.

6 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission
7 determines that a proposed municipality fails to meet the standards for
8 incorporation, it shall reject the petition. If the commission deter-
9 mines that the proposed municipality meets the standards, it shall
10 accept the petition. If the commission determines that the proposed
11 boundaries can be altered to meet the standards, it may alter the bound-
12 aries and accept the petition.

13 (b) A Local Boundary Commission decision under this section may be
14 appealed under the Administrative Procedure Act (AS 44.62).

15 Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary
16 Commission shall immediately notify the director of elections of its
17 acceptance of an incorporation petition. Within 30 days after notifi-
18 cation, the director of elections shall order an election in the pro-
19 posed municipality to determine whether the voters desire incorporation
20 and, if so, to elect the initial municipal officials. If incorporation
21 is rejected, no officials are elected. The election must be held not
22 less than 30 or more than 90 days after the date of the election order.
23 The election order must specify the dates during which nomination peti-
24 tions for election of initial officials may be filed.

25 (b) A voter who has been a resident of the area within the pro-
26 posed municipality for 30 days before the date of the election order may
27 vote.

28 (c) Areawide borough powers included in an incorporation petition
29 are considered to be part of the incorporation question. In an election

1 for the incorporation of a second class borough, each nonareawide power
2 to be exercised is placed separately on the ballot. Adoption of a
3 nonareawide power requires a majority of the votes cast on the question,
4 and the vote is limited to the voters residing in the proposed borough
5 but outside all cities in the borough.

6 (d) A home rule charter included in an incorporation petition
7 under AS 29.05.060(13) is considered to be part of the incorporation
8 question. The home rule charter is adopted if the voters approve in-
9 corporation of the municipality.

10 (e) The director of elections shall supervise the election in the
11 general manner prescribed by the Alaska Election Code (AS 15). The
12 state shall pay all election costs under this section.

13 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations
14 for initial municipal officials are made by petition. The petition
15 shall be in the form prescribed by the director of elections and include
16 the name and address of the nominee and a statement of the nominee that
17 he is qualified under the provisions of this title for the office that
18 he seeks. A person may file for and occupy more than one office, but he
19 may not serve simultaneously as borough mayor and as a member of the
20 assembly or as city mayor and as a member of the council.

21 (b) Except for a proposed second class city, petitions to nominate
22 initial officials must include the signature and resident address of 50
23 voters in the area of the proposed municipality, or that area of the
24 proposed municipality from which the officials are to be elected under
25 the composition and apportionment set out in the accepted incorporation
26 petition.

27 (c) Petitions to nominate initial officials of a second class city
28 must include the signature and resident address of 10 voters in the area
29 of the proposed city.

1 (d) The director of elections shall supervise the election in the
2 general manner prescribed by the Alaska Election Code (AS 15). The
3 state shall pay all election costs.

4 (e) The initial elected officials take office on the first Monday
5 following certification of their election.

6 (f) The initial elected members of the governing body shall deter-
7 mine by lot the length of their terms of office so that a proportionate
8 number of terms expire each year, resulting in staggered terms of office
9 for members subsequently elected.

10 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE
11 AREAS. A service area in a newly incorporated municipality shall be
12 integrated into the municipality within two years after the date of
13 incorporation. On integration the municipality succeeds to all the
14 rights, powers, duties, assets and liabilities of the service area.
15 After integration, the municipality may exercise in a former service
16 area all of the rights and powers exercised by the service area at the
17 time of integration, and, as successor to the service area, may levy and
18 collect special charges, taxes, or assessments to amortize bonded in-
19 debtedness incurred by the service area or by a municipality in which
20 the service area was formerly located. On integration all property in
21 the service area subject to taxation to pay the principal and interest
22 on bonds at the time of integration remains subject to taxation for that
23 purpose.

24 Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised
25 by cities and service areas that are succeeded to by a newly incorporated
26 municipality continue to be exercised by the cities and service areas
27 until the new municipality assumes the powers and functions, which may
28 not exceed two years after the date of incorporation. Ordinances,
29 rules, resolutions, procedures, and orders in effect before the transfer

1 remain in effect until superseded by the action of the new municipality.

