

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

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notify the secretary of state of its action and shall furnish him with such information on the proposed incorporation as he requires. Within 30 days after the receipt of his notification, the secretary of state shall issue an order that an election be held within the proposed organized borough to determine the question of whether the qualified voters of the proposed organized borough desire to be incorporated; and if so, to elect members of the first assembly of the borough, the borough chairman, and the members of the first school board, and to determine whether the borough shall have an appointed borough manager or an elected borough chairman. The date of the election specified by the secretary of state in the order shall be not less than 30 nor more than 90 days after the date of the order of election. The secretary of state shall also specify in the election order the dates during which petitions for nominations may be filed with him.

b. Qualification of Voters. Any person who is a qualified voter in Alaska and is a resident of the area within the proposed organized borough is qualified to vote in the election.

c. Nominations. Nominations for the borough chairman, for school board members, and for candidates for the first assembly to represent the area outside any first class city may be made by petition. The petition shall be in the form prescribed by the secretary of state and shall include the name and address of the nominee and a statement of the nominee that he is qualified and will serve if elected. Petitions to nominate assemblymen shall include the signatures of at least 50 qualified voters who are residents of the proposed borough in the area outside first class cities. Petitions for the nomination of borough chairman and school board members shall include the signatures of at least 50 qualified voters who are residents of the proposed borough either inside or outside cities. The petitions shall be filed with the secretary of state at the time designated by him in the order of election.

d. Administration of Election. The secretary of state shall supervise the administration of the election in the general manner as prescribed by the Alaska Election Code, including, but not limited to, the establishment of precinct boundaries and polling places, appointment of election offi-

cials, preparation of ballots and other election materials and supplies, the giving of public notice, certifying of election expenses, the count, canvass and certification of returns, and the establishment of procedures for voting absentee, the use of voting machines, and election recounts.

e. Separate Voting. (1) Areawide powers, if any, added to the original petition by the Local Boundary Commission shall be placed separately on the ballot in order that each may be voted on separately. The adoption of an added areawide power requires a favorable majority of the votes cast both in the cities and in the area outside cities.

(2) In an election for the incorporation of a second class borough, each power, if any, to be exercised in the area outside cities only shall be placed separately on the ballot in order that each may be voted on separately. The adoption of a power to be exercised in the area outside cities only requires a favorable majority of the votes cast, and the vote on the question is limited to the qualified voters residing outside cities.

f. Certification. If the majority of votes cast on the question are not for incorporation, the secretary of state shall so certify and the proposal is defeated. If the majority of votes cast on the question are for incorporation, the secretary of state shall so certify and the certification shall specify any powers adopted under the provisions of Subsec. e. of this section, and shall declare that the area in which the election was held is an organized borough and a municipal corporation; that the organized borough possesses all the powers and privileges as prescribed by this Act; and that the boundaries and borough seat are those specified in the petition approved by the qualified voters. If the majority of votes cast on the question are in favor of an appointed borough manager, the secretary of state shall so certify and shall not certify any candidate as borough chairman. If the majority of votes cast on the question are not in favor of a borough manager, the secretary of state shall certify the name of the candidate who received the highest number of votes as borough chairman. The secretary of state shall also certify the names of those candidates who received the highest number of votes for the school board and for the available seats to be elected to the assembly from the area outside first class

cities and shall issue election orders to the elected candidates.

g. First Term of Office. The first assembly of the borough chairman and assembly members elected shall meet on the first day after their certification and shall continue to serve until the next regular assembly. Assembly members representing cities are appointed from the city councils and shall also represent the designated areas for elected members.

h. Costs. The secretary of state shall furnish the organized borough with a statement of the cost incurred by the secretary of state in conducting the election, and the borough shall reimburse the secretary of state within three years of the date of the statement.

Sec. 2.13. Integration of Special Districts and Service Areas. Upon the incorporation of a service area and unorganized borough existing prior to the incorporation of an organized borough and located within the boundaries of the organized borough shall be included within the organized borough within three years after the date of the incorporation. An organized borough shall succeed to all of the rights, powers, and interests of any service area and unorganized borough included within its boundaries, not limited to, claims, debts, and other contractual obligations for bonded and all other interests. The organized borough shall succeed to all of the interest in the real and personal property held by the service areas and unorganized borough assembly may incur special charges, taxes, or other obligations for the purpose of discharging bonded indebtedness incurred by the service areas and unorganized borough, for continuing service areas and unorganized borough, or for the future indebtedness.

Sec. 2.14. Transition. The powers and duties exercised by cities, service areas, and special districts which are included within an organized borough shall be exercised by them until such time as the organized borough assumes the powers and duties. The powers may not exceed two years after the date of incorporation. Ordinances, regulations, procedures, and rules in effect prior to the assumption of powers by the organized borough shall remain in effect until superseded by the organized borough.

cities and shall issue election certificates to the elected candidates.

g. **First Term of Office.** The elected borough chairman and assembly members elected shall meet on the first Monday after their certification and shall continue to serve until the next regular election. Assembly members representing first class cities are appointed from and by their city councils and shall also meet at the time designated for elected members.

h. **Costs.** The secretary of state shall furnish the organized borough a statement of the cost incurred by the state in conducting the election, and the organized borough shall reimburse the state for the cost within three years of the date of incorporation.

Sec. 2.13. Integration of Existing Special Districts and Service Areas. Special service districts and service areas in the unorganized borough existing at the time of the incorporation of an organized borough and located within the boundaries of the organized borough shall be integrated into the organized borough within two years after the date of the borough's incorporation. An organized borough shall succeed to all of the rights, powers, and duties of any service area and of any school districts and public utility districts included within its boundaries, including, but not limited to, claims, franchises and other contractual obligations, and liability for bonded and all other indebtedness, and shall succeed to all of the right, title, and interest in the real and personal property held by the service areas or districts. The borough assembly may levy and collect special charges, taxes, or assessments including interest for the purpose of amortizing bonded indebtedness previously incurred by the service area or special district, for continuing services in the area, or for the future indebtedness in the area.

Sec. 2.14. Transition. a. The powers exercised by cities, service areas, and special districts which are succeeded to by an organized borough shall continue to be exercised by them until such time as the borough assumes the powers, which time may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, regulations, procedures, and orders in effect prior to the assumption of these powers by the organized borough remain in effect until superseded by the action of the organized borough.

b. The borough shall make written notice of its assumption of the powers, duties, and other items enumerated in Sec. 2.13 to the city, service area, or special district concerned prior to the assumption. Borough officials shall consult with the officials of the city, service area, or special district concerned and arrange for an orderly transfer.

c. After the incorporation of an organized borough, no service area or special district within it may assume new bonded indebtedness, make any contract, or transfer any assets without the consent of the borough assembly.

Article III

Powers of First and Second Class Boroughs

Part 1. General Powers of First and Second Class Boroughs

Sec. 3.01. Powers of the First and Second Class Boroughs. The first and second class boroughs have the following general powers:

(1) to establish and prescribe the function of borough departments, offices, or agencies;

(2) to establish and prescribe salaries for the borough assembly, the borough chairman, and borough officers and employees;

(3) to make investigations of the affairs of the borough and make inquiries into the conduct of any borough department;

(4) to enter into agreements, including those for cooperative or joint administration of any functions or powers with any other local government, with the state, or with the United States;

(5) to require periodic and special reports from any borough departments to be submitted through the chairman;

(6) to sue and be sued;

(7) to levy taxes and special assessments, enforce tax liens, and assess and collect penalties in the manner provided for first class cities. It may levy area-wide taxes for area-wide functions and taxes limited to the area outside cities for functions limited to the area outside cities; and

(8) the state shall share with the organized borough those taxes it shares with

other units of local government to the extent that the taxes are collected in the borough but outside any city which receives a share of the same tax.

Sec. 3.02. Annexation and Exclusion. First and second class boroughs have the same powers of annexation and exclusion as first class cities and shall follow the same procedures for annexation and exclusion as first class cities, except that Article V of the State Constitution governs voting qualifications.

Sec. 3.03. Indebtedness. First and second class boroughs may incur indebtedness in the same manner and to the same extent as first class cities either on an area wide basis for areawide functions, or on a non-city basis for functions performed in the area outside cities only.

Sec. 3.04. Expenditure of Revenues. Tax and other revenue measures levied on an areawide basis may be expended on general administrative costs and on areawide functions only. Tax and other revenue measures levied in the area outside cities only may be expended on functions which render services to the area outside cities only.

Sec. 3.05. Service Areas. a. Establishment, Alteration, and Abolishment. Service areas to provide special services within a first or second class borough may be established, operated, altered, or abolished by the assembly by ordinance.

b. Special Taxes, Charges, and Assessments. The assembly may levy or authorize the levying of taxes, charges, or assessments in service areas to finance the special services.

c. Boards. The assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas.

d. Restrictions. A new service area may not be established if the new service can be provided by an existing service area, or by annexation to a city, or incorporation as a city.

Sec. 3.06. Transferred Powers. First and second class boroughs shall exercise all powers transferred to them by cities under this Article.

Part 2. Areawide Powers of First and Second Class Boroughs

Sec. 3.31. Scope of Areawide Powers. First and second class boroughs shall exercise the powers specified in this part on an areawide basis, both within and outside cities of any class within its boundaries. No city of any class, whether home rule or not, within an organized borough may exercise any areawide power provided in this section or specified in the petition approved by the voters for incorporation once that power is being exercised by an organized borough.

Sec. 3.32. Assessment and Collection. The first and second class boroughs shall assess and collect all property taxes levied within their boundaries in the manner provided for first class cities. Taxes levied by the cities and collected by the borough shall be returned in full to the cities from which collected.

Sec. 3.33. Education. a. The first and second class borough shall establish, maintain, and operate a system of public schools on an areawide basis, and shall do so in the manner provided by law for city school districts, except that the school board shall be apportioned the same as the assembly.

b. The state law relating to teacher salaries and tenure, to financial support, to supervision by the Department of Education, and other general laws relating to schools, govern the exercise of the functions by the borough.

Sec. 3.34. Planning and Zoning. a. The first and second class borough has the responsibility of planning, platting, and zoning on an areawide basis and shall do so in the manner provided for first class cities, except that the planning commission shall also be the zoning commission, and the commission shall be apportioned the same as the assembly. Nothing in this section prevents any city from having a planning and zoning commission in an advisory capacity. Appointment of borough planning and zoning commission members from a first class city shall be made from the city advisory commission membership.

b. City councils continue to function as boards of adjustment within their boundaries. The borough assembly is the board of adjustment for the area outside cities and for cities which do not exercise this power.

Sec. 3.35. Additional Powers of First Class Boroughs. First class boroughs acquire areawide powers by transferring powers to them. Second class boroughs acquire areawide powers in the same manner as provided by Part 3 of this Article. The acquisition of additional powers is subject to the vote on the question that the vote on the question.

Part 3. First and Second Class Boroughs' Powers in the Area Outside Cities Only

Sec. 3.71. Powers of the First Class Borough. In addition to other powers granted by this Act, the first class borough may exercise any power granted by general law in the area outside cities in the borough. The powers shall be exercised in the same manner as provided by general law for first class cities as provided otherwise by the Act. In exercising any of these powers in the area outside cities, the borough shall have transferred from the city the joint exercise with cities which it intends to exercise in the area outside cities.

Sec. 3.72. Powers of the Second Class Borough. In addition to other powers granted by this Act, the second class borough may exercise only the powers of a city of the same class either (1) specified in the petition approved by the voters for incorporation, or (2) added as provided by the Act. The powers shall be exercised in the same manner as provided by general law for first class cities except as provided by the Act. Before exercising any powers in the area outside cities, the borough shall first seek to have the powers transferred to it by cities or propose the joint exercise with cities, those powers which it intends to exercise in the area outside cities.

Sec. 3.73. Additional Powers of the Second Class Borough. The second class borough may add to the powers which it exercises in the area outside cities by petition with the Local Affairs Agency and the State.

Sec. 3.74. Form of Petition. The petition shall be in the form prescribed by the Local Affairs Agency and shall contain the following:

(1) the name of the borough

Sec. 3.35. Additional Areawide Powers. First class boroughs acquire additional areawide powers by transfer from a city. Second class boroughs acquire additional areawide powers in the same manner provided by Part 3 of this Article for their acquisition of additional powers to be exercised in the area outside cities only, except that the vote on the question is areawide.

Part 3. First and Second Class Boroughs' Powers in the Area Outside Cities Only

Sec. 3.71. Powers of the First Class Borough. In addition to other powers granted by this Act, the first class borough may exercise any power granted a first class city by general law in the area outside any city in the borough. These powers shall be exercised in the manner provided by general law for first class cities except as provided otherwise by this Act. Before exercising any of these powers in the area outside cities, the borough shall first seek to have transferred from cities, or propose the joint exercise with cities, those powers which it intends to exercise in the area outside any city.

Sec. 3.72. Powers of the Second Class Borough. In addition to other powers granted by this Act, the second class borough may exercise only those powers in the area outside cities which are among the powers of a city of the first class and either (1) specified in the petition and approved by the voters for incorporation or (2) added as provided by this Act. These powers shall be exercised in the manner provided by general law for first class cities except as provided otherwise by this Act. Before exercising any of these powers in the area outside cities, the borough shall first seek to have transferred from cities or propose the joint exercise with cities, those powers which it intends to exercise in the area outside any city.

Sec. 3.73. Additional Powers for Second Class Borough. The second class borough may add to the powers which it may exercise in the area outside cities only by filing a petition with the Local Affairs Agency.

Sec. 3.74. Form of Petition. The petition shall be in the form prescribed by the Local Affairs Agency and shall include the following:

- (1) the name of the borough;

- (2) the proposed additional powers to be exercised by the borough;

- (3) the certification of the borough chairman that the assembly has approved the petition;

- (4) other information which may be required by the Local Affairs Agency.

Sec. 3.75. Review by Local Affairs Agency. Upon receipt of a petition, the Local Affairs Agency shall immediately proceed with a review of it to determine (1) if the petition is substantially in the proper form and (2) if the petition is certified by the borough chairman.

Sec. 3.76. Return of Petition. If the Local Affairs Agency determines that the petition is not substantially in the proper form or lacks the certification by the borough chairman, the agency shall not accept the petition but may return it for correction or completion.

Sec. 3.77. Investigation. If the Local Affairs Agency determines that the petition is substantially in the proper form and is certified by the borough chairman, the agency shall conduct an investigation to determine the feasibility and practicability of the borough's exercising the additional power or powers.

Sec. 3.78. Report to the Local Boundary Commission. The Local Affairs Agency shall report the findings of its investigation to the Local Boundary Commission together with any recommendations it may have regarding the exercise of the additional powers by the borough.

Sec. 3.79. Hearing by Local Boundary Commission. The Local Boundary Commission shall hold at least one hearing in the borough for the purpose of hearing public comment on the proposal for the addition to the borough's powers.

Sec. 3.80. Election. a. Date of Election. The Local Affairs Agency shall notify the borough assembly immediately after publication of its findings and those of the Local Boundary Commission to hold an election in the borough on the question of adding to the borough's powers. Within 30 days of the receipt of its notification, the assembly shall call for an election to be held to determine whether the borough shall add to its powers. The date of the election shall be not less than 30 nor more than 90 days after the call for the election.

b. **Qualification of Voters.** Any person who is a qualified voter in Alaska and is a resident of the borough in the area outside cities is qualified to vote on the question.

c. **Separate Voting.** If more than one power is to be added, they shall be placed separately on the ballot in order that each may be voted on separately.

d. **Certification.** If the majority of the votes cast on the question are not for the addition of a power, the borough chairman shall so certify to the Local Affairs Agency and the proposal to add the power is defeated. If the majority of votes cast on the question are for the addition of a power, the borough chairman shall so certify to the Local Affairs Agency and the proposal to add the power is accepted. The added power or powers go into effect on the day following the date of the certification of their approval by the voters.

Part 4. Transfer of Powers to First and Second Class Boroughs

Sec. 3.91. **Transfer by City.** A city may transfer to the first or second class borough in which it is located any of its powers or functions subject to the approval of a two-thirds vote of the borough assembly. A city may not revoke the transfer of any power or function to the borough unless the revocation is approved by a majority of its council.

Article IV

Organized Borough Assembly

Sec. 4.01. **General Power and Composition.** The legislative power of the organized borough is vested in the assembly which consists of 5 to 13 members as determined by the incorporation petition approved by the voters.

