

**ALASKA LEGISLATURE**

**2197**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**

**Table 20**  
**Cost Synopsis**  
**Cook Inlet to Bristol Bay, Overland**  
**Naknek Option**

	Annual O&M Cost	Total Capital Cost	Annualized Cap Cost @ 7% Interest	Annualized cap cost plus O&M Cost
<b>Marine Elements</b>				
Homer-Williamsport-Seldovia	\$1,846,606	\$2,750,000	\$259,581	\$1,921,187
Homer-W-S Shoreside	\$185,000	\$3,822,000	\$360,770	\$545,770
<b>Roadway Elements</b>				
<b>Williamsport-Pile Bay</b>				
Paved	\$209,250	\$14,857,500	\$1,402,443	\$1,611,693
Unpaved	\$232,500	\$12,300,000	\$1,161,033	\$1,393,533
<b>Iliamna-Pedro Bay-Pile Bay</b>				
Paved	\$513,000	\$51,870,000	\$4,896,161	\$5,409,161
Unpaved	\$570,000	\$45,600,000	\$4,304,317	\$4,874,317
<b>Iliamna to Igiugig</b>				
Paved	\$756,000	\$78,940,000	\$7,451,378	\$8,207,378
Unpaved	\$840,000	\$69,700,000	\$6,579,187	\$7,419,187
<b>Igiugig to Naknek</b>				
Paved	\$1,012,500	\$102,375,000	\$9,663,476	\$10,675,976
Unpaved	\$1,125,000	\$90,000,000	\$8,495,363	\$9,620,363
<b>Igiugig to Levelock</b>				
Paved	\$256,500	\$27,435,000	\$2,589,670	\$2,846,170
Unpaved	\$285,000	\$24,300,000	\$2,293,748	\$2,578,748
<b>TOTAL</b>				
Paved Option	\$4,778,856	\$282,049,500	\$26,623,478	\$31,217,334
Unpaved Option	\$5,084,106	\$248,472,000	\$23,453,999	\$28,353,105

**Table 21**  
**2020 Annual Travel Demand Estimate**  
**Cook Inlet to Bristol Bay Overland**  
**Naknek Option**

	Independent*	Alternative**	System***
<b>Marine Elements</b>			
Homer-Seldovia		4,000	
Homer-Williamsport		4,200	
<b>Roadway Elements</b>			
Williamsport to Pile Bay		4,200	
Pile Bay to Pedro Bay to Iliamna	17,900	32,400	33,700
Iliamna to Igiugig	16,100	106,100	115,100
Igiugig to Naknek	24,100	110,000	123,200
Igiugig to Levelock	15,000	39,600	43,800

\* Demand on the link as an independent element.

\*\* Demand on the link as part of the alternative.

\*\*\* Demand on the link assuming implementation of a Cook Inlet to Bristol Bay to Alaska Peninsula roadway system.

**Table 22  
Cost Synopsis  
Cook Inlet to Bristol Bay Marine  
Hovercraft Option**

	Annual O&M Cost	Total Capital Cost	Annualized Capital Cost @ 7% Interest	Annual Capital plus O&M costs
<b>Marine Elements</b>				
Homer-Williamsport-Seldovia	\$1,846,606	\$2,750,000	\$259,581	\$1,921,187
Homer-Williamsport Shoreside	\$185,000	\$3,822,000	\$360,770	\$545,770
Lake Iliamna (Hovercraft)	\$1,728,600	\$5,500,000	\$519,161	\$2,247,761
<b>Roadway Elements</b>				
Williamsport-Pile Bay				
Paved	\$209,250	\$14,857,500	\$1,402,443	\$1,611,693
Unpaved	\$232,500	\$12,300,000	\$1,161,033	\$1,393,533
<b>TOTAL</b>				
Paved Option	\$3,969,456	\$26,929,500	\$2,541,954	\$6,326,410
Unpaved Option	\$3,992,706	\$24,372,000	\$2,300,544	\$6,108,250

**Table 23  
2020 Annual Travel Demand Estimate  
Cook Inlet to Bristol Bay Marine  
Hovercraft Option**

	Travel Demand
<b>Marine Elements</b>	
Homer-Seldovia	4,000
Homer-Williamsport	4,200
Lake Iliamna Hovercraft Service	6,900
<b>Roadway Elements</b>	
Williamsport to Pedro Bay	4,200
Pedro Bay to Iliamna	22,100

**Table 24**  
**Cost Synopsis**  
**Cook Inlet to Bristol Bay Marine**  
**Shallow-Draft Landing Vessel Option**

	Annual O&M Cost	Total Capital Cost	Annualized Capital Cost @7% Interest	Annual Capital plus O&M costs
<b>Marine Elements</b>				
Homer-Williamsport-Seldovia*	\$1,846,606	\$2,750,000	\$259,581	\$1,921,187
Homer, Williamsport Shoreside	\$185,000	\$3,822,000	\$360,770	\$545,770
Lake Iliamna (Shallow-Draft Vessel)**	\$318,300	\$526,000	\$49,651	\$367,951
Lake Iliamna Shoreside	\$6,250	\$250,000	\$23,598	\$29,848
<b>Roadway Elements</b>				
Williamsport-Pile Bay				
Paved	\$209,250	\$14,857,500	\$1,402,443	\$1,611,693
Unpaved	\$232,500	\$12,300,000	\$1,161,033	\$1,393,533
<b>TOTAL</b>				
Paved Option	\$2,565,406	\$22,205,500	\$2,096,042	\$4,476,448
Unpaved Option	\$2,588,656	\$19,648,000	\$1,854,632	\$4,258,288

\*Vehicle demand for this element of the alternative was estimated at 2,800 vehicles/year.

\*\*Vehicle demand for this element of the alternative was estimated at 770 vehicles/year.

**Table 25**  
**2020 Annual Travel Demand Estimate**  
**Cook Inlet to Bristol Bay**  
**Shallow-Draft Landing Vessel Option**

	Travel Demand
<b>Marine Elements</b>	
Homer-Seldovia	4,000
Homer-Williamsport	4,200
Lake Iliamna Marine Service (S.D.)	3,600
<b>Roadway Elements</b>	
Williamsport to Pedro Bay	4,200
Pedro Bay to Iliamna	22,100

# The Pogo Land Rush

Among the largest of land rushes in Alaska's rich and varied mining history, it seems that the Pogo area play has been appropriately nicknamed the "Goldpaster," even though that name was first coined as a typographical mistake in a newspaper headline.



Patricia Jones

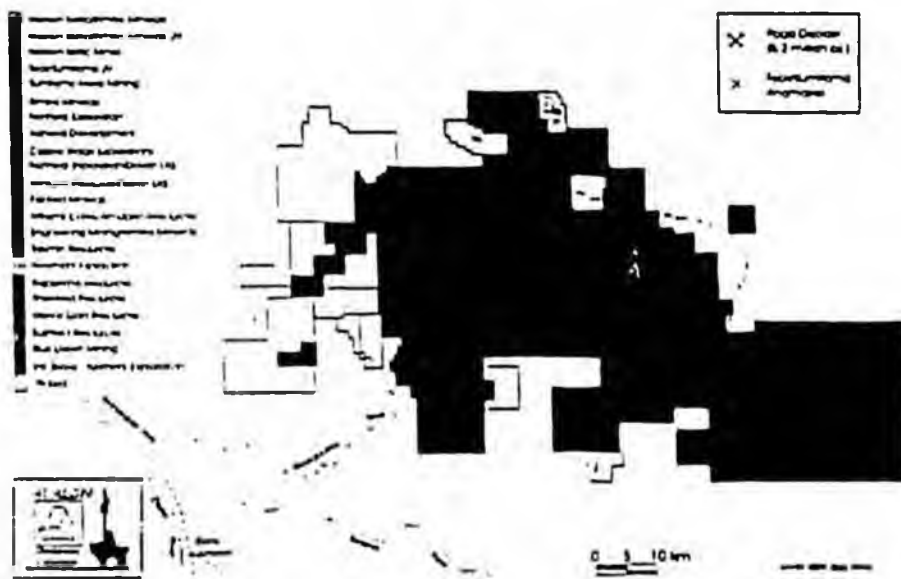
Tom Howard, left, and Ron Hanson, drillers working for Tonto Drilling, take diamond core samples in July 1998 at the Badlands hole at the Pogo prospect. Such drilling work helped spark a land rush in the upper Goodpaster River Valley.

BY PATRICIA JONES

Less than three years ago, the upper Goodpaster River valley was considered mineral-poor moose pasture by most gold prospectors. Only a handful of old-timers working placer claims and a Japanese-financed hard-rock exploration team considered the area as a prospective mining district.

But one single discovery—a 5 million ounce-plus gold deposit called Pogo—has dramatically changed geological opinion of the rolling, spruce-covered hills and river valley located about 40 miles northeast of Delta Junction in Alaska's Interior.

Now, it's the hottest place in Alaska to prospect for gold and interest in the area has sparked a virtual land rush. More than a half million acres of state



LAND STATUS OF THE GOODPASTER MINING DISTRICT

land was staked the last 18 months by prospectors hoping to find another Pogo, according to Erik Hansen, a land status consultant based in Fairbanks.

"Some Canadian junior mining companies decided to go in and stake all around Pogo," Hansen said. "That caused other people to wake up and smell the coffee."

Sumitomo Metal Mining Co., which holds the claims to the 72-square-mile claim block called Pogo, also has some surrounding and nearby land staked, compiling a considerable property package. And North Star Exploration, which signed an exploration property deal to work on Doyon Ltd. land in the area, also staked a sizeable position in the Goodpaster area.

In all, more than 700,000 acres—equal to about 1,100 square miles of land in the Goodpaster area—has been claimed for mineral exploration and development by gold prospectors.

"They've pretty much saturated the whole country with claims, so the Pogo land rush is coming to an end," Hansen said. "Next will be to see who keeps the claims and who drops them."

Prospectors are now looking at potential sites both to the northwest and the southeast of Pogo, he said. On a weekly basis, Hansen tracks claim filings and has produced a land status map of the Goodpaster mining district.

#### Staking the Goodpaster

During the Pogo area play, prospectors used both existing geologic data for the Goodpaster as well as the theory of closeness to make their land selections.

"It was a combination," Hansen said. "Anything in proximity of Pogo is fair game for the staking, but a lot of companies used existing public geological data to delineate targets for their staking."

Copper Ridge Explorations Inc., a recently formed junior exploration company, used both theories to select its 24,000-acre claim block located just north of the Pogo deposit, according to company president Gerald Carlson.

"By the time we decided to look for ground in the area, most of the prospective ground on the east-west trend had been taken up," he said.

Prior geological surveys conducted by the U.S. Geological Survey and

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recent stream sedimentation samples that produced trends similar to Pogo-style mineralization caused the company to select its property, called Ogopogo, he said.

"I think it is also quite significant that we were able to acquire this ground within only a few miles of the Pogo deposit itself—the 'closeology' factor," Carlson said.

Most agree that news about Pogo created this land rush. But the relatively unexplored land of the Goodpaster also made the district attractive, said Curt Freeman, a Fairbanks-based consulting geologist.

"Part of it was the fact that Pogo was unknown ... in a district that had absolutely nothing else going for it during the last 100 years. It was a dope-slap for geologists, telling us that we really don't understand what we think we do," said Freeman.

The land rush, which peaked about a year ago, was so great that junior-sized exploration firms were looking to hire claim-stakers to work on Christmas Day. Freeman was one who turned down such holiday pay.

"I don't think I could have hired a (helicopter) pilot then," he said. "The first real bunch of claim-staking started in June and July last year; then it ramped up to complete madness."

Because of the rough terrain and lack of road access, most of the land rush occurred with the help of helicopters, which were used to drop off claim-staking crews. That increased the initial land acquisition costs, as well as the first stage of exploration work conducted this past summer.

**Exploration Spending**

Two years ago, only Sumitomo and Teck Exploration (Sumitomo's joint venture partner on the Pogo project), were spending time and money in the Goodpaster area.

Now, about 20 companies are actively exploring the area, according to Richard Swainbank, the state's mineral development specialist headquartered in Fairbanks.

"There's a lot of interest around Pogo, but not a lot of money," Swainbank said. "If the price of gold was in the \$330 to \$380 (per ounce) range, the amount of activity in the Pogo area would

be double or triple. It's very, very hard to fund exploration programs right now."

When gold prices dropped to the \$250 per ounce range this summer, exploration crews found that funding also decreased. No matter what prospectors turned up on their properties, exploration firms couldn't seem to escape the financial drag of the slumping gold market.

"The fall in the price of gold couldn't have come at a worse time for the state of Alaska," Swainbank said. (Note: Gold prices rose in late September.)

Freeman, who has several clients holding claims in the Goodpaster area, estimates that \$3 million to \$5 million was spent during the 1999 summer season by prospectors working around Pogo.

That number does not include about \$15 million in developmental expenses incurred by Teck Exploration to start construction of a mile-long tunnel that will access the Pogo deposit.

"If you would have asked me in March how much would be spent in the area, I would have estimated two to three times that which was spent,"

said Freeman. "With the drop off in interest in gold, money for the high-risk stuff has been that much harder to come."

There's one small consolation for such tight exploration funding, Swainbank said. Less money means that prospecting work has been more carefully planned and paced, rather than a willy-nilly process that can often accompany the start of such an exciting exploration area.

"Claims will get looked at more generally, instead of bringing in drill rigs prematurely," Swainbank said. "Nothing can kill a project quicker than a dry drill hole."

#### "Goldpaster" District's Future

Most in the industry expect to see in upcoming months some changes in land status surrounding Pogo. Temporary prospecting sites will be converted into more tangible mining claims while less prospective land will be dropped.

"A whole bunch (of prospecting sites) are being converted and some land has been windrowed out," Freeman said.

"There's a sifting process going on right now and by the end of the year, the Hansen map will look different with checkerboard holes where land has been dropped."

In addition to land changes, Swainbank expects to see continued partnerships and consolidation of efforts between junior exploration firms and major mining companies that have money to invest in prospecting and development.

"Major companies that have cash on hand will be shopping in the bargain basement because even the cost of maintaining the claim rent on those properties has to be a pretty good-sized burden on some of the juniors," he said.