2 (b) Before the assumption, the new municipality shall give written
3 notice of its assumption of the rights, powers, duties, assets, and
4 liabilities under this section and AS 29.05.130 to the city or service
5 area concerned. Municipal officials shall consult with the officials of
6 the city or service area concerned and arrange an orderly transfer.

7 (c) After the incorporation of a new municipality, no service area
8 in it may assume new bonded indebtedness, make a contract, or transfer
9 an asset without the consent of the governing body.

10 (d) This section applies to home rule and general law municipali-
11 ties.

12 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not challenge
13 the formation of a municipality except within six months after the date
14 of its incorporation.

15 ARTICLE 3. TRANSITIONAL ASSISTANCE.

16 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray the
17 cost of transition to city government and to provide for interim govern-
18 ment operations, each city incorporated after July 1, 1982, or, in the
19 case of a second class city, incorporated or reclassified as a first
20 class city after July 1, 1982, is entitled to an organization grant of
21 \$50,000 for the first full or partial fiscal year. The department shall
22 disburse the organization grant within 30 days after certification of
23 the incorporation election or the reclassification election, as soon
24 after that as money is appropriated for the purpose.

25 (b) A city entitled to an organization grant under (a) of this
26 section is entitled to a second organization grant of \$25,000. The
27 department shall disburse the second organization grant within 30 days
28 after the beginning of the city's second fiscal year, or as soon after
29 that time as money is appropriated for the purpose.

1 Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) To defray
2 the cost of transition to borough government and to provide for interim
3 government operations, each borough incorporated after July 1, 1982 is
4 entitled to organization grants for the first three fiscal years after
5 incorporation as follows:

- 6 (1) \$300,000 for the first full or partial year;
7 (2) \$200,000 for the second year; and
8 (3) \$100,000 for the third year.

9 (b) The department shall disburse the first organization grant to
10 a borough within 30 days after certification of the incorporation
11 election favoring incorporation of a borough, or as soon after that as
12 money is appropriated for the purpose. The second grant shall be
13 disbursed within 30 days after the beginning of the borough's second
14 fiscal year, or as soon after that as money is appropriated for the
15 purpose. The third grant shall be disbursed within 30 days after the
16 beginning of the borough's third fiscal year, or as soon after that as
17 money is appropriated for the purpose.

18 (c) This section does not apply to a borough incorporated by
19 consolidation or to a unified municipality.

20 Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization
21 grant fund is established in the department. An appropriation made to
22 the fund shall be used for organization grants to municipalities that
23 qualify under AS 29.05.180 or 29.05.190 during the fiscal year.

24 (b) Before August 31 of each fiscal year the department shall
25 submit a report to the Department of Administration indicating

- 26 (1) each municipality that qualifies to receive an organiza-
27 tion grant during the next fiscal year;
28 (2) the amount of money needed to cover all organization
29 grants during the next fiscal year.

1 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGH. (a) Within
2 30 days after the date of incorporation of a borough incorporated after
3 July 1, 1982, the department shall determine the population of the
4 borough.

5 (b) The department shall provide assistance to each borough in-
6 corporated after July 1, 1982, in

7 (1) establishing the initial sales and use tax assessment and
8 collection department for a borough that has adopted a sales or use tax;

9 (2) determining the initial property tax assessment roll for
10 a borough that has adopted a property tax, including contracting for
11 appraisals of property needed to complete the initial assessment.

12 (c) This section does not apply to a borough incorporated by
13 consolidation or to a unified municipality.

14 * Sec. 4. AS 29 is amended by adding a new chapter to read:

15 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

16 ARTICLE 1. CHANGE OF NAME.

17 Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) The governing body
18 of a municipality may change the official municipal name by adopting an
19 ordinance for the purpose and filing the ordinance with the office of
20 the lieutenant governor. Upon receipt of an ordinance ratified by the
21 voters, the lieutenant governor shall issue an order to the municipality
22 changing its existing name. The name change shall become effective on a
23 date fixed in the order and occurring within 45 days after receipt of
24 the ordinance. A copy of the order shall be transmitted to the depart-
25 ment.

26 (b) If an ordinance adopted under (a) of this section that results
27 in a change of the municipal name is subsequently repealed, the lieu-
28 tenant governor shall issue an order reinstating the former name within
29 45 days after the date of the order, unless a different name is adopted

1 as provided in (a) of this section.