✓ Sec. 4.02. **Election and Appointment.** Members of the assembly are appointed or elected according to the apportionment determined by the incorporation petition approved by the voters until the assembly is reapportioned. Members representing first class cities are appointed by and from the city councils, unless provided otherwise by city charter or ordinance. Members representing the area outside first class cities are elected.

Sec. 4.03. **Reapportionment.** The assembly may be reapportioned in the following manner:

(1) The assembly shall reapportion itself whenever the apportionment of the assembly does not meet the standards of apportionment provided by this Act.

(2) Any 50 qualified voters in an organized borough may petition the borough assembly or the Local Affairs Agency to reapportion the assembly of the borough within which they reside. The petition shall include evidence that the apportionment of the assembly does not meet the standards prescribed by this Act.

(3) Upon receipt of a petition, the assembly or Local Affairs Agency shall investigate its allegations and shall determine if the apportionment of the assembly meets the apportionment standards prescribed by this Act. If it is determined that the standards are not met, the assembly or Local Affairs Agency shall reapportion the assembly accordingly. A reapportionment by the Local Affairs Agency prevails over one by an assembly. The reapportionment is effective beginning with the next regular election to the assembly.

Sec. 4.04. **Term of Office.** The term of office of members of the assembly is the same as that of councilmen in the largest first class city within the borough or three years if there is no first class city within the borough. The term of office begins on the same day as that of councilmen in the largest first class city within the borough or on the first Monday following the borough election if there is no first class city within the borough. City councilmen on the assembly may not be replaced by the council unless their terms expire or they cease to be a member of either the assembly or the council. The assembly may provide for different terms by ordinance but no term of office may exceed three years.

Sec. 4.05. **Qualification.** A person is eligible to be a member of the assembly if he is a qualified voter of the borough. If a member ceases to be a qualified voter of the borough, he shall immediately forfeit his office. If a member elected from the area outside first class cities becomes a resident of a first class city, he may continue to serve only until the next regular election.

Sec. 4.06. **Organization.** a. **Officers.** The assembly shall elect from among its members a presiding officer and a deputy

presiding officer, each of whom shall serve at its pleasure. The presiding officer shall preside at assembly meetings. If the presiding officer is absent from any meeting the presiding officer present or is unable to act, the deputy presiding officer shall preside.

(b) **Clerk.** The assembly shall elect a clerk or appoint the chairman of the administrative officer to serve as clerk. Under the supervision of the clerk shall:

(1) Give due notice of the place of assembly meetings to members and to the public;

(2) Keep the journal of the proceedings;

(3) Procure for the assembly the required publication of notices of resolutions, and so forth;

(4) Maintain and make available for public inspection an indexed copy of the borough ordinance, resolution, and code of regulation;

(5) Perform the duties required by any of the provisions of this chapter;

(6) Perform such other duties as the assembly may prescribe.

Sec. 4.07. **Procedure.** a. Meetings of the assembly shall meet regularly once every three months at the places prescribed by the assembly. Meetings may be held on the call of the borough chairman, the presiding officer or one-fourth or more members whenever practicable, upon 24 hours' effective notice to each member.

b. **Order of Business.** The assembly may determine its own rules of business and shall provide for the journal of its proceedings. The journal is a public record.

c. **Voting.** The final vote on any ordinance or resolution shall be by a majority of the votes cast and the yeas and nays shall be entered in the journal. A majority of the members of the assembly shall constitute a quorum, but a smaller number may act if the assembly is unable to assemble at the time and may compel the attendance of absent members in the assembly subject to the penalties prescribed in the rules of the assembly. No action of the assembly is valid or binding unless

presiding officer, each of whom shall serve at its pleasure. The presiding officer shall preside at assembly meetings. If at any meeting the presiding officer is not present or is unable to act, the deputy presiding officer shall preside.

(b) Clerk. The assembly shall elect a clerk or appoint the chairman or another administrative officer to serve as the clerk. Under the supervision of the assembly, the clerk shall:

(1) Give due notice of the time and place of assembly meetings to assembly members and to the public;

(2) Keep the journal of assembly proceedings;

(3) Procure for the assembly any required publication of notices, ordinances, resolutions, and so forth;

(4) Maintain and make available for public inspection an indexed file containing copies of the borough code, every adopted ordinance, resolution, rule, regulation, and code of regulations;

(5) Perform the duties assigned him by any of the provisions of this Act; and

(6) Perform such other duties as the assembly may prescribe.

Sec. 4.07. Procedure. a. Meetings. The assembly shall meet regularly at least once every three months at the times and places prescribed by the assembly. Special meetings may be held on the call of the borough chairman, the presiding officer, or of one-fourth or more members, and whenever practicable, upon no less than 24 hours' effective notice to each member.

b. Order of Business. The assembly may determine its own rules and order of business and shall provide for keeping a journal of its proceedings. The journal is a public record.

c. Voting. The final vote on each ordinance or resolution shall be by roll call and the ayes and nays shall be recorded in the journal. A majority of the members of the assembly shall constitute a quorum, but a smaller number may adjourn from time to time and may compel the attendance of absent members in the manner and subject to the penalties prescribed by the rules of the assembly. No action of the assembly is valid or binding unless adopted

by the affirmative vote of at least a majority of all the members of the assembly.

Sec. 4.08 Acts Required to Be by Ordinance. a. In addition to other actions as this Act or any other provision of law require to be by ordinance, those acts of the assembly shall be by ordinance which:

(1) establish, alter, or abolish any borough department;

(2) fix the compensation of members of the assembly;

(3) provide for a fine or other penalty, or establish a rule or regulation for violation of which a fine or other penalty is imposed;

(4) levy taxes;

(5) make supplemental appropriations or transfer appropriations;

(6) grant, renew, or extend a franchise;

(7) regulate the rate charged for its services by any public utility;

(8) authorize the borrowing of money;

(9) purchase lands or convey or lease any lands of the borough, and the ordinance shall specify the terms of the purchase, conveyance, or lease;

(10) adopt or modify the official map, platting or subdivision controls or regulations, or the zoning plan;

(11) approve the transfer of any power from a city.

b. This section grants no authority or power not otherwise granted by this Act or other law, but rather obliges the assembly to use ordinances in exercising certain of its powers.

Sec. 4.09. Form of Ordinances. Every ordinance shall be introduced in writing and in the form required by the assembly.

Sec. 4.10. Ordinance Procedure. a. Except as otherwise provided in this Act, the following procedure shall govern the enactment of all ordinances: An ordinance may be introduced by any member or committee of the assembly or by the borough chairman at any regular or special meeting of the assembly. Upon introduction of any ordinance, sufficient copies

shall be furnished to the clerk in order for him to immediately distribute at least one copy each to the assembly members and to the chairman. After an ordinance has been introduced, and unless it is rejected at the same meeting by the affirmative votes of not less than a majority of the assembly members, the assembly shall promptly cause the ordinance to be published, together with a notice setting out the time and place for a public hearing on the ordinance, and for its consideration by the assembly. The public hearing on any ordinance not rejected shall follow the required publication by at least one week, and it may be held separately or in connection with a regular or special assembly meeting and may be adjourned from time to time. At the public hearing held in accordance with the notice, copies of the ordinance shall be distributed to all persons present who request them or, in the alternative, the ordinance shall be read in full. All persons interested shall have an opportunity to be heard. After the hearing, the assembly shall consider the ordinance and may adopt it with or without amendment, or reject it. But if upon consideration, the assembly amends the ordinance as to its substance, it may not adopt the amended ordinance until the ordinance or its amended sections have been published and until the ordinance has been subjected to hearing and to all other procedures required in the case of a newly introduced ordinance. The same procedure shall govern if the amended ordinance is again amended as to its substance. As soon as practicable after adoption of any ordinance, the assembly shall cause it to be printed and published.

b. Except as otherwise provided in this Act, every adopted ordinance shall become effective at the expiration of 30 days after adoption or at any later date specified in the ordinance.

c. As used in this section, the term "published" means that

(1) at least a brief summary of the ordinance or sections concerned, together with any required notice, has been published in one or more newspapers of general circulation in the borough;

(2) copies of the ordinance or sections concerned, together with any required notice, have been mailed to the same newspapers and, in accordance with

assembly regulations, to additional newspapers of general circulation in the borough;

(3) copies of the ordinance or sections concerned, together with any required notice, have been posted conspicuously for public inspection at the borough seat and at other cities in the borough.

Sec. 4.11. Emergency Ordinances. a. To meet a public emergency affecting life, health, welfare, or property, the assembly may adopt emergency ordinances; but emergency ordinances may not be used to levy taxes, to grant, renew or extend a franchise, or to regulate the rate charged by any public utility for its services.

b. Every emergency ordinance shall be plainly designated as such and shall contain, after the enacting clause, a declaration stating that an emergency exists and describing the claimed emergency in clear and specific terms. Except as thus indicated, it shall be introduced in the form and manner prescribed for ordinances generally. An emergency ordinance may be considered and may be adopted with or without amendment or rejected at the meeting at which it is introduced. The affirmative vote of all assembly members present, or the affirmative vote of three-fourths of those elected, is required for adoption of the ordinance. After adoption of an emergency ordinance, the assembly shall cause it to be printed and published as prescribed for other adopted ordinances. An emergency ordinance is effective upon adoption.

c. Every emergency ordinance, including any amendment made after its adoption, is invalid after the 61st day following the date on which it was adopted.

Sec. 4.12. Codes of Technical Regulations. The assembly may adopt any standard published code of technical regulations in a single ordinance which shall be governed, except as otherwise provided in this section, by the procedure and requirements prescribed for ordinance, generally. Upon introduction of the ordinance, the assembly promptly shall cause at least five copies to be made available for public inspection and shall cause to be published, by the means indicated in Sec. 4.10c., and together with the notice of hearing, a notice setting out the purpose of the ordinance and the time and place at which

it is available for public inspection. If other publication is necessary, the ordinance, unless after the hearing is amended as to its substance, shall be amended, and also in the later amendment before amended sections shall be made available for inspection and notice earlier provided, and the amended shall be subjected to all other procedure as introduced. Neither the ordinance nor its amendment shall be read in full at the public or read in full at the hearing. Publication after the hearing shall be by notice declaring such ordinance published. The adopted ordinance shall be published to the public in such form and at such reasonable price as the assembly may determine.

Sec. 4.13. Budget. The assembly shall establish the dates of the introduction of the budget for the year and the manner for the introduction and submission of the budget program by the chairman. The assembly shall hold a hearing on the budget and capital program. At the hearing, the assembly may amend the budget without amendment, the amendment proposed by the chairman. The assembly may make supplemental appropriations. No payment shall be authorized or made and no contract entered against the borough or against the appropriation. Nothing contained in this section of this Act is intended to limit the authorizing of payment of contracts for capital improvement financed wholly or partly by bonds; nor is it intended to limit the making, when permitted by contract or any lease providing for payment of funds at a time and place of the fiscal year in which the contract or lease is made. But any contract or other obligation requiring payment of funds from the appropriation for the fiscal year or of more than one fiscal year shall be made or approved by the assembly.

Sec. 4.14. Centralized Purchasing. The assembly may provide for centralized purchasing, storage, and distribution of supplies, material, and equipment for the borough and for its departments, however, school boards within the borough may determine their own system.

it is available for public inspection. No other publication is necessary before adoption, unless after the hearing the ordinance is amended as to its substance. If it is so amended, and also in the event of any later amendment before adoption, the amended sections shall be made available for inspection and notice published as earlier provided, and the ordinance as amended shall be subjected to hearing and to all other procedure as though newly introduced. Neither the ordinance nor any of its amendments need be distributed to the public or read in full at the hearings thereon. Publication after adoption shall be by notice declaring such adoption as published. The adopted code shall be sold to the public in such form and at such reasonable price as the assembly may direct.

Sec. 4.13. **Budget.** The assembly shall establish the dates of the borough fiscal year and the manner for the preparation and submission of the budget and capital program by the chairman. The assembly shall hold a hearing on the proposed budget and capital program. After public hearing, the assembly may adopt, with or without amendment, the annual budget as proposed by the chairman. The assembly may make supplemental and emergency appropriations. No payment may be authorized or made and no obligation incurred against the borough except in accordance with appropriations duly made. Nothing contained in this section or other sections of this Act is intended to prevent the authorizing of payment or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds; nor is it intended to prevent the making, when permitted by law, of any contract or any lease providing for the payment of funds at a time beyond the end of the fiscal year in which the contract or lease is made. But any contract, lease or other obligation requiring the payment of funds from the appropriations of a later fiscal year or of more than one fiscal year shall be made or approved by ordinance.

Sec. 4.14. **Centralized Purchasing.** The assembly may provide for centralized purchasing, storage, and distribution of any supplies, material, and equipment for the borough and for its departments, provided, however, school boards within the borough may determine their own separate policy

for the purchase of supplies and equipment.

Sec. 4.15. **Post Audit.** The assembly shall provide for an annual independent audit of the accounts and other evidences of financial transactions of the borough and of every borough department. The audit shall be made by an accountant, designated by the assembly, who has no personal interest, direct or indirect, in the fiscal affairs of the borough or of any of its departments. The designated accountant shall be a certified public accountant.

Sec. 4.16. **Codification.** a. Each ordinance and resolution after adoption shall be given a serial number and, together with the date of adoption and the designation of the adopting authority shall be entered by the clerk of the assembly in a properly indexed book kept for that purpose.

b. Within three years after incorporation under this Act, the chairman, with the advice and assistance of a legal advisor, shall cause to be prepared a general codification of all borough ordinances and resolutions having the force and effect of law. The borough code shall be revised and published at least every five years.

c. The assembly, with the advice and assistance of a legal advisor, shall cause each ordinance and resolution having the force and effect of law to be printed as promptly as possible following its adoption. The printed ordinances and resolutions shall be sold to the public at reasonable prices to be fixed by the assembly.

Article V

Borough Executive

Sec. 5.01. **Executive Power.** The executive power of the organized borough is vested in the borough chairman who is elected at large. He must be a qualified voter of the organized borough. His term of office is the same as that of the mayor in the largest first class city in the borough or three years if there is no first class city in the borough. The term of office begins on the same day as that of the mayor in the largest first class city in the borough or on the first Monday following his election if there is no first class city in the borough. The assembly may provide a different term by ordinance.

Sec. 5.02. **Borough Manager.** In addi-

tion to the adoption of the borough manager plan at the time of incorporation, an organized borough may adopt and abandon a borough manager plan in the same manner as is provided for the first class cities. The borough chairman may not veto an ordinance or resolution calling for an election on the question of adopting a manager plan. The manager serves at the pleasure of the assembly and has all the powers and duties of the borough chairman provided for by this Act except that he may not introduce ordinances and has no veto power. There shall be no elected borough chairman if the borough manager plan is adopted.

Sec. 5.03. Powers and Duties of the Borough Chairman. a. The borough chairman is the chief administrative officer of the borough. He is responsible for the proper administration of all borough affairs placed in his charge under this Act. The chairman shall:

(1) except as otherwise provided by this Act, appoint all borough employees and administrative officers and, when he deems it necessary for the good of the service, suspend or remove any borough employee, subject to review by the borough assembly, and any borough administrative officer, but he may authorize any appointive borough administrative officer to appoint, suspend, or remove subordinates in that officer's department;

(2) see that all ordinances, resolutions, and orders of the assembly and all laws of the state subject to enforcement by him, or by officers who are subject under this Act to his direction and supervision, are faithfully executed;

(3) prepare and submit the annual budget and capital program to the assembly and execute the budget and capital program in accordance with appropriations and ordinances adopted by the assembly;

(4) examine regularly the accounts, records, and operation of every borough department; make regular monthly reports to the assembly on borough affairs; keep the assembly fully advised on the financial condition and future needs of the borough, and make such recommendations on borough affairs as he deems desirable;

(5) submit to the assembly at the end of the fiscal year a complete report on the finances and administrative activities of the borough for the preceding year and

prepare and make available for distribution to the public, within three months after the end of each fiscal year, an annual report on borough affairs during that fiscal year.