Finally, some companies are pressing on with exploration on their properties after a successful start with their ground exploration efforts earlier this summer.

"We will be soil sampling and prospecting in the area of the anomalous gold results to try to localize the bedrock source of the gold," Carlson said in early September, about his company's Ogopogo property. "We are very excited by the results of the program so far." □

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## Teck begins tunnel work on Pogo Ridge gold deposit near Delta

By Tim Bradner  
Journal Reporter



Teck Resources crews are busy digging into Pogo Ridge at the company's big Pogo gold prospect 35 miles northeast of Delta.

The company also has initiated prefeasibility studies of development of a mine that, if positive, will be followed by environmental studies and the start of a long permitting process. Karl Hanneman, Teck's Alaska Regional Manager, told the Resource Development Council May 5.

More than 50 feet of a planned 5,500-foot underground exploration access tunnel is completed, he said. Tunnel work will pause 200 feet into the mountain to allow installation of a treatment facility to process drainage water and then resume, he said.

Teck received final clearance on permits from state agencies March 4 and federal agencies March 4. Work on a 2,000-foot

### MINING

road began the same day from the present camp near the Goodpaster River, 200 feet up the side of Pogo Ridge to the portal, or entrance, to the tunnel.

Tunnel work began after heavy equipment was moved up the road. The tunnel is being built at a 15-degree downslope and upslope to come up under the ore body.

Configuration of the tunnel allows water to drain to the low point in the tunnel for treatment, with no chance of draining out with a risk of contamination of the Goodpaster River.

Teck now has about 45 people at work on the project, Hanneman said. About 30 will be employed over the next 12 to 18 months on the tunnel and test work.

Teck also plans an additional 50 test holes drilled from the surface in 1999 and a similar number in 2000 and 2001. These are mainly "in fill" holes

to obtain ore samples between the holes drilled earlier, which are at 50-foot intervals.

Once the tunnel is completed, drilling also will be done from underground to test suspected ore deposits that are too deep to reach from the surface.

Pogo has an identified gold resource of 5.5 million ounces in 10 million tons of ore grading an average of 0.5 ounce per ton, Hanneman told the RDC.

By way of comparison, Hanneman said, at this early stage of exploration, the Fort Knox Mine near Fairbanks had about 4 million ounces of identified gold resource in a lower-grade ore body.

Pogo is a higher-grade gold deposit and will be mined with a smaller, more compact underground project than the type of larger, open pit mine used at Fort Knox, he said.

Over the next 12 to 18 months Teck will do additional exploration drilling, both from surface and from the underground tunnel, to further define the ore body. The company will also carry out tests on strength of the rock, gain information on potential water drainage problems, and mine bulk ore samples to test underground mining methods and procedures to extract gold from the ore.

Teck has about 45 people at work on the project. About 30 will be employed over the next 12 to 18 months.

The flat-lying orientation of the gold deposit poses a serious engineering challenge to the mining — how to "hold up the roof" — and the tests of rock strength are particularly important. About 30 people will be employed through this phase of exploration, Hanneman said.

The presence of the Pogo gold deposit was first detected in 1981 during a regional mineral reconnaissance. It wasn't until

1991 that Sumitomo Metal Mining Arizona Inc., a subsidiary of Japanese-owned Sumitomo Metals, staked claims on state lands in the area and began serious exploration.

Teck, a long-established U.S. minerals company, bought 40 percent of the project and became its operator. The discovery was announced in 1997.

Teck has become active in Alaska in recent years, but the company owns 35 percent of Cominco, which operates the big Red Dog Mine in Northwest Alaska, and 15 percent of Alacus Minerals, which is exploring, with Teck as a partner, the Niblack base metals prospect in Southeast Alaska.

Teck, which operates mines in the U.S., Canada, Chile and Australia, had \$713 million in revenues and \$193 million in profits last year. Sumitomo Metals is a subsidiary of Japan's Sumitomo Corp., a 300-year-old company that, among all subsidiaries, had \$25 billion in revenues last year.

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Al Slavin, Business Editor; 459-7593

Sunday, October 17, 1999

## Teck weighs Pogo Mine route options

By AL SLAVIN  
 Business Editor

One route is by air.

Another combines a little flying and a winter trail.

A third scenario involves building an all-season road in the Goodpastor River valley. All three lead to a remote parcel of land that is about to become Pogo Mine, a lucrative gold deposit located 40 miles from Delta Junction.

The choice is one of the more delicate ones from both a financial and environmental standpoint. It will define the permanent access through a relatively undeveloped section of wilderness to a deposit containing 5.2 million ounces of gold.

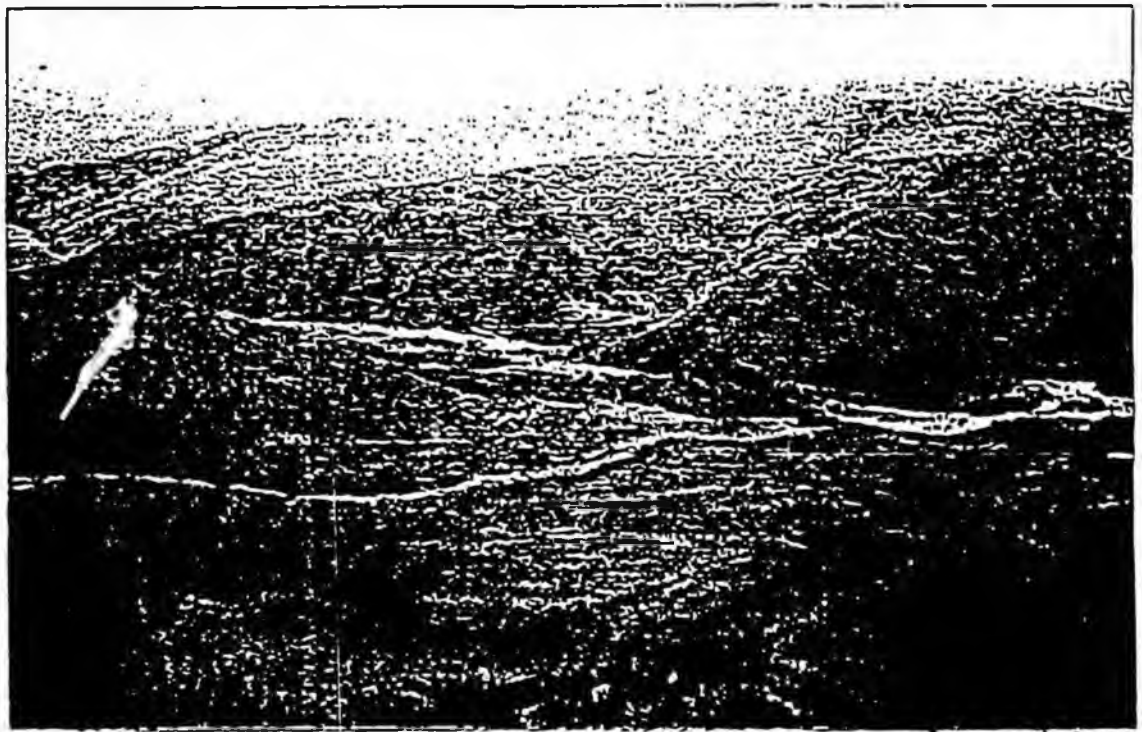
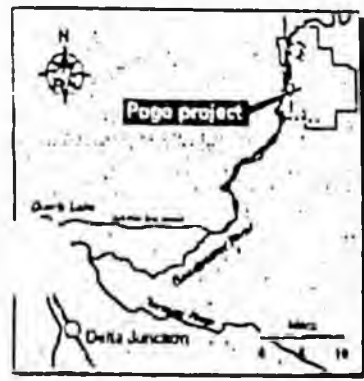
"We've got to come to grips with what's best for the project, what's best for the community and what we can get permitted," said Karl Henneman, the project manager for the joint venture between Teck Resources and Summit Metal Mining.

Henneman spelled out the options last week to the Greater Fairbanks Chamber of Commerce's transportation committee. Some consideration is being given to a fly-in operation, which would leave the smallest footprint but bring a noise problem.

Equipment and supplies could be flown to the mine from a staging area at Fort Greely's airstrip, Henneman said. But the flight path for the eight to 10 daily flights by DC-6s would be over Delta Junction.

The cost of a fly-in operation—\$8 million to bolster the on-site airstrip and \$13 million to \$14 million in annual operating expenses—could also prove too much, Henneman said.

A second option has fewer flights by adding a winter road. That option has three variants, one of which involves using the existing winter trail that crosses 11 streams.



POGO DEPOSIT—Teck Resources is currently mulling over the best way into the Pogo Deposit, a remote parcel of land in the Goodpastor River Valley containing 5.2 million ounces of gold. The possible scenarios include a fly-in operation, building a new winter trail or constructing an all-season road.

Two other trail routes have been identified, traversing the north or south border of the Shaw Creek Flats, Henneman said. This would take the burden off a winter trail that already receives substantial recreational use.

A new trail would cost an estimated \$15 million to build and \$8 million to \$9 million each year to operate and maintain.

The final option involves building a \$25 million all-season road. Annual operating and maintenance costs could reach \$6 million. An additional \$3 million would be needed to remove the road at end of the mine's life, estimated at 10 to 12 years.

While the scenarios differ in approach, they all share one common thread. Each is certain to leave someone unhappy.

The promise of a \$250 million construction project and 300 year-round jobs is certain to rally support from the business sector. But it won't be enough to stave off environmentalists and property owners who fear that the Goodpastor River valley may get trampled along the way to development.

"A big project like that is going to include a lot of change and a lot of impact," said Sylvia Ward, executive director of the Northern Alaska Environmental Center. "There's some concerns. Everybody is going to keep an eye on protecting the Goodpastor River from contamination."

"That's an absolute," she said. "The river's got to be protected."

She also worries that an all-season road will harm the Fortyeagle Caribou Herd.

"We'll be doing all we can to stop an all-season road," Ward said.

Henneman has spelled out one option that may appease everyone, including environmentalists like Ward. It requires running a power line to the remote project. This would reduce the amount of fuel needed on site, reducing the amount of traffic on the selected path. It would also eliminate regulations concerning air emissions.

"It's a great example of doing something for the environment that turns out to be the right thing for the business sector as well," Ward said.

Whether a power line will be cost effective is unclear. Golden Valley Electric Association has informed Teck Resources that it would cost \$18 million to upgrade GVEA's power system between North Pole and Eek Air Force Base.

There would also be \$18 million in expense to run power from that point back to the project. Both of those costs, which are subject to negotiation, would fall to the project's developers if GVEA cannot find a wider customer base in the area.

Henneman is still gathering information and hopes to complete this feasibility study within 24 months. The analysis of underground exploration work is under way along with the environmental assessment.

This information will be used as a basis for a future permit application. But Henneman is still awaiting one more component: comment from trappers, loggers, fish and game officers and anyone familiar with the section of backcountry.

"We want to tap into the knowledge of the community to help us make a good decision," Henneman said.

## SHELTER COVE ROAD EXTENSION:

The Shelter Cove Road extension has been identified by the USFS and the Ketchikan Gateway Borough as the future prospect of increased economic development and roaded recreation in the community of Ketchikan.

In 1998, the Chamber of Commerce assisted in drafting the Federal Roads program application for the extension that was signed by the USFS and the Ketchikan Gateway Borough (KGB). The application was placed into the process of hearings and discovery that included multiple Tri-Agency hearings lasting through the next two years. Noted in the discovery was:

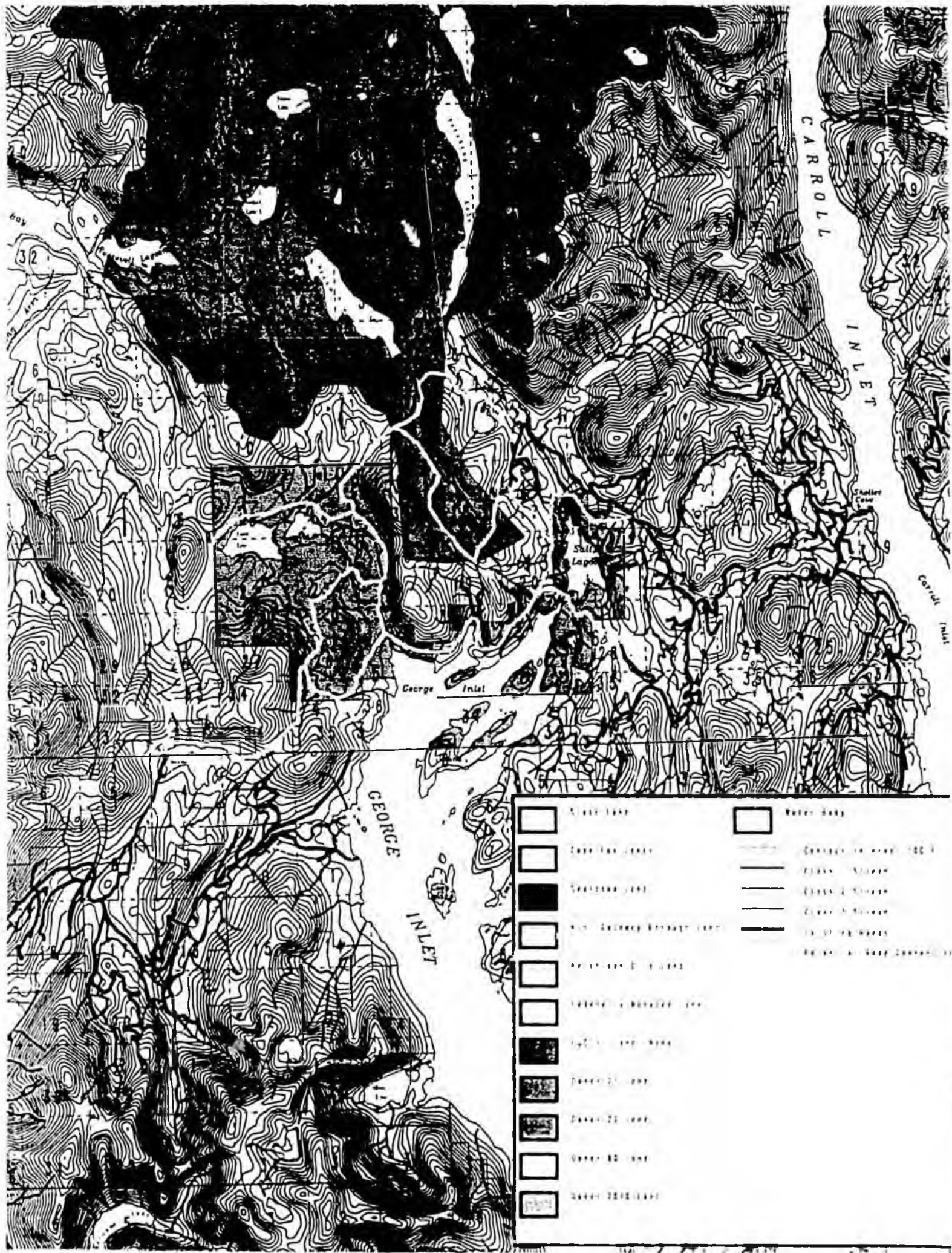
- Increased access to possible mineral development
- Increased tourism and recreation opportunities
- Access to Mental Health Trust lands
- Increased access for other landowners in the project area

Agreed to at the time was a single lane dirt road with turnouts that would tie into the existing Shelter Cove road system between George and Carroll Inlet. The existing Shelter Cove road system is an old logging road built for access of historic sales by the Forest Service. It offers significant roaded mileage on California Head in the form of a shot rock, single lane road with turnouts.