2 (c) When a municipal name change takes effect by means of an order
3 issued under (a) or (b) of this section, a civil or criminal suit,
4 application, petition, hearing or other proceeding to which the munici-
5 pality is a party and that is pending at or brought after the date the
6 name change takes effect shall proceed in the municipal name as changed
7 by the order.

8 (d) This section applies to home rule and general law municipali-
9 ties.

10 ARTICLE 2. ANNEXATION AND DETACHMENT.

11 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary
12 Commission may consider any proposed municipal boundary change. It may
13 reject the proposed change, accept the proposed change, or alter the
14 boundaries and accept the proposal as altered. A Local Boundary Commis-
15 sion decision under this subsection may be appealed under the Adminis-
16 trative Procedure Act (AS 44.62).

17 (b) The Local Boundary Commission may present a proposed municipal
18 boundary change to the legislature during the first 10 days of a regular
19 session. The change becomes effective 45 days after presentation or at
20 the end of the session, whichever is earlier, unless disapproved by a
21 resolution concurred in by a majority of the members of each house.

22 (c) In addition to the regulations governing annexation by local
23 action adopted under AS 44.47.567, the Local Boundary Commission shall
24 establish procedures for annexation and detachment of territory by
25 municipalities by local action. The procedures established under this
26 subsection include a provision that

27 (1) a proposed annexation and detachment must be approved by
28 a majority of votes on the question cast by voters residing in the area
29 proposed to be annexed or detached;

1 (2) municipally owned property adjoining the municipality may
2 be annexed by ordinance without voter approval; and

3 (3) an area adjoining the municipality may be annexed by
4 ordinance without an election if all property owners and voters in the
5 area petition the governing body.

6 (d) A boundary change effected under (a) and (b) of this section
7 prevails over a boundary change initiated by local action, without
8 regard to priority in time.

9 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military
10 reservation may be annexed to a municipality in the same manner as pre-
11 scribed for other territory under AS 29.06.040. If a city in a borough
12 annexes a military reservation under this section, the area encompassing
13 the military reservation automatically is annexed to the borough in which
14 the city is located.

15 Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to
16 home rule and general law municipalities.

17 ARTICLE 3. MERGER AND CONSOLIDATION.

18 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more muni-
19 cipalities may merge or consolidate to form a single municipality,
20 except a third class borough may not be formed through merger or consoli-
21 dation.

22 (b) Two methods may be used to initiate merger or consolidation of
23 municipalities:

24 (1) petition to the Local Boundary Commission under regula-
25 tions adopted by the commission; or

26 (2) the local option method specified in AS 29.06.100 -
27 29.06.160.

28 Sec. 29.06.100. PETITION. (a) Residents of two or more muni-
29 cipalities may file a merger or consolidation petition with the depart-

1 ment. The petition must be signed by a number of voters of each exist-
2 ing municipality equal to at least 25 percent of the number of votes
3 cast in each municipality's last regular election.

4 (b) The petition includes

5 (1) the name and class of each existing municipality;
6 (2) the name and class of the proposed municipality;
7 (3) the proposed composition and apportionment of the govern-
8 ing body;

9 (4) maps, documents, and other information that shows that
10 the proposed municipality meets the standards for municipal incorpora-
11 tion.

12 Sec. 29.06.110. REVIEW. (a) The department shall review a merger
13 or consolidation petition for content and signatures and shall return a
14 deficient petition for correction or completion.

15 (b) If the petition contains the required information and signa-
16 tures, the department shall investigate the proposal.

17 (c) The department shall report its findings to the Local Boundary
18 Commission with its recommendations regarding the merger or consolida-
19 tion.

20 Sec. 29.06.120. HEARING. After receipt of the report by the
21 department on a merger or consolidation petition, the Local Boundary
22 Commission shall hold at least one public hearing in each of the existing
23 municipalities included in the petition, unless officials of the muni-
24 cipalities agree to a single hearing.

25 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission
26 determines that the proposed municipality fails to meet the standards
27 for incorporation, it shall reject the merger or consolidation petition.
28 If the commission determines that the proposed municipality meets these
29 standards, it shall accept the petition. If the commission determines

1 that the proposed boundaries or the composition and apportionment of the
2 governing body can be altered to meet the standards, it may change the
3 proposal and accept the petition.