(6) if the assembly provides for a personnel system, he shall serve as the personnel officer of the borough and administer the borough personnel system, unless the assembly authorizes him to appoint a personnel officer to administer the system;

(7) carry into execution such other powers or duties as are required by this Act or as may be prescribed by the assembly; and

(8) hire such administrative assistants as he deems necessary to help him in the administration of borough affairs.

b. The assembly presiding officer or his designee from the assembly shall exercise the powers and perform the duties of chairman during the chairman's temporary absence or disability. If a manager plan has been adopted, the assembly shall designate by resolution a qualified borough administrative officer or employee to perform the duties of the manager during his temporary absence or disability or during a vacancy in the office of manager.

Sec. 5.04. Functions Under Direction and Supervision of Borough Chairman. The borough chairman shall direct and supervise the administration of the following functions:

(1) The functions of all borough officers and employees except as provided otherwise under this Act;

(2) The care and custody of all borough buildings and of all real and personal property of the borough;

(3) The construction, maintenance, and operation of borough roads, bridges, drains, buildings, and other public works.

Sec. 5.05. General Provisions. a. The activities under the direction and supervision of the borough chairman shall be distributed among such departments as are provided for by this Act or may be established by ordinance of the assembly.

b. Each department shall be administered by an officer appointed by and subject under this Act to the direction and supervision of the chairman unless pro-

vided otherwise by or. With the consent of the chairman may serve as or more departments; and consent, he may appoint a head of two or more de-

c. Any borough administrator appointed by the chairman may be suspended or removed by the chairman.

Sec. 5.06. Bonding of Borough Chairman and Borough Officers or Employees. Any borough officer or employee may provide shall give in the amount and with prescribed by the assembly. On such bonds shall be paid

Sec. 5.07. Personal Financial Interest. Any borough officer or employee who has a financial interest, direct or indirect, by reason of ownership of stock in any corporation, in any contract, or in the sale of any supplies or services to the borough, shall make known that interest to the assembly. Any borough officer or employee who violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit his office. Violation of this section with intent to defraud the borough or express or implied of the borough renders the contract voidable by the assembly.

Sec. 5.08. Right to Participate in Assembly Meetings. The borough chairman shall have the right to participate in the discussion of all matters before the assembly, but may not veto any ordinance or resolution of the assembly, but his veto may be overridden by the vote of two-thirds of the membership.

Sec. 5.09. Prohibitions. No person may be appointed to or removed from any position or promotion in any way favored or discriminated against on the basis of his race or his political or religious affiliations.

b. No person who seeks or promotion with respect to position or borough administration may directly or indirectly

vided otherwise by or under this Act. With the consent of the assembly, the chairman may serve as the head of one or more departments; and with assembly consent, he may appoint one person as the head of two or more departments.

c. Any borough administrative officer appointed by the chairman may be suspended or removed by written order of the chairman.

Sec. 5.06. **Bonding of Officers.** The borough chairman and such other borough officers or employees as the assembly may provide shall give reasonable bond in the amount and with the surety prescribed by the assembly. The premiums on such bonds shall be paid by the borough.

Sec. 5.07. **Personal Financial Interest.** Any borough officer or employee who has a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract with the borough or in the sale of any land, material, supplies or services to the borough or to a contractor supplying the borough, shall make known that interest. Any borough officer or employee who willfully conceals such a financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office or position and shall forfeit his office or position. Violation of this section with the knowledge express or implied of the person or corporation contracting with or making a sale to the borough renders the contract voidable by the assembly.

Sec. 5.08. **Right to Participate in Assembly Meetings.** The borough chairman shall have the right to take part in the discussion of all matters coming before the assembly, but may not vote. He may veto any ordinance or resolution of the assembly, but his veto may be overridden by the vote of two-thirds of the assembly's membership.

Sec. 5.09. **Prohibitions.** a. No person may be appointed to or removed from, or in any way favored or discriminated against with respect to any borough position or borough administrative office because of his race or his political or religious opinions or affiliations.

b. No person who seeks appointment or promotion with respect to any borough position or borough administrative office may directly or indirectly give, render,

or pay any money, service, or other valuable thing to any person for or in connection with his test, appointment, proposed appointment, promotion, or proposed promotion.

c. Any person who willfully violates any of the provisions of Subsec. b. is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$1,000.00 or by imprisonment for not more than one year, or both, and in addition thereto shall be ineligible, for a period of five years thereafter, to hold any borough office or position and, if an officer or employee of the borough, shall immediately forfeit the office or position he holds.

Sec. 5.10. **Borough Personnel System.** All appointments and promotions of borough officers and employees shall be made on the basis of merit and fitness, and the assembly may provide for a personnel system.

Article VI

Elections

Sec. 6.01. **Qualification of Voters.** a. Any person who is a qualified voter in Alaska and is a resident of an organized borough is a qualified voter of that organized borough.

b. Only qualified voters whose names appear on the last tax-assessment roll or record of such borough for purposes of borough taxation on real property may vote on a question of incurring bonded indebtedness by a borough. If the debt to be incurred is to be an areawide debt, the vote shall be areawide. If the debt to be incurred is to be limited to the area outside cities only, the vote shall be limited to the qualified voters whose names appear on the last tax assessment roll or record of such borough for purpose of borough taxation on real property located in the area outside cities.

Sec. 6.02. **Regular Election.** a. Chairman. The date of the regular election for chairman is the same as that for mayor in the largest first class city within the borough or on the first Tuesday of October every three years if there is no first class city within the borough.

b. Assembly. The date of the regular election for the assembly is the same as that for the council in the largest first class city within the borough or on the

first Tuesday of October every three years if there is no first class city within the borough.

c. **School Board.** The date of the regular election for the school board is the same as that for the council in the largest first class city within the borough or annually on the first Tuesday of October if there is no first class city within the borough.

d. **Change in Dates.** The assembly may provide for different dates of election by ordinance.

Sec. 6.03. Special Election. The assembly may call a special election at any time upon 30 days prior notice, which notice shall be made substantially in the manner prescribed by Sec. 3.07 of the Alaska Election Code.

Sec. 6.04. Administration of Election. The assembly shall prescribe the general rules for the conduct of the borough election. All borough elections shall be non-partisan elections.

Sec. 6.05. Nominations. Candidates for assemblymen from outside cities are nominated by petition of 50 qualified voters of the organized borough who are resident outside any city. Candidates for borough chairmen and for the borough school board are nominated by petition of 50 qualified voters of the organized borough.

Sec. 6.06. Creating and Declaring Vacancies in Office. The office of assemblyman and borough chairman is vacated under the following conditions and upon the declaration of vacancy by the assembly. The assembly shall declare an elective office vacant whenever

(1) the person elected to it fails to qualify or fails to take office within 30 days after his selection by a city council or his election;

(2) the officeholder departs from the organized borough with the intent of remaining away for a period of 90 or more days or resides outside the area from which he was elected for a period of 90 or more days, unless excused by the assembly;

(3) the officeholder submits his resignation to the assembly and the assembly accepts it;

(4) the officeholder is physically unable to attend assembly meetings and will continue to be physically unable to attend assembly meetings for a period of 180 or more consecutive days;

(5) the officeholder has been removed from office;

(6) the officeholder misses three or more consecutive regular meetings, unless excused by the assembly.

Sec. 6.07. Filling Vacancies. Vacancies are filled as follows:

(1) A vacancy in the office of chairman shall be filled by and from the assembly which shall elect one of its members to be acting chairman until the next regular election and until a successor is elected and qualified to fill the remainder of the unexpired term. The assemblyman elected to act as chairman shall receive the same salary as that paid to the chairman.

✓ (2) A vacancy in the city council representation on the assembly shall be filled by the city council by selecting one of its members to fill the unexpired term. The councilman selected serves until his successor is selected and qualified. He receives the same salary as the assemblyman he succeeds.

(3) A vacancy in the representation for the area outside a first class city shall be filled by the assembly which shall elect a qualified voter resident within the organized borough outside a first class city to be acting assemblyman until the next regular election and until a successor is elected and qualified to fill the remainder of the unexpired term. The person elected by the assembly receives the same salary as the assemblyman he succeeds.

Sec. 6.08. Initiative, Referendum, Recall. a. The Powers of initiative and referendum reserved by the Constitution of Alaska to the people of the state are also reserved to the people of the organized borough as provided by Ch. 187, SLA 1959.

b. Any elected public official of the organized borough may be recalled as provided by Ch. 121, SLA 1959.

Sec. 6.09. Majority Elections. The assembly may, by ordinance, require a majority vote for election of the chairman

and the assembly. A number of other means of obtaining representation shall be used.

Sec. 6.10. Borough Section. A borough assembly may establish the election of assemblymen to provide representation to distinct areas within the borough. The assembly establishes sections representing the area outside first class cities shall be elected from the area in which they reside. A resident outside first class city upon the candidacy of a candidate but candidates from each section against other candidates in each section. The number of assemblymen equal the number of sections representing the area outside first class city. No section may have more than one assemblyman which is less than one assemblyman in other section.

Article VII

Classification, Reclassification, Consolidation, Division

Part I. Classification and Reclassification

Sec. 7.01. Classification. Boroughs incorporated under either first class or second class charter shall be classified as either first class or second class borough and the second class borough shall have an optional law borough classification is determined by incorporation approved by the assembly. The unexpired term established by this Act is less clearly not applicable to "borough" and "organized borough" used in this Act, mean by either first or second class organized borough.

Sec. 7.02. Reclassification. A first class borough may adopt a second class rule charter in the manner provided by Ch. 196, SLA 1959, and the powers of the charter commission shall be apportioned the same as provided for the borough assembly.

b. A second class borough may be reclassified as a first class borough in the same manner provided by Ch. 196, SLA 1959, in addition of powers by a second class borough. Instead of specifying powers added, the petition shall specify the borough be reclassified as a first class borough.

and the assembly. A run-off election or other means of obtaining a majority may be used.

Sec. 6.10. Borough Sections. The borough assembly may establish sections for the election of assemblymen in order to provide representation to separate and distinct areas within the borough. If the assembly establishes sections, members representing the area outside first class cities shall be elected from the sections in which they reside. Qualified voters resident outside first class cities may vote upon the candidacy of all the candidates, but candidates from each section run only against other candidates from the same section. The number of sections shall equal the number of assemblymen representing the area outside the first class city. No section may have a population which is less than one half that of any other section.

Article VII

Classification, Reclassification, Merger, Consolidation, Dissolution

Part I. Classification and Reclassification

Sec. 7.01. Classification. Organized boroughs incorporated under this Act are either first class or second class boroughs. The first class borough is a general law borough and the second class borough is an optional law borough. Original classification is determined by the petition for incorporation approved by the voters for incorporation. The unorganized borough established by this Act is unclassified. Unless clearly not applicable, the terms "borough" and "organized borough," as used in this Act, mean both a first class or second class organized borough.

Sec. 7.02. Reclassification. a. A first class borough may adopt or repeal a home rule charter in the manner prescribed by Ch. 196, SLA 1959, except that members of the charter commission shall be the same in number and the commission shall be apportioned the same as the borough assembly.

b. A second class borough may reclassify as a first class borough in the same manner provided by this Act for the addition of powers by a second class borough. Instead of specifying powers to be added, the petition shall request that the borough be reclassified as a first class

borough. Voting on reclassification as a first class borough is limited to the qualified voters residing outside cities within the boroughs.

Part 2. Merger and Consolidation

Sec. 7.11. Who May Petition. A petition for the merger or consolidation of two or more organized boroughs may be filed with the Local Affairs Agency if signed by qualified voters who are residents of each of the organized boroughs and are equal in number from each borough to at least 25 per cent of the qualified voters who voted in the last regular borough election.

Sec. 7.12. Form of Petition. The petition shall be in the form prescribed by the Local Affairs Agency and shall include, but is not limited to, the following information:

(1) The name and classification of each borough;

(2) The name and borough seat of the new borough;

(3) The proposed apportionment of the assembly;

(4) The classification of the proposed borough;

(5) Maps, documents, and other information which will tend to show that the new organized borough to be incorporated as a result of the proposed merger or consolidation meets the standards for incorporation.

Sec. 7.13. Review by Local Affairs Agency. Upon receipt of a petition for the merger or consolidation, the Local Affairs Agency shall immediately proceed with a review of the petition to determine (1) if the petition is substantially in the proper form, (2) if the petition is signed by the required number of qualified voters, (3) if the proposed apportionment meets the standard prescribed by law for the apportionment of the borough assembly, and (4) if the area of the proposed borough meets the standards prescribed by law for the incorporation of organized boroughs.

Sec. 7.14. Return of Petition. If the Local Affairs Agency determines that the petition is not substantially in the proper form or lacks the minimum number of qualified voters signing the petition, the

agency shall return the petition for correction or completion.

Sec. 7.15. Investigation. If the Local Affairs Agency determines that the petition is substantially in the proper form and contains the required number of qualified voters signing the petition, the agency shall conduct an investigation as to whether apportionment of the borough assembly and the proposed organized borough meets the standards prescribed by this Act. In investigating the proposed apportionment of the borough assembly, the agency shall use the latest figures of the United States Bureau of the Census. However, if the latest figures are considered inadequate by the agency because of population changes or limitations in the figures available, the agency may use any method necessary to most accurately determine actual population.

Sec. 7.16. Report to Local Boundary Commission. The Local Affairs Agency shall report the findings of its investigation to the Local Boundary Commission together with any recommendations it may have regarding the apportionment of the assembly and the merger or consolidation of the organized boroughs.

Sec. 7.17. Hearing by Local Boundary Commission. Upon receipt of the report from the Local Affairs Agency, the Local Boundary Commission shall hold a hearing in each organized borough included in the petition for the purpose of hearing public comment on the proposal for the apportionment of the borough assembly and the merger or consolidation of the organized boroughs.

Sec. 7.18. Determination by Local Boundary Commission. After considering the findings of the Local Affairs Agency and the comments at the public hearing, the Local Boundary Commission shall determine if the petition is to be granted. If the commission determines that the proposed merger or consolidation fails to meet the standards prescribed by this Act, the commission shall reject the petition. If the commission determines that the proposed merger or consolidation meets the standards prescribed by this Act, the commission shall accept the petition. If the Local Boundary Commission determines that the proposed merger or consolidation would meet the standards prescribed by this Act if changes were made in the

apportionment of the borough assembly, the commission may change the apportionment of the assembly and accept the petition.

Sec. 7.19. Election. The election on the proposed merger or consolidation shall be held in accordance with the provisions of Subsections a, b, c, d, f, g, and h of Sec. 2.12 of this Act.

Sec. 7.20. Assets, Liabilities of Merged or Consolidated Boroughs. When two or more boroughs merge or consolidate, a newly organized borough is incorporated. The newly organized borough succeeds to the rights, claims, assets, property, liens, debts, franchises and other contractual obligations, and other liabilities including but not limited to bonded and all other indebtedness, of the merged or consolidated boroughs.

Sec. 7.21. Ordinances. The ordinances of the former boroughs remain in force within their respective territories until the governing body of the newly incorporated borough enacts a code of ordinances for the government of the newly incorporated borough. The ordinances by the governing body of the newly organized borough supersede the ordinances of the former boroughs on the subject of the enactments.

Part 3. Dissolution

Sec. 7.41. Who May Petition. A petition for the dissolution of an organized borough may be filed with the Local Affairs Agency if signed by qualified voters who are residents of the organized borough and are equal in number to at least 25 per cent of the number of qualified voters who voted in the last regular borough election.

Sec. 7.42. Form of Petition. The petition shall be in the form prescribed by the Local Affairs Agency and shall include, but is not limited to, the following information:

(1) The name of the borough;

(2) Maps, documents, and other information which will tend to show that the organized borough meets the standards for dissolution prescribed in Sec. 7.43.

Sec. 7.43. Standards for Dissolution. A borough may dissolve when (1) it is free of debt, or if in debt, each of its creditors is satisfied with a method of repayment,

and (2) either it no longer meets the minimum standards prescribed by this Act, or it is not in the best interests of each and everyone of its residents, or its population is no longer willful in the duties arising out of its incorporation.

Sec. 7.44. Review by Agency. Upon receipt of a petition for dissolution of an organized borough, the Local Affairs Agency shall proceed with a review of the petition to determine (1) if the petition is in the proper form, (2) if it is signed by the required number of qualified voters, and (3) if the proposed borough meets the standards prescribed by law for the organized boroughs.

Sec. 7.45. Return of Petition. If the Local Affairs Agency determines the petition is not substantially in the proper form or lacks the minimum number of qualified voters signing the petition, the agency shall return the petition for correction or completion.

