

LEG. FINANCE - BILLS 1983 - 1984 1847
HB 166 cont. - HB 172 1847

Introduced: 1/31/83
Referred: Finance

<u>Funding Information</u>	
General Fund	\$75,000
Other Funds	-0-
	<u>\$75,000</u>

1 IN THE SENATE

BY KERTTULA BY REQUEST

2

SENATE BILL NO. 99

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor for operational expenses of the
8 Alaska Railroad Transfer Advisory Commission; and
9 providing for an effective date."

10

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

11

* Section 1. The sum of \$75,000 is appropriated from the general fund
12 to the Office of the Governor for operational expenses of the Alaska Rail-
13 road Transfer Advisory Commission established by sec. 1, ch. 128, SLA 1982.

14

* Sec. 2. The unexpended and unobligated portion of the appropriation
15 made by this Act lapses into the general fund June 30, 1984.

16

* Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

2/15/83

NOTE

HB 166

SEE RED LOOSELEAF BINDER FOR ADDITIONAL BACKUP MATERIAL.

MEMORANDUM

State of Alaska

TO: Louisiana Cutler
Professional Assistant
House Finance Committee

DATE: February 8, 1983

FILE NO:

TELEPHONE NO: 465-3600

FROM: NORMAN C. GORSUCH
ATTORNEY GENERAL

SUBJECT: FY 83 supplemental
appropriations for
oil and gas matters
HB 166

By: Robert M. Maynard *RMM*
Assistant Attorney General

Union Marathon Discovery Royalty - \$38,000,000

This amount is to pay a judgment in favor of Union and Marathon oil companies to refund overpayments of royalty for oil produced from Cook Inlet since the mid 1960's. After lengthy litigation and administrative hearings, it was determined that these companies should only have paid a royalty of 5%, rather than the 12.5% that they did pay. The amount due is \$36,904,000, with interest of 10.5% per year from the date of judgment (about \$10,000 per day). The supplemental request for \$38,000,00 will pay the interest that will accrue up to February 17, 1983.

North Slope Pricing Litigation - Alaska Oil Company, State v. Amerada Hess - \$1,440,200

The State is in ongoing litigation with Alaska Oil Company to recover up to \$62,000,000 for underpayment for deliveries of state royalty oil to that company. The state attempted to shortcut the recovery process by putting Alaska Oil into involuntary bankruptcy, but that attempt has failed. Now the state must take the normal route of getting a judgment in state superior court prior to returning to bankruptcy court to use that court's jurisdiction to trace the money to Alaska Oil's affiliates and parent. In addition, the Alaska Oil case raises many issues similar to those being litigated in the North Slope royalty case, State v. Amerada Hess. That litigation challenges the amounts paid and the methods used by the oil companies in making payment to the state for royalty oil. The amounts at stake in Amerada Hess are worth approximately \$200,000,000 for past royalties, and about \$50,000,000 per year prospectively. Alaska Oil is presently attempting to intervene in Amerada Hess. Vigorously pursuing these cases at this time is the only practical way to protect the state's interest in the recoverable assets remaining in Alaska Oil and to overcome the Alaska Oil Company's delaying tactics that we have experienced in the past. This supplemental is needed not only to pay past unpaid litigation bills, but also to continue to pursue these matters.

TAPS Tariff Proceedings - \$3,985,000

The supplemental request for the TAPS tariff proceedings before the Federal Energy Regulatory Commission represents funding that is necessary to continue this case beyond February of 1983. The funding of this case for FY 83 (SLA 1982, ch. 101, § 42) was intentionally underfunded with the concurrence of the legislature while the 1982 legislature considered a possible settlement of the case. The proposed settlement terms were subsequently rejected by the legislature, and this case has continued uninterrupted. Further complicating the litigation schedule is a recent decision by the FERC commissioners to remand Phase I of the proceedings to an administrative law judge. The state earlier received a favorable ruling on Phase I from the administrative law judge hearing the case. However, this earlier ruling has now been rejected by the FERC. Because Phase I will now be reheard, the department's additional costs in this matter, first projected at \$2,982,000 for the balance of FY 83, must be increased to \$3,985,000.

The TAPS tariff proceeding is the largest single ratemaking case in the history of the United States. At stake is the potential for up \$200,000,000 per year in increased oil revenues over the life of the Prudhoe Bay oil field. Benefits will also accrue to the state when new oil fields in the North Slope and Beaufort Sea areas are brought into production if favorable ratemaking rules are established.

RMM:mr

ce

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

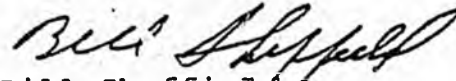
February 4, 1983

The Honorable Joe L. Hayes
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making special and supplemental appropriations for oil and gas matters.

Sincerely,



Bill Sheffield
Governor

Introduced: 2/4/83
Referred: Finance

Funding Information

General Fund	\$43,425,200
Other Funds	-0-
	<u>\$43,425,200</u>

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 166

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making special and supplemental appro-
7 priations for oil and gas matters; and providing for
8 an effective date."

9

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

10

* Section 1. The sum of \$38,000,000 is appropriated from the general
11 fund to the Department of Natural Resources to pay the settlement amount
12 arrived at between the Department of Law and the Union Oil Company of
13 California and Marathon Oil Company in the discovery royalty dispute.

14

* Sec. 2. The sum of \$3,985,000 is appropriated from the general fund
15 to the Department of Law to fund proceedings before the Federal Energy
16 Regulatory Commission establishing tariffs on transporting oil through the
17 Trans-Alaska Pipeline System for FY 83 and succeeding fiscal years.

18

* Sec. 3. The sum of \$1,440,200 is appropriated from the general fund
19 to the Department of Law to fund legal proceedings concerning North Slope
20 oil pricing, including litigation against the Alaska Oil Company and State
21 v. Amerada Hess for FY 83 and succeeding fiscal years.

22

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).



University of Alaska
PETROLEUM ENGINEERING DEPARTMENT
ROOM 17, DUCKERING BUILDING
FAIRBANKS, ALASKA 99701

PETROLEUM ENGINEERING

(907) 474-7734

RESEARCH PROPOSAL

The proposed research will investigate the miscible displacement of Prudhoe Bay crude oil by a light hydrocarbon solvent. The investigation will be conducted in a laboratory setting using a core flood apparatus. The results of this study will provide valuable information on the miscible displacement process and will be used to develop improved recovery techniques for Prudhoe Bay crude oil.

2. **EXPERIMENTAL MISCIBLE DISPLACEMENT STUDIES FOR PRUDHOE BAY CRUDE**

Experimental work will be conducted using a core flood apparatus. The results of this study will provide valuable information on the miscible displacement process and will be used to develop improved recovery techniques for Prudhoe Bay crude oil.

This project will be conducted in the laboratory setting. The results of this study will provide valuable information on the miscible displacement process and will be used to develop improved recovery techniques for Prudhoe Bay crude oil.

Our research is supported by the University of Alaska. The project will be completed by January 1983.

January 1983

EXECUTIVE SUMMARY

The Department of Petroleum Engineering at the University of Alaska, Fairbanks, is proposing an experimental study for hydrocarbon miscible displacement of Prudhoe Bay crude.

Hydrocarbon miscible displacement is a proven, effective, enhanced oil recovery process. Rejected natural gas alone does not form a miscible phase with most crudes at reservoir conditions and hence it overrides the oil. This is currently the case at Prudhoe Bay. The addition of sufficient quantities of intermediate hydrocarbons (C_2-C_6) to natural gas can form a miscible phase with oil. The most efficient composition for this displacing agent is a strong function of the type of crude oil and the reservoir conditions. Hence, site specific studies are essential.

The proposed program would consist of the following tasks:

1. The investigation of existing processes for the conversion of methane to C_2-C_6 , with emphasis on the probable range of composition from such processes, and the development of laboratory equipment to provide these mixtures for use in Tasks 2 and 3.
2. The development of the PVT relationships of light hydrocarbon/ CO_2 /crude oil mixtures. This task will be accomplished using an existing PVT laboratory at UAF.
3. Experimental core flooding to assess the effectiveness of flooding with a variety of displacing mixtures.

This project will provide data necessary for the assessment of a hydrocarbon miscible displacement process at Prudhoe Bay. If such a project is indicated, it would serve the dual purpose of increasing the ultimate recovery as well as providing a productive use for some of the excess natural gas currently produced.

Our intent is to investigate only the technical dimensions of the subject. The economic and/or political ramifications will not be addressed.



Program for Progress

Project: Small Diameter Pipeline - Study

Sponsoring Agency: Fairbanks North Star Borough

Capital Request: \$100,000

Estimated Annual M&O Cost: None

Description/Public Benefit:

The objective of this project is to promote economic development while being responsive to public needs within the Borough.

This project would fund a feasibility study of extending a small diameter natural gas pipeline from Pump Station Three to Fairbanks.

The benefits of this project could range from encouraging economic commercial and industrial development to simply cutting the cost of heating the homes of Borough residents. Natural gas is abundant on the North Slope; the possibility of bringing it to the Interior for distribution must be explored. Funding of this request would enable the Borough to determine how, why and to what ultimate benefit a pipeline could be constructed.

Contact Person

Name: Don Moore

Title: Director, Public Facilities & Services, FNSB

Phone: 452-4761

Introduced: 1/31/83
Referred: Finance

Funding Information
General Fund \$75,000
Other Funds -0-
\$75,000

1 IN THE SENATE

BY KERTTULA BY REQUEST

2

SENATE BILL NO. 99

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Office
of the Governor for operational expenses of the
Alaska Railroad Transfer Advisory Commission; and
providing for an effective date."

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

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12 to the Office of the Governor for operational expenses of the Alaska Rail-
13 road Transfer Advisory Commission established by sec. 1, ch. 128, SLA 1982.

14 * Sec. 2. The unexpended and unobligated portion of the appropriation
15 made by this Act lapses into the general fund June 30, 1984.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

COMMITTEE REPORT HOUSE

FURTHER:

2/14/83

Date: 4-5-84

Mr. Speaker:

The Committee on FINANCE has had HB 169

An Act making an appropriation to the Department of Transportation and Public Facilities for allocations for local service roads and trails; 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 HB 169 (FINANCE) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
 Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

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CHAIRMAN

Original sponsors: Herrmann, Koponen,
Zharoff, et al

Funding Information

General Fund	\$6,500,000
Other Funds	-0-
	<hr/>
	\$6,500,000

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 169 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation to the Department of
7 Transportation and Public Facilities for allocations
8 for local service roads and trails; and providing for
9 an effective date."

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

11 * Section 1. The sum of \$6,500,000 is appropriated from the general
12 fund to the Department of Transportation and Public Facilities for alloca-
13 tions for local service roads and trails authorized by AS 19.30.111 -
14 19.30.251.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

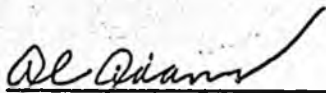
HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
COMMITTEE SUBSTITUTE FOR HOUSE BILL 169 (FINANCE)

It is the intent of the House Finance Committee that the Local Service Roads and Trails (LSR&T), program not be discontinued as recommended by the previous Commissioner of the Department of Transportation and Public Facilities, (DOT/PF).

The LSR&T program is vital to local governments and provides very important benefits to communities in the rural and urban areas of Alaska.

The House Finance Committee intends that the Department of Transportation and Public Facilities support continued operation of this vital program and request continued funding for its operations in subsequent fiscal years.


Al Adams, Chairman
House Finance Committee

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HOUSE BILL NO 169 SB 7 Date on Bill: 1/18/83
 Title: An Act making an appropriation to DOTFF for local service roads and trails
 Sponsor: Ferguson, Kerttula, and Moss
 Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			10,000.0					
Operating				209.0	218.0			
Total			10,000.0	209.0	218.0			

b. Revenues:

Revenue								
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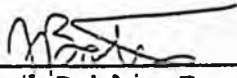
2. Source of funds to offset fiscal impact of bill:

Not identified by sponsors of bill.