4 (b) A Local Boundary Commission decision under this section may be
5 appealed under the Administrative Procedure Act (AS 44.62).

6 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
7 shall immediately notify the director of elections of its acceptance of
8 a merger or consolidation petition. Within 30 days after notification,
9 the director of elections shall order an election in the area to be
10 included in the new municipality to determine whether the voters desire
11 merger or consolidation. The election must be held not less than 30 or
12 more than 90 days after the election order. A voter who is a resident
13 of the area to be included in the proposed municipality may vote.

14 (b) The director of elections shall supervise the election in the
15 general manner prescribed by the Alaska Election Code (AS 15). The
16 state shall pay all election costs.

17 (c) The director of elections shall certify the election results.
18 If merger or consolidation is approved, he shall, within 10 days, set a
19 date for election of officials of the new municipality. The election
20 date must be not less than 60 or more than 90 days after the election
21 order and it is the effective date for the merger or consolidation.

22 Sec. 29.06.150. ASSETS AND LIABILITIES. (a) When two or more
23 municipalities merge, one succeeds to the rights, powers, duties, assets,
24 and liabilities of the others.

25 (b) When two or more municipalities consolidate, the newly incor-
26 porated municipality succeeds to the rights, powers, duties, assets, and
27 liabilities of the consolidated municipalities.

28 Sec. 29.06.160. TRANSITION. After merger or consolidation, the
29 ordinances, resolutions, regulations, procedures, and orders of the

1 former municipalities remain in force in their respective territories
2 until superseded by the action of the new municipality.

3 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to
4 home rule and general law municipalities.

5 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

6 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A
7 borough and all cities in the borough may unite to form a single unit of
8 home rule government by complying with AS 29.06.190 - 29.06.400.

9 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a charter
10 commission to prepare a unification charter shall be proposed by resolu-
11 tion of the assembly or by petition. A resolution to propose formation
12 of a charter commission may be adopted not more often than once every 12
13 months.

14 (b) An assembly, a council, or a person living in the area proposed
15 for unification may initiate a unification petition.

16 Sec. 29.06.210. PETITION REQUIREMENTS. (a) A unification peti-
17 tion shall read:

18 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION
19 CHARTER. We, the undersigned, qualified voters of the borough do hereby
20 petition that the following proposition be placed before the voters as
21 provided by law: 'Shall a charter commission be formed (and charter com-
22 mission members be elected as elsewhere provided on this ballot) to
23 prepare, adopt and submit to the voters for their approval or rejection
24 a proposed charter uniting the borough and all cities within it as a
25 single unit of home rule government having the powers, duties and func-
26 tions of a unified municipality as authorized by law? Yes [] No []'

27 Inside First Class Outside First
28 Class or or
29 Signature Address Home Rule City Home Rule City"

1 (b) The petition shall be signed by at least

2 (1) the number of voters residing outside all home rule and
3 first class cities in the borough equal to 25 percent of the votes cast
4 in that area in the last regular borough election; and

5 (2) the number of voters residing in home rule or first class
6 cities in the borough equal to 25 percent of the votes cast in all home
7 rule and first class cities in the borough in the last regular borough
8 election.

9 Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a
10 unification petition within 15 days to determine whether it complies
11 with AS 29.06.210. If the petition does not meet the designated re-
12 quirements, it shall be immediately returned to the person who initiated
13 the petition with a statement indicating which requirements have not
14 been satisfied.

15 Sec. 29.06.230. COMPOSITION OF CHARTER COMMISSION. The charter
16 commission shall consist of 11 voters, three of whom are residents
17 elected at large from the borough and eight of whom, proportionate to
18 the population as determined by the department, are

19 (1) residents of and elected from the area outside all home
20 rule and first class cities in the borough; or,

21 (2) residents of and elected from home rule or first class
22 cities in the borough.

23 Sec. 29.06.240 CHARTER COMMISSION NOMINATIONS. (a) If the
24 assembly determines that a unification petition meets the requirements
25 of AS 29.06.210, or the assembly by its resolution proposes an election
26 on formation of a charter commission, the assembly shall issue a call
27 for the nomination of commission candidates, specifying the filing
28 deadline and the procedure for making nominations.