The proposed extension would be a partnership of multiple land owners (USFS, Cape Fox Corporation, State of Alaska, Mental Health, Ketchikan Gateway Borough and other Private land owners), all of who have shown significant interest in this road extension. Options for the road, as shown on the adjoining map, are:

- Beach access which would start using the existing Cape Fox White River road and
- Harriet Hunt ridge access which goes two different directions from the end of the existing Harriet Hunt road.

Both options were viewed as viable by the Tri-Agency committee and the project was made number two on the priority list behind the Coffman Cove road reconstruction on Prince of Wales Island.



	5000 feet		Water 2000
	4000 feet		Contours 10000 1000
	3000 feet		Contours 5000
	2000 feet		Contours 2000
	1000 feet		Contours 1000
	500 feet		Contours 500
	0 feet		Contours 0
	5000 feet		Contours 5000
	4000 feet		Contours 4000
	3000 feet		Contours 3000
	2000 feet		Contours 2000
	1000 feet		Contours 1000
	0 feet		Contours 0
	5000 feet		Contours 5000
	4000 feet		Contours 4000
	3000 feet		Contours 3000
	2000 feet		Contours 2000
	1000 feet		Contours 1000
	0 feet		Contours 0

**SENATE COMMITTEE REPORT**

DATE: 2/15/01

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/11/01

Transportation Committee considered CS FOR HOUSE BILL NO. 8(FIN) am

"An Act establishing the Legislative Pioneer Road Development Task Force; and providing for an effective date."

and recommends:

- be replaced with 5 CS CS HB 8 (TRA)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
<i>DOT/PC</i>	<i>4/10/01</i>	<i>✓</i>		<i>2</i>
<i>DCED</i>	<i>4/10/01</i>	<i>✓</i>		<i>3</i>

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
<i>Legis Council</i>	<i>1/29/01</i>	<i>✓</i>		<i>1</i>

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>	<i>✓</i>			
<i>[Signature]</i>	<i>✓</i>			
<i>[Signature]</i>	<i>✓</i>			
CHAIR: <i>[Signature]</i>	<i>✓</i>			

**HB**

**13**

HFIN

FILE



# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SSHB 13  
(H) Publish Date: 1/31/01

Revision Date/Time (Note if correction): 1/25/2001 1:20PM Dept. Affected: DCED  
Title: SERVICE AREAS: VOTER APPROVAL/ TAX ZONES BRU: Com. Asst. & Econ. Dev.  
Sponsor: Representative Bunde Component: Community and Business Development  
Requester: House CRA Committee Component Number: 2486

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

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Pat Poland, Director Phone 907-269-4580  
Division: DCED, Community & Business Development Date/Time 1/25/2001 1:20PM  
Approved by: Commissioner Deborah B. Sedwick Date 1/25/2001  
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

# Alaska State Legislature

DURING SESSION  
STATE CAPITOL, ROOM 501  
JUNEAU, AK 99801-1182  
(907) 465-4843 (800) 892-4843  
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716 W. FOURTH AVE.  
ANCHORAGE, AK 99501-2133  
(907) 269-0181  
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E-MAIL  
Representative\_Con\_Bunde@legis.state.ak.us

## REPRESENTATIVE CON BUNDE

District 18

VICE-CHAIR: HOUSE FINANCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## SPONSOR STATEMENT

### CSSSHB 13 (JUD)

" An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas."

Alaska's Constitution provides for maximum local self-government (Art. X sec. 1) and for the creation, alteration, or abolishment of service areas subject to the provisions of law (Art. X sec. 5).

AS 29.35.450 codifies these Constitutional provisions and establishes the mechanism by which service areas are created, altered, and abolished.

Alaska has approximately 200 service areas; in these areas the local residents use private contractors for necessary services and assess themselves to pay for a desired level of service.

HB 133 amends, AS 29.35.450 to support local control by clearly identifying whom should vote on the abolishment and alteration of a service area under three scenarios:

1. **Abolishment of a service area.**  
Subject to approval by the majority of the voters residing in the service area.
2. **Abolishment and replacement of a service area.**  
Must be approved separately by a majority of voters inside an existing service area and by a majority of the voters residing in the proposed service area **BUT OUTSIDE** the existing service area.
3. **Alteration of service area or combining it with another service area.**  
Must be approved, separately, by a majority of the voters who vote on the question and who reside in each of the service areas or in a proposed service area affected by the proposal.

This proposed legislation would settle a long time debate about who is entitled to vote during the creation, alteration or abolishment of a service area. This legislation has support throughout service areas in Alaska and I urge the favorable consideration of this committee.

# Alaska State Legislature

**DURING SESSION**  
STATE CAPITOL, ROOM 501  
JUNEAU, AK 99801-1182  
(907) 465-4843 (800) 892-4843  
FAX: (907) 465-5871



**DURING INTERIM**  
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ANCHORAGE, AK 99501-2133  
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FAX: (907) 269-0184

**WEB SITE**  
<http://www.akrepublicans.org/Bunde.htm>

## REPRESENTATIVE CON BUNDE District 18

**E-MAIL**  
Representative\_Con\_Bunde@legis.state.ak.us

CHAIR: HOUSE SPECIAL COMMITTEE ON EDUCATION  
VICE-CHAIR: HOUSE FINANCE COMMITTEE

### Sectional Analysis CSSSHB 13 (JUD)

**“An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas.”**

**Sec. 1.** This adds AS 29.35.450 to the list of statutes that apply as limitations on the power to home rule municipalities. The result of this is to require home rule municipalities to adhere to AS 29.10.450, which now applies only to general law municipalities.

**Sec. 2.** This addresses service areas in unified municipalities and contains a cross-reference to subsection (c), added in this draft. There are three unified municipalities in the state: Anchorage, Juneau, and Sitka.

**Sec. 3.** This adds subsection (c) to AS 29.10.450 which requires, before a service area is expanded, a separate vote to be held in the area of the existing service area and in the area proposed to be added. A separate vote is also required when a service area is altered or combined with another service area. Before the service area change may occur it must be approved in each of the areas that votes separately on the question. This section does not apply to a proposed change to a service area that provides fire protection services that would result in increasing the number of parcels of land in the service area or successor service area if the increase is no more than six percent.

**Sec. 4.** Adds a new subsection to AS 29.35.470, which is not a home rule limitation. This allows borough assemblies to set up differential tax zones in service areas, so that different rates of taxes may be levied in different portions of a service area. Under existing law, only cities set up differential tax zones.

**2001 Officers**

Pres. Deborah Luper 694-7700  
V. Pres. Charles Horsman 694-6502  
Sec. Jim Yeargan 694-2571  
Treas. Brian Fay 694-3293



**2001 Directors**

Carl Waters 696-8886  
Dave Sellie 694-3283  
Floyd Gori 694-6088

**EAGLE RIVER COMMUNITY COUNCIL  
P.O. BOX 773952  
EAGLE RIVER, ALASKA 99577**

14 February, 2001

Dear Representative Bunde,

Eagle River Community held its last meeting on February 8, 2001. At this meeting, HB 13 and SB 75, was reviewed and discussed by the council directors and members present. As a result, Eagle River Community Council passed a resolution to support the goals and intention to protect the autonomy of service areas including (but not limited to) road service areas, parks and recreation service areas, and fire protection service areas as set forth in HB 13 & SB 75.

Thank you for your efforts in sponsoring this bill. We are confident that you will be successful in passing this bill with enough votes to override any potential veto by the governor.

Respectfully,

Charles Horsman  
Vice-President, Eagle River Community Council

cc: Representative Dyson  
Representative Kohring  
Representative Halcro  
Representative Fate  
Representative Coghill

CLERK'S OFFICE

APPROVED

Date: 1-30-01

NOTICE OF RECONSIDERATION WAS  
GIVEN BY MS. CLEMENTSON 1-31-01

Submitted by: Assemblymembers ABNEY, Teeche  
Prepared by: Assembly Office  
For reading: JANUARY 30, 2001

*Reconsideration  
Filed 2-06-01*

ANCHORAGE, ALASKA  
AR NO. 2001- 26

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**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING HOUSE BILL 13, "AN ACT RELATING TO MUNICIPAL SERVICE AREAS AND PROVIDING FOR VOTER APPROVAL OF THE FORMATION, ALTERATION, OR ABOLISHMENT OF CERTAIN SERVICE AREAS".**

WHEREAS, Alaska's Constitution provides for maximum local self-government (Art. X, Sec. 1), and for the creation, alteration, or abolishment of service areas subject to the provisions of law (Art. X, Sec. 5); and AS 29.35.450 codifies these Constitutional provisions and establishes the mechanism by which service areas are created, altered, and abolished; and

WHEREAS, Alaska has over 200 service areas - in these areas the local residents use private contractors for necessary services and assess themselves to pay for a desired level of service; and

WHEREAS, House Bill 13, sponsored by State Representative Bunde, amends AS 29.35.450 by:

- Clearly identifying who should vote under the following scenarios:

Abolishment of a service area - subject to approval by the majority of the voters residing in the service area.

Abolishment and replacement of a service area - must be approved separately by a majority of voters residing in an existing service area and by a majority of the voters residing in the proposed service area, but outside the existing service area.

Alteration of a service area or combining it with another service area - must be approved separately by a majority of the voters who vote on the question and reside in each of the service areas or in the proposed service area affected by the proposal.

This legislation will settle a long-time debate about who is entitled to vote during the creation, alteration or abolishment of a service area.

- Allowing for differential tax zones within a service area, thus allowing smaller areas to combine with larger service areas and to assess themselves at different levels within the combined area - achieving economies of scale and getting the level of service they need.

This legislation will result in fewer service areas and it will decrease the burden on municipal and borough governments.

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Page 2

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: That the Assembly supports House Bill 13.

Section 2: That, upon passage and approval, a copy of this resolution be forwarded to the State Legislature.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 30 day of January, 2001.

Fay Van Seeningen  
Chair

ATTEST:

Lelina Ferguson  
Municipal Clerk



# Municipality of Anchorage

*George P. Wuerch, Mayor*



## Chugiak-Birchwood-Eagle River Rural Road Service Area Board of Supervisors

11901 Business Boulevard, Suite 107  
Eagle River, Alaska 99577

FEB 06 2001

January 30, 2001

Representative Con Bunde  
State Capitol, Rm. 501  
Juneau, AK 99801

Re: Support for House Bill 13

Dear Representative Bunde:

At the January 22, 2001 of the Chugiak-Birchwood-Eagle River Rural Road Service Area Board of Supervisors, the Board unanimously passed a motion in support of House Bill 13. It is the opinion of the Board that this Bill will help strengthen service areas such as ours and ensure that the voting public has adequate say in the future of their service areas.

Sincerely,

Chris Ingmanson, Chair  
Chugiak-Birchwood-Eagle River Rural Road  
Service Area Board of Supervisors

Cc: Area Legislators  
Assembly Member Anna Fairclough  
Assembly Member Dan Kendall

# We must maintain local control of service areas

By Sen. Rick Halford

I am currently in the process of drafting legislation (similar to the previously introduced House Bill 13) that would help ensure continuation of local service areas. For Chugiak-Eagle River, that means preserving local control of Parks and Recreation, road service, fire protection and emergency medical services.

A key component of the Charter that unified the City of Anchorage and the old Anchorage Borough (after two previous defeats) was the guarantee of local service areas. This was to allow outlying areas of the municipality the ability to determine the level of local services appropriate to their neighborhoods.

In Chugiak-Eagle River, our Parks and Recreation and rural road service areas have delivered services commensurate with the level that residents want. The service offered by Chugiak, Birchwood, Eagle River Rural Road Service Area is the envy of our city neighbors. While they get recorded messages that assures them they will be plowed out within 72 hours, our streets are usually cleared within the first day after a snowfall. And because of the dedicated work of our volunteer directors, and through the efficiencies of private sector contracting, we are able to accomplish basic road maintenance



and ongoing road and drainage improvements at a lower mill rate assessed to property owners.

Similarly, the northern end of our community is in a local service area served by the Chugiak Volunteer Fire Department. I am somewhat perplexed by the recent objections from the municipality that the CVFD does not charge for the ambulance services they provide. This fails to recognize that CVFD's EMTS are volunteers. The

elected supervisors for the CVFD should have every right to not charge, or perhaps charge a lower rate. It seems only logical to pass along the savings accrued by not having to meet the payroll of a union represented, paid fire department.

## Education

Education will again be at the top of the agenda of this Legislature. This session the high school exit exam has already been the subject of considerable debate. Most Alaskans continue to favor some type of standard that will provide assurance that a student receiving a diploma has achieved proficiency in the subjects they have been taught. The state Board of Education spent more than a million dol-

lars developing the exam, which tests subject matter not required for graduation. Therefore many reasonably question what would be achieved by simply following their recommendation to delay enforcing any standards until 2006. Practical changes need to be made, and

***'The service offered by Chugiak, Birchwood, Eagle River Rural Road Service Area is the envy of our city neighbors.'***

I certainly welcome involvement by those of you who will be most affected by this issue.