3. Assumptions:

4. Disclaimer:

This statement has not been reviewed by the CMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Wayne Weeks Phone: 465-4070
 Division: Planning and Programming Date: 2/10/83
 Approved by Commissioner:  Date: 2/10/83
 Department: Transportation and Public Facilities

Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

REPRESENTATIVE
ADELHEID HERRMANN
P.O. BOX 63
NAKNEK, ALASKA 99833
(907) 246-4495

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4942, 465-4943

Alaska State Legislature



House of Representatives

Louann

CHAIRMAN
SPECIAL COMMITTEE
ON FISHERIES
MEMBER
TRANSPORTATION
COMMITTEE

DISTRICT 26

ADAK
AKUTAN
ALEKNAGIK
ATKA
BELKOFSKI
CLARK'S POINT
COLD BAY
DILLINGHAM
DUTCH HARBOR
EGEGIK
EKUK
EKWOK
FALSE PASS
IGIUGIG
ILIAMNA
KING COVE
KING SALMON
KOKHANOK
KOLIGANEK
LEVELOCK
MANOKOTAK
NAKNEK
NELSON LAGOON
NEWHALEN
NEW STUYAHOK
NIKOLSKI
NONDALTON
PEDRO BAY
PILOT POINT
PORT ALSWORTH
PORT HEIDEN
PORT MOLLER
PORTAGE CREEK
SAND POINT
SOUTH NAKNEK
SQUAW HARBOR
ST. GEORGE
ST. PAUL
TOGIAK
TWIN HILLS
UGASHIK
UNALASKA

MEMORANDUM

TO: Representative Al Adams, Chairman
House Finance Committee

FROM: Representative Adelheid Herrmann

DATE: March 28, 1984

RE: HB 169--Appropriation to the Department of Transportation and Public Facilities for allocations for local service roads and trails; and providing for an effective date

The above bill is currently pending in the House Finance Committee. The bill was reported out of the Transportation Committee last year and the appropriation in that bill for LSR&T is \$10 million.

\$3.5 million for this program is contained in SCS CSHB 61⁹¹
(Fin) currently before the Governor.

I am requesting that the Finance Committee consider reducing the appropriation in my bill to \$6.5 million to make up for the lack of funding in the capital budget bill. I am also asking the Finance Committee to schedule a hearing on this bill.

If you have any questions, please let me know.

AH/jr

Alaska State Legislature

House of Representatives



Rep. Bette Cato, Chairman

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

DATE: 27 MARCH

TO: AL ADAMS, CHAIRMAN *BC*
HOUSE FINANCE COMMITTEE

FROM: Bette Cato, Chairman
House Transportation Committee

RE: HB 169 - appropriations bill for Local Service Roads and Trails

Per our phone conversation this morning, the House Transportation Committee requests that House Bill 169 be moved out of the House Finance Committee with a reduced appropriation of \$6.5 million.

Please find enclosed back-up material addressing HB 169 and recent correspondence from the Department of Transportation regarding LSR&T allocations for FY 1985.

Thanks so much for your time and assistance.

Enclosure

Alaska State Legislature

House of Representatives

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Rep. Bette Cato, Chairman

LETTER OF INTENT
TO ACCOMPANY
HOUSE BILL 169

It is the intent of the House Transportation Committee that the Local Service Roads and Trails (LSR&T), program not be discontinued as recommended by the previous Commissioner of the Department of Transportation and Public Facilities, (DOT/PF).

The LSR&T program is vital to local governments and provides very important benefits to communities in the rural and urban areas of Alaska.

The House Transportation Committee intends the DOT/PF support continued operation of this vital program and request continued funding for it's operations in subsequent fiscal years.

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John J. Simpson, Director
Standards and Technical Services
Division

DATE: March 14, 1984

FILE NO: 2519

TELEPHONE NO: 789-6237

FROM: Charles D. Karella
Statewide LSR&T Engineer *CDK*
DC & M Standards

SUBJECT: LSR&T Allocation
F.Y. 1985

The LSR&T Program was allocated \$7 million to re-establish the program. I was assured by the LBRC last spring, that this funding reflected on on-going program and that future funding would not be a problem.

During the House Transportation Committee hearing on SB 332, March 7, 1984, I suggested that it was not necessary to seek other sources of funding beyond the CIP, such as, SB 332. It would be simpler to manage the program at a solid level of funding. I told the Committee that the Governor's office assured me that they would not cut the LSR&T Program from the CIP budget and the Department would continue to have an adequately funded program in the future.

Since we are involved with all local governments and the legislature, I believe in all fairness, that the \$6 million annual funding level is bare bones and to drop below that will only jeopardize the integrity of the program but increase the cost of management per project constructed.

I feel if the DOT&PF does not want to chance the loss of the little rapport it now has with the legislature, we should leave the five million intact or even increase it.

I believe we will not only lose face with the legislature but also with the local governments who have been going in circles since January 1982 because of the following:

1. We began to phase out the program.
2. Then we established the LSR&T Program as a viable continuous program at a funding level of \$7 million per year.
3. Then we reduced the funds to bare bones level of \$6 million per year.
4. Now we have reduced the funding an additional 30%.

The attached comments from the Regions reflect an additional \$6 million that could be used in unorganized boroughs alone. A like amount could easily be utilized for additional local government projects which were requested, but were beyond our funding level of \$6 million per year.

If requested during the hearing tomorrow on HB 558, I will give the Committee a copy of this memo. (With your concurrence of course).

Attachment

mdh

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: C. D. Karella
Statewide LSR&T Engineer

DATE: March 13, 1984

FILE NO:

TELEPHONE NO: 364-4222

FROM: 
Ole Bartness
LSR&T Manager
Southeast Region

SUBJECT: Funding LSR&T Projects
FY 85 and Future

In regard to your question regarding the effect on the Southeast Region LSR&T Program with funding in the amount of 3.5 million dollars statewide, I offer the following:

Historically, the Southeast Region has received approximately 10 percent of the statewide appropriation. Based on that percentage, this would amount to \$350,000 for this region. Of this amount, approximately \$150,000 would be for the unorganized borough and could fund three to six projects, depending upon how tight we pull the drawstrings.

At the present time, there is an unencumbered balance of \$100,000 remaining for the unorganized borough in Southeast, and there would have been a zero balance long ago if the home rule cities were still included in the unorganized borough.

In what remains in the unorganized borough of the Southeast Region, some immediate future project priorities have been identified as follows:

<u>Location</u>	<u>Description</u>	<u>Estimated Cost</u>
Metlakatla	Roads & Parking	140,000
Elfin Cove	Boardwalk Repair	50,000
Kupreanof	Trail & Boardwalk	30,000
Angoon	Road to Emergency Helipad	90,000
Clark Bay	Road or Boardwalk	Unknown
Port Protection	Boardwalk/Trail	Unknown
Hyder	Roads	30,000
Edna Bay	Trails/Boardwalks	30,000
Tenakee	Trails, Bridges	Unknown
Hollis	Road Renovation	Unknown

Although there are some unknowns, it would not be out of line to estimate the above projects at a total cost of \$500,000.

Communities we have never heard from before are now contacting us for assistance. This appears to be a result of the State Land Lotteries which designated road and trail easements, but no access or minimal access was provided. In any event, these communities have needs, but we could furnish very little support with a \$3.5 million LSR&T appropriation.

OB:hn

MEMORANDUM

State of Alaska

TO: Charles Karella
Design Construction &
Maintenance
Standards - Juneau

DATE: March 13, 1984

FILE NO:

TELEPHONE NO:

FROM:

Robert L. Haneline *RH*
Central Regional
LSR&T Engineer

SUBJECT:

Project Funding
Requests, LSR&T
Program

This memo will iterate information on project requests presently in abeyance, awaiting a source of funding approval which was relayed to your office by telephone last week.

UNORGANIZED BOROUGH IV (South)

1. Chignik Bay - \$600,000

Construction of 4,500 l.f. of 14 foot-wide gravel roadway and a single lane, single span, 50 foot-long vehicle bridge. Provide access to proposed new HUD houses. Road to serve dual purpose as a protective dike (seawall).

2. Egegik - \$60,000

Construction of 600 l.f. of 16 foot-wide gravel roadway and approximately 3,000 l.f. of four foot-wide gravel path. Provide roadway access to existing HUD houses and replacement of existing boardwalks with a gravel pathway.

3. Eek - \$410,000

Construction of 2,700 l.f. of 14 foot-wide gravel roadway between the village proper and the airplane landing strip and 2,700 l.f. of eight foot-wide boardwalk needed to provide access between the village and the cemetery.

4. Manokotak - \$3,000,000

Construction of eleven miles of 14 foot-wide gravel roadway. The road is needed to provide City access to a proposed new garbage dump site, HUD housing site and the proposed Snake River Port Access Site. Funding needs are beyond the scope of the LSR&T program. This is a community planned development with a high community priority.

UNORGANIZED BOROUGH I

1. Whittier - \$1,000,000

Construction of 1.4 miles of 26' to 36' wide paved streets, including 5,250 l.f. of sidewalk, 10,000 l.f. of curb and gutter and miscellaneous storm drains (\$700,000). The project also is to include the paving of the boat harbor parking area (\$300,000).

This office has also received verbal requests for LSR&T funding involvement from the communities of Mekoryuk and St. Paul. The information received is sketchy, at best. We lack the information needed to properly determine the project scope, cost, or feasibility; only know that the monies needed are anticipated to exceed \$1,000,000 per project.

For what it's worth:

A common sense approach to the functionability of any state funded, intelligently planned program requires that the certainty of future funding availability be known, as the ordinary business of any program centers around a fixed budget. Provisions for limited program adjustments to the seasonal ebb and flow of available funds exists to a small degree in the form of project delation or construction delay.

To promulgate a five-year LSR&T construction program based on the anticipated availability of six million dollars per year and then to cut back the amount of funds available to the extent being proposed is controversial to say the least.

If nothing else, we have a main purpose at this time of convincing the money appropriating bodies of the importance of maintaining the State's credibility.

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: Charles D. Karella
State LSR&T Engineer
Standards & Technical Services
Juneau

DATE: March 8, 1984

FILE NO:

TELEPHONE NO: 443-5266

FROM: Jeffrey S. Chandler *JSC*
LSR&T Manager
Northern Region, Western District
Nome

SUBJECT: LSR&T Funding Allocations,
Unorganized Borough/Western

Per your request, here is a brief description of our fiscal outlook for the LSR&T Program in the Western District unorganized borough.

Generally, under present law, the proposed funding level of \$6.0 million for the Statewide annual LSR&T program should be adequate to meet the Western District's 5 Year Plan for the unorganized borough. The major exception is the need for a one time infusion of \$500,000 which would be used as follows :

St. Michael Local Roads	300,000
Western LSR&T Equipment	200,000
Total	<u>\$500,000</u>

The St. Michael project is presently programmed for FY86, however there will be insufficient funding to plan and complete the entire project as requested unless LSR&T or the village can provide the additional funding by 1985.

The Western District LSR&T equipment fleets were substantially reduced during the period we were in phase-out status. We presently have one small fleet in reasonably good shape capable of handling typical LSR&T local hire projects, but one old bulldozer and two old trucks are in need of replacement. This would assure that the fleet will remain operationally effective for the next several years.

Upgrading the existing fleet would result in a level of reliability that would allow us to split it between two projects in seasons when we are administering supplemental grant projects in villages which have a limited assortment of equipment on site. This approach reduces mobilization costs and improves the effective utilization of locally available municipal equipment.

In the event that the present proposed funding level were further increased either Statewide or for the unorganized borough, then we would advance the schedule of projects in our 5 Year Plan accordingly.

STATE
OF ALASKA

MEMORANDUM

TO: Charles D. Karella
State LSR&T Engineer
DOT/PF
Headquarters/Juneau

DATE: November 24, 1982

FILE NO:

TELEPHONE NO: 443-5266

FROM: Jeffrey S. Chandler *JSC*
Acting LSR&T Manager
DOT/PF
Interior Region/Nome Residency

SUBJECT: LSR&T Program In Rural Communities

In response to your enquiry regarding the involvement of the Local Service Roads and Trails Program in rural communities of Western Alaska, and the attitudes held by the rural communities towards the Program, I offer the following information:

The LSR&T Program generally has been highly regarded and supported by the bush communities. The underlying reasons for this are as follows:

I. LOCAL PRIORITIES

The City Council of each community sets the priorities for local service projects needed in that community.