29 (b) Charter commission candidates shall be nominated by petition

1 signed by at least 50 voters of the area from which the candidate seeks
2 election, or by a number of voters from that area equal to at least 10
3 percent of the number of votes cast from that area in the last regular
4 borough election, whichever is less.

5 (c) Nomination petitions shall be filed with the borough clerk at
6 least 30 days after notice of the call for nominations has been given on
7 or before a date fixed by the assembly.

8 (d) If at least one nomination of a qualified charter commission
9 candidate for each available seat is not filed, the unification petition
10 or resolution to propose formation of a charter commission is void and
11 no election on the question shall be held.

12 Sec. 29.06.250. QUALIFICATIONS OF CANDIDATES. A person is eli-
13 gible to be nominated as a candidate for the charter commission if he
14 has been a voter of the area from which he seeks election for at least
15 one year immediately preceding the date his nomination petition is
16 filed.

17 Sec. 29.06.260. ELECTION. (a) After receipt of a valid unifica-
18 tion petition or adoption of an assembly resolution to propose formation
19 of a charter commission, the assembly shall submit to the voters the
20 question of whether a charter commission shall be formed to prepare a
21 proposed unification charter. The vote shall be held at the next regular
22 borough election scheduled at least 90 days after receipt of the petition
23 or adoption of the resolution. The ballot shall be worded exactly as in
24 AS 29.06.210(a).

25 (b) The election of charter commission members shall take place at
26 the same time as the election on the question of formation of the commis-
27 sion.

28 (c) All costs incurred in conducting an election under AS 29.06.-
29 190 - 29.06.400 shall be paid by the borough.

1 Sec. 29.06.270. REQUIREMENTS FOR APPROVAL OF FORMATION AND ELECTION
2 OF CHARTER COMMISSION. (a) The votes on the question of formation of a
3 charter commission shall be tabulated in two separate classifications.
4 One classification consists of all votes cast in first class and home
5 rule cities in the borough. The other classification consists of all
6 votes cast in the remaining area of the borough. In order for formation
7 of a charter commission to be approved, a majority of the votes in each
8 classification must favor formation of the commission.

9 (b) If formation of a charter commission is approved, candidates
10 who received the highest number of votes from their respective areas
11 shall serve as members of the commission.

12 Sec. 29.06.280. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

13 (a) The charter commission shall hold its first meeting within 30 days
14 after certification of its election. The commission shall elect from
15 among its members a chairman and a deputy chairman.

16 (b) A majority of the total membership of the charter commission
17 constitutes a quorum. A decision of the commission is not valid or
18 binding unless approved by the number of members necessary to constitute
19 a quorum.

20 (c) The charter commission may elect other officials from among
21 its membership, adopt rules governing its procedures that are consistent
22 with AS 29.06.190 - 29.06.400 and hire and discharge employees.

23 (d) Meetings of the charter commission shall be open to the public
24 at all times. A journal of commission proceedings shall be kept and
25 made available for public inspection at the borough office.

26 Sec. 29.06.290. VACANCIES. (a) Vacancies on the charter commis-
27 sion shall be filled by a majority vote of the commission, except the
28 assembly shall appoint members to fill vacancies if, after a proposed
29 charter is rejected by the voters, more than one-half of the members

1 resign.

2 (b) A person who fills a vacancy on the charter commission must be
3 a voter of the same area as the person whom he succeeds and must have
4 been a voter of that area for at least one year immediately preceding
5 the date he fills the vacancy.

6 Sec. 29.06.300. PER DIEM. The assembly may grant a per diem
7 allowance to members of the charter commission and may reimburse the
8 members for travel expenses incurred in carrying out the duties pre-
9 scribed by AS 29.06.190 - 29.06.400. Costs, fees, and other expenses
10 incurred by the commission are a debt of the borough and shall be paid
11 upon proper verification.

