

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

402 SCOMM10: LOCAL GOVERNMENT STUDY 1979

EMPLOYMENT GOALS

1. TO PROVIDE EMPLOYMENT OPPORTUNITIES IN THE NANA REGION.

Objectives:

- a) To ensure maximum local hire on development projects in each village;
- b) To minimize conflicts between scheduling the availability of employment opportunities and the pursuit of subsistence activities;
- c) Create employment in seasons when there normally is none;
- d) Encourage the development of employment opportunities which allow periodic return to communities.

2. TO DEVELOP LOCAL TRAINING PROGRAMS FOR REGIONAL EMPLOYMENT OPPORTUNITIES.

Objectives:

- a) Encourage the school district to develop its curriculum in such a manner that High School courses offered are relevant to employment opportunities available;
- b) Provide opportunities for village residents to gain employment skills in their communities;
- c) Assure the provisions of local training programs in any economic development projects in the NANA Region;
- d) Encourage the transfer of traditional skills (e.g., boat and sled building, arctic survival and subsistence skills, customs, crafts, etc.) to young people.

SOCIAL GOALS

1. TO FOSTER A STRONG, HEALTH, COMMUNITY ENVIRONMENT IN THE NANA REGION

Objectives:

- a) To encourage family participation in community activities;
- b) Reduce the dependence on alcohol and drugs;
- c) Increase the level of independence, self-reliance and pride.

2. TO IMPROVE AND MAINTAIN THE HEALTH OF THE NANA PEOPLE.

Objectives:

- a) To minimize disease and health problems through the study of alternatives such as prevention programs;
- b) To provide high quality, locally available health services;
- c) To supply each community with an adequate number of well-trained health aides;
- d) Improve telecommunications between village health aides and medical personnel in Kotzebue.

3. TO ENCOURAGE THE DEVELOPMENT OF THE HIGHEST QUALITY LOCAL GOVERNMENT FOR EACH COMMUNITY IN THE REGION.

Objectives:

- a) To improve local management capabilities;
- b) To maximize cooperation and communication between city administrations and local IRA (traditional) councils;
- c) To maximize public participation in local and regional decisions.

4. TO PROVIDE MEANINGFUL, ENRICHING, EDUCATIONAL OPPORTUNITIES FOR ALL NANA RESIDENTS.

Objectives:

- a) To assure continued communication between the School Board and the village residents on issues such as local needs and curriculum;
- b) To enhance student and teacher motivation towards quality education;
- c) To provide diverse educational opportunities for students and adults.

HOUSING GOALS

1. TO PROVIDE SAFE, EFFICIENT, HOUSING AT REASONABLE COST FOR NANA RESIDENTS.

Objectives:

- a) Secure housing which is energy efficient in design;
- b) Provide flexibility in choice of building materials and fuel source;
- c) For prospective public housing residents, increase information about monthly costs associated with those homes;
- d) Assure that the distribution of low-income housing is equitable among villages in the NANA Region;
- e) Provide new housing to those in most need;
- f) Ensure that comments of local people are included in developing housing projects in their community.

MEMORANDUM

File

To: Byron I. Mallott
Commissioner
Department of Community and
Regional Affairs

From: Regional Government Study Team
(Sig Strandberg, Al Widmark, Al Adams, Kevin Wering,
Michael Jones)

Subject: Regional Government Study Design

This memorandum reports the results of a series of meetings of this past weekend by members of your staff. At these meetings we considered several alternative approaches for formulating a comprehensive approach to the establishment of regional government structures in the unorganized borough with substantial citizen involvement. We did not attempt to establish potential regional structures per se, rather we focused our energy on creating a process through which the issues of local government can be legitimately and knowledgeably examined.

At the outset, we recognized the fact that the unorganized borough contains diverse people and diverse governmental entities. For example, the unorganized borough includes by statute all areas of the state which are not presently within the boundaries of organized boroughs and unified governments. Such incorporated municipalities as Kotzebue, Bethel, or Valdez and Delta Junction, as well as unorganized communities such as Tok and Glennallen are part of the unorganized borough. We searched for alternatives sufficiently flexible to deal with the diverse conditions found in the various parts of the unorganized borough. We searched for a format through which the people of the unorganized borough could have significant input into the development of

regional government recommendations through a form credibility both in the eyes of the Governor and the Legislature. We struck upon two related alternative approaches for accomplishing this.