This process insures the Program's responsiveness to local needs. Within the limits of available funding, a community may designate access roads, local streets, bridges, boardwalks, or trail repairs for inclusion under the Program. Since LSR&T is primarily a reimbursement program, the local governing body may start construction as soon as a Project Agreement is approved and materials or equipment available, and is then reimbursed periodically for expenses. For larger heavy construction projects utilizing State equipment or a private contractor, costs are generally paid directly by the State.

II. LOCAL INVOLVEMENT

The local community has direct input into all phases of each project, from planning through construction.

The scope of the project selected is determined by the City Council, within the limits of sound engineering principles. For locally constructed projects, flexibility is preserved through the construction phase, allowing alterations to accommodate local concerns which may not have been anticipated initially. Although LSR&T administers the project, it is basically a community enterprise in which the community shares responsibility. Through cooperative effort the State provides a helping hand rather than a hand-out. A completed project becomes a source of pride for residents of a rural community because they were integrally involved in creating the end product.

III. LOCAL HIRE

Locally hired crews are employed to construct most rural LSR&T projects.

With labor intensive projects such as boardwalks and trail construction, the crew is hired locally by the local governing body which also appoints a local foreman.

Day to day operations of small scale heavy construction projects involving local equipment are also handled by a local foreman. On larger heavy construction projects involving State equipment, LSR&T may provide a foreman and/or a heavy-duty mechanic, while the construction crew is hired locally. In the event the local labor pool is exhausted, workers are generally sought from neighboring villages. The primary exception to this procedure occurs when a project has been let to contract, where hiring is done by a contractor whose policies generally tend to be more restrictive than those of local managers.

IV. LOCAL TRAINING

~~Training of local residents in new skills is necessary for most remote LSR&T road projects.~~

It is unusual to find the required number of qualified equipment operators and truck drivers locally available for the typical local road construction project. Training is therefore provided by an LSR&T representative or designated foreman and mechanic. Emphasis is placed on proper equipment care and usage, not only for safety reasons, but also to avoid unnecessary downtime. Safety awareness is encouraged through the life of a project in order to reduce the chances for injury or accident. This policy of training employees allows a greater proportion of local residents to obtain jobs than is the case with contractors, who generally require skilled workers for available positions. It also results in an added benefit outlasting the life of the project: a pool of trained workers who may be able to later obtain jobs for which they were previously unqualified.

V. LOCAL EQUIPMENT

Local equipment, public or private, is utilized for heavy construction projects whenever available.

For local road projects, LSR&T encourages the use of locally available equipment: from the local governing body, from DOT/PF, or from other public or private sources, in any combination necessary to perform the work. This practice results in substantial cost savings and production increases for the project, by avoiding the extra costs of mobilizing equipment from outside the community. LSR&T also has its own construction fleet, which is generally moved from project to project on an annual basis to supplement local equipment. In the event that adequate equipment is not available either locally or from LSR&T, and when private enterprise is available, then a project is generally put to contract with a contractor who is preferably already mobilized on site. It should be noted here that due to age and the phase-out of the LSR&T Program, most of the LSR&T equipment fleet will have been exceeded by the end of the year.

VI. REGION WIDE PROJECTS

All local communities in the Nome Residency area are eligible for participation in LSR&T's region-wide projects.

Winter Trail Staking and Shelter Cabins are two projects in which most rural communities participate annually. Although a limited amount of funds are available, these are distributed among local communities to help defray the costs of marking trails each winter, and the costs of putting up shelter cabins on the most heavily used trails for the use of the traveling public. A limited number of permanent trail markers are installed each year during Trail Staking. Permanent trail markers could be installed on the 1,400 miles of primary overland

trails in the Nome Residency area within two years, if current funding levels were doubled.

VII. PROFESSIONAL SUPPORT

Technical support services are provided to each project in proportion to the demands of the project and the needs of the community.

Engineering, supervisory, mechanical expertise, and expediting services are available for each LSR&T administered project. Where sufficient local initiative, labor, and expertise is available, periodic visits of the LSR&T Engineer is all that is required, resulting in lower administrative charges to the project. For small scale heavy construction projects, LSR&T provides a highly qualified roving heavy-duty mechanic, who periodically visits each project as needed to assist the local foreman in handling complex emergency mechanical repairs. For larger scale projects, the LSR&T Engineer or designated representative may direct the project and provide experienced foreman and qualified heavy-duty mechanic for the duration of the work. The key to this approach is flexibility: the fewer the resources of a local community, and/or the more complex the nature of the project, the greater the level of direct assistance provided, and vice-versa.

VIII. ADMINISTRATIVE SUPPORT

Most rural communities need some administrative support to keep their projects from bogging down.

This applies to a majority of local development projects involving local administration, whether funded through LSR&T, special legislative appropriations expended through LSR&T, or direct legislative grants to the villages. This need can be met by consulting engineering firms and contractors where funds are sufficient. However, for smaller projects a little common sense advice and direction is frequently all that is required, rather than a costly and lengthy study which doesn't help the local governing body with the day to day problems associated with doing its own construction projects. Although not mandated to do so, LSR&T has been providing technical information, quantity and cost estimates, and alternative recommendations to villages seeking guidance for the application of their direct grants for new construction equipment, new equipment storage buildings, and local transportation-related construction projects. The Nome office has handled seventeen such calls from different villages in the last five months.

IX. SUMMARY

Given the limits of available funding for rural areas, the LSR&T Program has made some substantial contributions in helping local communities to meet their own transportation needs. By and large, remote communities have not requested advanced development projects. Basic projects have been the rule, providing boardwalks, access roads, or streets for the community, frequently for the first time. Additionally, the Program has received strong support from the Bering Straits and NANA Regional Native Corporations, in the form of streamlined permit procedures, free use materials, and expedited right-of-way reconveyance agreements. Finally, the LSR&T Program has retained the flexibility to fund those projects requested by villages which have not been addressed through the legislative process under line-item appropriations or specific grants. Hopefully this information will assist in the evaluation of the LSR&T Program as it has functioned in the Nome Residency, and contribute to the formation of a policy or program through which rural communities may continue to receive State support in alleviating their transportation problems.

MEMORANDUM

State of Alaska

TO: Charles Karella
State LSR&T Engineer
Highways Design and Construction

DATE: November 23, 1984

FILE NO: 245C-2519

TELEPHONE NO: 266-1542

FROM: Robert L. Haneline *RPH*
Central Regional
LSR&T Engineer

SUBJECT: LSR&T Program
Justification &
Impacts

In presenting an overview of the existing LSR&T program and its possible future direction the following is offered for consideration.

There is a subtle but potentially significant change underway in the thinking regarding the pending phase-out of the LSR&T program. Many people are increasingly considering as realistic the possibility that the proposed phase-out of the LSR&T program might take place. This was apparent at a number of meetings just completed in Anchorage (State Planners Meeting), Fairbanks (Municipal Leagues Meeting), Kotzebue (Traditional Council Presidents Meeting) and Bethel (Traditional Council Presidents Meeting) where the attitude was one of apprehension and concern.

As the realities of the program possibly being abandoned come closer, it is apparent there is a need to address some of the significant impacts of the program not being available.

It has become increasingly apparent, and properly so, that a lot of the "bush" needs cannot be addressed by the State C.I.P. program. Smaller projects are required to compete with larger projects for available funding resources on a regional basis, severely limiting their chances for funding. The mechanisms of a lot of the smaller communities to supply the necessary expertise are limited due to isolated conditions and communication problems. Most "bush" communities do not have the internal resources to help themselves, and often lack the technical background to effectively determine if they are getting what they pay for. Even if given direct grants, use of the monies may not be maximized due to the lack of knowledge on how to best utilize existing resources to efficiently accomplish set goals. This is nourishing doubt as to the direction being taken and is evident to the obvious appeal the LSR&T Program has to a broad popular support.

As the State has a sizable responsibility to "bush" communities, it seems appropriate that the State give some attention to identifying ways in which this commitment to smaller communities will reap the highest return.

A productive example of effective channeling of State funds into "bush" communities is the LSR&T Program. There are many ways in which the State and "bush" communities, alike, have benefited from the creation of the LSR&T Program, where the attitude toward community improvements is that of participation and self-help rather than that of being subsidized at someone else's expense, something not to be considered as the primary purpose or intent of the program, but only mentioned here as it serves to reflect on another positive factor to be contemplated when evaluating the importance of the LSR&T program.

The LSR&T Program may not ~~be~~ represent the total solution to providing for the needs of the "bush" communities, but it is certainly a step that provides economics of scale where other programs cannot provide the same end results for the dollars available. Admittedly, there are some problems with the program, but no one can deny the great benefits of the program. What the LSR&T Program expresses and provides is a sensitivity to "bush" needs, an opportunity for "bush" communities to recognize and fulfill the responsibilities of their communities and to directly contribute to the construction of their transportation needs. This direct involvement instills a sense of community pride in the work accomplished, which normally results in greater care being exercised in the general treatment of the finished construction product. The LSR&T Program provides the necessary link between the State's investment in terms of monies spent and in terms of meeting "bush" transportation needs that might not otherwise be met.

It is felt the LSR&T Program, being the small State Section that it is, accomplishes positive results for the State for a minimal investment compared to larger programs with higher overhead costs.

The present portfolio of the LSR&T Section of the Department of Transportation and Public Facilities consists of hundreds of projects totaling millions of dollars. These projects vary in scope from simple boardwalk and footbridge projects to massive, multilane, arterial highway systems. This project versatility is a reflection of the flexibility developed by members of the LSR&T staff which, balanced against the "bush" needs, succeeds in effectively accomplishing set goals.

None of this is to suggest the LSR&T Program is beyond reproach. But only to say that a great deal of energy and money have been invested in the development of the LSR&T Program, resulting in the efficient workable program it is today. To abandon a program that fills needs that otherwise may not be met seems contrary to the best interest of the State. It is plain that awareness and open minds are required in the final decision making process.

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: C.D. Karella
State LSR&T Engineer
Juneau

FROM: D.S. Ronken *DR*
LSR&T Engineer
Fairbanks

DATE: November 15, 1982

FILE NO:

TELEPHONE NO:

SUBJECT: LSR&T Program

In response to our telephone conversation of 11/5/82, I have informed J. Chandler at Nome to supply you with the information you requested regarding the LSR&T Program in the bush communities.

I have been in contact with the local governments and the comments received from them regarding the LSR&T Program are as follows:

Since local roads and streets are always in need of improvement the local governments would like all the funds they can possibly obtain for roadway construction.

The local governments without road powers feel that the DOT/PF has too much control over the funds. They object to some of the conditions stated in Section "C" of the project agreement.

The local governments however, do like the flexibility of the Program, i.e.:

- 1) Various types of construction that can be funded
- 2) Project funding can be changed to cover overrun, providing funds remain in their allocations
- 3) LSR&T Construction Program submitted (priority list) can be changed, if for some reason the local needs change

Some local governments in the Fairbanks area feel that the manner in which funds are allocated based on population by the latest federal census should be changed. With the population in the Fairbanks area increasing every year and the allocation based on the latest census of 1980 which has been questioned by the local government, they feel the present system leaves much to be desired.

In summary, the local governments like the program and would like to see it refunded. The funds obtained through the LSR&T Program are not sufficient to cover the road improvement needs, but all funds that can be obtained to improve the local transportation system will be accepted by the local governments providing the conditions for its acceptance do not change.

The LSR&T Program, initiated in 1971, has been used to fund a variety of projects in almost every community in the Panhandle. Cost has ranged from a drainage project in Haines, costing \$1,300, to major street construction in Ketchikan, costing \$245,000.

Types of projects constructed include footbridges in Kasaan; housing access roads in Yakutat, Hydaburg and Klawock; trails in Metlakatla, Hoonah, Tenakee, Kasaan and Elfin Cove; road construction and reconstruction in just about every town; sidewalks, parking areas, boardwalks, drainage projects, paving, signing, stairways, and a boat launching ramp.

The LSR&T program has been flexible enough to answer the needs of the people in regard to getting them out of the mud, which was the original concept of LSR&T. Costs were kept down and the dollar stretched to the extent possible by using local labor, material and equipment whenever possible. Money was brought into the economy of the towns, jobs were created where none existed, and the people involved developed a sense of pride in their accomplishments.

Some of the projects constructed which have meant a great deal to the communities and the traveling public are listed below:

1. Kasaan Bridges and Boardwalk. Reconstructed to provide access from the harbor to town. Existing structures were completely rotten and the community had no funds.