On the local front, a second high school for our community remains a top priority of the legislative delegation.

## Natural gas pipeline

The debate over the construction of the gas pipeline has been thrust forward by many encouraging factors. Price, or economics, still remains the most critical factor. The current price of natural gas has been up, and has held steady. The administration and legislative leaders also appear to agree that any proposal coming south from the North Slope will probably be acceptable if economically feasible, while proposals to transport gas to the east directly into Canada from the North Slope will not be acceptable.

Finally, the looming energy crisis in the Lower 48 states, most notably California, has accentuated the need for reliable and affordable North Slope natural gas. The North Slope natural gas pipeline would not only bring increased revenue and jobs to the state (although much less than North Slope oil) but would ideally make needed natural gas available to residents of Alaska.

*Rick Halford (R-Eagle River) is president of the Alaska Senate.*



# Star LIGHT

## A lighthearted look at things

by LEE JORDAN

### Service districts give local folks degree of control

When Ed Willis a couple of weeks ago saw the story about City Hall wanting to do away with the free ambulance ride for people transported by Chugiak medics, it was a call to arms. He and some other folks who were involved in the discussions that led to Anchorage's Home Rule Charter reacted like old-time fire horses. Enjoying a life of leisure and no longer called upon to rush the firefighting equipment to the scene of an emergency, they still feel the call to duty whenever the alarm rings.

Debating the threat to service areas, Ed brought up the recent feat of now-retired World War II sailors who overhauled a landing craft at its resting place in Greece, making it ship-shape and sailing it home to the States. Their story tweaked the pride in veterans all over the country, showing they can still do the job they learned to do when responding to the defense of their country.

The problem with our new challenge is slightly similar to what those intrepid old salts ran into. Not too many people remember the part the landing craft played in that war and the danger those crews faced as they ferried invasion troops from their transports to the beaches of the Pacific and at Normandy. The boats were built quickly as America rose to meet the challenges of war; they were sturdy and continued to serve in commercial ventures around the world once the invasions were a thing of the past. But 55 years later, those

exploits have long been forgotten. The history of hard-fought battles are confined to musty pages in dark archives, recounted only occasionally by students of that war and sometimes coming to light in an obituary of one of those heroes.

Just what is a service area? You may well be asking that question after seeing me rail in recent editorials about the threat.

The state constitution allows for service areas to be created by citizens who wish to provide a service for themselves that cannot be provided by the existing government.

Excellent examples of that concept can be found in Chugiak-Eagle River.

The first to be created was the Chugiak fire service area. It was seen by local residents as the ideal solution to the need for fire suppression and emergency medical service. Initially, the volunteer fire department had operated, using scrounged equipment, strictly on private donations and a steady stream of fundraisers. There was never enough money to make needed repairs, buy the gas and keep the firehouses warm enough for the trucks to start and keep the water in liquid form in winter.

But when the Greater Anchorage Borough was formed as one of seven mandatory boroughs created by legislative fiat in 1964, the possibilities were immediately evident. A proposition was put on the ballot at the request of Chugiak residents. It passed handily.

Part of the reason it passed was that the tax rate was reasonable. Even more laudable was the fact that it provided for an elected board of supervisors who would oversee the budget and serve as the liaison between the volunteer

fire department, the community and the borough assembly. How the service was operated was up to the people in Chugiak. It has worked well for 37 years. The district has four fire stations housing a large fleet of modern equipment. That equipment was bought for cash under a no-debt philosophy established at the beginning.

Chugiak-Eagle River has one of many separate road service districts within the municipality. It is overseen by a board of supervisors whose membership is designated by local community councils. Its work is accomplished by contractors. The tax rate is lower than charged in the Anchorage Bowl where work is done by city crews. How well does it work? After a snow storm, local roads are plowed within 24 hours. In the city, they take up to 96 hours to clear residential streets.

Parks and Recreation is another local service area. Again, a local board sets policy. Assistance is given to local non-profit groups who help provide the services, although maintenance is done by city crews. We happen to have some major park facilities located at Beach, Edmonds and Mirror lakes. They and the McDonald Center are supported from taxes collected in Chugiak-Eagle River but are heavily used by residents from a much wider area.

Those service areas are working just fine, so what's the big deal?

The deal is that City Hall doesn't like bothering with local groups. They figure that it's all one municipality, so all the services should be the same. They argue that people who pay

a lower tax rate are getting a free ride, just like those patients who aren't charged for emergency transportation by the unpaid volunteers. City Hall argues that having separate districts is a bookkeeping nightmare; they completely overlook the fact that they rake off more than one-third of all our tax payments to cover their exorbitant administrative costs.

And City Hall believes that now government can provide the services it could not provide 37 years ago. To the downtown bureaucracy, tailored service and commensurate tax rates are of no importance.

The reality is that they want us to pay more and they want to get rid of service areas that do a better job for less. We're an embarrassment.

So it's little wonder that folks who took a part in seeing that service areas were provided for in the city charter are ready to get back in the traces to fight this threat. It took three tries for the charter to gain voter approval. It would not have passed in 1975 without the assurance that service areas would continue.

The Legislature currently is debating a bill introduced by Rep. Con Bunde that would require approval of residents within a service area before it could be created, altered or abolished. He represents the Hillside area, the first victim of forced annexation through a gerrymandered election.

Protection against further violations of the municipal charter and existing state law are needed.

Without such protection, these old fire horses are apt to break loose and head for the scene of the inferno. And I'll be right in the midst of them.

Lee Jordan is a consultant to the Alaska Star.



Editorial:

## Save our service areas

Although the Alaska Legislature will consider a myriad of bills during its current session, House Bill 13, sponsored by Representative Con Bunde of Anchorage, is probably the most important bill on the legislative agenda for anyone who cares about the preservation of local government at its most basic level. It is of utmost importance for residents of communities such as Girdwood, Eagle River and Chugiak who wish to retain even the modest amount of self-governance allowed under the centralized 'one government fits all' system of the Anchorage municipality.

The concept behind House Bill 13 is simple. If someone wants to abolish or modify a service area a majority of people residing in that area have to vote for it. What it means for residents of Girdwood is that the people of this community will continue to have a voice on how services such as fire protection and road maintenance are delivered and at what price.

Currently, the Girdwood Board of Supervisors, elected by the community, presides over the Girdwood Service Area that encompasses most of the populated section of the Girdwood Valley. Fire control and emergency medical services are provided by a non-profit volunteer fire department. A private contractor performs road maintenance and snowplowing. The end result is that local people make decisions about local services with those services delivered more efficiently, and for less money, than could ever be achieved by municipal bureaucrats.

It isn't surprising that the legislation's sponsors are lawmakers who live and represent people who live in the service areas. They understand the value the taxpayers receive and the strong support the districts enjoy. Bunde, an Anchorage hillside resident, represents the Turnagain Arm. Senators Rick Halford and Randy Phillips, who represent Eagle River and Chugiak, have introduced similar legislation in the state Senate.

And it isn't surprising that the people who oppose House Bill 13 are the state, municipal and borough governments who seem to view service areas as some type of threat. Perhaps they just don't like the idea that local people can band together without their help and actually outperform their government agencies.

"Sometimes the local people are not the best to decide what is really best for the broader good," testified an assistant state attorney general at one of the hearings on the bill.

We are heartened by the fact that the Anchorage Assembly has endorsed House Bill 13 and passed a resolution forbidding the Wuerch administration from testifying against it. However, we are puzzled over why the mayor and his staff oppose this legislation. Mayoral candidate Wuerch praised the idea of turning over some government services to private contractors. Service areas do exactly that.

This is Bunde's second attempt to pass legislation protecting service areas. Last year, a similar bill passed the Legislature but was vetoed by Governor Knowles.

This year, many expect the bill to experience a similar fate. Residents of the service areas should contact their legislators and the governor to let them know that local voters value the service areas and want a direct voice in their future. If Knowles

unwisely vetoes this bill again, then we would urge the Republican "supermajority" in the Legislature to override that veto.

Without this legislation, every service area in the municipality is in jeopardy. All it would take is a mayor determined to eliminate them and a majority vote by the people of Anchorage. Since most of them live outside of the service areas, they have little reason to vote to retain them.

The history of the municipality is littered with stories of city hall running "roughshod" over the outlying communities. Longtime Girdwood residents will readily tell you that virtually none of them wanted to join the municipality when the consolidation occurred two decades ago. They were outvoted by Anchorage. Hillside residents overwhelmingly turned down Mayor Mystrom's proposal for Anchorage Police patrols. The mayor sent the police up the hillside anyway. Why? The Hillside was outvoted by Anchorage. More than three-quarters of Girdwood's residents supported a bond to build a community center. Construction, though, won't start anytime soon. Girdwood was outvoted by Anchorage.

So, it wouldn't surprise us if one day the Girdwood Service Area vanished. Instead of the local fire volunteers, fulltime unionized firefighters answering to a chief in Anchorage would take their place. Instead of a local road contractor that quickly sweeps away the snow after a storm, we'd be on the same 90-hour plan that leaves Anchorage's streets impassable for days. Local government in Girdwood would be reduced to the ignobility of a community council. With no local control, we'd see our property tax bills rise dramatically. After all, we'd have to pay the same as the rest of the municipality for all of our "new" services.

With House Bill 13, we have a chance to keep local government where it belongs - with the local community. Otherwise, one of these days it will happen again - we'll be outvoted by Anchorage and we won't like the results.

*Ken Osuna*

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SSHB 13  
(H) Publish Date: 1/31/01

Revision Date/Time (Note if correction): 1/25/2001 1:20PM Dept. Affected: DCED  
Title: SERVICE AREAS: VOTER APPROVAL/ TAX ZONES BRU: Com. Asst. & Econ. Dev.  
Sponsor: Representative Bunde Component: Community and Business Development  
Requester: House CRA Committee Component Number: 2486

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

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Pat Poland, Director Phone 907-269-4580  
Division: DCED, Community & Business Development Date/Time 1/25/2001 1:20PM  
Approved by: Commissioner Deborah B. Sedwick Date 1/25/2001  
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office



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

February 26, 2001

Representative Bill Williams, Co-Chair  
House Finance Committee  
State Capitol  
Juneau, AK 99811

Dear Representative Williams,

We are writing in respectful **opposition to Section 3 of HB 13**. Section 3 replaces local control over local service area decisions as envisioned by the framers of the Alaska Constitution, with a statewide legislative mandate. The 2001 AML Policy Statement adopted by the entire membership of the Alaska Municipal League, states:

#### **Part II. Local Government Powers**

##### **A. Local Autonomy**

**5. State Mandated Vote on Service Area Consolidation and Alteration:** The League strongly opposes any legislation to mandate fragmented service area votes in home rule, first class and second class boroughs. The Constitution mandates that municipal governments are "local government," not service areas. Mandating autonomy to service areas violates the intent of the Alaska Constitution by fragmenting local governments, eliminates a statutory home rule power, and may significantly increase costs and lower efficiency for taxpayers as a whole.

The Alaska Constitution states,

"Service areas to provide special services may be established, altered, or abolished by the assembly, subject to the provisions of law or charter."

The Constitution clearly allows the State to make Assembly service area powers "subject to the provisions of law", but HB 13 virtually takes away an Assembly's Constitutional direction to "establish, alter, or abolish" service areas in the interest of the community as a whole.

Alaska is lucky to have access to people who framed its Constitution. **Senator Vic Fischer, Secretary to the Local Government Committee of the Constitutional Convention**, states, "The proposed service area legislation flies directly in the face of the Alaska constitution. It undermines the Local Government Article. And it violates the basic principles of constitutional home rule." (see attached statement)

The Constitutional Convention fully discussed the role of an assembly in service area decisions. For example, on pages 2716-2717 of the Constitutional Convention Minutes member Taylor states,


"Now, I can visualize what a service area may be and possibly could be, as Mr. Rivers says, for fire protection; it might be an area that was not near a city but could be near another service area that was already established, and then this particular area would then attempt to incorporate themselves or organize themselves into a service area. We should not lose sight of the fact that, also, that this area is represented, or the people in this area are represented in the assembly. They have the representative there, so when the matter is brought up to the assembly they have the right to protest, or to propose that they be organized as a service area...if the assembly saw fit to, to affiliate with an adjacent service area...So I think it should be left in here so that that body, the assembly, could meet and consider all factors...It is a wide latitude that they are given and I think that in an assembly in which they are represented and are a part of that body, I think they would receive proper consideration. I think the amendment should be defeated."

The Convention defeated the amendment. The framers of the Constitution addressed the issue of service areas as a dynamic local government process. The Local Government Committee's objective was to avoid having "a lot of separate little districts set up...handling only one problem..."; (P.2715 Proceedings).

In summary,

- **AML Policy does not oppose Section 4.** It gives an optional tool each assembly to set variable rates in service areas and its optional nature is consistent with general local control principles.
- **AML Policy does oppose Section 3** mandating fragmented service area votes. AML is willing to work with the Committee and sponsors to explore options to preserve an Assembly's Constitution responsibility while addressing the concerns of the sponsors.

Sincerely,

  
Kevin Ritchie  
Executive Director

Cc: AML Board of Directors, AML Legislative Committee

Vic Fischer 2/5/01 on HB 13  
Vic Fischer 2/12/01 on SB 75

Mr. Chairman, members...

The proposed service area legislation flies directly in the face of the Alaska constitution. It undermines the Local Government Article. And it violates the basic principles of constitutional home rule.

The letter and intent of the Local Government Article are perfectly clear:

- all local government powers is vested in boroughs and cities
- the are to exercise maximum self-government, ideally full home rule
- the powers of local governments shall be construed liberally, that is, with least restrictions

The proposal goes against all these.

Service areas are provided under the Constitution as service areas of boroughs, and nothing more. They are not units of local government, they are not autonomous. They are units of their borough.

Service areas have been established over many years by borough assemblies to meet local needs within their jurisdictions. Different municipalities and boroughs have followed different policies in creating service areas, and their rules for altering boundaries vary substantially. (e.g., Ketchikan charter)

This proposal would interpose the Legislature into the local government system and say that all service areas heretofore established are frozen as of the year 2001, with overwhelming obstacles for change. Maybe that's not the intent, but that's the effect.