1. Creation of a special regional government study commission as an adjunct of AS 44.47.050 (4) and (10). Such a commission, appointed by the Governor, would consist of sufficient membership and composition to guarantee representation of all interests of the unorganized borough areas. The commission would be responsible for holding hearings at designated locations in the unorganized borough to provide to the citizens information bearing on the question of establishment of regional governments, and eliciting from the citizens their comments and testimony. The work of the commission would be supported by staff of the Department of Community and Regional Affairs, and by a technical advisory council composed of specialists drawn from the State Federal Land Use Planning Commission, Department of Education/Alaska State-Operated School System, ISEGR, ANF, Department of HSS, Department of Law, and the Division of Planning and Research-Office of the Governor. The functions of the technical advisory council will include the following:

- a. Act as a technical information resource to the Commission ~~and the Department of Community and~~

and the Department of Community and Regional Affairs;

- b. Develop comprehensive background papers on topics expected to be germane to the work of the Commission;
- c. Provide a formal channel for the input of state agencies and other organizations whose work relates significantly to government in the unorganized boroughs;
- d. Develop orientation materials on selected topics for members of the Commission sub-committees;
- e. Assist the Commission members in the analysis and correlation of citizen testimonies;
- f. Act in the capacity of liaison officers between the Commission and the represented agencies and organizations.

It is our recommendation that the Department of Community and Regional Affairs chair the technical advisory council.

2. The key to the study design is the regional government study commission, whose membership would be broadly representative of the variety of communities and conditions found in the unorganized borough. The responsibilities of the commission will be as follows:

- a. In cooperation with the Department of Community and Regional Affairs, and the technical advisory council, create an overall design for the holding of regional government hearings in selected localities of the unorganized borough;
- b. Determine the location of regional government hearings;
- c. To notify the people of the unorganized boroughs of hearing dates and places, and to provide them with information to enable the people to participate in the hearings intelligently;
- d. To conduct at the designated localities hearings of such a character that the people are given clear information as to the reasons for the local government study, and the various issues involved in the creation of regional government, and the people have ample opportunity to discuss with the commission members their concerns and recommendations;
- e. The commission will, in collaboration with the Department of Community and Regional Affairs and the technical advisory council, analyze all of the testimony given and make recommendations to the Governor regarding the creation of regional government entities.

It is expected that the work of the commission will yield a vast amount of information regarding the concerns and

hopes of the people in the unorganized borough with respect to the creation of regional government. This information will create a solid foundation for the design of legislation which will be appropriate to the needs of the people of the unorganized borough.

It is interesting to note that the Rural Affairs Commission, with some modification, could meet the above objectives. AS 44.19.728, sets forth the functions of the Rural Affairs Commission. "The Commission shall: (1) solicit and receive information, testimony, and documentation regarding rural progress, including land claims; (2) report findings and recommend action designed to assist the Governor in reaching fair and equitable decisions regarding rural affairs."

Alaska's Local Government

Structure

The philosophy and general forms of the system of local government in Alaska are expressed in Article X of the State Constitution. Section 1 of that article declares:

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

The delegates to the constitutional convention recognized, and sought to avoid, a ^{PROLIFERATION} ~~proliferation~~ of local government units and special service districts common to other states. To ^{THAT} ~~the~~ end, the framers established a simplified system of local government for Alaska:

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

Alaska Constitution, Article X, Section 2.

Areawide, the borough was intended to be the larger of the two local government ^{FORMS,} ~~forms~~ embracing an area with common characteristics.

The constitution further requires, in Section 3 of Article X, that "the

entire state... be divided into boroughs, organized and unorganized, (to) be established in a manner and according to standards provided by law.

The status of existing cities was not changed by terms of the constitution, but provision was made whereby cities could change their status by initiative of the city council. Article X, Section 7, provided, however, that cities were to be "part of the borough in which they were located," retaining certain rights and powers until transferred to or otherwise acquired by the borough in the manner to be provided by law.