Sec. 7.46. Investigation. If the Local Affairs Agency determines the petition is substantially in the proper form and contains the required number of qualified voters signing the petition, the agency shall conduct an investigation as to whether the organized borough meets the standards prescribed by law for the organized boroughs.

Sec. 7.47. Report to Local Boundary Commission. The Local Affairs Agency shall report the findings of its investigation to the Local Boundary Commission together with any recommendations it may have regarding the dissolution of the organized borough.

Sec. 7.48. Hearing by Local Boundary Commission. Upon receipt of the report from the Local Affairs Agency, the Local Boundary Commission shall hold a hearing in the organized borough for the purpose of hearing public comment on the proposal for the dissolution of the organized borough.

Sec. 7.49. Determination by Local Boundary Commission. After considering the findings of the Local Affairs Agency and the comments at the public hearing, the Local Boundary Commission shall determine if the petition is to be granted. If the commission determines that the proposed dissolution

and (2) either it no longer meets the minimum standards prescribed for incorporation by this Act, or it ceases to use each and everyone of its powers, or its population is no longer willing to assume the duties arising out of incorporation.

Sec. 7.44. Review by Local Affairs Agency. Upon receipt of a petition for the dissolution of an organized borough, the Local Affairs Agency shall immediately proceed with a review of the petition to determine (1) if the petition is substantially in the proper form, (2) if the petition is signed by the required number of qualified voters, and (3) if the area of the proposed borough meets the standards prescribed by law for the dissolution of organized boroughs.

Sec. 7.45. Return of Petition. If the Local Affairs Agency determines that the petition is not substantially in the proper form or lacks the minimum number of qualified voters signing the petition, the agency shall return the petition for correction or completion.

Sec. 7.46. Investigation. If the Local Affairs Agency determines that the petition is substantially in the proper form and contains the required number of qualified voters signing the petition, the agency shall conduct an investigation as to whether the organized borough may dissolve under the standards prescribed by this Act.

Sec. 7.47. Report to Local Boundary Commission. The Local Affairs Agency shall report the findings of its investigation to the Local Boundary Commission, together with any recommendations it may have regarding the dissolution of the organized borough.

Sec. 7.48. Hearing by Local Boundary Commission. Upon receipt of the report from the Local Affairs Agency, the Local Boundary Commission shall hold a hearing in the organized borough for the purpose of hearing public comment on the proposal for the dissolution of the organized borough.

Sec. 7.49. Determination by Local Boundary Commission. After considering the findings of the Local Affairs Agency and the comments at the public hearing, the Local Boundary Commission shall determine if the petition is to be granted. If the commission determines that the

organized borough fails to meet the standards for dissolution prescribed by this Act, the commission shall refuse the petition. If the commission determines that the organized borough meets the standards prescribed by this Act, the commission shall accept the petition.

Sec. 7.50. Election. a. **Date of Election.** If the Local Boundary Commission accepts the petition, it shall immediately notify the secretary of state of its action and shall furnish him with such information on the dissolution as he requires. Within 30 days of the receipt of his notification, the secretary of state shall issue an order that an election be held within the organized borough to determine the question of whether the people of the proposed organized borough desire to dissolve. The date of the election specified by the secretary of state in the order shall be not less than 30 nor more than 90 days after the date of the order of election.

b. **Qualification of Voters.** Any person who is a qualified voter in Alaska and is a resident in the organized borough is qualified to vote in the election.

c. **Administration of Election.** The secretary of state shall supervise the administration of the election in the general manner as prescribed by the Alaska Election Code including, but not limited to, the establishment of precinct boundaries and polling places, appointment of election officials, preparation of ballots and other election materials and supplies, the giving of public notice, certifying of election expenses, the count, canvass and certification of returns, and the establishment of procedures for voting absentee, the use of voting machines, and election recounts.

d. **Certification.** If the majority of votes cast on the question are not for dissolution, the secretary of state shall so certify and the proposal defeated. If the majority of votes cast on the question are for dissolution, the secretary of state shall so certify and the certification shall declare that the area in which the election was held is dissolved as an organized borough and municipal corporation.

Sec. 7.51. Immediate Dissolution. A borough is dissolved whenever its entire territory becomes included within a city or cities.

Sec. 7.52. Succession. Upon dissolution, all property and debts owing to the bor-

ough becomes the property of the govern-
ments succeeding it.

Article VIII

Formal Provisions

Sec. 8.01. Adopted Laws. Statutes and

general laws adopted by reference by this
Act are adopted as they now exist and as
they may be amended hereafter.

Sec. 8.02. Effective Date. This Act
takes effect October 1, 1961.

Approved May 1, 1961

CHAPTER 147

AN ACT

Appropriating from the general fund, from special accounts in the general fund, from federal transitional grants in the general fund, from the water and harbor facilities fund and from certain other special funds of the state for operating and capital expenses beginning July 1, 1961; and providing for an effective date.

(C.S.H.B. 42)

Be it enacted by the Legislature of the
State of Alaska:

Section 1. The sum of \$55,734,040 is

appropriated from the following state funds
for the period beginning July 1, 1961, to
be apportioned according to the schedules
in Secs. 2 and 3 of this Act:

General Fund	\$41,751,639
Federal Transitional Grants	6,612,285
Highway Fuel Tax Account	3,283,434
Equipment Working Capital Fund	1,744,900
Aviation Fuel Tax Account	746,067
Fish and Game Fund	572,751
Water and Harbor Facilities Fund	543,000
Cigarette Tax Fund	195,000
World War II Veterans Revolving Fund	112,566
Public Employees' Retirement Fund	39,710
Teachers' Retirement Fund	29,300
Oil and Gas Conservation Fund	25,000
Radio-Telephone Fund	20,673
Agricultural Revolving Loan Fund	17,220
Social Security Administration Fund	11,995
Sick and Disabled Fishermen's Fund	7,000
Boiler Fund	6,500
Second Injury Fund	15,000

Sec. 2. The following appropriations are made for operating expenditures for the fiscal year beginning July 1, 1961, and ending June 30, 1962:

Office of the Governor

General Administration	\$ 158,374
Governor's Mansion	31,833
Division of State Planning	35,000
Arthur B. Little Company	20,000
State Development Bank; to be reimbursed to the general fund at such time as the surplus of the bank makes reimbursement feasible.	25,000
Western Interstate Commission for Higher Education	39,200
Council of State Governments	2,500
Reapportionment Board	10,000

Contingency Fund
Secretary of State
General Administration
Administrative Process

Total, Secretary of State

Local Affairs Agency
Local Government (3
17)
Boundary Commission

Total, Local Affairs Agency

Rural Development, D
Projects
Pioneers' Home
General Administration
Maintenance and Op

Total, Pioneers' Home
Total, Office of the Governor

Departmental Operation
Personal Services
Travel
Contractual Services
Commodities
Equipment

Total, Departmental Operation

Personnel Board
FICA Administration (St
Retired Employees' Bene
Terminal Leave

Total, Department of Administration

Public Employees' Retirement
Retirement Board
Personal Services
Travel
Contractual Services
Commodities
Equipment

Total, Public Employees'
Public Employees' Retirement

Teachers' Retirement Administration
Personal Services
Travel
Contractual Services
Commodities
Equipment

Total, Teachers' Retirement
Retirement Fund
Social Security Administration
Personal Services

MANDATORY BOROUGH ACT (Chapter 52, SLA 1963) (CSHB 90)

This bill provided for the establishment of first or second class boroughs in the more populous election districts of the state as they then existed:

Ketchikan (except Annette Island Reservation), Sitka, Juneau, Anchorage, Fairbanks, Palmer-Wasilla-Talkeetna (Matanuska-Susitna), Kenai-Cook Inlet and Seward (Kenai Peninsula), Kodiak.

These were to be exclusive of certain designated military reservations from the boroughs to be formed until the designated military areas lost their reservation character. The legislation further provided that, if an area designated failed to incorporate as a borough government by local option before January 1, 1964, on that date a borough government (first or second class, at municipal option) would be incorporated. Codified sections of the legislation provided for the integration into the boroughs established the then-existing special service districts, and amended statutes relating to the adjustment of borough boundaries.

Form of regional government authorized:

First and second class general law boroughs.

Manner of organization:

Mandatory incorporation (unless area residents earlier exercised optional incorporation authority).

Fiscal incentives and implications:

Transitional assistance in the nature of land grants (ten per cent of the vacant, unappropriated, unreserved state land) and organizational grants (ten dollars for every qualified voter within the borough who voted in the last general election, with a minimum of \$25,000, "for the purpose of defraying the cost of transition to borough government and in order to provide for development and interim governmental operation.")

SENATE BILL 101 (1969) "...establishing more than one unorganized borough and providing for their administration."

Offered by Governor Keith Miller, this bill was meant to establish a framework to local participation by establishing six unorganized boroughs: Northwestern; Western; Interior; Southwestern; Southcentral; Southeastern. Residents of each unorganized borough were to be represented on elected five member advisory boards "to give advice and counsel to the executive and legislative branches," with the board given the following additional powers:

- (1) make recommendations regarding exercise of local planning and proposal for projects;
- (2) make studies and recommendations regarding the establishment of unorganized borough service areas;
- (3) make recommendations concerning necessary legislation;
- (4) study transportation, housing, public services, "and any other matters which are relevant to planning within the unorganized borough;" and
- (5) prepare and submit suggested budgets for service areas.

In the exercise of these responsibilities, a board could receive and expend funds, but the levy of taxes "necessary to finance services" was left to the legislature. The local affairs agency was specifically designated the executive for these unorganized boroughs and, in that respect, enjoyed authority to aid the unorganized borough boards, administer state laws enacted by the legislature for the benefit of the unorganized borough, supervise the levy and collection of taxes imposed by the legislature, and recommend legislative establishment of one or more service areas within each unorganized borough.

Form of regional government authorized:

None; unorganized boroughs, and service area within unorganized boroughs, were authorized.

Manner of organization:

Directive as to the number of unorganized boroughs; discretionary with the Legislative Affairs Agency as to the subsequent establishment of service areas.

Fiscal incentives and implications:

Authority was retained by the legislature to levy service area taxes, with the local affairs agency authorized to collect any taxes which were levied; the unorganized borough boards were granted authority to receive and expend funds.

HOUSE BILL 738 (1970)

The bill, as introduced, provided for the establishment of a Department of Regional and Community Affairs. In addition, it would have required that department to "draw tentative boundaries dividing all areas of the state which are not within the boundaries of an organized borough into proposed regional unorganized boroughs." The boundaries proposed would become effective unless challenged by the petition of 25% of the registered voters within a tentative regional unorganized borough. A regional-borough would be proposed to the voters at the first statewide election following final determination of boundaries; a proposed regional borough might be rejected, but could be proposed again at a later date upon presentation of a subsequent petition signed by ten per cent of the number of those who voted in the last election on the question. A regional borough, once established, would be supervised by an elected regional council, whose members would be required to

- (1) prepare and submit or review and approve a budget for the regional borough;

- (2) "review and approved all state agency plans which effect the development and welfare of the borough;"

- (3) coordinate state and federal activities with regional and local programs; and

- (4) prioritize the needs of borough residents.

A Regional and Community Affairs Fund was established, to which was to be appropriated 40% of revenues derived from the sale, lease or disposition of a "natural resource or assets." The fund was to serve as the basis of shared revenue distributions to then existing organized boroughs, to regional boroughs authorized under the bill, and to regional unorganized boroughs.

The bill authorized regional councils supervising regional unorganized boroughs to provide for service areas for the

administration of all functions except the power to assess, levv, or collect taxes.

Form of regional government authorized:

Regional unorganized boroughs, as a prerequisite to so called regional boroughs; service areas authorized within regional unorganized boroughs.

Manner of organization:

Boundary determinations for regional unorganized boroughs were mandatory; the first election for the establishment of a regional borough was also mandatory, but subsequent action seeking incorporation of regional boroughs required submission of a petition from area voters.

Fiscal incentives and implications:

A Regional and Community Affairs Fund was established as a source of shared revenues for borough governments and for regional unorganized boroughs (with a ten per cent reserve for cities of the unorganized borough), to be distributed on the basis of population ratio and income deficiency. No fiscal estimate was provided.

Regional unorganized boroughs might exercise land selection rights (ten per cent of vacant, unappropriated, unreserved land) in the manner provided for organized boroughs.

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HOUSE BILL 161 (1971)

Offered at the request of Governor William A. Egan, this bill would have established service areas in the unorganized borough, prescribing their structure and describing their functions. Authority was given to the director of the local affairs agency to establish, alter and abolish unorganized borough service areas in accordance with standards which he developed. Once established, the service areas would be controlled and directed by Regional Service Area Commissions, appointed or elected. The principal responsibilities of the Regional Service Area Commissions were to be advisory, but authority was given for the commissions to receive and expend financial assistance, to undertake sponsorship of economic and social projects, to participate with other entities in activities in support of the economic or social development of the region, and to "develop and implement plans under which the regional service area may assume the status of an organized borough when deemed appropriate by the inhabitants of the area."

Form of regional government authorized:

None; service areas of the unorganized borough were authorized.

Manner of organization:

Discretionary with the director of the local affairs agency.

Fiscal incentives and implications:

No authority was granted to a service area to raise revenues within the region; presumably state grants would be made available for purposes of organization operation and provision of state services.

HOUSE BILL 202 (1977) and HOUSE BILL 9 (1979)

These are a pair of bills, substantially similar, intended to levy a tax on developed lands within the state's unorganized borough. The tax, to be levied on the "full and true value" of taxable real property located in the unorganized borough, would not affect:

- (1) property within home rule and first class cities of the unorganized borough;
- (2) unimproved lands;
- (3) real property which is exempt by state law from taxation under AS 29;
- (4) real property for which a city may grant an exemption; and
- (5) real property covered by the oil and gas property tax and real property covered by the oil and gas reserves ad valorem tax.

Under each bill, the mill rate would be set on an annual basis, to be levied as an amount which is equal to the mill rates levied by the state's organized boroughs on the preceding January 1st for the support of their respective school district functions.

The remaining provisions -- generally sections 130-190 -- describe the means of assessment, equalization, collection and enforcement, dividing the responsibility for these functions between the Departments of Community and Regional Affairs and Revenue. In order to isolate the costs associated with the unorganized borough property tax levy, and in order to assure the gathering of accurate information about program receipts, specific provision is made for separate budgets for this program and for separate annual reports. Finally, by section 220, as an incentive to unorganized borough incorporation, there is to be granted to an area incorporating as a municipality all of the tax proceeds collected by this act during the year of incorporation.

Form of regional government authorized:

None.

Manner of organization:

Not applicable.

Fiscal incentives and implications:

The levy of a millage rate, the proceeds of which are to be deposited into the state's General Fund for partially off-set of state funded educational costs, would constitute the first general property tax levy in the unorganized borough. The tax would necessarily fall on improved commercial property, for there is not a doubt in my mind that within the first fiscal year second class cities would take advantage of the optional tax exemptions to establish residential exemptions.

There is a very good likelihood that enactment of the legislation in substantially the form that its been offered would generate litigation regarding the extent of the exemption allowed native restricted deed property in the unorganized borough. This is a subject that should be looked at with some care, perhaps reviewing the matter with officials of the North Slope Borough to determine whether levy and collection of that borough's property tax against restricted deed properties resulted in litigation or other problems.

HOUSE BILLS 596, 597 AND 598 (1972)

Companion bills were introduced by Governor William A. Egan, and were intended to provide comprehensive legislation addressing the organizational and financial aspects of local self government.

House Bill 596 directed the Local Boundary Commission to divide the state into unorganized boroughs, the boundaries suggested by the commission to become effective unless the legislature disapproved them. Specifically withheld from the legislature was the right to alter the boundaries recommended by the Boundary Commission. Thereafter, the voters within each unit established as an unorganized borough would choose an eleven member council to "participate in an advisory capacity in the development and implementation of state programs and projects relating to that borough." An unorganized borough could, with Local Boundary Commission concurrence, adopt a home rule charter to govern the affairs of the unit.