The whole Local Government Article is based on establishment of a local government system that is flexible, that is adaptable to changing times and different geographic conditions. Local government boundaries are not frozen (unlike ALL other state constitutions) and a process for revisions is provided for. Yet, HB 13 would make it harder to revise service area than borough boundaries.

The proposal treads on the basic prerogatives of home rule municipalities. Their charters provide for service areas. They provide rules for boundary changes, with varying degrees of voting.

I don't think legislators should substitute their judgement for that of the voters of home rule municipalities. Some charters now require separate votes, others combined votes.

What is proposed here is exactly the same concept as in last year's tax cap initiative. It would -- by state law -- impose one-size-fits-all rule on all municipalities in Alaska, overriding borough ordinances and home rule charters. That is wrong, wrong, wrong.

I believe it is very improper to use state legislation to fight parochial battles in Juneau when local solutions don't please somebody.

I think the committee and the legislature should reject this proposed legislation. Instead of enacting another straitjacket, you should focus on how you can strengthen Alaska's local government for the benefit of all people at the local level.

**HB**

**16**

HFIN

FILE



# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

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

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

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

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	2.5	2.5	2.5	2.5	2.5	2.5
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.4	0.4	0.4	0.4	0.4	0.4
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2.9	2.9	2.9	2.9	2.9	2.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

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

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

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

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

For distribution information, call the Governor's Legislative Office

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSSSHB 16(CRA)  
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Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
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state law that are home rule communities. . ." Component Governmental Affairs  
Sponsor Representative Dyson  
Requester House Community & Regional Affairs Component No. 2207

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Equipment						
Land & Structures						
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Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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Estimate of any current year (FY2001) cost: 0.0

### POSITIONS

Full-time						
Part-time						
Temporary						

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

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

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

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

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

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Toll free (800) 342-2199

## REPRESENTATIVE FRED DYSON

### SSHB 16 Sponsor Statement

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

Updated: February 1, 2001

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

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

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

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

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

The Sponsor Substitute for HB 16 requires a conforming bill to be passed before becoming law. The conforming bill directs Legislative Legal Services to prepare a technical clean-up bill that adjusts language referring to municipalities outside of this act to not incur unintended mandates for the new Home Rule Communities and that these new Home Rule Communities have the same options as Home Rule Municipalities.

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

###

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

- Email -  
Representative\_fred\_Dyson  
@legis.state.ak.us

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

# HYDER COMMUNITY ASSOC. INC.

P. O. BOX 149  
HYDER, ALASKA  
99923  
(804) 638-9148  
FAX (804) 638-2714

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

Date: March 22, 2000

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



Dear Legislative Members:

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

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

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

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

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

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

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

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

# SOUTHEAST CONFERENCE

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

March 24, 2000

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

Re: Support for HB 255

Dear Representative Dyson:

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

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

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

Thank You.

Sincerely,



Frank Homan  
Executive Director

**Subject: Small Communities**

**Date:** Sun, 05 Mar 2000 08:11:26 -0900

**From:** Richard Burton <rlbketchikan@worldnet.att.net>

**To:** Representative\_Fred\_Dyson@legis.state.ak.us

I am writing to congratulate you on an attempt to do something that I have advocated for many years. You may remember me although we have only met briefly. I was Commissioner of Public Safety for both Jay Hammond and Wally Hickel. I spent my entire life in law enforcement and now do Public Safety Management consulting.

Any how. You are right on in what you are trying to do. A major part of the current problem with the rural areas that the state is currently experiencing, is the fact that local government as it is allowed by current title 29 does not and never has worked for small villages. I tried during my last service to get something started to do just what you are trying. There has to be a way to create a different level of local government which in fact allows local control to include a level of local law enforcement and public protection. I also believe the state has the authority to create a village or municipal level court. This would allow the small communities that are not easily accessible to the rest of the state to have courts (of limited jurisdiction) so that they could handle the minor, but most frequent, disturbances in the villages. I mean things like, curfew, truancy, drunk and disorderly conduct, etc. If a major crime, murder, rape, etc. occurs then Troopers could respond. I believe this would go along ways toward the villages having a feeling of being in control of their own communities in the same way that the residents of Anchorage, Fairbanks and other sizeable towns now do.

If you have the time and are interested I would like to talk to you more about this. For one thing, there are a lot more of these small communities than what could be considered major towns in Alaska, and they have special needs to provide for local autonomy. There is also the savings to be realized to the cost of state government by letting them handle many things at the local level. Think of the cost to send State Troopers into those villages to handle minor complaints that are probably best left to the community itself and the transported of people back and forth to jails and courts.

Richard L. Burtron  
443 Forest Park Drive  
Ketchikan, Alaska 99901  
Ph. 907-247-3334  
Fax 907-247-3335

---

Richard Burton <rlbketchikan@worldnet.att.net>

**Subject: Questions****Date: Wed, 22 Mar 2000 15:14:10 -0800****From: "Carolyn M. Smith" <cswillnt@nushtel.com>****To: Representative\_Fred\_Dyson@legis.state.ak.us**

Mr. Dyson, I heard you comment on KDLG radio today about tribes/muni governments. You praised the model at Quinhagak as being exemplary. I don't know what bill/legislation you were referring to but I find your comments to be interesting, to say the least.

I am the City administrator at Aleknagik, which is a village of 244, incorporated in 1973, with a tribal government that has active off and on for quite a few years.

As a non-tribal, read "caucasian" member of the community, who was born and raised here, I find that the biggest challenge of my work has been trying to work with the Tribal group, who seek to operate the City as a shell, and manage the City for the benefit of tribal members. Many interests of the tribe coincide with the City's, but the inherent and pervasive racism, and the tribal government's closed-door meetings and policy making are certainly something that prevents cordial working relationships in the community.

My impression of tribes is as follows:

**Tribes**

1. Want the right to tax
2. Have a false sense of entitlement, as all their funding is non-locally generated
3. Want to avoid and prevent having any tribal members taxed- property or otherwise
4. Want to have their Cake (ANCSA) and want to eat it too.
5. Want all non-tribal residents to leave, thus making for more fish/game and land for them.
6. Have no incentive to work with City's and State governments- they don't like the idea of EEOC, Fair housing Acts, etc., etc.
7. Want all the Federal dollars AND the State dollars.

By taking the position of dealing with the tribes, the State risks lawsuits from people such as myself. If the US, and the extensions, State Govt., mean anything, they mean equality, and democracy. Tribes have no democratic principles, and do not recognize them.

The state currently funds/supports 3 programs in my village that represented by the tribe. These programs are the State Fish and Game Advisory Council (Representatives and Alternates chosen by the Tribe: Reports given to the tribe only...), Bristol Bay Economic Development Council (Representatives and Alternates chosen by the tribe only; reports not given to the City, the city never had any input into the Tribe picking the representative...The Representative and Alternate are on the board for life....) and finally, the Wood Tikchik Park Management Council Representative. The Tribal Council recommenas: Gov. picks.

If I were a lawyer, I would seek input into these government organizations. I think the function of the tribes should be examined closely, and that they should not be allowed to get state/federal dollars that allow them to be exclusionary in their practices.

(wow, what a set of comments... Please do not circulate.)

Carolyn Smith, City Administrator, Aleknagik

Subject: [Fwd: HB 255]

Date: Thu, 23 Mar 2000 17:56:31 -0900

From: Representative Fred Dyson <Representative\_Fred\_Dyson@legis.state.ak.us>

To: Peter Torkelson <Peter\_Torkelson@legis.state.ak.us>

---

Subject: HB 255

Date: Wed, 22 Mar 2000 13:57:39 -0900

From: Vic Fischer <afvf@UAA.ALASKA.EDU>

To: Representative\_Fred\_Dyson@legis.state.ak.us

Dear Fred --

Belated congratulations on your initiative and leadership in pushing the home rule community legislation. I think it will help accomplish many of the objectives we discussed some time ago.

I have just had a chance to glance at the 2/25/00 CS. It looks good. A couple of quick items:

- It might be worth encouraging Quinhagak-type cooperation by including specific authority for joint/collaborative/contractual/whatever performance of functions, provision of services -- there is a definition of "village" in Sec. 46.08.900 (16) that could be pertinent... Since, however, a home rule community would have that authority, such a provision may cause more problems than it solves.

- Reclassification from second class city to home rule community might be accompanied by concurrent extension of boundaries. Extraterritorial jurisdiction under 29.35.020 is limiting, a nuisance. The communities should be able to exercise police, environmental, land use, and other controls in their whole ancillary area. (I again think of the problems Quinhagak had in obtaining state concurrence.)

- Sec. 8 of CSHB 255 (CRA) sounds as if only boroughs would have a charter "for its own government". Should be clear that applies in each case.

- Sec. 11 (p.4, l. 17) "and" would be better than "or".

I wish you the best with this legislation, and very best personal regards,

Vic

-----  
Victor Fischer, Professor of Public Affairs  
Institute of Social and Economic Research  
University of Alaska Anchorage  
tel 907-786-7718, fax -786-7739  
afvf@uaa.alaska.edu

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<p>Fred Dyson &lt;Representative_Fred_Dyson@legis.ak.us.&gt; Representative State of Alaska Alaska Legislature</p>
--

**HB**

**16**

SFIN

FILE

HB 16

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee



Alaska State Legislature

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# REPRESENTATIVE FRED DYSON

## MEMORANDUM

May 2, 2001

To: Senator Rete Kelly, Co-chair  
Senator Dave Donley, Co-chair

From:   
State Representative

RE: Please add to HB 16 packets

On 4/30/01 HB 16 was reported out of Senate Judiciary before we got there to present the bill. We were under the impression that no changes were made because of the speedy manner in which it was handled, so I requested Senate Finance to hear CSSSHB 16(CRA) \J.

Today however, when I look at BASIS, I see the official version is SCS CSSSHB 16(JUD) \L. The change that was made was to strike the sections that allows a home rule community to call the Council whatever is locally appropriate and desirable. The option for the local naming of the Council and Mayor's office is a small but important issue. We are trying to make organizing under state law as attractive as possible.

With your approval, I request that the attached Judiciary version be tacked on to the Finance packets in the hopes that I can persuade Finance to adopt a SCS CSSSHB 16(FIN) version that is reflects what was in the CRA version.

I am open to your guidance if there is a better way to handle this.  
Thank you.

Electronic  
Representative Fred Dyson  
fred@state.ak.us

Internet  
http://www.alaskarepublicans.org



## REPRESENTATIVE FRED DYSON

### CSSSHB 16 (CRA) Sponsor Statement

Alaska State Legislature

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Eagle River, Alaska 99577  
☎ (907) 694-6653  
FAX (907) 694-1015

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Alaska State Capitol  
Juneau, Alaska 99801-1182  
☎ (907) 465-2199  
FAX (907) 465-4567

Toll free (800) 342-2199

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

Updated: February 9, 2001

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

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

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

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

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

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

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

###

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

- E-mail -  
representative\_fred\_dyson@alaska.state.ak.us

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

## **Sectional for CSSHB 16**

22-LS0210\J

Updated: February 16, 2001

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 25 and 26: Sets the effective date to be triggered upon passage of the conforming bill.

# SOUTHEAST CONFERENCE

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

February 21, 2001

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

RE: Support for HB 16

Dear Representative Dyson:

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

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

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

Sincerely,



Loren Gerhard  
Executive Director

# HYDER COMMUNITY ASSOC. INC.

P. O. BOX 149  
HYDER, ALASKA  
99823  
(804) 838-8148  
FAX (804) 838-2714

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

Date: March 22, 2000

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



Dear Legislative Members:

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

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

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

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

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

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

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

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

**Subject: Small Communitis**

**Date: Sun, 05 Mar 2000 08:11:26 -0900**

**From: Richard Burton <rlbketchikan@worldnet.att.net>**

**To: Representative\_Fred\_Dyson@legis.state.ak.us**

I am writing to congratulate you on an attempt to do something that I have advocated for many years. You may remember me although we have only met briefly. I was Commissioner of Public Safety for both Jay Hammond and Wally Hickel. I spent my entire life in law enforcement and now do Public Safety Management consulting.

Any how. You are right on in what you are trying to do. A major part of the current problem with the rural areas that the state is currently experiencing, is the fact that local government as it is allowed by current title 29 does not and never has worked for small villages. I tried during my last service to get something started to do just what you are trying. There has to be a way to create a different level of local government which in fact allows local control to include a level of local law enforcement and public protection. I also believe the state has the authority to create a village or municipal level court. This would allow the small communities that are not easily accessible to the rest of the state to have courts (of limited jurisdiction) so that they could handle the minor, but most frequent, disturbances in the villages. I mean things like, curfew, truancy, drunk and disorderly conduct, etc. If a major crime, murder, rape, etc. occurs then Troopers could respond. I believe this would go along ways toward the villages having a feeling of being in control of their own communities in the same way that the residents of Anchorage, Fairbanks and other sizeable towns now do.

If you have the time and are interested I would like to talk to you more about this. For one thing, there are a lot more of these small communities than what could be considered major towns in Alaska, and they have special needs to provide for local autonomy. There is also the savings to be realized to the cost of state government by letting them handle many things at the local level. Think of the cost to send State Troopers into those villages to handle minor complaints that are probably best left to the community itself and the transported of people back and forth to jails and courts.

Richard L. Burtron  
443 Forest Park Drive  
Ketchikan, Alaska 99901  
Ph. 907-247-3334  
Faz 907-247-3335

---

Richard Burton <rlbketchikan@worldnet.att.net>

Subject: [Fwd: HB 255]

Date: Thu, 23 Mar 2000 17:56:31 -0900

From: Representative Fred Dyson <Representative\_Fred\_Dyson@legis.state.ak.us>

To: Peter Torkelson <Peter\_Torkelson@legis.state.ak.us>

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Subject: HB 255

Date: Wed, 22 Mar 2000 13:57:39 -0900

From: Vic Fischer <afvf@UAA.ALASKA.EDU>

To: Representative\_Fred\_Dyson@legis.state.ak.us

Dear Fred --

Belated congratulations on your initiative and leadership in pushing the home rule community legislation. I think it will help accomplish many of the objectives we discussed some time ago.