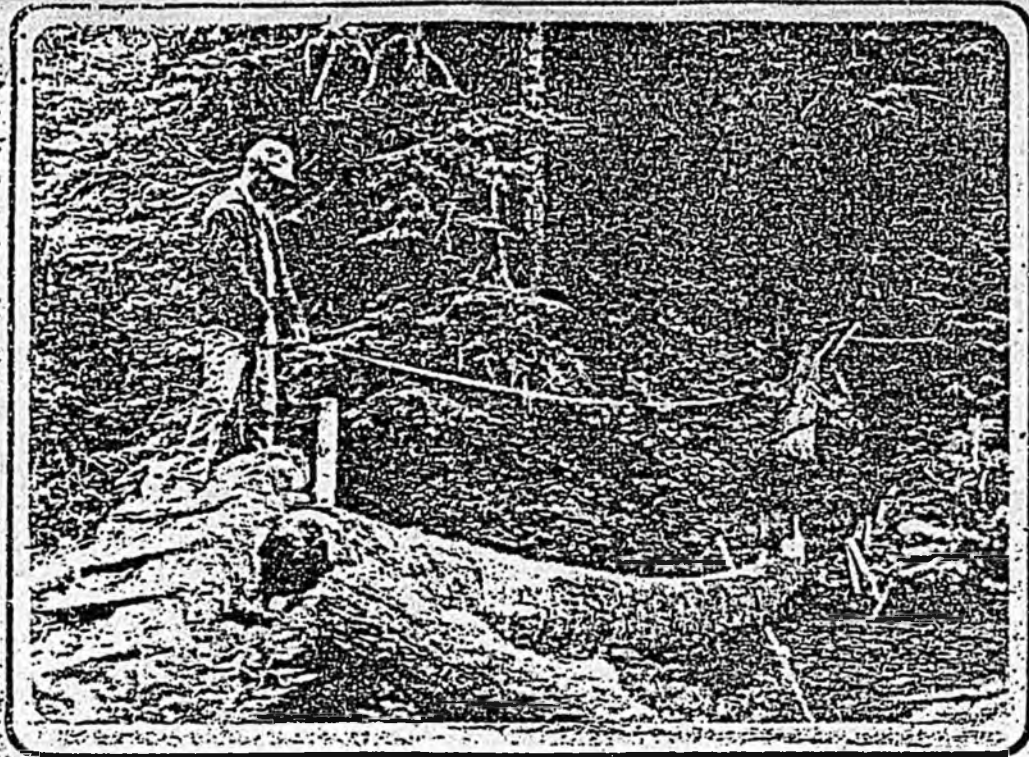
2. Pelican Landfill Access. A road constructed by the city to meet EPA requirements.
3. Kake Totem Park. A road and parking area to the site of the world's tallest totem pole.
4. Hydaburg Townsite Road. A new road to provide access to a new municipal building and housing for senior citizens.
5. Elfin Cove Boardwalk and Trail. Replacement and reconstruction of the boardwalk and trail around the cove, including material for future maintenance.
6. Port Alexander. A boardwalk to replace a washed out trail connecting the inner and outer harbors.
7. Craig Cold Storage Road. A 30' roadway to provide access to a new city shop and site of proposed highway maintenance shop.
8. Haines Trail. A year-round trail for hiking, skiing, horseback riding, snowshoeing, etc.
9. Wrangell - Outer Drive. Construction of roadway embankment, drainage and sidewalks which access new municipal building to downtown.

10. Petersburg. Replaced Birch Street Trestle along Hammar Slough, and constructed several new access roads.

11. Juneau. Sidewalks, drainage, paving of local streets, including Evergreen Bowl Access, Trinity Drive, Memorial Drive and Riverside Drive.

These are only a few of the projects constructed under the program in the past ten years. As can be expected, each project is unique and in the villages sometimes innovation is the key to success.

Attached are excerpts from the April 1976 issue of The New Alaskan which had several interesting LSR&T projects featured.

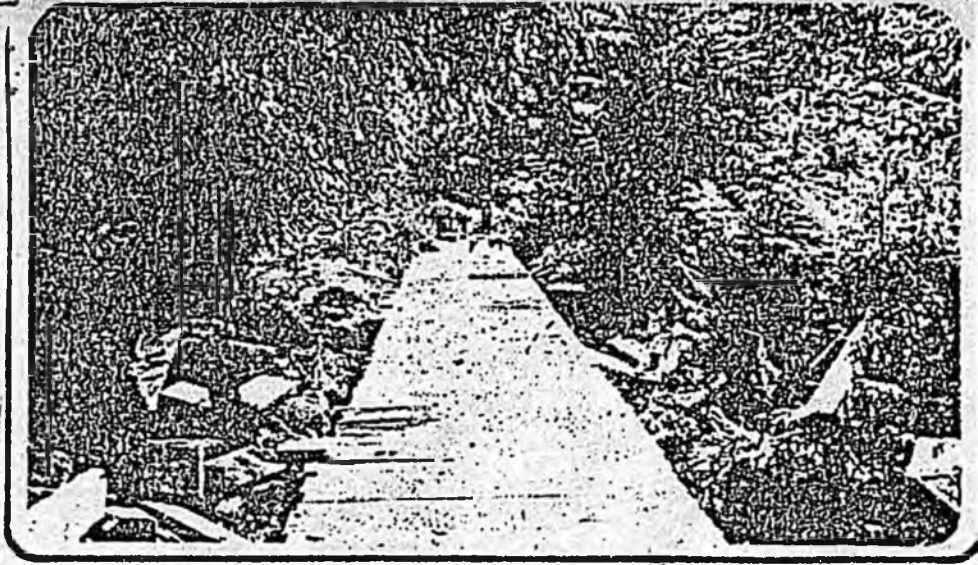


TENAKEE-INDIAN RIVER BRIDGE

The log spanning the Indian River, about one mile east of Tenakee collapsed in the spring of 1975. This crossing provided access to hunting and fishing areas for residents and outdoorsmen from south-east, and also access for home owners at Sunny Cove, Columbia, Superior, Harley Creek and Coffee Cove. Old bridge was placed by Loyal H. Clark in the spring of 1957. The tree came from the east side of Kadashan Bay, about 1/2 mile back from the beach in an area Bill Tongsgard logged. He used a TD-14 International Tractor to yard the log cut and towed it across the inlet. The job was done by Mr. Clark alone, and took about 10 days. He rafted the tractor across the inlet and back, which he says was very time consuming.

The Department agreed to assist Tenakee in replacing this bridge, and arrangements were made to begin work directly after the Thanksgiving weekend last fall. Supplies were delivered to the site by Channel Flying of Juneau on November 28, 1975. The following day the temperature dropped sharply and it began to snow. It was decided to delay the project until the weather improved. Plans were made recently to begin work March 1, but once again the weather didn't cooperate.

The replacement bridge will be placed several hundred feet downstream and will consist of 2 logs placed side by side, cabled together and planked to provide a walking surface. The east Tenakee trail will also be improved at the same time. The forman for construction of the bridge will be Thomas Jack, of Hoonah, who resided in Tenakee previously. Don McGee will be forman for the remaining work. All work will be done using local labor. Mayor of Tenakee, Bob Pegues, initiated the project.



Kasaan Boardwalk

The purpose of this project was to connect the Village of Kasaan to the boat harbor and airplane float, a distance of approximately 1,000 feet. The existing boardwalk was completely rotten, and injuries had been caused due to people falling through the walk.

It was agreed that the lumber would be purchased from Mr. B.G. Morrison who has a small sawmill on the beach at Kasaan, and that the labor would be performed by local residents.

Work was started August 5th and proceeded by fits and starts until November, when a lack of material halted the project. A lack of lumber halted the project several times, as the mill had a habit of eating up its engines and Mr. Morrison was kept busy looking for replacements. The project lacks about 300 feet of being completed. The remaining material is being acquired from Ketchikan, and the project should be completed soon.

A unique aspect of this project is that the village had no monies available, and the project could not be set up on a reimbursement basis. A bank account was established for the project by the Department so weekly payroll could be handled, and materials purchased. The checks require the signature of a village representative and the Local Service Roads and Trails Engineer. This arrangement has been used several times with satisfactory results.

HOONAH BULKHEAD
Project G-30182

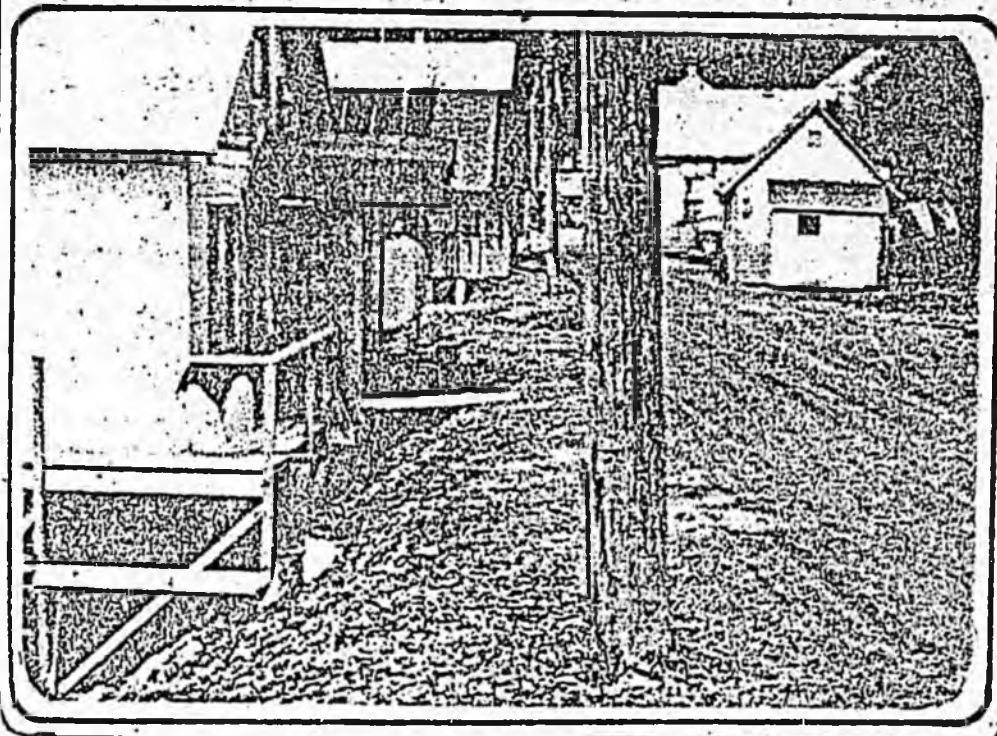
The purpose of this project was twofold. First to reinforce the log bulkhead along Front Street in Hoonah, and secondly to afford a measure of shore protection in areas where there was no bulkhead.

The project was initially designed and advertised by the Department of Highways, but the bids received were considerably over the engineers estimate, and were rejected. It was subsequently agreed between the Department and the City of Hoonah that the City would provide the labor and equipment on a reimbursable basis, and highways would supervise the work.

The work force consisted of Millard Cartee, Charles Bennett and Frank Wright, St. The LSR&T Superintendent was Roger Polley.

Work started in November, 1972, and consisted of building demolition and carpentry work until winter shutdown. Work commenced on the project in April, under supervision of Kelly St. Clair, of Hoonah. He was appointed by Mayor Frank See and approved and hired by the Department.

Rock was obtained from the Bureau of Indian Affairs quarry and the project was completed on May 22, 1973.