House Bill 597 proposed a levy and collection of a fifteen mill tax on real and personal property on a statewide basis. Exempted from the tax were, among other items, real and personal property in the nature of a residential exemption of a value of fifty thousand dollars, and all unimproved property, while a credit was given to property tax payers for the taxes which they paid to a city or borough. A local effort exclusion eliminated the need for a taxpayer to file a municipal return if local tax revenues exceeded revenues which would be raised by the tax proposed in the house bill. While assessment and collection followed then applicable provisions of law for the collection of taxes within the cities, property assessment in the unorganized borough for purposes of the tax was made the responsibility of the state assessor, and provision was made for a statewide assessment review board to handle appeals. Tax proceeds, collected by the Department of Revenue, were to be deposited into the General Fund, but provision was made for the return of revenues to unorganized borough units for operations on a direct basis and, for "essential services," on an alternate basis using an index which combined unorganized borough unit fiscal capacity and population ratios.

As offered, House Bill 598 levied a twenty mill property tax on the full and true value on all taxable real and personal property employed "in the exploration for and transportation of unrefined oil and gas" except property which was actually subject to a borough or city levy. Additional tax exemptions authorized included

- (1) producing oil and gas leases;
- (2) machinery, appliances and equipment "actually used in the operation of a well;" and
- (3) oil and gas for which a gross production (i.e., severance) tax was paid.

The entire proceeds of the tax, deposited into the General Fund, were to be available for distribution to municipalities and unorganized borough units under a distribution index which took into account the unit's

- (1) population;
- (2) cost of service index; and
- (3) fiscal capacity.

The comments of a principal draftsman of House Bill 598 are appropriate:

"The rationale for the state tax as the exclusive tax on the oil pipeline was that such property provides immense taxable value to certain areas without regard to the level of services required in those areas. It was believed that the revenue anticipated from taxation of oil and gas pipelines is properly considered a state resource rather than the exclusive property of the area where the property happens to be located. At the same time, it was also felt that this revenue, like other property tax revenue, should be used for the benefit of local governments. Accordingly, the revenue from the state oil and gas pipeline tax would be distributed to all local government units, including cities, organized boroughs and unorganized boroughs, in accordance with a formula similar to that which governs distribution of the general property tax revenue under House Bill 597."

Form of regional government authorized:

Unorganized borough units each of which would have authority to adopt home rule charters. (House Bill 596)

Manner of organization:

Mandatory formation of unorganized borough units. (House Bill 596)

Fiscal incentives and implications:

Extension of the property tax levy on a statewide basis (House Bill 597), with the levy of a premium rate on certain real and personal property of companies engaged in oil and gas activities (House Bill 598), was, even with the credits and exemptions allowed, expected to be sufficient to meet revenue sharing demands built into the two bills. The sharing of general property tax revenue, involving as it did the population and fiscal capacity factors, represented the first realistic effort by an administration to propose to the legislature tentative solutions addressing the real disparities in the abilities of local government units and erstwhile local government units to generate revenues for local services from community and regional sources, traditionally the focus of property taxation efforts. The major source of shared revenue under the governor's legislative package was, of course, to be the twenty mill tax on pipeline property; by the time that legislation escaped the House, however, the sharing scheme had been converted into one based on economic impact - real or imagined - utterly non-conducive to providing revenues on a sustained basis to meet the costs of public services at the local level. The legislation died, unmourned, in the Senate Finance Committee, and in its absence, there was no interest expressed in the enactment of any other legislation of the administration's package.*

* The record shows that only House Bill 598 received extended legislative consideration:

CSHB 598 (Local Government Committee): Clarified the applicability of the tax on property which was employed in the construction of a taxable facility.

CSHB 598 (Fin) (Finance Committee): Authorized local governments to levy up to twenty mills on not more than ten percent of property subject to the state property tax, and altered the revenue sharing scheme to one of "impact distribution."

SCS CSHB 598 (Local Government Committee): Exempted from the state property tax pipelines of less than 21 inches diameter.

HOUSE BILL 122 (1973)

The bill, if enacted, would have required the Department of Community and Regional Affairs to provide boundary descriptions corresponding to the boundaries of the twelve geographic areas described by the Alaska Native Claims Settlement Act. Thereafter, if, before January 1, 1977, no borough had been formed within each of the districts described by the department, on that date a second class borough would have been incorporated. The bill made provision for elections to determine the initial powers which the second class boroughs would enjoy and for the choice of the initial borough officers.

Form of regional government authorized:

Second class boroughs

Manner of organization:

Mandatory, in accordance with the provisions of the legislation and in accordance with provisions of then applicable general law.

Fiscal incentives and implications:

No incentives; the bill specifically denied to "boroughs incorporated by this act" the benefits of the then applicable ten percent land selection authorization.

SENATE BILL 122 (1973)

The predecessor of legislation eventually enacted in 1975 to provide for the decentralization of responsibility for the operation of public schools, this bill provided for the establishment of educational service areas in the unorganized borough. The initial division of the unorganized borough into educational service areas was made the responsibility of the state Board of Education, acting on the recommendation of the State Department of Education. Provision was also made for the election of school boards for each of the service areas to be established, each school board to have substantially the powers and duties of city and borough school district boards. Correlative amendments to numbers of sections in Title 14 in order to recognize the educational services which were proposed.*

Form of local government authorized:

None

Manner of organization:

Mandatory formation of educational service areas.

Fiscal incentives and implications:

Full state funding of the basic costs of educational services to be provided; no authorization to generate and expend revenues from local sources.

* The bill was revised substantially by several legislative committees and eventually emerged as a House-amended House Committee Substitute by authority of which schools on military reservations might be operated by an adjacent city or borough school district under contract with the Department of Education. See Ch. 72, SLA 1974.

HOUSE BILL 291 (1973)

This legislation is quite similar to Governor Egan's 1972 bill, but names the entities to be established "unorganized borough districts," modifies the local hearing requirements with respect to the drawing of the boundaries of these districts, and requires affirmative legislative approval of the proposed boundaries rather than mere "non-disapproval" as Governor Egan's bill proposed.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

THE LACK OF OFFICIALLY RECOGNIZED REGIONAL BOUNDARIES IN THE UNORGANIZED BOROUGH HAS CREATED A SITUATION ^{to present this which} WHEREBY ANY FORM OF LOCAL OR REGIONAL GOVERNANCE CANNOT FULLY SERVE ITS INTENDED PURPOSE. IN REACTION TO THIS VOID, NUMEROUS ENTITIES AT THE REGIONAL AND LOCAL LEVEL HAVE BEEN CREATED TO DELIVER SERVICES AND PROVIDE LOCAL CONTROL. (WITH THIS PROLIFERATION OF LOCAL AND REGIONAL ORGANIZATIONS NOT RELATED IN ANY LOGICAL MANNER, CONFUSION AND FRUSTRATION HAS RESULTED IN DEALING WITH THE MYRID OF FEDERAL AND STATE PROGRAMS AND SERVICES.) ^{WELL DEFINED SYSTEM,} LOCAL VILLAGES AND SMALL COMMUNITIES ARE OVERWHELMED BY STATE AND FEDERAL PROGRAM ^{and governmental} AND SERVICES DELIVERERS ^{providing by} PROVIDING UNCOORDINATED AND UNPLANNED SOLUTIONS TO LOCAL PROBLEMS AND NEEDS. CONVERSLY STATE AND FEDERAL AGENCIES FIND IT DIFFICULT TO ^{identify} FIND A FOCAL POINT TO RELATE IN THE PLANNING AND DELIVERY OF SERVICES. LOCAL AND REGIONAL ENTITIES IN THE UNORGANIZED WANT TO HAVE LOCAL ^{control} CONTROL AND BE RECOGNIZED (OFFICIALLY) BUT ^{hard} THE STATE HAS NOT ADDRESSED THIS ^{essential recognition} IMPORTANT ISSUE.

- * Lack of officially recognized regional boundaries as an instrument through which people can provide for themselves a measure of local control.
- * Need for comprehensive planning in rural Alaska--the type of planning which would be long-term rather than provided on a confrontation basis. Planning was seen as a total process including the identification of social, economic, physical needs and the development of solutions for dealing with these needs.
- * Service area approach to planning was discussed. Reference was made to the Third Class Borough amendments of 1971 which provide that planning, platting, and zoning can be provided on a service area basis. There was a concern expressed that fragmentation would result from this approach.
- * Need for a coordinated approach to service delivery. There is an array of programs presently administered in an uncoordinated manner. The multitudinous/separate efforts contribute to the inability of the villages to digest all the "bits and pieces". What system can be developed to make sense out of all the services being funded by the State and Federal governments as well as the non-profit associations?
- * Rural Alaska is not underorganized but rather overorganized. There must be recognition of the different systems which are already in place there.
- * There is no vehicle in place for communicating with the State. Villagers don't know who to go to. People don't know what is available. Whatever structure is developed must serve the general public, that is, all the people.
Urban solutions don't always work. The solution processes (urban/rural) are different.
- * Cost effectiveness should be considered in the consideration in the creation of a vehicle.
- * Southeastern Alaska has to be dealt with differently. The ~~large~~ ~~multitudinous~~ ~~governmental~~ ~~units~~ were mentioned along with the concomitant "turf problems" created by these coexisting units.

A-2



PROBLEM...ISSUES



HOME RULE CONCEPT

No adequate articulation in relationship of cities and boroughs.

Urban solutions don't always work. The solution processes (urban/rural) are different.

A-3

a. problems...issues -----FINANCING AND SERVICE

PROBLEMS RELATED TO FINANCING AND SERVICE DELIVERY

- * There is no consensus on "financial equity" as it relates to the redistribution of revenue from Alaska's resources.
- * Individual as well as village survival is an issue in rural Alaska.
- * Organized municipalities are often resistant to the idea of serving as program deliverers.
- * There is a lack of training in the basic skills necessary to operate government on a local level and insufficient funding to provide the needed training. It is the policy of the Dept. of Community and Regional Affairs to provide assistance upon request.
- * Rural areas often lack even the minimum amount of money needed for local match of state and federal dollars related to program and service delivery.

There is a critical situation in the rural areas ~~connected~~ related to the energy situation. Water availability and quality is an issue. The ability of small communities to support and maintain the operation of ~~electrical~~ facilities and waste treatment plants is ~~also~~ becoming questionable. Unemployment is a major and ongoing problem in rural Alaska.

The vast economic potential of the state relates to the existence of natural resources which are unevenly located throughout the state. The development of regional government is most likely to take place in an area which can capitalize on the existence of such natural resources. However, economic development doesn't always bring benefits to the people who live where the resources are. People are often not aware of the potential which exists.

The question of regional government must be viewed in relation to the whole issue of funding for such government and the role of

The location of natural resources is a key in the viability of local government

A-4

PROBLEMS...ISSUES

OTHER

- * The state should recognize the power of the Indian Reorganization Act Councils to deal with their own problems. The general resurgence of the IRAs was noted.
- * The community land entitlement provided for in the provisions of the Alaska Native Claims Settlement Act (14 (c) (3)) provides that the Village Corporations convey to a municipality, or to the State in trust for a municipality, title to no less than 1,280 acres. This is seen as a problem when no recognized municipalities exist in many areas.
- * The Local Government Study project is limited by time and money. The whole effort wh should be put in proper perspective in terms of time.
- * What is the stat's definition of self determination?
- * Regional Corporations are not recognized by the State. The State and the Natives need to get together.
- * Racial backlash is a problem.
- * The relationship between cities and boroughs is a problem if considering the creation of subdistricts. A new definition is needed for "class of city"--this could be a subregional district.

B-1

DIRECTIONS...IDEAS

CREATION OF UNORGANIZED BOROUGHES

- * Establish unorganized boroughs. Mandate a division. SB 35 could be used as a model of boundary selection process.
- * Use REAA boundaries for discussion purposes and then remove, rather than add to these lines. There was a concern that the REAA boundaries might be too small. Regional Corporation boundaries were also considered.
- * In the discussion of boundary selection, some problems were identified with existing borough boundaries and the point was made that perhaps one should begin with a clean slate in proposing boundaries. There were expressed concerns that altering the existing borough boundaries would be politically unworkable.
- * A role for the Local Boundary Commission was seen in the creation of boundaries and in the process for determining suitable boundaries for unorganized boroughs.
- * Data base is necessary if you want to organize areas.
- * There should be a distinction between delivery and financing of services. Is new unit just a funnel? REAAs are deliverers which don't "provide". Make this distinction between "deliverers" and "providers".
- * Examine decentralization of state government and services. REAAs are example of this. Functional decentralization possible. There must be public services coordination. Local government could scoop up state powers re service delivery.
- * "Platting and zoning" should be eliminated from the definition of planning. Planning could be a single service entity like education.
- * Suggestion was made to use the boundaries proposed by the Tanana Chiefs Conference for planning purposes in the Doyon Region. There was a concern with a lack of coordination unless this type of effort was incorporated into an ongoing effort. A concept for unified service delivery is necessary.
- * ~~Dec. suggested~~ Proposed format for proceeding:
 1. Petition for self government from designated area
 2. CRA would provide technical assistance during second phase (identify resources, develop data base, etc.)
 3. Maximization of self-government statement
 4. Socio-economic impact statement (would take into consideration existing units, people, ..respond to impact)
 5. Proposal for self government

B-2

~~A~~ DIRECTIONS...IDEAS

~~WJ~~ HOME RULE CONCEPT

* There is a need for flexibility in the powers exercised by any unit formed in the unorganized borough. Home rule can be used to develop a charter which is more restrictive as well as more powerful than general law.

* A "mini Constitutional Convention" could be held for each area at which a home rule charter, keyed to the needs of each region, could be developed.

* A basic statement of purpose related to the home rule concept should be developed.

*Traditional councils have representation method which takes into account each village. Village recognition should be given in voting method. Perhaps this could be done in the development of a home rule charter. ("weighted vote" eliminated with passage of SB 137 (1979))

B-3

DIRECTIONS... IDEAS

FINANCING AND SERVICE DELIVERY

*When considering fiscal equity, "Molly Hootch" could be related to "whole state" responsibilities. Questions to be considered:

1. What are essential state services?
2. Should any local effort be required in the provision of essential services?
3. What standards of democratic access to policy control should be operative?

*Identification of the services for which a basic minimum level of service should be available to all residents of the state include:

1. Education
2. Public Safety (fire, police, justice)
3. Public Assistance
4. Health / Sanitation

(Planners)

* A Foundation approach to funding the four basic identified services was discussed.

* Does the notion of a local match, even "in kind" contributions, have to be considered a basic element in the development of a fiscal program?

*In reference to revenue sharing, the following points were made:

1. Revenue sharing should redistribute the profits of locally raised revenues
2. A need/income formula could be worked out.
3. A need assessment rather than per capita basis for sharing should be developed.
4. Existing law contemplates sharing money. It is earmarking that is the problem.
5. Everyone doesn't participate in revenue sharing.
6. Residents of impoverished areas will resist sharing the benefits of locally-derived resource revenues.
7. The state could allocate money by regions if they were established statewide.

* Look to the reallocation of "old money". Take on the bureaucracy. There are dollars which have been appropriated for service functions. The unification and efforts and decentralization of existing funds is the key. Provide for the utilization of these existing dollars in the local rather than state delivery system. It will be difficult to have "new money" appropriated for service delivery.

* Consider the impact of CETA which functions like local government as an employer in rural Alaska. The reduction of federal funding for CETA programs is a possibility which & even elimination of raises very serious problems.

* Avenues other than property taxation should be explored in relation to the financing of local government. Business or resource taxation might justify assessment in the unorganized borough. The economic infrastructure of villages needs to be looked at. Money is not all that is included in this. Any assessment and collection of data must be done carefully. But, don't start out with assessing on your mind. It is politically unworkable.

B-3

*A more economical and efficient method of providing services might be effected through intergovernmental contracting. More local control could be guaranteed through a contracting approach. Presently, there is a lack of standards and procedures for contracting. Also, the concept is often politically difficult to advance with resistance coming from the legislature (which wants to "bring home the bacon") and from the executive branch where the bureaucracy feels a threat to the existing manner of operating.

*Delivery of services should be racially neutral.

B-4

~~PRINCIPLES~~... DIRECTIONS... IDEAS

~~OTHER~~

Legislature is constitutional empowered to serve as the Assembly for the Unorganized borough and hasn't really acting in this capacity. Identify what the legislature can do in this role.

What does self determination mean? Explore the concepts embodied in the Indian Self Determination Act as an approach. Perhaps an Alaskan Community and Regional Self Determination Act could be developed. Review the concept of Indian Self Determination to see if it is applicable.

What will happen to the consideration of local government problems when the Local Government Study is completed.? There should be provision for the ongoing consideration of local government problems.

Perhaps there should be an advisory committee to the C_{RA} Committees on..