12 Sec. 29.06.310. CHARTER PREPARATION. The charter commission shall
13 prepare, adopt, and submit a proposed home rule charter for the area to
14 be unified to the voters for approval or rejection. The charter shall
15 include

16 (1) provision for adjustment of existing bonded indebtedness
17 and other obligations in a manner that will reserve a fair and equitable
18 burden of taxation for debt service, subject to AS 29.06.370;

19 (2) provision for

20 (A) the establishment of service areas; and

21 (B) if election of members of the governing body is not
22 areawide, the establishment of districts for the election of members
23 of the governing body of the proposed unified municipality and
24 procedures by which to reapportion the election districts;

25 (C) reapportionment of districts if they are established;

26 (3) provision for nonpartisan government, and the selection,
27 organization, authority, and responsibilities of the governing body and
28 its executive and administrator;

29 (4) the transfer or other disposition of property and other

1 rights, claims, assets, and franchises of the municipalities to be
2 unified under the charter;

3 (5) provision for exercise of the rights of initiative and
4 referendum;

5 (6) a method of amending the charter;

6 (7) the date on which the charter, if approved at the charter
7 election, is effective;

8 (8) designation of the proposed unified municipality's offi-
9 cial name;

10 (9) other charter provisions that may be included in a home
11 rule charter.

12 Sec. 29.06.320. PUBLIC HEARINGS. Both before and after drafting
13 the proposed home rule charter, the charter commission shall hold a
14 public hearing in each area represented on the assembly. Other public
15 hearings may be held by the commission as it considers necessary.

16 Sec. 29.06.330. FILING OF PROPOSED CHARTER. Upon the adoption of
17 a proposed home rule charter by the charter commission, the charter
18 shall be signed by at least a majority of the total membership of the
19 commission and shall be filed with the borough clerk. A copy of the
20 charter with signatures affixed shall also be filed with the clerk of
21 each city in the borough.

22 Sec. 29.06.340. PUBLICATION AND POSTING OF PROPOSED CHARTER.
23 Within 10 days after filing the proposed home rule charter, the borough
24 clerk shall have it published. In addition, the clerk shall have a copy
25 of the proposed charter posted in at least three public places in each
26 city and each unincorporated community in the borough. Copies of the
27 proposed charter shall be made available by the assembly to the public
28 at both the office of the borough clerk and the office of the clerk of
29 each city in the borough. The clerk shall have notice of the publica-

1 tion, posting, and availability of the proposed charter published.

2 Sec. 29.06.350. ELECTION ON CHARTER. (a) The proposed home rule
3 charter adopted by the charter commission shall be submitted to the
4 voters at a borough election held within 60 days of the date of publi-
5 cation and posting of the proposed charter. The borough clerk shall
6 prepare the ballots for use in the election and shall give notice of the
7 election by radio and television in a manner intended to apprise the
8 entire borough population of the election. The election shall be con-
9 ducted under procedures applicable to regular elections.

10 (b) A person who is a voter of the borough may vote in the elec-
11 tion on the proposed charter.

12 (c) If a majority of the votes in the area of the borough outside
13 all home rule or first class cities, and a majority of the votes in all
14 home rule and first class cities in the borough are cast in favor of the
15 proposed charter, the charter is ratified. If the charter is ratified,
16 election results shall be certified to the commission and two copies of
17 the charter shall be filed with

- 18 (1) the lieutenant governor;
- 19 (2) the commissioner of the department;
- 20 (3) the district recorder for the area of the borough;
- 21 (4) the clerk of the borough;
- 22 (5) the clerk of each city in the borough.

23 (d) If a proposed charter is rejected, the charter commission
24 shall prepare, adopt, and submit another proposed charter to the voters
25 at a borough election held within one year after the date of the first
26 charter election. If the second proposed charter is also rejected, the
27 charter commission shall be dissolved and the question of unification
28 shall be treated as if it had never been proposed or approved.

29 Sec. 29.06.360. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon

1 ratification, the home rule charter of a unified municipality operates
2 to dissolve all municipalities in the area unified in accordance with
3 the charter.

4 Sec. 29.06.370. ASSETS AND LIABILITIES. A unified municipality
5 shall succeed to all the assets and liabilities of the municipalities it
6 unified. A bonded indebtedness or other debt incurred before unifi-
7 cation remains the tax obligation of the area that contracted the debt,
8 except that by ordinance the tax obligation may be assumed by a larger
9 area if the governing body determines that the asset for which the
10 bonded indebtedness or other debt was incurred benefited the larger area
11 before unification, or benefits the larger area after unification.
12 However, bonded indebtedness or other debt for sewage collection sys-
13 tems, water distribution systems, and streets, even if determined to be
14 benefiting a larger area than that which incurred the debt, remains the
15 tax obligation of the area that incurred the debt.