Hoonah — Spasski Trail

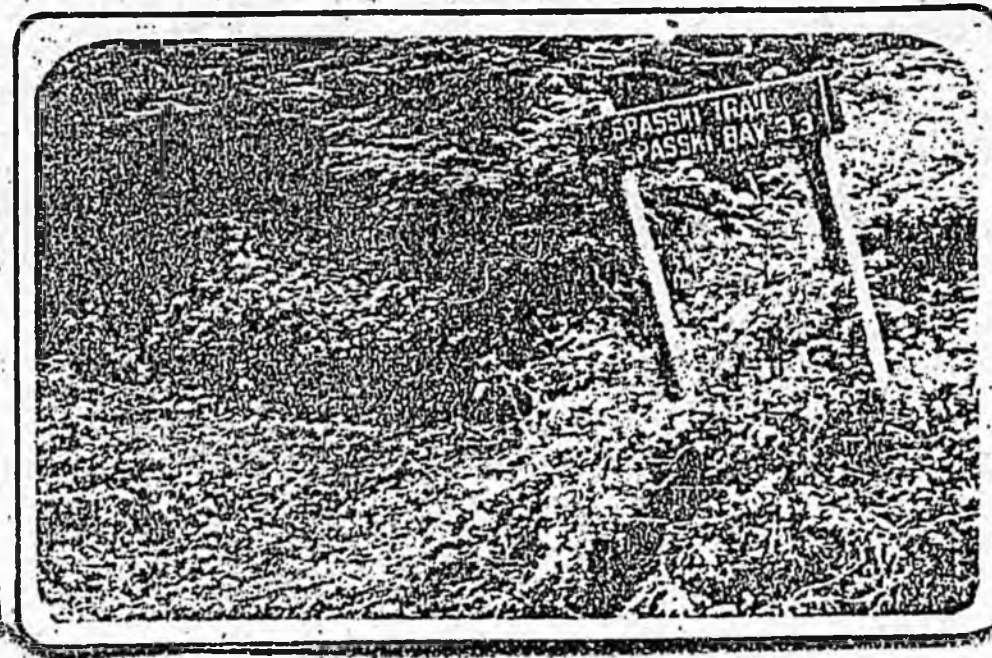
The Spasski Trail was originally upgraded by the Forest Service in 1938 and 1939, and probably maintained by the Forest Service until some time in the 1960's. The trail connects Hoonah to Spasski Bay, a distance of approximately 3½ miles. The trail was heavily overgrown and several gullies and muskeg areas required crossings. The trail was usable, but just barely.

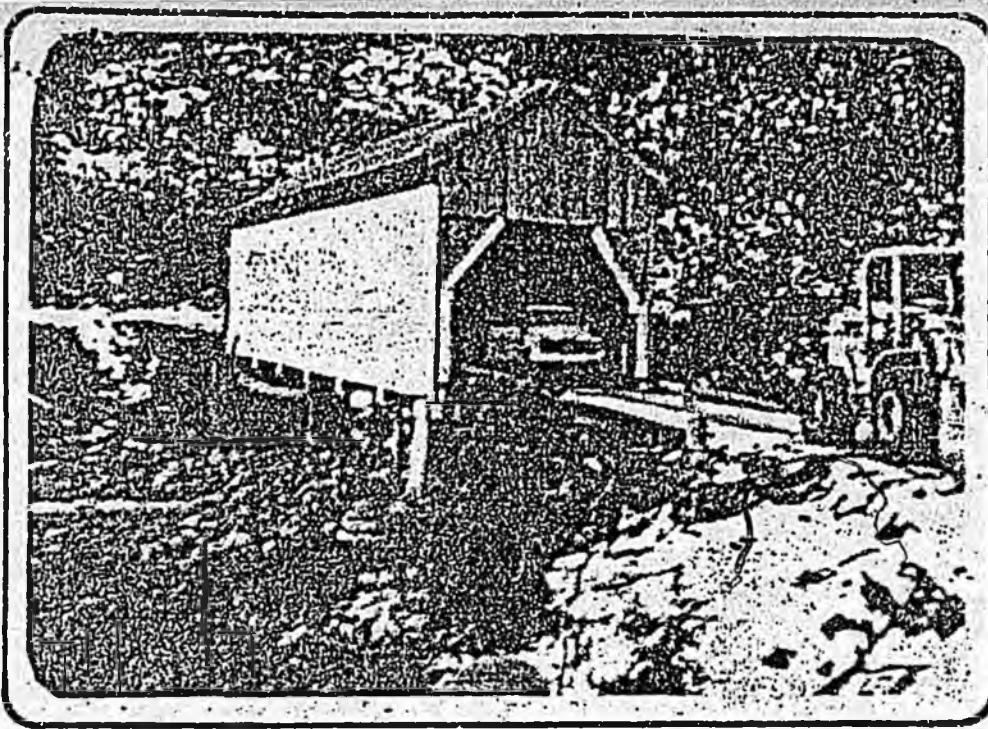
It was agreed to upgrade the trail to make it usable for recreational purposes such as hiking, hunting, snowshoeing, etc. Work was begun on September 8, 1975, with Thomas Jack as foreman. The size of the crew was usually about eight men, all labor was local.

One of the cost items in the project was rifle shells, as the brown bears in the area also liked to use the trail. Dogs were usually kept with the crews to help keep the bears away.

The trail was completed to Spasski Bay the first week in October.

Also, as part of the project, it was agreed to construct a stairway down "Jackass Pass" which is a portion of undeveloped roadway between Hill Street and Hemlock Avenue. This is a very steep area which was utilized by a number of people, including older residents as a shortcut to town. According to Mayor Miles Murphy, it wasn't really any shorter, but people seemed to use it anyway. The same crew did the work on this project and it was completed in early November.





HYDER — TEXAS CREEK BRIDGE

The Texas Creek Bridge, located 7½ miles north of Hyder, is said to be the last remaining covered bridge in Alaska, and is sought by tourists utilizing the Stewart, B.C. road connection.

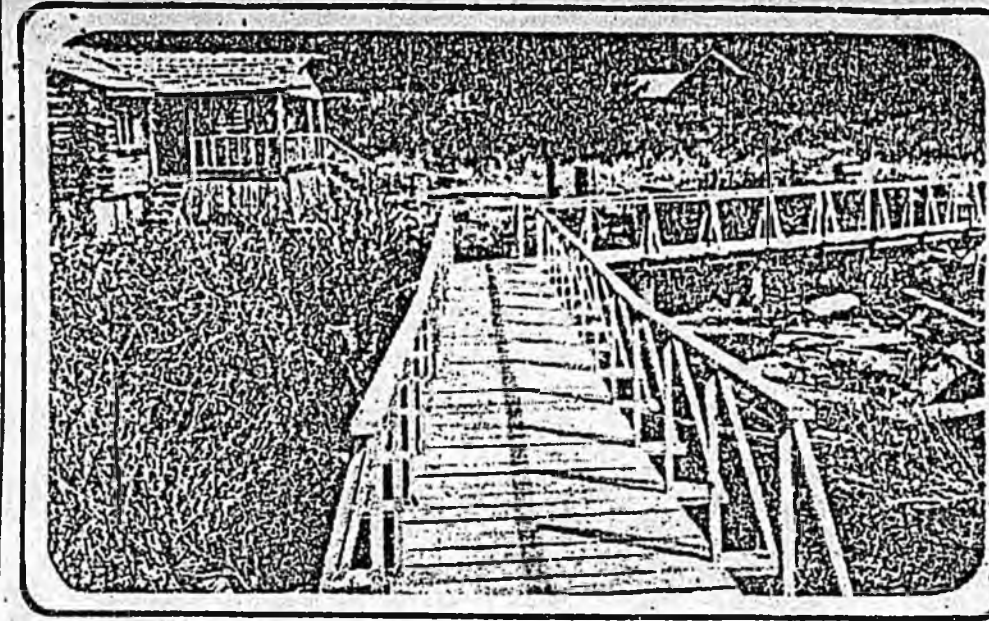
The bridge was constructed by the Territorial Road Commission in 1928, and provides the only access to the west bank of the creek.

The winters of 1970 and 1971 badly damaged the main support members of the bridge, and without repairs it was doubtful the bridge could hold up under heavy wind and snow loads of another winter.

At a public meeting held in Hyder in September of 1972, it was agreed to make repairs to the bridge utilizing LSR&T funds. The various companies in Hyder having suitable equipment to perform the work were contacted and requested to furnish rental prices on equipment. Mr. Glen Wilkes of G.W. Logging submitted acceptable prices and was awarded the work.

Temporary repairs took eight days to accomplish. The repairs consisted of placing a 60 foot stringer under the damaged chord and installing three bents. These were reinforced with large boulders and river run from the creek, which also cleared the channel area to allow freer flow. Four sets of cross braces were installed inside the bridge, completing the job.

According to a report from Lawrence Marx, Highway Maintenance Foreman in Hyder, this strengthened the bridge to a point where traffic could utilize the bridge once again.



KASAAN VILLIAGE-BRIDGE RECONSTRUCTION

The objective of this project was to reconstruct the Tinkum Creek Bridge, and to re-jeck the Linkum-Creek Bridge. The Tinkum Creek Bridge was constructed under L.S.R. & T. Project C-30019, and was completed on the 29th of September at a cost of \$2,237.23.

The above referenced bridge was destroyed on January 19, 1973 when attacked by drifting logs carried by storm sea wave's generated by 70 mile per hour winds during an 18.5 foot high tide.

A field inspection indicated that the bridge would require relocation above the tidal area, to prevent a reoccurring damage. This was apparent by the presents of log strewn beaches adjacent to the bridge site. Most of the existing bridge lumber could be salvaged and reused in the new structure. The new bridge was relocated 45 feet up stream and paralleling the preceding site.

The grant of right of way easement and petition was signed on the 23rd of February. Construction began on March 25, with the arrival of Dale Henkins, project supervisor, in Kasaan. Alton McAllister, David Peele and Dexter Wallace were hired and work began on the project. The lumber was picked up and delivered to Ketchikan Transportation Company, by Ketchikan maintenance forces. The lumber was inadvertently loaded and shipped to Klawock by the Ketchikan Transportation Company. Klawock Maintenance Forman, Louis Seltzer transported the lumber to Hollis, placing the lumber on the beach. Dale Henkins chartered the seine boat, Glenda Joe, to pick up the lumber in Hollis and delivered it to the Kasaan project. The project was completed on the 4th of April at a cost of \$4,820.00.

Introduced: 2/7/83
Referred: Transportation
and Finance

Funding Information

General Fund	\$10,000,000
Other Funds	-0-
	<u>\$10,000,000</u>

BY HERRMANN, KOPONEN, ZHAROFF,
CATO AND MCBRIDE

1 IN THE HOUSE

2

HOUSE BILL NO. 169

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making an appropriation to the Department of
7 Transportation and Public Facilities for allocations
8 for local service roads and trails; and providing for
9 an effective date."

10

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

11

* Section 1. The sum of \$10,000,000 is appropriated from the general
12 fund to the Department of Transportation and Public Facilities for
13 allocations for local service roads and trails authorized by AS 19.30.111 -
14 19.30.251.

15

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

COMMITTEE REPORT HOUSE

FURTHER:

2/7/83

Date: 3/4/83

Mr. Speaker:

The Committee on FINANCE has had HB 171

An Act relating to the payment of legislative per diem and payment of employees of the legislature; 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 _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ^{individual} recommendations Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature]

[Signature]

[Signature]

CHAIRMAN

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 171

Title "An Act relating to payment of legislative per diem and payment of employees of the legislature; ed" Date February 10, 1983

Requested by: House Finance

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Session

(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
		-0-				

POSITIONS

None

FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that no additional fiscal impact (cost) will result from this bill. Of course if session is extended past the 120 days, there will be a savings impact for each additional day in session compared to previous sessions.

IV. DATE February 10, 1983

PREPARED BY Wally Harrison, Director, Admin. Svcs.
AGENCY Legislative Affairs Agency

Original: Legislative Finance

PHONE 465-3850

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 171

Title "An Act relating to payment of legislative per diem and payment of employees requested by of the legislature; ed" Date February 10, 1983

Requested by: House Finance

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Session

(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
		-0-				

POSITIONS

None

FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that no additional fiscal impact (cost) will result from this bill. Of course if session is extended past the 120 days, there will be a savings impact for each additional day in session compared to previous sessions.

IV. DATE February 10, 1983

PREPARED BY Wally Harrison, Director, Admin. Svcs.
AGENCY Legislative Affairs Agency

Original: Legislative Finance

PHONE 465-3850

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)



From The
House
Finance Committee

Louann:

David Walker called on Friday. He represents the Alaska Nurse's Association and signed up to testify at Friday's committee meeting, but his name was never called.

He would like to committee's records to reflect the fact that he at least called to voice the Nurse's Association's support for HB 224

Cheryl.

Becky - FYI.