A resolution should be passed which makes it public policy that it is in the interest of the State of Alaska that villages exist.

Villages should be recognized by the state. Is there a legal problem with recognition of villages? What are the issues related to "recognition"? It would mean different things in different regions. One of the main problems is that the ANILCA ANSCA provides that the municipal land entitlement be conveyed through recognized municipalities (14 (C) (3) Could non-profit corporations act as trustees for the land entitlement? There is really no difficulty with technical recognition of "villages". You could call third class cities "villages" rather "villages" third class cities. and then use this as the mechanism to convey land.

Look at the IRA s for positive and negative impacts. If state can't perform services, or receive money for a particular purpose, IRA councils should be able to do so. The Monitoring function of the IRA Councils should be recognized by the state.

8/8/79

RECOMMENDATIONS FOR ACTION PROGRAM

1. ESTABLISHMENT OF UNORGANIZED BOROUGHs

A. BOUNDARIES

1. DELINEATION
2. FORMALIZATION (ESTABLISHMENT)
3. FOLLOW-UP ADJUSTMENT BY LOCAL BOUNDARY COMMISSION

B. COUNCILS (ADVISORY)

1. APPORTIONMENT
2. ELECTION

C. FUNCTIONS AND AUTHORITY

1. PLANNING
2. COORDINATION AND REVIEW
3. RELATIONSHIP TO REAA's & COASTAL RESOURCE SERVICE AREAS

D. STEPS TOWARDS ORGANIZED STATUS

2. HOME RULE/ORGANIZED BOROUGH

A. EXTENDED HOME RULE

(provision to move directly from unorganized status)

1. PROVISION FOR CHARTER PROCESS

B. ELIMINATION OF DISINCENTIVES TO ORGANIZATION

1. PROPERTY TAX, ZONING LAND SELECTION, ETC.

C. EXTENSION OF HOME RULE CONCEPT TO EXISTING GOVERNMENTS

3. LOCAL GOVERNMENT FINANCING AND SERVICE

A. REVENUE SHARING

B. FOUNDATION PLAN FOR HEALTH, PUBLIC ASSISTANCE, PUBLIC SAFETY, EDUCATION

C. INTERGOVERNMENTAL CONTRACTING

D. FINANCIAL NEEDS (CETA)

E. TRAINING AND TECHNICAL ASSISTANCE

F. FINANCING OF EDUCATION

4. OTHER

A. MUNICIPAL TRUST LANDS 14(C) 3

B. RECOGNITION OF VILLAGES

1. THIRD CLASS CITIES

PROBLEMS OF RURAL ORGANIZATION AND SERVICE DELIVERYExisting Unorganized Borough Is Inadequate

amorphous
 Most of rural Alaska is characterized by lack of adequate governmental services and by absence of appropriate vehicles for meeting local and regional needs. The existing single unorganized borough consists of those parts of the state left over after other areas became organized. It is not a region, it is but an "amorphous mass". As a result, the present unorganized borough does not provide any basis for the delivery of state services or for fostering of local self-determination.

Constitution Provides For Regional Unorganized Boroughs

Alaska's constitution contemplates establishment of separate unorganized boroughs that relate to local realities and give the people a chance to participate--at the very least on an advisory basis--in the decision making process. This requires delineation of regions that make geographic sense and to which the people in various parts of the state can relate.

Existing Organizations Are Not Adequate For Provision Of Public Services

Lack of officially recognized regional boundaries has created a situation in which numerous entities (such as Native corporations and regional non-profit organizations) having no official links to state government, are called upon and attempt to deliver services and provide local and regional control. Confusion and frustration have resulted from the proliferation of these entities. Villages and small communities are overwhelmed by state, federal, and quasi-governmental programs and service deliverers, providing uncoordinated and unplanned solutions to local problems and needs. There is no coordinated approach to service delivery. Instead there is an array of programs administered in an uncoordinated manner. These multitudinous separate efforts contribute to the inability of villages to digest all the "bits and pieces". Villagers do not know who to go to and do not know what is available in terms of services and programs.

A-1 (continued)

Decentralization Of BIA Service Delivery

The special relationship between the Alaska Natives and the federal government is a factor with widespread implications. The decision by Bureau of Indian Affairs to decentralize service delivery by utilizing the Native non-profit associations as the vehicles for such service delivery has contributed to the proliferation of service deliverers but has also allowed for more "regional control" of the programs being offered.

IRA Councils

There has been a general resurgence in the creation of Indian Reorganization Act Councils in some areas. These federally recognized and sponsored structures (IRA) play an active role in the economic activities of the villages and often decide who will provide the contracted services for their community.

Absence Of Regional Vehicles To Serve General Public

While the Native non-profit associations often contract with the federal government to provide services for Alaska Natives, there is an absence of regional instrumentalities for serving the needs of the general public and for providing for local control by the general public. Second class cities have met this need on a local level in the small populated areas and often co-exist with IRA Councils as well as traditional tribal councils, but there are no regional general government instrumentalities. The only public regional entities are those legislatively mandated as service areas for specific purposes: Regional Educational Attendance Areas (REAA's) created in 1975 as the mechanism through which the Legislature delegates to regional school boards the authority to operate the public schools, and Coastal Resource Service Areas authorized by the Alaska Coastal Management Act of 1977 to plan for coastal areas.

Village Land Reconveyance Under ANCSA

The fact that villages are not recognized as "municipalities" for the land entitlement provided by the Alaska Native Claims Settlement Act (ANCSA) is seen as a problem. ANCSA Section 14(c)(3) provides that the village corporations

A-1 (continued)

convey to any municipality in the native village, or to the state in trust for any municipality established in a Native village in the future, title to no less than 1,280 acres for community expansion, appropriate rights-of-way for public use and other community needs. It has been suggested that a "village" be constituted as a third class city to deal with this specific problem.

Difficulties Of Regional Planning In Rural Regions

A major problem resulting from the lack of officially recognized regional boundaries has been the inability of the state to provide for comprehensive planning in rural Alaska--the type of planning which would be both long-range and short-term, providing an alternative to dealing with each problem on a confrontation basis. This planning should be a total process, including the identification of social, economic and physical needs, and the development of solutions, for dealing with these needs. A service area approach to planning would encourage fragmentation and still not adequately meet the planning needs of rural Alaska. Planning should be a general government function.

Lack Of Regional Coordination By State

Fragmentation of service delivery also results from the proliferation of district boundaries used by governmental agencies for both administrative and service delivery functions. In a study prepared by the state Division of Policy Development Planning (Dec. 1976), these overlapping jurisdictional boundaries were depicted as confusing road-blocks to the efficient delivery of services to citizens.

Specific recommendations for the creation of into the study.

However, the study recommendations were never implemented.

IDEAS FOR REGIONALIZING GOVERNMENT AND COORDINATING SERVICES

A Series Of Regional Boroughs Should Be Established

Unorganized boroughs should be established with REAA boundaries serving as a basis for borough boundaries--that is, they could function as building blocks for the unorganized boroughs which might consist of two or more REAAs. Insofar as possible, unorganized borough boundaries should conform to those of Native regional corporations established under ANCSA.

Process Should Involve People In Regions

Determinations as to boundaries and combining REAAs could be made by the Department of Community and Regional Affairs using standards now applicable to boroughs and REAAs. The process should be akin to that followed in establishment of REAAs and Coastal Resource Service Areas. Basic information on and a thorough understanding of what exists in rural Alaska is necessary for the creation of regional unorganized boroughs. People in the regions should be involved in boundary decisions.

Existing Borough Boundaries To Remain

The initial drawing of unorganized borough boundaries should not involve changing boundaries of existing boroughs. That may, however, result in some boundary and jurisdictional problems. After unorganized boroughs are delineated and established, the Local Boundary Commission might undertake a review of all boundaries and use conventional procedures to initiate any needed changes.

Decentralization And Coordination Of State Programs

The creation of unorganized boroughs can provide a framework for the decentralization and regionalization of state government services in addition to education. Such functional decentralization would assist in coordination of programs and bring about greater efficiency. As appropriate, regional and local governments could assist in planning, coordinating, and implementing state programs.

DELINEATION OF REGIONS AND ESTABLISHMENT OF UNORGANIZED BOROUGHsRegional Boundaries

The existing unorganized borough will be divided into regions suitable for governmental and program coordination purposes. Insofar as possible, each region will include one or more REAAs and will conform to boundaries of Native regional corporations. Boundaries will be delineated by the Department of Community and Regional Affairs in cooperation with people in the regions and with other state agencies.

Creating Unorganized Boroughs

Each region will be established as an unorganized borough. It will have such powers and perform such functions as may be authorized by the legislature. The Department of Community and Regional Affairs will function as the state agency responsible for unorganized boroughs.

Elected Assemblies

Each unorganized borough will have an opportunity to elect an assembly to provide a means for participating in state decisions for the region and to oversee what regional functions might be carried out. Every effort will be made to assure representation of all communities in the borough. The state, through the Department of Community and Regional Affairs, will cover the expense of elections and of other organizing activities and operating costs.

Unorganized Borough Functions

Principal unorganized borough functions will be regional planning and advice on the exercise of state responsibilities within the region. The planning process will be directed toward coordinating state, federal, and local activities. The borough will not control state activities; rather, it will review state proposals and provide comments from the region's viewpoint, similar to the A-95 process operating at the state level with respect to federal projects.

Relationship To Existing Governmental Units

Authorities of REAAs, coastal service districts, and incorporated municipalities will not be diminished by establishment of unorganized boroughs. They will all, however, be expected to cooperate in the regional planning and coordination efforts of the borough; as appropriate, individual planning programs could be merged.

Boundary Review

After regional boundaries have been delineated and unorganized boroughs established, the Local Boundary Commission will review all borough boundaries in the state to assure that both state and regional needs and interests are adequately accommodated. This review will take place in cooperation with the boroughs, both organized and unorganized.

ADAPTING GOVERNMENT STRUCTURES TO RURAL CONDITIONS

No Self-government Or Participation In Rural Regions

Alaska's constitution calls for maximum local self-government. It requires that the legislature provide for performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. But rural people have virtually no say on what happens in their regions.

Borough System Not Adapted To Rural Regions

Title 29 is urban oriented. There is a need to adapt governmental structures and processes to rural regional needs and conditions. Urban solutions do not always work for rural areas--the solution processes are different. Existing classes of boroughs and state rules governing their operations may not be suitable to rural regions.

Regional Differences Require Application Of Home Rule Concept

Recognition must be made of the vast differences between regions in rural Alaska. What works for one area will not necessarily work for another. The concept of "home rule" might be a tool with which to approach and deal with these differences.

Existing Organizations Need To Be Accommodated

There are already a variety of organizational structures in place and there is a need to accommodate them. In fact, rural Alaska is not underorganized but rather overorganized. There must be recognition of this and of the "turf problems" created by these coexisting units. Any regional structure would need to acknowledge the existence of the traditional forms of governance which presently exist.

What Is State Approach To Self-determination?

While the federal government has dealt with the notion of Indian self-determination, it is not clear what constitutes the state concept of self-determination.

APPLYING THE HOME RULE CONCEPT TO RURAL BOROUGHES

Home Rule Authority Is Very Broad

The "home rule" concept needs to be explored in its possible application in meeting the needs of rural Alaska. Under Alaska's constitution, home rule local governments have all legislative powers not denied by law or charter. That means, in effect, that the people of a home rule government can do most anything they wish to do. Under home rule a government can mold its governing structure, functions, and procedures to its own needs and desires, subject to limits and requirements set by the legislature. A home rule charter also provides a means for restricting the scope and operation of the local government.

Need For Flexibility

There is need for flexibility in the powers exercised by any unit formed in the unorganized borough. Home rule can be used to develop a charter adapted to the needs of each individual region. Such a charter can be more restrictive as well as more powerful than general law.

Extending Home Rule To Unorganized Boroughs

The purpose of extending home rule to unorganized boroughs wishing to advance to organized status is to permit them to draft a charter without having to first become a first class borough as now required by state law. Going directly to home rule would permit a region that has no familiarity with borough government to proceed at its own pace and to create a structure and processes that fit that particular region's needs.

Drafting Own Home Rule Charter

In effect, a mini-constitutional convention could be held in the region to draft a home rule charter keyed to the needs of the particular region. Delegates or charter commission members would come from all over the region, examine their special needs and problems, and decide how they might deal with them. Governmental forms could be adapted to the region so that the structure would fit the area and the people.

Provision For Village Representation

Presently, many regional organization have representation methods which take into account each village. Perhaps some manner of districting and apportioning could be developed under a home rule charter which would meet the "one man-one vote" rule and still provide for representation of each village on the borough assembly.

The Process To Home Rule Status

The process of moving toward home rule would commence only after regional unorganized boroughs have established. If an area decides to draft a charter, the process might include the following:

1. Petition for home rule.
2. Referendum on home rule and election of charter commission members.
3. Drafting of charter with technical assistance from the Department of Community and Regional Affairs.
4. Review of charter by Department of Community and Regional Affairs for conformance with state law.
5. Vote on approval of charter and establishment of home rule borough.

State Policy On Local Self-determination

The federal Indian Self-Determination Act approach could be used as a model for state/local/regional relations. The concept of an "Alaska community and regional self-determination act" might be explored.

ACHIEVING ORGANIZED STATUS AND HOME RULE

Advancing To Organized Borough Status

D/L
could
Regional unorganized boroughs will be able to become organized boroughs in accordance with existing laws. They can then function as "general law boroughs" with all the authorities and obligations of existing organized boroughs.

Extending Home Rule To Unorganized Boroughs

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Unorganized boroughs will be authorized to adopt, amend, and repeal home rule charters. Under current law, only first class boroughs and cities may do so, but the constitution permits the legislature to extend home rule to other classes of boroughs and cities. Unorganized boroughs will thus be able to move directly toward an organized status and governance form suited to the region's needs and conditions.

Guidelines And Technical Assistance

The state has the authority to establish requirements and limits for home rule governments. The Department of Community and Regional Affairs will assure that such state guidelines are met in the drafting of charters and will provide needed technical and funding assistance to unorganized boroughs in their charter drafting process.

Provision For Both Regional And Local Planning

First and second class cities will not be deprived of their planning powers upon borough organization. Instead, boroughs will have regional planning authority, while cities retain jurisdiction over local planning. Provision will be made for the separate allocation of zoning and platting powers. Planning would thus no longer be an exclusive areawide power, and zoning and platting will be treated as separate, though obviously related functions.

Elimination Of Disincentives To Organized Borough Status

Existing laws and programs that provide disincentives to moving from unorganized to organized borough status should

C-2 (continued)

be eliminated. Such disincentives to greater self-government include discriminatory funding and revenue sharing provisions, penalization through reduced eligibility for land selection, and others. A thorough review of disincentives will provide the basis for appropriate legislative action.

PROBLEMS OF INADEQUATE FINANCES AND SERVICES

Issues Of Fiscal Equity

The question of regional government must be viewed in relation to the whole issue of providing services in Alaska and state financial support for rural boroughs. There is currently no consensus on "fiscal equity". How can an "equal" and "equitable" distribution of wealth, especially in view of the uneven distribution of natural resources and the population be assured? While regional government is more likely to take place in an area which can capitalize on the existence of natural resource wealth, economic development does not always bring benefits to the people who reside where the resources exist.

Lack Of Tax Base

The lack of a tax base outside of areas traversed by the pipeline is chronic and an obvious problem. This lack can be seen in the inability of rural areas to raise even the minimum amount of money needed for local match of state and federal dollars related to program and service delivery.

Survival Of Rural Villages And Individuals

More basic, and an issue in rural Alaska today, is the question of individual as well as village survival. The critical situation of financing energy and other local facilities and services calls into question the viability of many small villages. Small communities are having difficulty supporting and maintaining the operation of power generating facilities as well as waste treatment plants. Water availability and quality is also an issue. Unemployment is a major and ongoing problem in rural Alaska.

Lack Of Skills And Support For Local Government Operations

There is a lack of training in the basic skills necessary to operate government on a local level and insufficient funding for the state to provide this administrative assistance to the extent it is needed. Many government positions in rural

Alaska are funded by CETA. The reduction and even elimination of funding for these programs is a possibility which raises very serious problems over which the rural recipients have little, if any, control.