16 Sec. 29.06.380. TRANSITION. Within two years after ratification
17 of the home rule charter, the unified municipality shall revise, repeal,
18 or reaffirm all municipal ordinances, resolutions, and orders in effect
19 in the area of the unified municipality on the date of unification.
20 Each ordinance, resolution, regulation, or order in effect on the date
21 of unification remains in effect until superseded by action of the
22 unified municipality.

23 Sec. 29.06.390. RIGHT TO STATE AND FEDERAL AID. All provisions of
24 law authorizing aid from the state or federal government to a former
25 municipality that was in the area of a unified municipality remain in
26 effect after unification.

27 Sec. 29.06.400. POWERS OF A UNIFIED MUNICIPALITY. A municipality
28 unified under AS 29.06.190 - 29.06.400 has all powers -

29 (1) not prohibited by law or charter; and

1 (2) granted to a home rule borough.

2 Sec. 29.06.410. APPLICATION. AS 29.06.190 - 29.06.410 apply to
3 home rule and general law municipalities.

4 ARTICLE 5. DISSOLUTION.

5 Sec. 29.06.450. METHODS OF DISSOLUTION. (a) Two petition methods
6 may be used to initiate dissolution of a municipality;

7 (1) petition to the Local Boundary Commission under regula-
8 tions adopted by the commission; or

9 (2) the local option method specified in AS 29.06.460 -
10 29.06.520.

11 (b) The department shall investigate a municipality that it con-
12 siders to be inactive and shall report to the Local Boundary Commission
13 on the status of the municipality. The commission may submit its
14 recommendation to the legislature that the municipality be dissolved in
15 the manner provided for submission of boundary changes in art. X, sec.
16 12 of the state constitution.

17 (c) A borough is dissolved when its entire territory is included
18 in a home rule or first class city or cities. A city is dissolved when
19 all its powers become areawide borough powers.

20 Sec. 29.06.460. PETITION. (a) Residents of a municipality may
21 file a dissolution petition with the department in the form prescribed
22 by the department. The petition must be signed by a number of voters
23 equal to at least 25 percent of the number of votes cast in the last
24 regular election in that municipality.

25 (b) The petition must include

26 (1) the name of the municipality;

27 (2) maps, documents, and other information showing that the
28 municipality meets the standards for dissolution.

29 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of this

1 section, residents of a municipality may petition for dissolution when

2 (1) it is free of debt, or, if in debt, each of its creditors
3 is satisfied with a method of repayment; and

4 (2) either it no longer meets the minimum standards pre-
5 scribed for incorporation by AS 29.05, or former AS 29.18.030 if it is a
6 third class borough, or it ceases to use each one of its mandatory
7 powers.

8 (b) Residents of a city in a borough may petition for dissolution
9 if the borough consents to assume the city's rights, powers, duties,
10 assets, and liabilities. The consent must be ratified by a majority of
11 borough voters voting on the question.

12 Sec. 29.06.480. REVIEW. (a) The department shall review a dis-
13 solution petition for content and signatures, and shall return a defi-
14 cient petition for correction or completion.

15 (b) If the petition contains the required information and signa-
16 tures, the department shall investigate the proposal.

17 Sec. 29.06.490. REPORT AND HEARING. (a) The department shall
18 report its findings to the Local Boundary Commission with its recommen-
19 dation regarding the dissolution of a municipality .

20 (b) The Local Boundary Commission shall hold at least one public
21 hearing in the municipality proposed to be dissolved.

22 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission
23 determines that a municipality fails to meet the standards for dissolu-
24 tion, it shall reject the petition. If the commission determines that
25 the municipality meets the standards, it shall accept the petition.

26 (b) A Local Boundary Commission decision under this section may be
27 appealed under the Administrative Procedure Act (AS 44.62).

28 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission
29 shall immediately notify the director of elections of its acceptance of

1 a dissolution petition. Within 30 days after notification, the director
2 of elections shall order an election in the municipality to determine
3 whether the voters desire dissolution. The election must be held at
4 least 30 and not more than 90 days after the election order. A person
5 who is a voter of the municipality may vote in the dissolution election.

6 (b) The director of elections shall supervise the election in the
7 general manner prescribed by the Alaska Election Code (AS 15). The
8 state shall pay all election costs.