HB 171

- Louann

The following individuals are expected to testify on HB 171:

Representative Mae Tischer, prime sponsor

Available for questions:

Wally Harrison, Legislative Affairs Agency

STATE OF ALASKA THE LEGISLATURE


POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 3, 1983

TO: Wally Harrison, Director
Administrative Services

FROM: Lauren Smith, CPA 
Budget & Accounting Officer

As you requested, I have computed the costs of personal services and per diem on a daily basis for the legislative session. This information represents the costs that would be eliminated under House Bill No. 171 which limits payment of per diem to legislators and salaries of certain session employees to 120 days. I have based my computations on the following assumptions:

- 1) Permanent employees will continue to receive health benefits.
- 2) Daily paid employees are paid by the 1/81 salary schedule.
- 3) All daily paid employees hired for session support by various divisions of legislative affairs agency are included in the 120 day cut-off.
- 4) Staffing is based on fiscal year 1983 budgeted positions.

Personal Services	\$30,568
Per Diem	4,740
Total Daily Cost	<u>\$35,308</u>

LS:mh

Introduced: 2/7/83
Referred: Finance

1 IN THE HOUSE

BY TISCHER, BETTISWORTH AND WARD

2

HOUSE BILL NO. 171

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to payment of legislative per diem
and payment of employees of the legislature; and
providing for an effective date."

7

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9

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

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* Section 1. AS 24.10.060 is amended to read:

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Sec. 24.10.060. LEGISLATIVE EMPLOYEES. The temporary employees of the legislature are hired for not more than 120 days of [THE DURATION OF] each session upon the recommendation of the rules committee of each house. Employees assigned to each house are under the supervision of the chief clerk and senate secretary. Employees assigned to the duplicating, distributing, mailing, and other centralized services are under the immediate supervision of the Legislative Affairs Agency. Permanent and temporary employees of the legislature and its agencies shall be employed subject to classification and wage plans based on the merit principle and adapted to the special needs of the legislature. Permanent employees are subject to the general state laws regarding leave and retirement. Payments may not be made to temporary employees of the legislature for services after the legislature has been in session for 120 days. Permanent employees of a member of the legislature or of a standing or special committee of a house or of a caucus are placed on leave of absence without pay from the end of the 120th legislative day until adjournment of the session. Notwithstanding the provisions of AS 39.35.330 this leave without pay is not considered an interruption of employment and all benefits for which an

1 employee would otherwise be eligible shall continue.

2 * Sec. 2. AS 24.15.010 is amended by adding a new subsection to read:

3 (e) Per diem may not be paid for a day in regular session after
4 the 120th day of that regular session.

5 * Sec. 3. This Act is retroactive to January 17, 1983.

6 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

COMMITTEE REPORT
HOUSE

FURTHER:

(11)

Date: 4-16-84

3/30/84

The Committee on FINANCE has had HB 172

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

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 172 (Fin) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
 Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Robert A. Adams

T.H. Matton

Walt Furkase

W. Fisher

Ben Simpson

Jan Duncan

Hubert

Jan Land

WILLOH FRITZ

Robert A. Adams

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 04/16/84

REQUEST HB 172
Bill/Resolution No.: CS (Finance)
Title: Municipal Government
Rec ID 310
Sponsor: Rules Comm by request
Requestor: House Finance Committee
Date of Request: 04/16/84

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Development and Social Services
BRU, Program or Subprogram(s) Affected: Disabled Veterans Tax Relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		3.0	3.3	3.6	4.0	
400 SUPPLIES						
500 EQUIPMENT		2.0	2.2	2.4	2.6	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		395.0	949.5	882.0	642.7	
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	400.0	955.0	888.0	649.3	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	400.0	955.0	888.0	649.0	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Doug Griffin Phone: 465-4750
Division: Municipal & Regional Assistance Date: 04/16/84

Approved by Commissioner: Jill Smith Date: 4/16/84
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 172 CS (Finance)
Title: Municipal Government
Rec. ID 310

ANALYSIS:

Assumptions:

Social Services: Attachment A
Development: Attachment B

Positions:

Negligible impact.

Other Expenditures:

None.

Funding:

General Fund.

Section Cost Analysis:

Computations:

Social Services: Attachment A
Development: Attachment B

Economic Impact:

None.

Impact on Local Government:

Social Services: Negligible impact.
Development: Assist in startup cost of two new municipalities per year and one new borough in FY 86.

Attachments

Social Services: Attachment A - assumptions and computations.
Development: Attachment B.

ATTACHMENT A

Bill/Resolution No.: HB 172 CS(Finance)
Title: Municipal Government
Rec ID 310

Social Services Assumptions:

1. Of the disabled veterans in Alaska whose disability ratings are 50% or higher, we assume 1.5% to be over 65 years of age, and therefore, already exempt under Senior Citizen programs.
2. The percentage of disabled veterans who rent is similar to those who own their homes.
3. The average exemption for homeowners is \$427 per year. The average rebate for renters is \$295 per year.
4. The annual increase is estimated at 10%. This allows for inflation, increasing participation and increased property taxes.

Social Services Computations:

<u># Homeowners</u> 601	<u>Average Payment</u> \$427	<u>Total Payment to Municipalities</u> \$256,627
<u># Renters</u> 130 (Prop Tax Area)	<u>Average Rent</u> \$295	<u>Total Rebate to Renters</u> \$ 38,350
<u># Renters</u> 15 (Sales Tax Area)	<u>Estimated Sales Tax</u> \$150	<u>Total Rebate to Renters</u> \$ 2,250

Administration

Forms Design & Printing \$ 2,000
Travel (Outreach) 3,000
 \$ 5,000

GRAND TOTAL \$ 302,227
CALL: \$ 300,000

ATTACHMENT B

Bill/Resolution No. HB 172 CS(Finance)
Title: Municipal Government
Rec ID 310

Development Analysis:

Assumptions:

1. There would be two new city incorporations each year commencing in FY 85 at \$50,000 each their first year and \$25,000 per year their second year.
2. There would be one new borough incorporation in FY 86. This would trigger three grants at \$300,000 in FY 86, \$200,000 in FY 87 and \$100,000 in FY 88. In addition, the start-up of two borough tax systems would be at \$175,000 per year for FY 86 and FY 87. Current law provides \$10 per voter for most municipalities and \$25,000 for a new borough or a first class city outside a borough. For the purpose of fiscal impact, the current grants will be considered negligible compared to the proposed.

Computations:

As specified in Chapter 5, Article 3 of bill.

Economic Impact:

Offered: 4/23/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 172 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and provid-
7 ing 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,
11 the Department of Natural Resources is the platting authority in the
12 unorganized 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
16 municipal corporation and political subdivision. It is a city or a
17 borough that has adopted a home rule charter, or it is a unified
18 municipality. A home rule municipality has all legislative powers not
19 prohibited by 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 OF SECOND CLASS CITIES. (a) A
2 second class city may be reclassified as a first class city by holding
3 an election on the question, if the department determines from the
4 best figures available that the population of the city has reached 600
5 permanent residents.

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

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

11 (2) the council may propose reclassification.

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

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

22 (e) The council shall certify the election results to the de-
23 partment. If the majority of votes cast is favorable, the city shall
24 be considered reclassified to first class status 30 days after certi-
25 fication of the election results.

26 Sec. 29.04.050. RECLASSIFICATION OF SECOND CLASS BOROUGHS. A
27 second class borough may reclassify as a first class borough in the
28 manner provided by AS 29.35.320 - 29.35.330 for the addition of an
29 areawide power by a first or second class borough, except the petition

1 or proposal requests reclassification instead of requesting addition
2 of a power.

3 Sec. 29.04.060. RECLASSIFICATION OF THIRD CLASS BOROUGHS. (a)
4 A third class borough may reclassify as a first or second class bor-
5 ough in the manner provided by AS 29.35.320 - 29.35.330 for the addi-
6 tion of an areawide power by a first or second class borough, except
7 the petition or proposal requests reclassification instead of request-
8 ing addition of a power. At the time of voting on reclassification of
9 a third class borough to first or second class status, voters shall
10 vote also on whether the borough shall, on reclassification, retain a
11 combined assembly and school board or elect a separate assembly and
12 board as otherwise provided for first and second class boroughs.

13 (b) If a combined assembly and school board are approved at the
14 reclassification election, the assembly serving at the time of the
15 election continues to serve as the assembly and board on voter ap-
16 proval of reclassification and until terms of assembly members expire
17 as provided before reclassification.

18 (c) If a separate assembly and school board are approved at the
19 reclassification election, a school board shall be elected in
20 conformity with AS 14.12.030 - 14.12.100 at the next regular election,
21 if it occurs within 90 days of the date of the reclassification
22 election, or otherwise at a special election within 90 days of the
23 date of the reclassification election. Expiration dates of terms of
24 school board members elected at a special election must coincide with
25 the date of the regular election. Until a board is elected and quali-
26 fied, the assembly continues to serve as the board.

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

28 CHAPTER 05. INCORPORATION.

29 ARTICLE 1. REQUIREMENTS.

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

4 (1) the community has 600 or more permanent residents;

5 (2) the boundaries of the proposed city include all areas
6 necessary to provide municipal services on an efficient scale;

7 (3) the economy of the community includes the human and
8 financial resources necessary to provide municipal services; in con-
9 sidering the economy of the community, the Local Boundary Commission
10 shall consider property values, economic base, personal income, re-
11 source and commercial development, anticipated functions, and the
12 expenses and income of the proposed city, including the ability of the
13 community to generate local revenue;

14 (4) the population of the community is stable enough to
15 support city government;

16 (5) there is a demonstrated need for city government.

17 (b) A community that meets all the standards under (a) of this
18 section except (a)(1) may incorporate as a second class city.

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

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

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

1 (1) the population of the area is interrelated and inte-
2 grated as to its social, cultural, and economic activities, and is
3 large and stable enough to support borough government;

4 (2) the boundaries of the proposed borough conform gener-
5 ally to natural geography and include all areas necessary for full
6 development of municipal services;

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

12 (4) land, water, and air transportation facilities allow
13 the communication and exchange necessary for the development of inte-
14 grated borough government.

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

16 ARTICLE 2. PROCEDURE.

17 Sec. 29.05.060. PETITION. Municipal incorporation is proposed
18 by filing a petition with the department. The petition shall include
19 the following information about the proposed municipality:

20 (1) class;

21 (2) name;

22 (3) boundaries;

23 (4) maps, documents, and other information required by the
24 department;

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

26 (6) a proposed operating budget for the municipality pro-
27 jecting sources of income and items of expenditure through the first
28 full fiscal year of operation;

29 (7) for a borough, based on the number who voted in the

1 respective areas in the last general election, the signature and
2 resident address of 15 percent of the voters in

3 (A) home rule and first class cities in the area of
4 the proposed borough; and

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

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

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

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

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

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

21 (13) for a home rule municipality, a proposed home rule
22 charter.

23 Sec. 29.05.070. REVIEW. The department shall review an incorpo-
24 ration petition for content and signatures and shall return a defi-
25 cient petition for correction and completion.

26 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation peti-
27 tion contains the required information and signatures, the department
28 shall investigate the proposal and shall hold at least one public
29 informational meeting in the area proposed for incorporation. The

1 department shall publish notice of the meeting.

2 (b) The department may combine incorporation petitions from the
3 same general area.

4 (c) The department shall report its findings to the Local Bound-
5 ary Commission with its recommendations regarding the incorporation.

6 Sec. 29.05.090. HEARING. The Local Boundary Commission shall
7 hold at least one public hearing in the area proposed to be incorpo-
8 rated for the purpose of receiving testimony and evidence on the
9 proposal.

10 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission
11 determines that a proposed municipality fails to meet the standards
12 for incorporation, it shall reject the petition. If the commission
13 determines that the proposed municipality meets the standards, it
14 shall accept the petition. If the commission determines that the
15 proposed municipal boundaries can be altered to meet the standards, it
16 may alter the boundaries and accept the petition.

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

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

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

4 (c) Areawide borough powers included in an incorporation peti-
5 tion are considered to be part of the incorporation question. In an
6 election for the incorporation of a second class borough, each non-
7 areawide power to be exercised is placed separately on the ballot.
8 Adoption of a nonareawide power requires a majority of the votes cast
9 on the question, and the vote is limited to the voters residing in the
10 proposed borough but outside all cities in the proposed borough.