Equity In State Support Of Functions In Unorganized And Organized Boroughs

Continue? what about Charles

The present system of funding education could act as a major disincentive to the formation of regional governments, since part of the educational costs must now be borne by organized local governments. However, 100 percent state financing of the REAAs, including equivalent of average local effort, establishes a basis for possible continued total support of education in rural boroughs that might organize. The same concept could apply to state financing of other basic services.

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Problems Of Racial Divisiveness

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The issue of racial backlash has risen in recent years and has often been associated with the financial inequities seen in the provision of educational services to areas of rural Alaska. Creating a tie with state government by the establishment of a general public governmental unit might help to mitigate the divisions which seems to be developing as a result of programs and organizations providing benefits only to specified ethnic groups.

NEW APPROACHES TO FINANCING AND SERVICE DELIVERY

Basic Services For All Alaskans

There are four basic services for which a basic minimum level of service, mandated statewide, should be available to all residents of the state: education, public safety (search and rescue, fire, police, justice), public assistance, and health and sanitation.

Foundation Plan For Basic Services

A state foundation plan using an approach similar to the support of education should be used to fund these basic services. This approach has great potential and needs to be explored in relation to service delivery in general. Any formula developed for state support should reflect "local wealth and local need".

Need For Comprehensive Regional Planning

The need for comprehensive planning (i.e., establishment of goals, assessment of needs, analysis of alternative ways of meeting the needs, etc.) should be recognized and met on a regional basis. The lack of this local/regional planning capability leads to a lack of local control and coordination of state and federal programs in rural Alaska.

Alternatives To Property Taxation

Avenues other than property taxation should be explored in relation to the financing of local government. Local financing needs could be met through non-property-tax sources such as natural resource taxes, sales taxes, bingo, etc. [It is not essential that there be a local property tax.] -?

Revenue And Wealth Sharing

The state could support basic needs through wealth/revenue sharing, with 100 percent support of foundation programs. There could be a redistribution method similar to that developed in the Alaska Native Claims Settlement Act (Sec. 7(i), in which a percentage of all revenues raised by the state would be divided among regions. (The 1972 "Governor's package" introduced legislation proposing this concept).

Decentralization And Transfer Of Services

An "Alaska community and regional self-determination act" could be considered as the basis for transfer of some service delivery functions from the state to regional and local governments. This could permit coordinated joint provision of state and federal services, as the latter are increasingly performed on a regional basis. The approach could provide for the utilization of existing dollars in the local rather than state delivery system. Unification of effort and decentralization of existing funds could be the key. [It might be necessary to look to the reallocation of "old money" rather than having additional funds appropriated for service delivery.]

Intergovernmental Contracting

In line with this "decentralization" of service delivery, intergovernmental contracting should be explored. More local control would be possible through a contractual approach, and it might prove to be a more economical and efficient method of providing services. There would be need for standards and procedures for contracting. Also, the concept is often politically difficult to advance with resistance coming from the legislature (which wants to "bring home the bacon"); from the executive branch where the bureaucracy feels a threat to the existing manner of operating; and from organized municipalities which are often resistant to the idea of serving as program deliverers.

Need For Neutral Provision Of Services

In dealing with contracting for delivery of services, there must be one assurance that the delivery of services will be racially neutral. Because of federal stipulations, Native non-profit associations often function as service deliverers for programs which may be available only to Alaska Natives. The role of such non-governmental organizations as service deliverers for the general public needs to be clearly delineated when they function in this capacity.

Issues In Revenue Sharing

In discussion of state revenue sharing, a traditional

method of redistributing wealth, the following points were also mentioned:

1. Not all areas of the state participate in revenue sharing, only organized municipalities.
2. The state could allocate money by regions if they were established statewide. If organized as a borough, the region could receive and spend its own funds. If it is an unorganized borough, the state (through the Department of Community and Regional Affairs) could expend such funds in behalf of the region.
3. A need/income formula, rather than per capita distribution, should be the basis for state revenue sharing.
4. Residents of impoverished areas may resist sharing the benefits of locally-derived resource revenues.
5. Earmarking of state revenues for specific purposes can create constitutional problems. The legislature can, however, share revenues with local government for general or specific purposes.

PROVIDING FINANCIAL SUPPORT FOR LOCAL SERVICES

Basic Services For All Alaskans

The State of Alaska will establish a basic level of service delivery for all residents of Alaska. In addition to education, which is already covered, the basic services will be:

1. Health and sanitation
2. Public safety
3. General assistance
4. Regional planning

Foundation Approach

A foundation approach, similar to that used in education, will be established to support the delivery of these services. To insure an equitable disbursement of foundation funds, a distribution formula reflecting population, local wealth, and need will be established. The foundation programs will be available only to organized boroughs, except that regional planning funds will be available to both organized and unorganized areas. Federal program funds going to Alaska Natives will not reduce foundation funds available to boroughs. Regional non-profit corporations would be allowed to sub-contract from boroughs for the provision of foundation services. The foundation plans would not discriminate against organized boroughs in the provision of state financial support.

Revenue Sharing

The Department of Community and Regional Affairs will undertake a thorough study of revenue sharing and will report to the legislature on alternatives for sharing revenues and wealth between the state and local governments.



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:
LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Marjorie Gorsuch *mg*
Gene Walsh
DATE: 8/27/79
RE: Symposium Report/ Misc.

Here are two more sections of the Report. I'll send up the "Other (1V)" one tomorrow.

Do you want the "Recommended Action Program" redone to reflect the three major areas you are now thinking of having legislation developed in? Or shall we leave it the way it is?

Don Neilson, of the Bristol Bay Native Ass'n. recommended that we go to Port Heiden out of Dillingham rather than to Aleknagik as the former is "isolated, has poor communications, you can fly Reeve from Port Heiden back to Anch.". Any thoughts as that as a substitute or shall we stick with Aleknagik? Bill has been to Aleknagik so it might help to ask him (Lamar or Jim could call) what he thinks.

Will talk with you Tuesday A.M. We are to see Jan Erickson this week. Hope Valdez went well.

PROBLEMS...ISSUES

FINANCING AND SERVICES

The question of regional government must be viewed in relation to the whole ~~issue~~ of funding for such government and there is currently no consensus on "fiscal equity" in Alaska. How can an "equal" and "equitable" distribution of wealth, especially in view of the uneven distribution of ~~the~~ natural resources and ^{of} the population, be assured? While regional government is more likely to take place in an area which can capitalize on the existence of natural resource wealth, economic development doesn't always bring benefits to the people who reside where the resources exist.

The lack of a tax base in the unorganized borough is chronic and an obvious problem. This lack ^{can be} seen in the inability of rural areas to raise even the minimum amount of money needed for local match of state and federal dollars related to program and service delivery.

~~More~~ More basic, and an issue in rural Alaska today, is the question of individual as well as village survival. The critical situation which exists relates to the energy problem with the cost and availability of energy sources calling into question the viability of many small villages. Small communities are having difficulty ^{supporting and} maintaining the operation of power generating facilities ^{as well as waste treatment plants.} Water availability and quality is also an issue. Unemployment is a major and ongoing problem in rural Alaska.

There is a lack of training in the basic skills necessary to operate government on a local level and insufficient funding for the state to provide this administrative assistance to the extent it is needed.

The present system of funding education acts as a ^{great} disincentive to the formation of regional governments since under existing law, part of

the educational costs must be borne by organized local government. This 100% financing of the REAAs, plus the equivalent of average local effort, establishes a precedent for future support of education in organized rural boroughs~~y~~ for state financing of other basic services.

DIRECTIONS...IDEAS

FINANCING AND SERVICE DELIVERY

IMPLICATIONS OF THE

CASE DECISION

When considering fiscal equity, "Molly Hootch" could be related to responsibilities of the state for services in addition to education. There are four basic services for which a basic minimum level of service, mandated statewide, should be available to all residents of the state: Education, Public Safety (fire, police, justice), Public Assistance, Health and Sanitation.

In addition, the need for comprehensive planning (i.e., establishment of goals, assessment of needs, analysis of alternative ways of meeting the needs, etc.) should be recognized and met on a regional basis.

The lack of this local/regional planning capabilities leads to a lack of ^{LOCAL} control and coordination of state/federal programs in rural Alaska.

(An example of the impacts of this situation can be seen when considering the functioning of the Comprehensive Employment Training Act (CETA) which provides a support system for local governments by providing ^{funding for} numerous local government positions. The reduction and even elimination of funding for CETA programs is a possibility which raises very serious problems and over which the recipients have little control.)

A "Foundation" approach, using a formula similar to that used to fund the education function, would be a workable way to fund these basic services. This approach has great potential and needs to be explored in relation to service delivery in general.

In regard to State revenue sharing, the traditional method of redistributing wealth, the following points need to be considered:

1. Existing law contemplates sharing money. (It is earmarking (it for specific uses which creates a constitutional problem.))

2. All areas of the state do not participate in revenue sharing, only organized municipalities.
3. The state could allocate money by regions if they were established statewide.
4. Revenue sharing should redistribute the profits of locally raised revenues.
5. Residents of impoverished areas will resist sharing the benefits of locally-derived resource revenues.
6. A need assessment, based on a need/income formula, rather than per capita basis for sharing should be developed.

Avenues other than property taxation should be explored in relation to the financing of local government. It is not essential that there be a local property tax. The state could support basic needs through wealth/revenue sharing with 100% support of Foundation Programs, and local financing needs could be met through non-property tax sources such as natural resource taxes, sales taxes, bingo, etc. There could be a redistribution method similar to that developed in the Alaska Claims Settlement Act (Sec. 7 (i)) in which a percentage of all revenues raised by the State would be divided among regions. (The 1972 "Governor's Package" introduced legislation which dealt with this concept).

An Alaskan Community and Regional Self-Determination Act (patterned after the Indian Self-Determination Act) could be considered ~~for laying as~~ as the basis for a transfer of service delivery functions from the state to regional and local governments for implementation. With appropriate findings, this could permit coordinated and joint provision of state and federal services. This approach would provide for the utilization of

of existing dollars in the local rather than state delivery system. Unification of effort and decentralization of existing funds could be the key. It might be necessary to look to the reallocation of "old money" rather than having additional funds appropriated for service delivery.

In line with this "decentralization" of service delivery, inter-governmental contracting should be explored. More local control ~~would~~ be possible through a contractual approach and it might prove to be a more economical and efficient method of providing services. Presently, there is a lack of standards and procedures for contracting. Also, the concept is often politically difficult to advance with resistance coming from the legislature (which wants to "bring home the bacon"), and the executive branch where the bureaucracy feels a threat to the existing manner of operating; and from the organized municipalities which are often resistant to the idea of serving as program deliverers.

In dealing with contracting of ^{+ delivery} services, there must be ~~total~~ assurance that the delivery of services will be racially neutral. Often, Native Non-Profit Associations function as service deliverers and ^{per} ~~while certain~~ ^{which} programs may be available only to Native Alaskans (because of federal stipulations), the role of such quasi-governmental organizations as service deliverers for the general public would ^{needs} have to be clearly delineated ^{when} ~~if~~ they were to function in this ^{this} capacity, of a ~~"service deliverer"~~ of governmental services to be provided for the ~~general public~~.

SCOMM

10:22

MINUTES 8/4/79

chief/council rule--traditional justice more effective than others. Legislature should make tribal justice legal. Recognize it. (Solomon)

Oil and gas key to local government formation. (Lang)

1280 acres for villages can only be passed through a city, not a borough. (Solomon)

Area you are dealing with is not virgin area. You must recognize that there are different systems in place. How do you deal with what is there now? Borough Act not the only approach. (Thompson)

What do you need service areas for? Which services? Specific service needs should be looked at. (Selkragg)

Title 29 evolved to solve urban problems. Doesn't work well. Should state define regional boundaries is the question. (Nordale)

Take village perspective. Uniqueness of each region. Lack of organization is not a problem. Array of programs which are uncoordinated. Disjointed service programs. What empowerment can be provided which will make sense out of what's coming from Feds. and State. What instrument do we need to make sense out of all this? (Smith)

Tribal organizations should be recognized. Constitution doesn't recognize this. (Solomon)

Need for boundaries clear. Flexibility in power exercised by unit. (Home Rule concept helpful here. More limited unit can be provided as well as more powerful under Home Rule.) '72 legislative proposal mentioned "unorganized boroughs" (Garrett)

Physical existence is of concern. Water needs critical. Public Health Service builds a water treatment facility but it costs too much to maintain. No electricity, unemployment, Instrument so that they can provide for themselves. (Darbyshire)

Comprehensive planning needed. (See letter from State re TCC request)
Innovative ways of dealing with local government. Should be able to join state system. Recognizing existing units would help. (Kent)

Examine decentralization of state government and services. REAA example of this. Get away from borough label for awhile. Functional decentralization possible. Justice bureaucracy means that it can't really reach the villages. There must be public services coordination. Local government could scoop up state powers re service delivery. (Havelock)

No adequate articulation in relationship of cities and boroughs. (Havelock)

Equity is major question. There is no consensus on "equity" question.

Legislature needs a process for evaluating/developing proposals for establishing local government. Need: 1. Local self control 2. Regional coordination 3. Statewide comprehensive Planning (Kent)

Perhaps there should be an advisory committee to CRA Committees. Need to know what decentralization means to those suggesting it. (Solomon)

Limited time and money. Put project in proper time sequence. It will take a long time. (Lang)

A Resolution should be passed which makes it public policy that it is in the the interest of the State of Alaska that villages exist.

Individual survival is a problem. Equity must be considered in relation to the energy situation. (Smith)

Planning could be single service entity like education. Service areas for planning services. Coordinate the agencies which exist. (Kent)

Lack of coordination will result from (above). Concept for unification of service delivery necessary. (Fischer)

Planning includes everything. Planning is priority...total planning process. Social, economic, etc. included in planning. Definition of planning necessary. (Selkragg)

Planning is the process of identifying problems and arriving at solutions. Separate government entity only for planning not good. (Fischer)

If state can't perform services, or receive money, IRA councils should be able to do so. Development plan for every village necessary. Monitoring function of IRA Councils not recognized by the state. (Iya)

Southeastern Alaska has to be dealt with differently. Multitudinous government units. "turf problem" Areas can't afford electrical facilities. (Johnson)

Regional Corp. not recognized by State. State and Natives need to get together. (Lang)

How do you pay for self government? Economic development is going to happen and control will pass to whomever is there. (Rudd)

Economic development doesn't always bring benefits to people who live there. People not aware of potential. (Lang)

3rd Class borough bill allows for evolutionary self government. Service areas for planning in 3rd Class boroughs. Secret is look at what's evolved and "direct it". (Rudd)

No vehicle for communicating. (Kent)

State hasn't provided avenues for solution. 3rd Class borough amendments didn't do it. Service area basis for delivery of services creates fragmentation. (Nordale)

Alaska needs educational program. Everyone has bits and piece. Need coordination. Separate efforts. Villages can't digest. (Selkragg)

Now that Coastal Resource Service Areas are being formed, there is no local match money. Need money to provide for meetings for CZM and there is none. (Knoll)

CZM office is working on local match problem. (Erickson)

Notion of local revenues not necessary. Local match, even in kind, is not necessary-- or need not be necessary. (Fischer)

Avenue of communication don't exist. Don't know who to go to. No place in Kotzebue. (Simon)
Train local people. Send people who know how to write ordinances, etc. Have them stay for a time to train local people. Workshops are necessary.

People don't know what is available. (Iya)

Not enough people to staff. Budgetary restrictions. CRA people come in on request. (McAnerney)

Legislature sits as Assembly and hasn't acted. Identify what they can do. (Lang)

SATURDAY (P.M.)

1. What are logical regions?
 2. Is there a chance for equitable government and equitable financial system?
 3. What is Home Rule and what is local government representation?
 4. Function and services of state as it affects local and regional government?
- (Lang)

There should be a distinction between delivery and financing of services. Is new unit just a funnel? REAAs are deliverers which don't "provide". Make this distinction.
Are you talking about control by the citizens of the area? Are you focusing on full gamut of local government function?
(Sharp)

Contracting is an approach the state should take. Much cheaper. (Solomon)

IRA Councils can delivery services at a lower rate. (Iya)

Regional IRAs exist in SouthEast and North Slope.