9 (c) The director of elections shall certify the election results.
10 If dissolution is approved, he shall declare that the municipality is
11 dissolved effective on the date of certification.

12 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-
13 solved municipality succeeds to all its rights, powers, duties, assets,
14 and liabilities.

15 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to
16 home rule and general law municipalities.

17 * Sec. 5. AS 29 is amended by adding a new chapter to read:

18 CHAPTER 10. HOME RULE MUNICIPALITIES.

19 ARTICLE 1. CHARTERS.

20 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law
21 borough or first class city may adopt a charter for its own government.
22 A second class city may adopt a charter for its own government if the
23 department determines from the best figures available that the popula-
24 tion of the city is at least 600 permanent residents.

25 (b) At an election to incorporate as a city, an unincorporated
26 community with at least 600 permanent residents may adopt a charter for
27 its own government and incorporate as a home rule municipality.

28 (c) At an election for borough incorporation, an area in the
29 unorganized borough may adopt a charter for its own government and in-

1 corporate as a home rule municipality.

2 (d) A home rule municipality may adopt a new charter.

3 (e) A proposed charter for an existing municipality is prepared by
4 a charter commission of seven elected members. A candidate for the
5 commission shall be a voter of the municipality for three years immedi-
6 ately preceding the charter commission election.

7 (f) A charter commission election is called by filing a petition
8 with the governing body or by resolution of the governing body. The
9 petition shall be signed by a number of voters equal to 15 percent of
10 the votes cast in the last regular election in the municipality.

11 (g) The proposed charter for an unincorporated community or an
12 area of the unorganized borough shall be filed with the incorporation
13 petition filed under AS 29.05.060.

14 Sec. 29.10.020. MODEL CHARTERS. The department shall prepare at
15 least one model home rule charter for a borough and at least one model
16 home rule charter for a city. The model charters shall be made avail-
17 able to persons interested in filing a petition to incorporate a home
18 rule municipality under AS 29.05.060.

19 Sec. 29.10.030. NOMINATION OF CHARTER COMMISSION. (a) A charter
20 commission candidate is nominated by a petition signed by 50 voters or
21 the number of voters equal to 10 percent of the number of votes cast in
22 the municipality during the last regular election, whichever is less.

23 (b) A nomination petition shall be filed with the municipal clerk
24 on or before a date fixed by the governing body. If at least seven
25 nominations for qualified charter commission candidates are not filed,
26 the petition or resolution calling for a charter commission is void and
27 no election on the question may be held.

28 Sec. 29.10.040. CHARTER COMMISSION ELECTION. At a charter com-
29 mission election the voters shall consider the question "Shall a charter

1 commission be elected to prepare a proposed charter?" and shall elect
2 the members of the commission. If the question is approved, the seven
3 candidates receiving the highest number of votes shall immediately
4 organize as a charter commission.

5 Sec. 29.10.050. PREPARATION OF CHARTER BY CHARTER COMMISSION. The
6 charter commission shall, within one year, prepare a proposed home rule
7 charter. The proposed charter shall be signed by a majority of the
8 members of the commission and filed in the office of the municipal
9 clerk. Within 15 days, the clerk shall have the proposed charter pub-
10 lished and make copies available. The commission shall give published
11 notice of and hold at least one public hearing on the proposed charter
12 before the signing and filing of the charter.

13 Sec. 29.10.060. INITIATIVE AND REFERENDUM. (a) A home rule
14 charter shall provide procedures for initiative and referendum.

15 (b) A charter may not require an initiative or referendum petition
16 to have a number of signatures greater than 25 percent of the total
17 votes cast in the municipality at the last regular election.

18 (c) A charter may not permit the initiative and referendum to be
19 used for a purpose prohibited by art. XI, sec. 7 of the state constitu-
20 tion.

21 Sec. 29.10.070. CHARTER ELECTION. The proposed home rule charter
22 for an existing municipality shall be submitted to the voters at an
23 election held not less than 30 days or more than 90 days after the
24 proposed charter is published. The proposed home rule charter for an
25 unincorporated community or area in the unorganized borough shall be
26 submitted to the voters at an incorporation election held under AS 29.-
27 05.110(d).

28 Sec. 29.10.080. CHARTER ADOPTION. (a) If a majority of those
29 voting on the question favor the proposed charter, it becomes the organic