I have just had a chance to glance at the 2/25/00 CS. It looks good. A couple of quick items:

- It might be worth encouraging Quinhagak-type cooperation by including specific authority for joint/collaborative/contractual/whatever performance of functions, provision of services -- there is a definition of "village" in Sec. 46.08.900 (16) that could be pertinent... Since, however, a home rule community would have that authority, such a provision may cause more problems than it solves.

- Reclassification from second class city to home rule community might be accompanied by concurrent extension of boundaries. Extraterritorial jurisdiction under 29.35.020 is limiting, a nuisance. The communities should be able to exercise police, environmental, land use, and other controls in their whole ancillary area. (I again think of the problems Quinhagak had in obtaining state concurrence.)

- Sec. 8 of CSHB 255 (CRA) sounds as if only boroughs would have a charter "for its own government". Should be clear that applies in each case.

- Sec. 11 (p.4, l. 17) "and" would be better than "or".

I wish you the best with this legislation, and very best personal regards,

Vic

-----  
Victor Fischer, Professor of Public Affairs  
Institute of Social and Economic Research  
University of Alaska Anchorage  
tel 907-786-7718, fax -786-7739  
afvf@uaa.alaska.edu

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Fred Dyson <Representative_Fred_Dyson@legis.ak.us.> Representative State of Alaska Alaska Legislature
--

# ALASKA CONSTITUTION

## ARTICLE 10 LOCAL GOVERNMENT

### Section 10.1 - Purpose and Construction.

The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

### Section 10.2 - Local Government Powers.

All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

### Section 10.3 - Boroughs.

The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

### Section 10.4 - Assembly.

The governing body of the organized borough shall be the assembly, and its composition shall be established by law or charter.

### Section 10.5 - Service Areas.

Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

### Section 10.6 - Unorganized Boroughs.

The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

### Section 10.7 - Cities.

Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

### Section 10.8 - Council.

The governing body of a city shall be the council.

### Section 10.9 - Charters.

The qualified voters of any borough of the first class or city of the first class may adopt, amend, or repeal a home rule charter in a manner provided by law. In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter. All charters, or parts or amendments of charters, shall be submitted to the qualified voters of the borough or city, and shall become effective if approved by a majority of those who vote on the specific question.

### Section 10.10 - Extended Home Rule.

The legislature may extend home rule to other boroughs and cities.

### Section 10.11 - Home Rule Powers.

A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

### Section 10.12 - Boundaries.

A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

### Section 10.13 - Agreements; Transfer of Powers.

Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

### Section 10.14 - Local Government Agency.

An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law.

### Section 10.15 - Special Service Districts.

Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

**ACHIEVING  
ALASKA NATIVE  
SELF-GOVERNANCE**

*Toward Implementation of the Alaska  
Natives Commission Report*

*Final Report - AFN Version*

*May 1999*

*Stephen Cornell  
Jonathan Taylor  
Kenneth Grant  
THE ECONOMICS RESOURCE GROUP, INC.*

*Victor Fischer  
Thomas Morehouse  
THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH,  
UNIVERSITY OF ALASKA, ANCHORAGE*

## **Preface**

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Four years ago, the Alaska Natives Commission noted that "a common theme" in the hearings it conducted with Native people over the preceding two years was "the need for Alaska Native villages—tribes in the federal terminology— to regain governmental control of their own communities and to exercise authority" in areas ranging from subsistence resources to criminal justice to social programs. The theme, in other words, was self-governance: the freedom and ability of Native peoples to control their own affairs and determine their own futures.

To follow up on the Commission's report and to pursue its implementation, the Alaska Federation of Natives in 1998 engaged the Economics Resource Group, Inc. (Stephen Cornell, Jonathan Taylor, Kenneth Grant) and the Institute of Social and Economic Research of the University of Alaska Anchorage (Victor Fischer, Thomas Morehouse) to examine Native self-governance in Alaska. The objective was to explore the range of options available to Alaska Natives as means of furthering self-determination and participation in decision making. This included, for example, an evaluation of existing and emerging institutions being utilized by Alaska Natives in developing the capacity for greater and more efficient self-governance.

Since the Alaska Native community has initiated its own process of setting goals and developing recommendations to the Congress, this AFN version of the ERG/ISER September 1998 Final Report eliminates the authors' specific recommendations. Aside from this change in the last section, the analysis and conclusions are those of the authors.

Julie Kitka, President  
Alaska Federation of Natives

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## **EXECUTIVE SUMMARY**

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### **Principal Findings and Conclusions**

Renewed attention recently has been focused on Alaska's Native communities. News accounts, government reports, and academic studies make it clear that Native communities continue to struggle with serious socioeconomic problems despite extensive federal and state programs designed to address them. The public debates arising out of the U. S. Supreme Court's decision in the *Venette* case,<sup>1</sup> the formation of the governor's Rural Governance Commission (not to mention previous commissions), and continuing subsistence conflicts highlight unresolved questions about what Native, state, and federal institutions should do to address the problems of village Alaska. Finally, the recent Alaska Inter-Tribal Council (AITC)-Rural Alaska Community Action Program (RurAL CAP) Conference of Tribes and the subsequent march, rally, and declaration illustrate continuing Native resolve to address the problems themselves. Clearly there is consensus that Native problems need urgent attention, but there is less agreement on what is to be done.

A central issue in this debate concerns Native self-governance. Can Native self-governance do a better job of dealing with Native problems than non-Native efforts have done? What should be the extent of such governance? What forms should it take?

This report considers these and related questions. By picking up where the Alaska Natives Commission left off and examining Native situations and Native actions in Canada, the lower forty-eight states, and Alaska, it attempts to further the debate about the future of Native self-governance. The report is based on an extensive review of available materials on the current political, economic, and social situation of Alaska Natives, on our own research on Alaska Native self-governance, and on existing studies of indigenous peoples and self-governance elsewhere in the United States and Canada.

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<sup>1</sup> For a discussion of the legal implications of the U.S. Supreme Court decision, see Appendix D

Among our central conclusions:

1. **Native self-governance is an essential ingredient in overcoming poverty and related social problems in rural Alaska.**

Without real powers of self-determination, Native communities are condemned to be either wards or victims of other institutions trying to either improve or exploit the Native situation. This is unlikely to produce sustained positive change. Nowhere in the history of Indian policy has sustained, successful economic development or sustained improvement in Indian welfare been achieved by communities whose decisions, resources, and internal affairs are substantially controlled by outside decision-makers. In asserting governing powers today, Native communities argue a principle that has found confirmation around the world: we who bear the consequences of decisions about our fate should be the ones making those decisions.

2. **Alaska's current approach to Native governance, while it offers some useful opportunities to Native communities, undermines their ability to deal effectively with their own problems and to develop their resources in ways that improve the socioeconomic conditions of rural Alaska.**

The current structure of self-governance in Alaska offers Natives a variety of institutional models to work with and has some benefits for Native communities. But it fragments responsibility and power among multiple governing units; tends to concentrate decision-making power and control over resources at regional and state levels, undermining rural development efforts and distorting accountability; provides inadequate fiscal support for local self-government; and otherwise constrains Native ability to effectively govern their communities and deal with their problems themselves.

3. **Alaska's Native peoples are currently engaged in a variety of resourceful and determined efforts to take control of their affairs and resources and use that control to solve their problems.**

The most promising Native political developments in Alaska today are happening at the village and sub-regional levels. The movement for tribal self-governance has produced a remarkable array of new governing strategies and institutions. From village-regional relations in the Northwest Arctic region to municipal-tribal government consolidation in Quinhagak to tribal consortia in the Yukon Flats and elsewhere, a number of Native communities are inventing solutions to their problems. Their efforts contain important lessons for all of rural Alaska and provide a number of self-governance options for Alaska's Natives to consider.

**4. These self-governance efforts deserve close attention and support.**

The self-governance efforts being made by Native communities often suffer from inadequate financial resources; from the hostility of existing non-Native institutions and even, at times, from the hostility of Native institutions as well; from internal design and capacity problems; and from the difficulties of effectively communicating models, experience, and ideas across rural Alaska. These problems have to be overcome if these crucial efforts are to realize their full potential. This will require support at regional, state, and federal levels.

**5. Certain key considerations should be taken into account in the effort to improve Native self-governance.**

As Native communities either work within the current system or experiment with new strategies and models, they have to take certain considerations into account. Among those considerations are: which institutional strategies (current or new) actually advance self-determination, which ones have legitimacy with the relevant Native community, which ones not only put Natives in control of their affairs but can deliver *effective* governance, and which ones best fit Native capabilities and resources?

**6. There are concrete changes that can be made at all levels—village, regional, state, federal—that could benefit not only Native communities, but the state as a whole.**

A number of actions can be taken at all governing levels to improve Native self-governance and, thereby, the socioeconomic conditions of rural Alaska. These range from improving the financial management and judicial capabilities of villages to state recognition of tribal status, from federal efforts to facilitate land transfers between Native corporations and tribal governments to regional support for the rural economic development efforts of tribes. Sustained improvement in the situation of rural Alaska will require the reconsideration of some long-established institutions and basic assumptions. But the benefits to Natives and to the state can be substantial.

### **Overview of the Report**

The report that follows is divided into six sections.

**Section I:** The opening section provides an overview of the general argument for self-governance. It draws upon existing empirical research on both Native and non-Native communities to highlight the relationship between self-determination and socioeconomic welfare. It offers empirical and analytical evidence for the assertion that self-governance is a necessary (though not sufficient) condition for creating healthier and more prosperous Native societies. It identifies some key strategic questions confronting Alaskan Natives as they move forward on the path toward greater self-governance.

**Appendix A: Selected Governance Characteristics of BIA-  
Recognized Villages**

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## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe			City				1990 Census		
	Village Corporation	V-Corp Status	Trad.	IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
<b>Ahtna Region <sup>1,2</sup></b>												
Cantwell	Ahtna, Inc.	M	•				•				147	22%
Chistochina	Ahtna, Inc.	M	•				•				60	61%
Chitina	Chitina Native Corporation	A	•				•				49	46%
Copper Center	Ahtna, Inc.	M	•				•				449	34%
Gakona	Ahtna, Inc.	M	•				•				25	-
Gulkana	Ahtna, Inc.	M	•				•				103	59%
Montasta Lake	Ahtna, Inc.	M	•				•				96	72%
Tazlina	Ahtna, Inc.	M	•				•				247	23%
<b>Aleut Region <sup>1,2</sup></b>												
Akulani	Akulani Corporation	A	•					•			589	13%
Aika	Aikam Corporation	A		•				•			73	91%
Belkofski	Belkofski Corporation	N	•				•				-	-
False Pass	Isanotski Corporation	A	•					•			68	76%
King Cove	King Cove Corporation	A	•						•		451	39%
Nelson Lagoon	Nelson Lagoon Corporation	A	•				•				83	80%
Nikolski	Chaluka Corporation	A		•			•				35	82%
Pauloff Harbor	Sanak Corp.	A	•				•				-	-
Saint George	Saint George Tanaq Corporation	A		•				•			138	94%
Saint Paul	Tanadgusix Corporation	A		•				•			763	66%
Sand Point	Shumagin Corporation	A	•						•		878	49%
Unalaska	Ounatashka Corporation	A	•						•		3,089	8%
Unga	Unga Corporation	A	•				•				-	-
<b>Arctic Slope Region <sup>1</sup></b>												
Anaktuvik Pass	Nunamut Corporation	A	•					•			259	81%
Aiqasuk	Aiqasuk Corporation	A	•					•			216	93%
Barrow	Ukpugvik Inupiat Corporation	A	•						•		3,469	63%
Kaktovik	Kaktovik Inupiat Corporation	A	•					•			224	84%
Nuiqsut	Kuukpuk Corporation	A	•					•			354	92%
Point Hope	Igara Corporation	A		•				•			639	91%
Point Lay	Cully Corporation	A		•			•				139	81%
Wainwright	Olgoonik Corporation	A	•					•			492	94%
<b>Bering Straits Region <sup>1,1</sup></b>												
Brevig Mission	Brevig Mission Native Corporation	A	•					•			198	92%
Council	Council Native Corporation	A					•				8	62%
Diomedes	Diomedes Native Corporation			•				•			178	93%
Elm	Elm Native Corporation	A		•				•			264	91%

## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe				City				1990 Census	
	Village Corporation	V-Corp Status	Trad.	IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
Gambell	Sivugaq Incorporated	A		•	•	•		•			525	96%
Golovin	Golovin Native Corporation	A	•					•			127	92%
King Island	King Island Native Corporation	A		•			•				-	-
Koyuk	Koyuk Native Corporation	A		•				•			231	94%
Mary's Igloo	Mary's Igloo Native Corp.	A	•				•				-	-
Nomo	Sitnasauk Native Corporation	A		•					•		3,500	52%
St. Michael	St. Michael Native Corporation	A		•				•			295	91%
Savoonga	Savoonga Native Corporation	A		•		•		•			519	95%
Shaktolik	Shaktolik Native Corporation	A		•				•			178	94%
Shishmaref	Shishmaref Native Corporation	A		•				•			456	94%
Solomon	Solomon Native Corporation	A	•				•				6	100%
Stebbins	Stebbins Native Corporation	A		•				•			400	94%
Teller	Teller Native Corporation	A	•					•			151	86%
Unalakleet	Unalakleet Native Corporation	A		•				•			714	81%
Wales	Wales Native Corporation	A		•				•			161	88%
White Mountain	White Mountain Native Corp.	A		•				•			180	87%
<b>Bristol Bay Region <sup>1,2,3</sup></b>												
Aleknagik	Aleknagik Natives Limited	A	•					•			185	83%
Chignik	Far West, Incorporated	A	•					•			188	45%
Chignik Lagoon	Chignik Lagoon Native Corporation	A	•				•				53	56%
Chignik Lake	Chignik River Limited	A	•				•				133	91%
Clark's Point	Saguyak, Incorporated	A	•					•			60	88%
Dillingham	Choggiung, Limited	A	•						•		2,017	55%
Egegik	Becharof Corporation	A	•					•			122	70%
Ekwok	Choggiung, Limited	M	•				•				3	33%
Ekwok	Ekwok Natives Limited	A	•					•			77	87%
Igiugig	Igiugig Native Corporation	A	•				•				33	78%
Iliamna	Iliamna Natives Limited	A	•				•				94	66%
Ivanof Bay	Bay View Incorporated	A	•				•				35	94%
Kokhanok	Alaska Peninsula Corporation	M	•				•				152	90%
Koliganek	Koliganek Natives Limited	A	•				•				181	96%
Levelock	Levelock Natives Limited	A	•				•				105	82%
Manokotak	Manokotak Natives Limited	A	•					•			385	95%
Naknek	Paug-Vik, Incorporated, Limited	A	•				•				575	41%
New Stryatok	Stuyahok, Limited	A	•					•			391	95%
Nowaiten	Alaska Peninsula Corporation	M	•					•			160	94%
Noodatun	Kyk Corporation	A	•					•			178	89%
Pedro Bay	Pedro Bay Native Corporation	A	•				•				42	90%
Perryville	Oceanside Corporation	A		•			•				108	94%
Pilot Point	Pilot Point Native Corporation	I	•					•			53	84%

## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe				City			1990 Census		
	Village Corporation	V-Corp Status	Trad.	IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
Port Heiden	Alaska Peninsula Corporation	AC†	•					•			119	72%
Portage Creek	Chogglung, Limited	M	•				•				5	60%
South Naknek	Alaska Peninsula Corporation	AC†	•				•				136	79%
Togiak	Togiak Natives Limited	A	•					•			613	87%
Twin Hills	Twin Hills Native Corporation	A	•				•				66	92%
Ugashik	Alaska Peninsula Corporation	M	•				•				7	85%
<b>Callista Region <sup>1</sup></b>												
Akiachak	Akiachak, Limited	A	•				•				481	95%
Akiak	Kokarmuit Corporation	A		•				•			285	97%
Alakanuk	Alakanuk Native Corporation	A	•					•			544	95%
Andreafsky	Nerklimate Native Corporation	A	•					•			410	84%
Aniak	Kuskokwim Corporation	M	•					•			540	70%
Atmautluak	Atmautluak Limited	A	•				•				258	96%
Bethel	Bethel Native Corporation	A	•					•			4,674	63%
Bill Moore's Slough	Kongnikilnomuit Yuita Corp.	A	•				•				-	-
Chefornak	Chefarnmute Incorporated	A	•					•			320	97%
Chevak	Chevak Company Corporation	A	•					•			598	93%
Chuathbaluk	Kuskokwim Corporation	M	•					•			97	89%
Chulonnawick	Chulonnawick Corporation	I	•				•				-	-
Crooked Creek	Kuskokwim Corporation	M	•				•				106	90%
Eek	Iqijouaq Corporation	A	•					•			254	95%
Emmonak	Emmonak Native Corporation	A	•					•			642	92%
Georgetown	Kuskokwim Corporation	A	•				•				-	-
Goodnews Bay	Kuitsarak, Incorporated	A	•					•			241	95%
Hamilton	Nunapiglliraq Corporation	A	•				•				-	-
Hooper Bay	Sea Lion Corporation	A	•					•			845	96%
Kasigluk	Kasigluk Incorporated	A	•				•				425	95%
Kipnuk	Kugkaktik Limited	A	•				•				470	97%
Kongiganak	Qemirtalek Coast Corporation	A	•				•				294	97%
Kotlik	Kotlik Yupik Corporation	A	•					•			461	97%
Kwethluk	Kwethluk Incorporated	A	•					•			558	96%
Kwigillingok	Kwik Incorporated	A	•				•				278	95%
Lime Village	Lime Village Company	A	•				•				42	95%
Lower Kalskag	Kuskokwim Corporation	M	•					•			291	98%
Marshall	Maserculiq Incorporated	A	•					•			273	92%
Mekoryuk	Nima Corporation	A	•					•			177	99%
Mountain Village	Azachorak Incorporated	A	•					•			674	91%
Napaimule	Kuskokwim Corporation	M	•				•				3	100%
Napakiaak	Napakiaak Corporation	A	•					•			318	94%

## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe			City			1990 Census			
	Village Corporation	V-Corp Status	Trad.	IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
Napaskiak	Napaskiak Incorporated	A	.	.	.	.	.	.	.	.	328	94%
Newtok	Newtok Corporation	I	.	.	.	.	.	.	.	.	207	93%
Nightmute	Chinuruk, Inc.	AC†	.	.	.	.	.	.	.	.	153	95%
Nunapitchuk	Nunapitchuk, Limited	A	.	.	.	.	.	.	.	.	378	97%
Ohogamiut	Ohog Incorporated	I	.	.	.	.	.	.	.	.	.	.
Oscarville	Oscarville Native Corporation	A	.	.	.	.	.	.	.	.	57	91%
Paimiut	Paimiut Corporation	N	.	.	.	.	.	.	.	.	.	0%
Pilot Station	Pilot Station Native Corporation	A	.	.	.	.	.	.	.	.	463	95%
Pitka's Point	Pitka's Point Native Corporation	A	.	.	.	.	.	.	.	.	135	95%
Platinum	Arviq, Incorporated	A	.	.	.	.	.	.	.	.	64	92%
Quinhagak	Qanirtuuq, Incorporated	A	.	.	.	.	.	.	.	.	501	93%
Red Devil	Kuskokwim Corporation	M	.	.	.	.	.	.	.	.	53	50%
Russian Mission	Russian Mission Native Corp.	A	.	.	.	.	.	.	.	.	246	94%
Saint Mary's	Saint Mary's Native Corporation	A	.	.	.	.	.	.	.	.	441	83%
Scammon Bay	Askinuk Corporation	A	.	.	.	.	.	.	.	.	343	96%
Sheldon Point	Swan Lake Corporation	A	.	.	.	.	.	.	.	.	109	92%
Sleelmute	Kuskokwim Corporation	M	.	.	.	.	.	.	.	.	106	86%
Stony River	Kuskokwim Corporation	M	.	.	.	.	.	.	.	.	51	88%
Toksook Bay	Nunakaulak Yupik Corporation	A	.	.	.	.	.	.	.	.	420	95%
Tuluksak	Tulkisarmute, Incorporated	A	.	.	.	.	.	.	.	.	358	95%
Tuntutuliak	Qinarmiut Corporation	A	.	.	.	.	.	.	.	.	300	96%
Tununak	Tununmiut Rinit Corporation	I	.	.	.	.	.	.	.	.	316	96%
Umkumiut	Chinuruk, Inc.	C	.	.	.	.	.	.	.	.	.	.
Upper Kalskag	Kuskokwim Corporation	M	.	.	.	.	.	.	.	.	172	84%
<b>Chugach Region</b>												
Chenega Bay	Chenega Corporation	A	.	.	.	.	.	.	.	.	94	69%
Eyak	Eyak Corporation	A	.	.	.	.	.	.	.	.	172	7%
Nanwalek	English Bay Corporation	A	.	.	.	.	.	.	.	.	158	91%
Port Graham	Port Graham Corporation	A	.	.	.	.	.	.	.	.	166	90%
Tatitlek	Tatitlek Corporation	A	.	.	.	.	.	.	.	.	119	86%
<b>Cook Inlet Region</b>												
Chickaloon	Chickaloon-Moose Cr. Native Assoc.	A	.	.	.	.	.	.	.	.	145	6%
Eklutna	Eklutna, Incorporated	A	.	.	.	.	.	.	.	.	381	12%
Kenai	Kenai Natives Assoc., Inc.	A	.	.	.	.	.	.	.	.	6,327	8%
Knik	Knikatnu, Incorporated	A	.	.	.	.	.	.	.	.	272	11%
Ninilchik	Ninilchik Native Association, Inc.	A	.	.	.	.	.	.	.	.	456	19%
Salamatoff	Salamatoff Native Assoc., Inc.	A	.	.	.	.	.	.	.	.	999	10%
Seldovia	Seldovia Native Association	A	.	.	.	.	.	.	.	.	316	15%

## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe				City			1990 Census		
	Village Corporation	V-Corp Status	Trad.	IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
Tyonok	Tyonok Native Corporation	A	.	.	.	.	.	.	.	.	154	92%
<b>Doyon Region <sup>1,2,3</sup></b>												
Alaina	K'oyill'ots'ina, Limited	C	.	.	.	.	.	.	.	.	31	93%
Allakaket	K'oyill'ots'ina, Limited	C	.	.	.	.	.	.	.	.	170	94%
Anvik	Ingalik, Inc.	A	.	.	.	.	.	.	.	.	82	91%
Arctic Village			.	.	.	.	.	.	.	.	96	93%
Beaver	Beaver Kwitchin Corporation	A	.	.	.	.	.	.	.	.	103	95%
Birch Creek	Tihteel'aii, Incorporated	A	.	.	.	.	.	.	.	.	42	90%
Chalkyitsik	Chalkyitsik Native Corporation	A	.	.	.	.	.	.	.	.	90	92%
Circle	Danzhit Hanlaih Corporation	A	.	.	.	.	.	.	.	.	73	86%
Dot Lake	Dot Lake Native Corporation	A	.	.	.	.	.	.	.	.	70	54%
Eagle Village	Hungwitchin Corporation	A	.	.	.	.	.	.	.	.	35	80%
Evansville	Evansville, Incorporated	A	.	.	.	.	.	.	.	.	33	57%
Fort Yukon	Gwitchyaa Zhee Corporation	A	.	.	.	.	.	.	.	.	580	85%
Galena	Gana-A' Yoo, Limited	AC*	.	.	.	.	.	.	.	.	833	45%
Grayling	Heo-Yea-Lingde Corporation	A	.	.	.	.	.	.	.	.	208	93%
Healy Lake	Mendas Cha-ag Native Corporation	A	.	.	.	.	.	.	.	.	47	85%
Holy Cross	Deloycheet, Incorporated	A	.	.	.	.	.	.	.	.	277	93%
Hughes	K'oyill'ots'ina, Limited	C	.	.	.	.	.	.	.	.	54	92%
Huslia	K'oyill'ots'ina, Limited	C	.	.	.	.	.	.	.	.	207	90%
Kallag	Gana-A' Yoo, Limited	C	.	.	.	.	.	.	.	.	240	92%
Koyukuk	Gana-A' Yoo, Limited	C	.	.	.	.	.	.	.	.	126	97%
Manley Hot Springs	Bean Ridge Corporation	A	.	.	.	.	.	.	.	.	96	14%
McGrath	MTNT Limited	C	.	.	.	.	.	.	.	.	528	47%
Minto	Soth-De-Ya-Ah Corporation	A	.	.	.	.	.	.	.	.	218	97%
Nenana	Togloithele Corporation	A	.	.	.	.	.	.	.	.	393	47%
Nikolai	MTNT Limited	C	.	.	.	.	.	.	.	.	102	89%
Northway Village	Northway Natives, Incorporated	A	.	.	.	.	.	.	.	.	113	94%
Nulato	Gana-A' Yoo, Limited	C	.	.	.	.	.	.	.	.	359	96%
Rampart	Ban-O-Yeel Kon Corporation	A	.	.	.	.	.	.	.	.	68	94%
Ruby	Dineega Corporation	A	.	.	.	.	.	.	.	.	170	74%
Shageluk	Zho-Tso, Incorporated	A	.	.	.	.	.	.	.	.	139	95%
Stevens Village	Dinyee Corporation	A	.	.	.	.	.	.	.	.	102	91%
Takotna	MTNT Limited	C	.	.	.	.	.	.	.	.	38	44%
Tanacross	Tanacross, Incorporated	A	.	.	.	.	.	.	.	.	106	94%
Tanana	Tozitna, Limited	A	.	.	.	.	.	.	.	.	345	78%
Telida	MTNT Limited	C	.	.	.	.	.	.	.	.	11	90%
Tetlin	Tetlin Native Corp	A	.	.	.	.	.	.	.	.	87	95%
Venebe		I	.	.	.	.	.	.	.	.	182	94%

## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe			City			1990 Census		
	Village Corporation	V-Corp Status	Trad. IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
<b>Konlag Region<sup>1</sup></b>											
Afognak	Afognak Native Corporation	A	•			•				-	-
Akhiok	Akhiok-Kaguyak, Inc.	AC**	•				•			77	93%
Kaguyak	Akhiok-Kaguyak, Inc.	C	•			•				-	-
Kanatak				•		•				-	-
Karluk	Koniag, Inc.	M		•		•				71	91%
Larsen Bay	Anton Larsen, Inc.	A	•				•			147	84%
Old Harbor	Old Harbor Native Corporation	A	•				•			284	88%
Ouzinkie	Ouzinkie Native Corporation	I	•				•			209	85%
Port Lions	Afognak Native Corporation	M	•				•			222	67%
Woody Island	Lesnoi, Inc.	A	•			•				-	-
<b>NANA Region<sup>1,2</sup></b>											
Ambler	NANA Regional Corporation	M	•				•			311	89%
Buckland	NANA Regional Corporation	M		•			•			318	95%
Deering	NANA Regional Corporation	M		•			•			157	94%
Kiana	NANA Regional Corporation	M	•				•			385	93%
Kivalina	NANA Regional Corporation	M		•			•			317	97%
Kobuk	NANA Regional Corporation	M	•				•			69	89%
Kolzebue	Kikiktagrak Inupiat Corp.	A		•			•			2,751	75%
Noatak	NANA Regional Corporation	M		•		•				333	96%
Noorvik	NANA Regional Corporation	M		•			•			531	93%
Selawik	NANA Regional Corporation	M		•			•			596	95%
Shungnak	NANA Regional Corporation	M		•			•			223	94%
<b>Sealaska Region<sup>1,3</sup></b>											
Angoon	Koo'znoowoo, Incorporated	A	•				•			638	82%
Craig	Shain-Seet, Incorporated	A	•					•		1,260	22%
Haines	N/A		•					•		1,238	18%
Hoonah	Huna Totem Corporation	A	•					•		795	67%
Hydaburg	Haida Corporation	A	•					•		384	89%
Juneau	Goldbelt, Incorporated	A								26,751	12%
Kake	Kake Tribal Corporation	A	•		•			•		700	73%
Kasaan	Kavlico, Incorporated	A	•				•			54	53%
Ketchikan			•		+				•	8,263	15%
Klawock	Klawock Heenya Corporation	A	•					•		722	54%
Klukwan	Klukwan, Incorporated	A	•			•				129	86%
Metlakatla			•							1,464	82%
Petersburg			•						•	3,207	10%

## Appendix A

### SELECTED GOVERNANCE CHARACTERISTICS OF BIA-RECOGNIZED VILLAGES

Village Name	Village Corporation		Tribe				City			1990 Census		
	Village Corporation	V-Corp Status	Trad.	IRA	Self-Gov. Compact	Reserve	Uninc.	Second	First	Home Rule	Population	Percent Native
Saxman	Cape Fox Corporation	A		•				•			369	77%
Sitka	Shee Alika, Incorporated	A		•	•						8,588	20%
Skagway			•						•		692	5%
Wrangell				•						•	2,479	20%
Yakutat	Yak-Tai Kwaan, Incorporated	A	•								534	55%
<b>Totals/Average</b>			<b>150</b>	<b>71</b>	<b>8</b>	<b>7</b>	<b>94</b>	<b>99</b>	<b>17</b>	<b>5</b>	<b>-</b>	<b>77%</b>

**Notes:**

- <sup>1</sup> The non-profit corporation affiliated with this region has a BIA Compact.
- <sup>2</sup> The non-profit corporation affiliated with this region has an IHS Compact. In addition, several other health organizations have IHS compacts. They are: Chugachmiut, Eastern Aleutian Tribes, Norton Sound Health Corporation, Southcentral Foundation, Southeast Alaska Health Consortium, and Yukon-Kuskokwim Health Corporation.
- <sup>3</sup> The non-profit corporation affiliated with this region has re-compacting agreements with villages.