Revenue Sharing should redistribute the profits of locally raised revenues. (Smith)

Poor areas will resist sharing. (Havelock)

Existing law contemplates sharing money. Earmarking is the problem. Everyone doesn't participate in revenue sharing. (Nordale)

State could allocate money by regions if they were established. (Fischer)

Need and income formula could be worked out. (Garnett)

Molly Hootch could be related to "whole state" responsibilities;
Fiscal Equite;

1. What are essential state services?
 2. Should any local effort be required?
 3. What standards of democratic access to policy control will there be?
- (Havelock)

Fish and Game decentralization attempt unsuccessful . (Smith)

Boundary agreement must be reached. (Solomon)

Organized boroughs will have to change some boundaries. (Fischer)

If you were talking about particular categories for taxation purposes (ex. business tax,) then assessemnt might be reasonable.

Don't start out with assessing on your mind. Politically unworkable. (Havelock)

Data base necessary if you want to organize areas. (Sharp)

Economic infrastructure of villages need to be looked at. Money is not all that is included in this. Assessment and collection of data must be carefully done'. (Smith)

Identification of vital state services by group:

- *Education

- Roads/Highways/Transportaiton

- *Public Safety (fire, police, justice system)

- *Health/Sanitation

- Communications

- *Public Assistance

Foundation approach in all of four basic areas would be workable. (Havelock)

Public assistance should be based on level of need.

Needs assessment rather than per capita basis should be considered.(Havelock)

LOCAL GOVERNMENT SYMPOSIUM
MINUTES

Sunday
AUGUST 5, 1979

Constitutional Convention for each Region
Develop a home rule charter keyed to the needs of each area (Fischer)

Traditional councils have representation method which taken into account each village. Weighted vote eliminated with Branson's amendment ('79 Session). Village recognition should be given in voting method. (Solomon)

Legislature could require CRA to call an election to allow people to select a charter commission.. Boundaries could be worked out by Local Boundary Commission.

Establish unorganized boroughs. Mandate a division. The relationship between cities and boroughs is a problem re creation of subdistricts. New definition needed for "class of city"--this could be a subregional district. (Havelock)

Cites advisory committee role of unorganized boroughs ala '72 legislation (Chitwood)

Take a look at what exists already. Boundaries do exist. Can the state respond when people indicate what they want?? State hasn't recognized villages. (Smith)

SB 35 as example of boundary selection. Office of Civil Rights contested REAA boundary lines selection. Use REAA boundaries for discussion and then remove, rather than add to these lines. (Smith)

Consider subdistricts for planning. Suggests use of boundaries to be used by Tanana Chiefs Conference for planning purposes. (Kent)

Don't use units which are too small. Regional Corporation Boundaries are better. (Havelock)

Don't look at boundaries independent of existing boroughs. (ex. Bristol Bay). It is a problem using existing boundaries which have been drawn around existing boroughs. (McCarter)

Don't take on existing boroughs. Use existing borough lines as it would be impossible politically to proceed if you touch them. (Havelock)

Villages should be recognized as units (for planning, in particular --not zoning, however) Is there legal problem with the recognition of villages? (Lang)

Tanana Chiefs Conference memo pinpoints four areas of the law related to recognition.
(Kent)

Format for proceeding:

1. Petition for self-government from designated area
2. CRA would provide technical assistance during second phase (identify resources, develop data base, etc.)
3. Maximization of self-government statement
4. Socio-economic impact statement (would take into consideration existing units, people, respond to impact)
5. Proposal for self government
(Havelock)

What is the state's definition of self determination? (Iya)

Resurgence of IRAs noted. (Smith)

Cost of the testimony on the Indian self-determination Act would be helpful along these lines. (Land-- get from ANF /Gordon Jackson)

Develop the concept of an Alaska Community and Regional Self Determination Act
(Morehouse)

State could officially recognize villages. Review the concept of Indian self determination to see if it is applicable. (Fischer)

Implementation is the question. How will it be carried out.? Racial backlash as a problem. (Lang)

Look at IRAs for positive and negative impacts. (Iya)

There must be a search for the best vehicle. The general public must be included, not must Natives. There should be consideration of cost effectiveness. (Chenoweth)

Contracting is important so that local level control exists. Contracting back to the State is another approach. There must be recognition of the sociological problems which would result from the situation of having different levels of service provision.

There should be racially neutral delivery of services. (ex. RuralCap). There is currently a lack of standards and procedures for contracting. The level of service delivery should be mandated statewide.

(Havelock)

Sunday
(2)

Organized boroughs are often resistant to the idea of program delivery. (Argetsinger)

Contracting is often a political problem. The Legislature wants to bring home the bacon. There is also resistance from many areas within the bureaucracy. (Dodson)

What are the issues related to "recognition"? It would mean different things in different regions. One of the main points is the 14 C (3) land entitlement of 1280 acres.

Recognize the ability of the villages to deal with the State in

1. Communication
 2. Planning
- (Kent)

Really no difficulty with technical recognition of "villages" You could call third class cities "villages"--rather "villages", third class cities. Use this as a mechanism to convey land. (McCarter)

4th class city--AVEC power was the original reason for 4th class incorporation. (Smith)

"Platting and zoning" should be eliminated from the definition of planning. (Kent)

"Planning" should be reserved to the legislature functioning as the Assembly. Planning should be for unorganized boroughs. (Lang)

Incentive Planning Grant Program
SB 303 extension of benefits to contractors
(Smith)

Develop a Statement of Purpose re Home Rule Concept.
Include basic principals. State acceptance of villages. Revenue Sharing Program (perhaps like School Foundation formula) Formula of funding to local governments. Give them the means to do something. (Fischer)

Consider the impact of CETA which functions like local government as an employer. Federal government is cutting back on CETA funding.

Energy must be considered in relation to "equity". Distribution of energy is a main concern. (Smith)

Avenues other than property tax should be explored to support local government. (iChitwood)

Integrate Kent plan in ongoing effort. Planning for "rural" Alaska is necessary. Urban solutions don't always work. The solution processes (urban/rural) are different. Long term planning rather than confrontation basis. (Lang)

(3) Sunday

Could non-profit corporations act as trustee for the land entitlement? (1280 acres?)
(Anderson)

Recognize the power of the IRA Councils to deal with their own problems. (Solomon)

Must consider the functions and funding for new creature. There should be provision for the ongoing consideration of local government problems. (Sharp)

Look to reallocation of old money. Take on the bureaucracy. There have been dollars appropriated for service functions. Unification and decentralization of existing funds is the key. Get the Judiciary (Public Safety aspects) and HESS Committees involved in the effort. Provide for the utilization of these dollars in the local rather than state delivery system.

(4) Sunday

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PROBLEM IDENTIFICATION

- OIL AND GAS WILL COMPLICATE FORMATION (ROGER)
- 1280 ACRES OF VILLAGE CANNOT BE PASSED THROUGH A BOROUGH, ONLY CITIES (SOLOMON)
- SEVERAL DIFFERENT ORGANIZED SYSTEMS IN PLACE IN VILLAGES. NOW. IRA COUNCILS, TRADITIONAL COUNCILS, ETC. HOW TO BUILD ON THEM? (THOMPSON)
- SHOULD STATE SET REGIONAL BOUNDARIES?
YES TO MAKE ALL PARTS OF THE STATE PARTICIPATE IN THEIR OWN SELF- DETERMINATION
- LOOK FROM VILLAGE PERSPECTIVE. STATE AND FEDERAL GOVERNMENT COMES IN AN UNORGANIZED MANNER. WHAT KIND OF TOOL TO HELP THEM COPE WITH THE ARRAY OF PROGRAMS(SMITY)
 - + build in flexibility in government. structure
home rule = develop your own thing.
 - + recognize existing village structures(ray kent)
 - + develop guidelines for urban/rural equity (havelock)
 - + new units ought to on equal footing with urbanized areas.(thompson)
- EQUITY - HOW TO DISTRIBUTE RESOURCES(\$- CAPITAL PROJECTS- REVENUE SHARING) WITH UNEQUAL POPULATION DISTRIBUTION?(THOMPSON)
- LEGAL TIME LIMITATION IN BECOMING HOME RULE. HAVE TO BE 1ST CLASS BOROUGH FIRST (SOLOMON)
- PLANNING DOES NOT MEAN ZONING. PLANNING MEANS THIS IS WHO WE ARE AND WHERE WE WANT TO GO.(KENT)
 - + limited service area concept (lidia)
- VILLAGE PERSPECTIVE NEW SERVICES VERY EXPENSIVE
IE. H2O / ELECTRICITY (DARBY)
 - + local areas should be able and encouraged by state to plan for themselves (kent)

-DECENTRALIZATION OF STATE GOVERNMENT IE. REAA'S = DE FACTO BOROUGHS(HAVELOCK)

FUNCTIONAL DIFFERENCES IE. CRIMINAL JUSTICE

-TITLE 29 PROBLEM IS NO DEFINITION BETWEEN CITY AND BOUOUGH. ALWAYS IN CONFLICT. (HAVELOCK)

+local government can scoop up state programs and receive the \$'s to do so.

+ira councils are currently administering and developing bia services

-LEGISLATURE NEEDS A PROCESS FOR EVALUATION/ DEVELOPING

-PROPOSALS FOR ESTABLISHING LOCAL GOVERNMENT + coordinate "readi
education" progra
afn/rural cap/anf

-NEED: 1. LOCAL SELF CONTROL
2. REGIONAL COORDINATION
3. STATE-WIDE COMPREHENSIVE PLANNING

+short range problems/ long-range

+local village planning ala lidia

+regional coordination of governmental
agencies/programs

+ira legislative committee should have
advisory committee composed of rural
locals.

+strengthen lines of communications between
village and state. technical assistance

+education on administration of local government

-DIFFERENCES THAT SHOULD BE ADDRESSED?

* Southeast heavily organized

+need to establish a realistic time frame
to create something about local government
in rural alaska

+legislative resolution: it is in the
interest of the state of alaska that
villages exist.

-\$'s FOR LOCAL MATCH FOR COASTAL ZONE MANGAEMENT

+rural economic development policy ie.energy

+single function to expand, like education

-AVOID PROLIFERATION OF SERVICE COORDINATORS, IE.PLANNING/HEALTH SERVICE/EDUCATION

+do it in comprehensive manner

*Do not set up a seperate governmental entity to do planning

+state should contract with ira's to provide services to Native and non-Native alike

+need overall development plan for each region and each village

-TURF PROBLEMS AMONG THE MULTIPLE ROGANIZATIONS IN A VILLAGE/ REGION/IRA/CITY COUNCIL/H.S.A./REGIONAL NON-PROFIT.

-NO OFFICIAL TIES BETWEEN REGIONAL CORPORATION AND VILLAGE CORP. AND THE STATE OF ALASKA

+time to get Native community and the state to gether. land planning resource management

-HOW DO YOU PAY FOR LOCAL GOVERNMENT? ECONOMIC FEASIBILITY

+not necessary to require local support

-ECONOMIC DEVELOPMENT IS LOCATED IN RURAL ALASKA-OCS/200MILE LIMIT/ TIMBER

"AMORPHOUS MASS"

+change powers of 3rd class boroughs

-UNPLANNED CONSEQUENCES OF COMMUNITY DEVELOPMENT H2O/ SEWER/ETC

-STATE DOES NOT HAVE A FRAMEWORK FOR SOLVING LOCAL GOVERNMENT. PROBLEM. SO SOLUTIONS ARE FRAGMENTED AND NOT RELATED TO OTHER ROBLEMS.

CONSTITUTIONAL MANDATE

LEGISLATURE BOROUGHS

Degree of local direction law, review, dollars, information

Provide/deliver services

pass through

Regulator controlling functions

1. What are essential state services

2. Should there be a requirement for local participation

3. Democratic participation in who provides services?
standards for

1. What are the Regions?

Boundaries - Yes, Regional concept

+ Economies of scale (Region, Statewide, Local)

+ Land and Natural Resource Management?

2. Fiscal - Equity

+ State contracts to provide services

+ Property tax on Resource Development ie. pipelines

+ 7; on property taxes - Redistribution/ Sharing
establishment of boroughs would establish a mechanism
for revenue sharing

+ FORMULA?
100% Funded State Services*?

+ Need data base- economic/social structure
(soft contribution)

+ Standards of State Services- measure of rural/urban

+ Develop a foundation financing approach to
the four essential services listed

+ Require needs assessment/ not population

3. "Home Rule" - Local Representation
Equitable Government/
flexability

Distribution of powers - ie.) regulatory of Fish and Game
Mandatory vs. Optional

State Services

*- EDUCATION

- ROADS/HIGHWAYS - TRANSPORTATION

*- POLICE PROTECTION/ FIRE= PUBLIC PROTECTION

- CRIMINAL JUSTICE

*- HEALTH / SANITATION

- COMMUNICATIONS

*- PUBLIC ASSISTANCE(Food stamps/ elderly/ AFDC/AB

WHAT LEVEL OF SERVICE?

4. REGIONAL FUNCTIONS AND SERVICES

CONTRACTS

- Local Control

- Regional Coordination

in context of Statewide plans

HOME RULE

+Information needs resources
planning
strategies

+Title 29 etc.

+One man/ one vote

+Home Rule Charter

+Boundaries

-Legislature
-Local Boundary Commission
-Public Process
-Standards

Subdistricting - Cities
Service Areas

Constitutional Mandate

Existing original/boundaries
Traditional villages

PROCESS

-SB-35 REAA'S

-Regional Corporations

INDIAN SELF-DETERMINATION ACTALASKA COMMUNITY AND REGIONAL
SELF DETERMINATION ACT

+Recognition/Rights of villages

+3rd class cities

+Contracting State --- Local

+Native/Non-Native representation

+Roles, limits of existing
organizations

+Planning

+A-95

IRA 34/36

Local "const'l" process

Contracting

- State-Local-Inter local

- Organized and Unorganized
Boroughs

Financing

+ Principles

+ Revenue Sharing

+ CETA prospects

+ Other Federal Programs

Problems identified at meeting held to
identify direction for the Local Government
Study....List of those in attendance attached.

PROBLEMS

1. CZM + IMPLEMENTATION (ORGANIZED & UNORGANIZED)
 - (a) FUNDING FOR ORGANIZED UNORGANIZED COMMUNITIES
2. DNR STATE RESOURCES PLANNING
 - (a) INVOLVEMENT OF PUBLICS?
3. EVALUATION OF ROLE OF LOCAL BOUNDARY COMMISSION
4. DEVELOPMENT CITIES ACT(APPLICABILITY)
5. LOCAL INPUT INTO NEEDS ASSESSMENT
6. FUNDING FOR BOROUGH (PLANNING) STUDY
7. VIABILITY OF THIRD CLASS BOROUGH
8. INTERIM GOVERNMENTAL FORMS (NEED FOR - ?)
9. MULTIPLICITY OF JURISDICTIONAL BOUNDARIES
10. INADEQUACY OF FUNDING FOR SECOND CLASS CITIES
11. INADEQUATE DELIVERY OF SERVICES (DEVELOPMENT OF PLANNING SYSTEM)
12. DUPLICATION OF PLANNING EFFORTS
 - (a) STATATORY/PROGRAMS
13. LACK OF LOCAL-LEVEL UNDERSTANDING OF LOCAL GOVERNMENT STRUCTURES
14. EXISTENCE OF RURAL POLICY

RESOURCES

1. VILLAGE ASSISTANCE FUNDING?

1st MEETING
3/30/79

2433

Frank Rue	A.N.R. Planning & Classif. Section	
Jingy Whitwood	Municipal League	6-1325
- John Halteman	ODDP	3577
Bon Larson	A.M.L. And Mat-Sun Borough	
Frank Ulmer	DPDP	3577
Therina Clark	OCRA	4750
Don Argetsinger	- DCRA	4700
Jolly Rue	DPDP	
Robert McArthur	- C&RA	4707
Lee McAnaney	- C/RA	4700
Margorie Gorsuch	Rep. Parker Staff	3870

2nd MEETING
4/6/79

Frank Rue	Dept. of Nat. Rec (P.E.C.)	
Jessie Dolson	Office of Gov.	3500
Palmer McCarter	D C & RA	2100
Sally Rue	DDOP - Off. of Gov.	3573
Ray Kent	T.C.C. Fairbanks	
Ned G. Anderson	State House	
Chris Anderson	TCC - FAI	
Bill Ponker	House	3870
John Hatterman	DDOP	3577
Ginny Chittwood	AML	6-1325
Dorl Angotsinger	C & RA	4700
Lee McCannery	C/RA	4700
Arlis Stenger	Senate	
Gloria Clark	DCRA	4750
Margaret Hancock	Rep. Parker Staff	

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