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

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

18 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations
19 for initial municipal officials are made by petition. The petition
20 shall be in the form prescribed by the director of elections and shall
21 include the name and address of the nominee and a statement of the
22 nominee that the nominee is qualified under the provisions of this
23 title for the office that is sought. A person may file for and occupy
24 more than one office, but may not serve simultaneously as

25 (1) borough mayor and as a member of the assembly; or

26 (2) city mayor and as a member of the council in a first
27 class city.

28 (b) Except for a proposed second class city, petitions to nomi-
29 nate initial officials must include the signature and resident address

1 of 50 voters in the area of the proposed municipality, or that area of
2 the proposed municipality from which the officials are to be elected
3 under the composition and apportionment set out in the accepted incor-
4 poration petition.

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

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

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

13 (f) The initial elected members of the governing body shall
14 determine by lot the length of their terms of office so that a propor-
15 tionate number of terms expire each year, resulting in staggered terms
16 of office for members subsequently elected.

17 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE
18 AREAS. (a) A service area in a newly incorporated municipality shall
19 be integrated into the municipality within two years after the date of
20 incorporation. On integration the municipality succeeds to all the
21 rights, powers, duties, assets and liabilities of the service area.
22 On integration all property in the service area subject to taxation to
23 pay the principal and interest on bonds at the time of integration
24 remains subject to taxation for that purpose.

25 (b) After integration, the municipality may exercise in a former
26 service area all of the rights and powers exercised by the service
27 area at the time of integration, and, as successor to the service
28 area, may levy and collect special charges, taxes, or assessments to
29 amortize bonded indebtedness incurred by the service area or by a

1 municipality in which the service area was formerly located.

2 Sec. 29.05.140. TRANSITION. (a) The powers and duties exer-
3 cised by cities and service areas that are succeeded to by a newly
4 incorporated municipality continue to be exercised by the cities and
5 service areas until the new municipality assumes the powers and func-
6 tions, which may not exceed two years after the date of incorporation.
7 Ordinances, rules, resolutions, procedures, and orders in effect
8 before the transfer remain in effect until superseded by the action of
9 the new municipality.

10 (b) Before the assumption, the new municipality shall give
11 written notice of its assumption of the rights, powers, duties, as-
12 sets, and liabilities under this section and AS 29.05.130 to the city
13 or service area concerned. Municipal officials shall consult with the
14 officials of the city or service area concerned and arrange an orderly
15 transfer.

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

19 (d) This section applies to home rule and general law municipal-
20 ities.

21 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not chal-
22 lenge the formation of a municipality except within six months after
23 the date of its incorporation.

24 ARTICLE 3. TRANSITIONAL ASSISTANCE.

25 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray
26 the cost of transition to city government and to provide for interim
27 government operations, each city incorporated after July 1, 1984 is
28 entitled to an organization grant of \$50,000 for the first full or
29 partial fiscal year after incorporation.

1 (b) To defray the cost of reclassification, each second class
2 city in the unorganized borough incorporated before July 1, 1984 that
3 reclassifies as a home rule or first class city after July 1, 1984 is
4 entitled to an organization grant equal to \$50,000 for the first full
5 or partial fiscal year after reclassification.

6 (c) The department shall disburse an organization grant under
7 (a) or (b) of this section within 30 days after certification of the
8 incorporation election or the reclassification election, or as soon
9 after certification as money is appropriated and available for the
10 purpose.

11 (d) A city entitled to an organization grant under (a) or (b) of
12 this section is entitled to a second organization grant of \$25,000.
13 The department shall disburse the second organization grant within 30
14 days after the beginning of the city's second fiscal year after
15 incorporation or reclassification, or as soon after that time as money
16 is appropriated and available for the purpose.

17 Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) For the
18 purpose of defraying the cost of transition to borough government and
19 to provide for interim governmental operations, each borough incorpo-
20 rated after July 1, 1984, is entitled to organization grants as fol-
21 lows:

22 (1) \$300,000 for the borough's first full or partial fiscal
23 year;

24 (2) \$200,000 for the borough's second fiscal year; and

25 (3) \$100,000 for the borough's third fiscal year.

26 (b) The department shall disburse the first organization grant
27 to a borough within 30 days after certification of the incorporation
28 election favoring incorporation of a borough, or as soon after that as
29 money is appropriated and available for the purpose. The second grant

1 shall be disbursed within 30 days after the beginning of the borough's
2 second fiscal year, or as soon after that as money is appropriated and
3 available for the purpose. The third grant shall be disbursed within
4 30 days after the beginning of the borough's third fiscal year, or as
5 soon after that as money is appropriated and available for the pur-
6 pose.

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

9 Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization
10 grant fund is established in the department. An appropriation made to
11 the fund shall be used for organization grants to municipalities that
12 qualify under AS 29.05.180 or 29.05.190.

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

15 (1) each municipality expected to qualify to receive an
16 organization grant during the next fiscal year;

17 (2) the amount of money needed to cover all organization
18 grants expected to be awarded during the next fiscal year.

19 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHES. (a)
20 Within 30 days after the date of incorporation of a borough incorpo-
21 rated after July 1, 1984, the department shall determine the popula-
22 tion of the borough.

23 (b) The department shall provide assistance to each borough in-
24 corporated after July 1, 1984, in

25 (1) establishing the initial sales and use tax assessment
26 and collection department if the borough has adopted a sales or use
27 tax;

28 (2) determining the initial property tax assessment roll if
29 the borough has adopted a property tax, including contracting for

1 appraisals of property needed to complete the initial assessment.

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

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

5 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

6 ARTICLE 1. CHANGE OF NAME.

7 Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) A municipality
8 may change its official name by adopting an ordinance for the purpose
9 that is ratified by the voters and filing the ordinance with the
10 office of the lieutenant governor. Upon receipt of an ordinance
11 ratified by the voters, the lieutenant governor shall issue an order
12 to the municipality changing its name. The name change shall become
13 effective on a date fixed in the order and occurring within 45 days
14 after receipt of the ordinance. A copy of the order shall be
15 transmitted to the department.

16 (b) If an ordinance adopted under (a) of this section that
17 results in a change of the municipal name is subsequently repealed,
18 the lieutenant governor shall issue an order reinstating the former
19 name within 45 days after the date of the order, unless a different
20 name is adopted as provided in (a) of this section.

21 (c) When a municipal name change takes effect by means of an
22 order issued under (a) or (b) of this section, a civil or criminal
23 suit, application, petition, hearing or other proceeding to which the
24 municipality is a party and that is pending at or brought after the
25 date the name change takes effect shall proceed in the municipal name
26 as changed by the order.

27 (d) This section applies to home rule and general law municipal-
28 ities.

29 ARTICLE 2. ANNEXATION AND DETACHMENT.

1 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local
2 Boundary Commission may consider any proposed municipal boundary
3 change. It may reject the proposed change, accept the proposed
4 change, or alter the boundaries and accept the proposal as altered. A
5 Local Boundary Commission decision under this subsection may be ap-
6 pealed under the Administrative Procedure Act (AS 44.62).

7 (b) The Local Boundary Commission may present a proposed muni-
8 cipal boundary change to the legislature during the first 10 days of a
9 regular session. The change becomes effective 45 days after presenta-
10 tion or at the end of the session, whichever is earlier, unless dis-
11 approved by a resolution concurred in by a majority of the members of
12 each house.

13 (c) In addition to the regulations governing annexation by local
14 action adopted under AS 44.47.567, the Local Boundary Commission shall
15 establish procedures for annexation and detachment of territory by
16 municipalities by local action. The procedures established under this
17 subsection include a provision that

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

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

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

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

29 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military

1 reservation may be annexed to a municipality in the same manner as
2 prescribed for other territory under AS 29.06.040. If a city in a
3 borough annexes a military reservation under this section, the area
4 encompassing the military reservation automatically is annexed to the
5 borough in which the city is located.

6 Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to
7 home rule and general law municipalities.

8 ARTICLE 3. MERGER AND CONSOLIDATION.

9 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more
10 municipalities may merge or consolidate to form a single municipality,
11 except a third class borough may not be formed through merger or
12 consolidation.

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

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

17 (2) the local option method specified in AS 29.06.100 -
18 29.06.160.

19 Sec. 29.06.100. PETITION. (a) Residents of two or more munici-
20 palities may file a merger or consolidation petition with the depart-
21 ment. The petition must be signed by a number of voters of each
22 existing municipality equal to at least 25 percent of the number of
23 votes cast in each municipality's last regular election.

24 (b) The petition includes

25 (1) the name and class of each existing municipality;

26 (2) the name and class of the proposed municipality;

27 (3) the proposed composition and apportionment of the
28 governing body;

29 (4) maps, documents, and other information that shows that

1 the proposed municipality meets the standards for municipal incorpora-
2 tion.

3 Sec. 29.06.110. REVIEW. (a) The department shall review a
4 merger or consolidation petition for content and signatures and shall
5 return a deficient petition for correction or completion.

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

8 (c) The department shall report its findings to the Local Bound-
9 ary Commission with its recommendations regarding the merger or con-
10 solidation.

11 Sec. 29.06.120. HEARING. After receipt of the report by the
12 department on a merger or consolidation petition, the Local Boundary
13 Commission shall hold at least one public hearing in each of the
14 existing municipalities included in the petition, unless officials of
15 the municipalities agree to a single hearing.

16 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission
17 determines that the proposed municipality fails to meet the standards
18 for incorporation, it shall reject the merger or consolidation peti-
19 tion. If the commission determines that the proposed municipality
20 meets these standards, it shall accept the petition. If the commis-
21 sion determines that the proposed boundaries or the composition and
22 apportionment of the governing body can be altered to meet the stan-
23 dards, it may alter the proposal and accept the petition.

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

26 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
27 shall immediately notify the director of elections of its acceptance
28 of a merger or consolidation petition. Within 30 days after notifica-
29 tion, the director of elections shall order an election in the area to

1 be included in the new municipality to determine whether the voters
2 desire merger or consolidation. The election must be held not less
3 than 30 or more than 90 days after the election order. A voter who is
4 a resident of the area to be included in the proposed municipality may
5 vote.

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

9 (c) The director of elections shall certify the election re-
10 sults. If merger or consolidation is approved, the director of elec-
11 tions shall, within 10 days, set a date for election of officials of
12 the new municipality. The election date must be not less than 60 or
13 more than 90 days after the election order and it is the effective
14 date for the merger or consolidation.

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

18 (b) When two or more municipalities consolidate, the newly
19 incorporated municipality succeeds to the rights, powers, duties,
20 assets, and liabilities of the consolidated municipalities.

21 Sec. 29.06.160. TRANSITION. After merger or consolidation, the
22 ordinances, resolutions, regulations, procedures, and orders of the
23 former municipalities remain in force in their respective territories
24 until superseded by the action of the new municipality.

25 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to
26 home rule and general law municipalities.

27 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

28 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A
29 borough and all cities in the borough may unite to form a single unit

1 of home rule government by complying with AS 29.06.190 - 29.06.410.

2 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a
3 charter commission to prepare a unification charter shall be proposed
4 by resolution of the assembly or by petition. A resolution to propose
5 formation of a charter commission may be adopted not more often than
6 once every 12 months.

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

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

11 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICA-
12 TION CHARTER. We, the undersigned, qualified voters of the borough do
13 hereby petition that the following proposition be placed before the
14 voters as provided by law: 'Shall a charter commission be formed (and
15 charter commission members be elected as elsewhere provided on this
16 ballot) to prepare, adopt and submit to the voters for their approval
17 or rejection a proposed charter uniting the borough and all cities
18 within it as a single unit of home rule government having the powers,
19 duties and functions of a unified municipality as authorized by law?
20 Yes [] No []'

21 Inside First Outside First
22 Class or Class or
23 Signature Address Home Rule City [] Home Rule City []"

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

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

28 (2) the number of voters residing in home rule or first
29 class cities in the borough equal to 25 percent of the votes cast in

1 all home rule and first class cities in the borough in the last regu-
2 lar borough election.

3 Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a
4 unification petition within 15 days to determine whether it complies
5 with AS 29.06.210. If the petition does not meet the designated re-
6 quirements, it shall be immediately returned to the person who ini-
7 tiated the petition with a statement indicating which requirements
8 have not been satisfied.