- ° Dissolved second-class city
- + IHS Compact

**Village Corporation Status Codes:**

- M Formed by merger
- A Corporation in good standing
- N Corporation not in good standing
- AC Corporation in good standing into which other corporations have been consolidated
- C Corporation that has been consolidated into another village corporation
- ! Involuntarily dissolved
- † The Alaska Peninsula Corporation was formed through the consolidation of Kokhanok Corp., Meshink, Inc., Newhalen Native Corp., Oinuyang, Inc., and Ugashik Native Corp.
- ‡ Chinuruk Incorporated was formed through the consolidation of NGTA, Inc and Umkumiute.
- \* Gana-A'Yoo, Limited was formed through the consolidation of Mineelghaadza, Limited, Notaghlinedin, Limited, and Takathlee-Tondin, Inc.
- \*\* Akhuok-Kaguyak, Inc. was formed through the consolidation of Natives of Akhuok, Inc., and Kaguyak, Inc.

**Sources:**

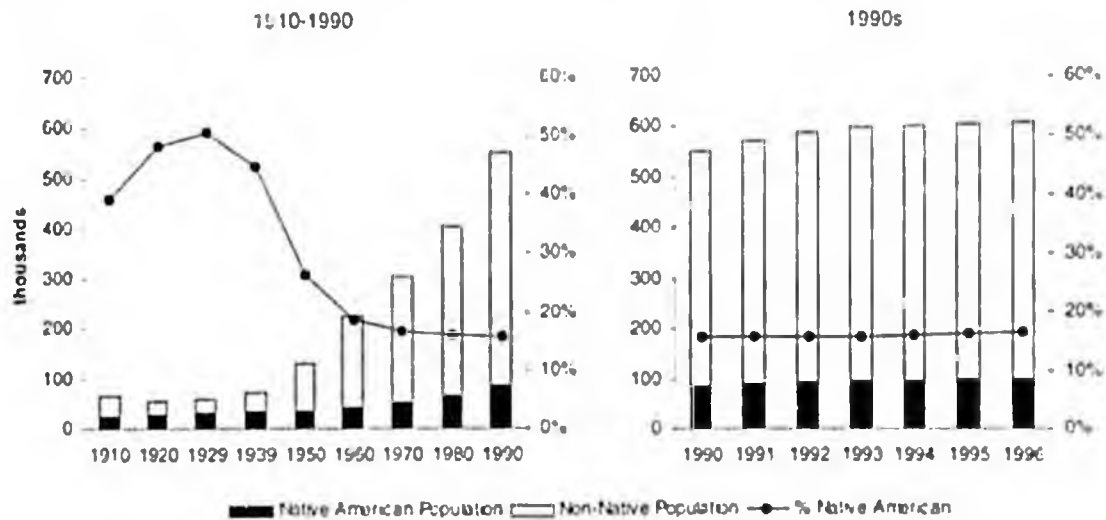
- V-Corp Status: Division of Bank, Securities and Corporations, March 23, 1998
- Traditional and IRA Government designations: Bureau of Indian Affairs
- Self-Governance Compact: Bureau of Indian Affairs, Indian Health Service
- Reservation Status: Anders, Gary and Kathleen Anders, "Incompatible Goals in Unconventional Organization: The Politics of Alaska Native Corporations," Organization Studies, 1986 at 214
- City Types: DCRA Community Database
- Population: DCRA Community Database

## Appendix B: Native Alaskan Demographics

### *Trends*

The total of Alaska Natives living in Alaska is just over 100,000—a number greater than ever in history. Another 20,000 Alaska Natives are estimated to live in other states. The total population of Alaska has increased tenfold since 1910, largely as a result of immigration. During the same period, Alaska's Native population increased four times, despite substantial emigration. More significantly, while the state's overall population has doubled since 1970, so did the Native population, which now constitutes close to 17 percent of the state's total. Since 1990, the proportion of Native population has grown slowly but steadily (see Figure 1). This trend will probably continue. The Native birth rate will likely remain relatively high, while there is not likely to be any influx of non-Natives comparable to that caused by trans-Alaska pipeline construction in the 1970s and state spending in the early 1980s. The trend of Native population growth exists among all Native groups in Alaska (see Table 4).

**Figure 1**  
Native and Non-Native Population of Alaska in the Twentieth Century



Note: The horizontal axes are measured in different units; 1996 values are estimates.  
Source: Alaska Department of Labor, *Alaska Population Overview*, Table 1.4, Native Population and Total Population of Alaska, 1910-96.

**Table 4**  
Population by Tribal Group  
Alaska 1980, 1990

	1980	1990	Change
Native American	64,103	85,698	33.7%
Eskimo	34,144	44,401	30.0%
Alaska Athabascan	8,744	11,695	33.8%
Tlingit	6,764	9,448	39.7%
Haida	994	1,063	9.0%
Tsimshian	1,168	1,653	41.5%
Alaska Native (Other)		566	
Other North American Tribes	3,028	4,633	53.0%
Tribe Not Reported or Specified	1,933	2,166	12.1%
Aleut	8,090	10,052	24.0%

Source: Alaska Department of Labor, *Alaska Population Overview*, Table 1.5, Population by Race and Tribal Group, Alaska and U.S., 1980, 1990

Anchorage has become the largest Native community in Alaska, with around 20,000 Natives. The Native population of Anchorage is growing at a rate twice that of the overall Native population. Much of the city's rapid growth in Native population has been a result of in-migration from rural parts of Alaska. Despite this migration, the Native population continues to increase in most other regions of Alaska as well (see Table 5), and it is demographically clear that Native villages are going to remain an integral part of Alaska.

**Table 5**  
**Native Alaska Population: Growth and Regional Distribution**  
**1980-95**

	1995			1980			Native Percent Increase 80-95	Ratio of Native Growth to Total Regional Growth 80-95
	Total	Native	Native Share	Total	Native	Native Share		
<b>ALASKA TOTAL</b>	<b>615,900</b>	<b>97,004</b>	<b>15.7%</b>	<b>401,851</b>	<b>64,103</b>	<b>16.0%</b>	<b>51.3%</b>	<b>0.96</b>
Aleutian Islands	8,369	2,851	34.1%	7,768	1,934	24.9%	47.4%	6.13
Anchorage	257,780	18,124	7.0%	174,431	8,953	5.1%	102.4%	2.14
Bethel	15,367	12,857	83.7%	10,999	9,247	84.1%	39.0%	0.98
Bristol Bay	1,307	482	36.9%	1,094	360	32.9%	33.9%	1.76
Dillingham	6,260	4,889	78.1%	4,616	3,520	76.3%	38.9%	1.09
Fairbanks/North Star	64,880	5,673	6.7%	53,983	2,987	5.5%	89.9%	1.60
Haines	2,310	299	12.9%	1,680	214	12.7%	39.7%	1.06
Juneau	29,228	3,478	11.9%	19,528	2,190	11.2%	58.8%	1.18
Kenai Peninsula	46,759	3,213	6.9%	25,282	1,738	6.9%	84.9%	1.00
Ketchikan Gateway	15,082	1,794	11.9%	11,316	1,406	12.4%	27.6%	0.83
Kodiak Island	15,400	2,361	15.3%	9,939	1,864	19.0%	25.3%	0.46
Matanuska-Susitna	50,601	2,123	4.2%	17,816	688	3.9%	208.6%	1.19
Nome	8,991	6,988	77.7%	6,537	5,174	79.1%	35.1%	0.93
North Slope	6,989	4,884	69.9%	4,199	3,225	76.8%	51.4%	0.77
Northwest Arctic	6,634	5,949	88.9%	4,831	4,113	85.1%	44.6%	1.16
Prince of Wales/Outer Ketchikan	6,934	2,767	39.9%	3,822	1,651	43.2%	67.6%	0.83
Sitka	9,154	1,845	20.1%	7,809	1,669	21.4%	10.5%	0.59
Skagway/Yakutat/Angoon	4,617	1,878	40.7%	3,478	1,462	42.0%	28.5%	0.87
Southeast Fairbanks	6,522	818	12.5%	5,670	725	12.8%	12.8%	0.85
Valdez/Cordova	10,657	1,543	14.5%	8,348	1,060	12.7%	45.6%	1.65
Wade-Hampton	6,670	6,294	94.4%	4,665	4,347	93.2%	44.8%	1.04
Wrangell/Petersburg	7,303	1,355	18.6%	6,167	1,190	19.3%	13.9%	0.75
Yukon-Koyukuk	8,468	4,541	53.5%	7,873	4,368	55.5%	4.0%	0.51

Source: Scott Goldsmith, ISER.

### *Tribes*

There are 226 federally recognized tribes in Alaska. Native communities range from the populous and heterogeneous Anchorage Native community, with representatives from every Native Alaskan cultural group, to the small and relatively culturally homogeneous communities of the bush. Compared to tribes in the lower forty-eight states, Alaskan tribes are relatively small, but the Alaskan experience with small tribes is by no means unique within the United States (see Figure 2 below). Of the 205 tribes in the lower forty-eight states with fewer than 1,000 members, 91 are in California, where small rancherias vastly outnumber traditional reservations. Another 56 are in Arizona, Nevada, Oklahoma and Washington.

## Appendix C: Home Rule as a Native Self-Governance Option

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Alaska's constitution establishes a policy of maximizing local self-government.<sup>133</sup> This also is the goal the Native peoples of Alaska have for themselves. As shown in this report, Native communities have pursued different paths toward this goal of self-government, many participating in the state system, others staying outside it. Home rule for rural Native communities is a largely unexplored self-governance option. Implementing home rule in most Native communities would require some changes in home rule requirements, but in general, anything the state can do to facilitate the development of self-governing institutions will benefit not only Alaska's Natives but the state's overall system of governance and would come closer to realizing the state's constitutionally expressed self-governance objective.

The second class city status of many Native villages in Alaska does not carry with it any significant measure of local autonomy and control. Under this status, city governance and operations are carried out in accordance with state general law, with no leeway for adaptation to traditional values or local circumstances. The main benefits of this status have come from higher state revenue sharing payments and greater access to other state assistance programs than are possible for unincorporated areas. However, the state constitution provides the means to create local governments that could be far more adaptable and appropriate for rural Alaska than the existing municipal system.

Alaska's home rule provision is the most extensive in the United States. It provides that "a home rule borough or city may exercise all legislative powers not prohibited by law or by charter."<sup>134</sup> Exercising "legislative powers" essentially means that a home rule jurisdiction can have any powers that the Alaska state leg-

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<sup>133</sup> Constitution of the State of Alaska, Article X, Section I.

<sup>134</sup> Constitution of the State of Alaska, Article X, Section II.

islature has, subject only to limitations of the state constitution, state statutes, and the municipality's own charter. The legislature has enumerated a number of specific limits on home rule organization and powers, but beyond these, the community itself can determine how to design its own government.<sup>135</sup>

Under current law, first class cities and communities with a permanent population of over 400 people can attain home rule by an affirmative vote of the people and their adoption of a charter.<sup>136</sup> However, there is no particular reason to retain these classification and size constraints on this particular form of self-government. The constitution allows home rule to be extended to other classes of cities.<sup>137</sup> It would take only an act of the legislature to allow other communities in Alaska to adopt home rule charters.

Making home rule available to rural communities would be a significant step toward more effective local government. This is especially the case where Natives constitute a clear majority of the population and can expect continued control of the local government, and where tribal institutions and village corporations work together. Instead of having to follow everything that is spelled out in general law, as is now required in second class cities, a home rule community would be able to design its own government to meet its own needs, circumstances, and objectives. Along with the ability to create a more appropriate municipal governance structure, home rule could provide tools for the effective exercise of law enforcement and other police powers, management of land and resources, protection of subsistence habitat and environmental quality, and for carrying out other public responsibilities.

To accomplish some of these objectives, home rule city boundaries would need to include sufficient land, water, and subsistence resources to protect the community and its ways of making a living, and the state would need to remove existing statutory obstacles to effective local control and adaptation to local ways of self-governing. Finally, the state would need to abide by the constitutional directive that "A liberal construction shall be given to the powers of local government units."<sup>138</sup>

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<sup>135</sup> The North Slope Borough provides an excellent example of the freedom that exists for a home rule municipality or borough to mold its own governance structure, take advantage of resource opportunities, and serve its population in ways appropriate to local goals, needs, and circumstances. Although not all areas have similar resources available to them, descriptions of the Northwest Arctic and Yakutat boroughs in Section IV of this report (see above) demonstrate the flexibility of the home rule tool.

<sup>136</sup> There currently are 20 home rule municipalities in Alaska, ranging in size from Nenana (population 450) to Anchorage (population 255,000).

<sup>137</sup> Constitution of the State of Alaska, Article X, Section 10.

<sup>138</sup> Constitution of the State of Alaska, Article X, Section 1.