9 Sec. 29.06.230. DUTIES OF CHARTER COMMISSION. The charter
10 commission shall prepare, adopt, and submit to the voters for approval
11 or rejection a proposed home rule charter for the area to be unified.

12 Sec. 29.06.240. COMPOSITION OF CHARTER COMMISSION. The charter
13 commission shall consist of 11 voters, three of whom are residents
14 elected at large from the borough and eight of whom, proportionate to
15 the population as determined by the department, are

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

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

20 Sec. 29.06.250. CHARTER COMMISSION NOMINATIONS. (a) If the
21 assembly determines that a unification petition meets the requirements
22 of AS 29.06.210, or the assembly by its resolution proposes an elec-
23 tion on formation of a charter commission, the assembly shall issue a
24 call for the nomination of commission candidates, specifying the
25 filing deadline and the procedure for making nominations.

26 (b) Charter commission candidates shall be nominated by petition
27 signed by at least 50 voters of the area from which the candidate
28 seeks election, or by a number of voters from that area equal to at
29 least 10 percent of the number of votes cast from that area in the

1 last regular borough election, whichever is less.

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

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

9 Sec. 29.06.260. QUALIFICATIONS OF CANDIDATES. A person is eli-
10 gible to be nominated as a candidate for the charter commission if
11 that person is a voter of the area from which election is sought and
12 has been a voter of the area for at least one year immediately
13 preceding the date the nomination petition is filed.

14 Sec. 29.06.270. ELECTION OF CHARTER COMMISSION. (a) After
15 receipt of a valid unification petition or adoption of an assembly
16 resolution to propose formation of a charter commission, the assembly
17 shall submit to the voters the question of whether a charter commis-
18 sion shall be formed to prepare a proposed unification charter. The
19 vote shall be held at the next regular borough election scheduled at
20 least 90 days after receipt of the petition or adoption of the resolu-
21 tion. The ballot shall be worded exactly as in AS 29.06.210(a).

22 (b) The election of charter commission members shall take place
23 at the same time as the election on the question of formation of the
24 commission.

25 (c) All costs incurred in conducting an election under AS 29.-
26 06.190 - 29.06.410 shall be paid by the borough.

27 Sec. 29.06.280. REQUIREMENTS FOR APPROVAL OF FORMATION AND
28 ELECTION OF CHARTER COMMISSION. (a) The votes on the question of
29 formation of a charter commission shall be tabulated in two separate

1 classifications. One classification consists of all votes cast in
2 first class and home rule cities in the borough. The other classifi-
3 cation consists of all votes cast in the remaining area of the bor-
4 ough. In order for formation of a charter commission to be approved,
5 a majority of the votes in each classification must favor formation of
6 the commission.

7 (b) If formation of a charter commission is approved, the candi-
8 dates who received the highest number of votes from their respective
9 areas shall serve as members of the commission.

10 Sec. 29.06.290. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

14 (b) A majority of the total membership of the charter commission
15 constitutes a quorum. A decision of the commission is not valid or
16 binding unless approved by the number of members necessary to consti-
17 tute a quorum.

18 (c) The charter commission may elect other officials from among
19 its membership, adopt rules governing its procedures that are consis-
20 tent with AS 29.06.190 - 29.06.410 and hire and discharge employees.

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

24 Sec. 29.06.300. VACANCIES. (a) Vacancies on the charter com-
25 mission shall be filled by a majority vote of the commission, except
26 the assembly shall appoint members to fill vacancies if, after a
27 proposed charter is rejected by the voters, more than one-half of the
28 members resign.

29 (b) A person who fills a vacancy on the charter commission must

1 be a voter of the same area as the person succeeded and must have been
2 a voter of that area for at least one year immediately preceding the
3 date the vacancy is filled.

4 Sec. 29.06.310. PER DIEM. The assembly may grant a per diem
5 allowance to members of the charter commission and may reimburse the
6 members for travel expenses incurred in carrying out the duties pre-
7 scribed by AS 29.06.190 - 29.06.410. Costs, fees, and other expenses
8 incurred by the commission are a debt of the borough and shall be paid
9 upon proper verification.

10 Sec. 29.06.320. CHARTER PROVISIONS. The charter shall include

11 (1) provision for

12 (A) the adjustment of existing bonded indebtedness and
13 other obligations in a manner that will assure a fair and equit-
14 able burden of taxation for debt service, subject to AS 29.06.-
15 380;

16 (B) the establishment of service areas;

17 (C) if election of members of the governing body is
18 not areawide, the establishment of districts for the election of
19 members of the governing body of the proposed unified municipal-
20 ity and procedures by which to reapportion the election dis-
21 tricts;

22 (D) the reapportionment of districts if they are
23 established;

24 (E) nonpartisan government, and the selection, organi-
25 zation, authority, and responsibilities of the governing body and
26 its executive and administrator;

27 (F) the transfer or other disposition of property and
28 other rights, claims, assets, and franchises of the municipal-
29 ities to be unified under the charter;

1 (G) the exercise of the rights of initiative and
2 referendum in accordance with AS 29.10.030;

3 (H) amending the charter in accordance with
4 AS 29.10.100;

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

7 (3) designation of the proposed unified municipality's
8 official name; and

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

11 Sec. 29.06.330. PUBLIC HEARINGS. Both before and after drafting
12 the proposed home rule charter, the charter commission shall hold a
13 public hearing in each area represented on the assembly. Other public
14 hearings may be held by the commission as it considers necessary.

15 Sec. 29.06.340. FILING OF PROPOSED CHARTER. Upon the adoption
16 of a proposed home rule charter by the charter commission, the charter
17 shall be signed by at least a majority of the total membership of the
18 commission and shall be filed with the borough clerk. A copy of the
19 charter with signatures affixed shall also be filed with the clerk of
20 each city in the borough.

21 Sec. 29.06.350. PUBLICATION AND POSTING OF PROPOSED CHARTER.
22 Within 10 days after filing the proposed home rule charter, the bor-
23 ough clerk shall have it published. In addition, the clerk shall have
24 a copy of the proposed charter posted in at least three public places
25 in each city and each unincorporated community in the borough. Copies
26 of the proposed charter shall be made available by the assembly to the
27 public at both the office of the borough clerk and the office of the
28 clerk of each city in the borough. The clerk shall have notice of the
29 publication, posting, and availability of the proposed charter

1 published.

2 Sec. 29.06.360. ELECTION ON CHARTER. (a) The proposed home
3 rule charter adopted by the charter commission shall be submitted to
4 the voters at a borough election held within 60 days of the date of
5 publication and posting of the proposed charter. The borough clerk
6 shall prepare the ballots for use in the election and shall give
7 notice of the election by radio and television in a manner intended to
8 apprise the entire borough population of the election. The election
9 shall be conducted 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 out-
13 side all home rule or first class cities, and a majority of the votes
14 in all home rule and first class cities in the borough are cast in
15 favor of the proposed charter, the charter is ratified. If the char-
16 ter is ratified, election results shall be certified to the commission
17 and two copies of the charter shall be filed with

- 18 (1) the lieutenant governor;
19 (2) 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
25 voters at a borough election held within one year after the date of
26 the first charter election. If the second proposed charter is also
27 rejected, the charter commission shall be dissolved and the question
28 of unification shall be treated as if it had never been proposed or
29 approved.

1 Sec. 29.06.370. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon
2 ratification, the home rule charter of a unified municipality operates
3 to dissolve all municipalities in the area unified in accordance with
4 the charter.

5 Sec. 29.06.380. ASSETS AND LIABILITIES. A unified municipality
6 shall succeed to all the assets and liabilities of the municipalities
7 it unified. A bonded indebtedness or other debt incurred before
8 unification remains the tax obligation of the area that contracted the
9 debt, except that by ordinance the tax obligation may be assumed by a
10 larger area if the governing body determines that the asset for which
11 the bonded indebtedness or other debt was incurred benefited the
12 larger area before unification, or benefits the larger area after
13 unification. However, bonded indebtedness or other debt for sewage
14 collection systems, water distribution systems, and streets, even if
15 determined to be benefiting a larger area than that which incurred the
16 debt, remains the tax obligation of the area that incurred the debt.

17 Sec. 29.06.390. TRANSITION. Within two years after ratification
18 of the home rule charter, the unified municipality shall revise,
19 repeal, or reaffirm all municipal ordinances, resolutions, and orders
20 in effect in the area of the unified municipality on the date of
21 unification. Each ordinance, resolution, regulation, or order in
22 effect on the date of unification remains in effect until superseded
23 by action of the unified municipality.

24 Sec. 29.06.400. RIGHT TO STATE AND FEDERAL AID. All provisions
25 of law authorizing aid from the state or federal government to a
26 former municipality that was in the area of a unified municipality
27 remain in effect after unification.

28 Sec. 29.06.410. POWERS OF A UNIFIED MUNICIPALITY. A municipal-
29 ity unified under AS 29.06.190 - 29.06.410 has all powers

- 1 (1) not prohibited by law or charter; and
- 2 (2) granted to a home rule borough.

3 Sec. 29.06.420. APPLICATION. AS 29.06.190 - 29.06.420 apply to
4 home rule and general law municipalities.

5 ARTICLE 5. DISSOLUTION.

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

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

10 (2) the local option method specified in AS 29.06.460 -
11 29.06.510.

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

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

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

26 (b) The petition must include

27 (1) the name of the municipality;

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

1 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of
2 this section, voters of a municipality may petition for dissolution
3 when the municipality is free of debt, or, if in debt, each of its
4 creditors is satisfied with a method of repayment and

5 (1) it no longer meets the minimum standards prescribed for
6 incorporation by AS 29.05, or former AS 29.18.030 if it is a third
7 class borough; or

8 (2) the municipality ceases to use each of its mandatory
9 powers.

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

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

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

19 Sec. 29.06.490. REPORT AND HEARING. (a) The department shall
20 report its findings to the Local Boundary Commission with its recom-
21 mendation regarding the dissolution of a municipality.

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

24 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission
25 determines that a municipality fails to meet the standards for disso-
26 lution, it shall reject the petition. If the commission determines
27 that the municipality meets the standards, it shall accept the peti-
28 tion.

29 (b) A Local Boundary Commission decision under this section may

1 be appealed under the Administrative Procedure Act (AS 44.62).

2 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission
3 shall immediately notify the director of elections of its acceptance
4 of a dissolution petition. Within 30 days after notification, the
5 director of elections shall order an election in the municipality to
6 determine whether the voters desire dissolution. The election must be
7 held at least 30 and not more than 90 days after the election order.
8 A person who is a voter of the municipality may vote in the dissolu-
9 tion election.

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

13 (c) The director of elections shall certify the election re-
14 sults. If dissolution is approved, the director of elections shall
15 declare that the municipality is dissolved effective on the date of
16 certification.

17 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-
18 solved municipality succeeds to all its rights, powers, duties, as-
19 sets, and liabilities.

20 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to
21 home rule and general law municipalities.

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

23 CHAPTER 10. HOME RULE MUNICIPALITIES.

24 ARTICLE 1. CHARTERS.

25 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law
26 borough or first class city may adopt a charter for its own govern-
27 ment. A second class city may adopt a charter for its own government
28 if the department determines from the best figures available that the
29 population of the city is at least 600 permanent residents.

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

4 (c) At an election for borough incorporation, an area in the
5 unorganized borough may adopt a charter for its own government and in-
6 corporate as a home rule municipality.

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

8 (e) A proposed charter for an existing municipality is prepared
9 by a charter commission of seven elected members. A charter commis-
10 sion election is called by filing a petition with the governing body
11 or by resolution of the governing body. The petition shall be signed
12 by a number of voters equal to 15 percent of the votes cast in the
13 last regular election in the municipality.

14 (f) The proposed charter for an unincorporated community or an
15 area of the unorganized borough shall be prepared by the petitioners
16 and filed under AS 29.05.060 with the petition to incorporate a home
17 rule municipality.

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

23 Sec. 29.10.030. INITIATIVE AND REFERENDUM. (a) A home rule
24 charter shall provide procedures for initiative and referendum.

25 (b) A charter may not require an initiative or referendum peti-
26 tion to have a number of signatures greater than 25 percent of the
27 total votes cast in the municipality at the last regular election.

28 (c) A charter may not permit the initiative and referendum to be
29 used for a purpose prohibited by art. XI, sec. 7 of the state