Under Article _____, the state established the original borough boundary lines. While this authority was left with the legislature, members of the convention envisioned it being done only after a thorough study of economic, geographic, social and political factors. Provision was made for changing the boundaries of boroughs and cities, providing a process wherein both areawide and statewide needs could be considered.

To the legislature was delegated the task of classifying the boroughs, assigning powers and functions, prescribing the methods by which boroughs are organized and operate, and how they shall be financed.

As described in AS 29.18.030, the standards for borough incorporation are very broad, and attempt to include those considerations which will bear upon the successful administration of a government for a region in any part of the state.

The succeeding paragraphs elaborate on each of the above standards, indicating those features which should be examined in depth by an individual or group considering borough incorporation:

- (1) Population. All people with common interests should be included together in a proposed borough. The term "common interests" is, however, difficult to define. Such interests may be viewed in terms of basic economics of the borough areas, the accessibility of parts of the borough area to each other, climate, resources and topographical factors, ^{SHOULD} ~~should~~ concern for patterns of land use and employment. ^{They are} ~~units~~, generally, with common problems, cohesive elements, and identifiable ^{NEEDS} ~~services~~ which a regional government structure could address. Relationship of communities within a geographic area with a large central community may exist. The relationship may be in terms of the larger community serving as a center for the area's trade and transportation facilities. In the community may also be located social services centers, a regional high school, health facilities for the region, and offices of federal and state agencies for the district.

(2) Boundaries. Natural geography - topographical features, barriers, resources, and pattern of land use - will influence the establishment of borough boundaries, on the theory that geographical features may facilitate or obstruct normal economic and social exchange among communities or groups of communities.. Uninhabitable or unusable land is generally excluded as it is not necessary for integrated local government. But where such land contains natural resources or features conducive to future development, or where such lands may be included to protect subsistence patterns, the merits of including such areas within borough boundaries must be determined on an individual case basis. Specifically required to be included, however, are all areas necessary for full development of local services.

(3) Economy. It is important that an area proposed for borough incorporation have an economic base sufficient to warrant and support the function of a regional government. The borough's financial resources include the potential amount of money that is received from a consumer's sales or use tax of up to 3% and a tax on real and/or personal property not to exceed 3% of its assessed value. Other resources will flow from state tax refunds, state revenue sharing for services^s provided by the borough^g government, leases or sales of lands. The sufficiency and stability of the proposed borough's economy must be in terms of present land use, property valuations, and other

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factors bearing upon return of adequate revenues from local
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sources to accomplish or assist borough functions.

- (4) Transportation. Many areas of the State of Alaska are not connected to the main rail, road or marine highways of central and southeastern Alaska. The dominant mode of transportation in this area is by air. A developing system of state airports, scheduled airline services, and charter carriers has facilitated communication and exchange among regional centers and surrounding communities. An area proposed for incorporation as a new borough must contain the elements of a transportation system as to assure that the communities within the borough boundaries will be able to benefit from integrated regional government, making all inhabited areas of the proposed borough readily accessible at reasonable expense. Existing and planned roads, highways, airports, boats and the ferry systems, and railroads must be considered in determining the most probable borough boundaries at the farthest reaches of the community of interests.

Borough Classification

The legislature has established three classes of boroughs, namely, first, second, and third class organized boroughs, and the larger unorganized borough which comprises all areas of the state not within the boundaries of an organized borough.

First and second class boroughs exercise mandatorily the areawide powers of education, tax assessment and collection, and planning and zoning. Both of these classes of boroughs may acquire additional areawide powers at the time of incorporation or subsequent to incorporation. A first class borough acquires other areawide powers through transfer from cities within its boundaries or by an areawide election on the question. Second class boroughs acquire additional power in the same manner.

First and second class boroughs may ~~may~~ exercise additional functions in the borough area situated outside incorporated cities. First class boroughs may exercise additional non-areawide (outside cities) by ordinance. A second class borough requires an election in the area outside cities in order to add additional power in that area, except with respect to certain special matters specified by law including regulation of fireworks, animals, vehicles and snow machines, garbage and solid wastes, and water pollution. The latter are conferred in the municipal code for second class borough exercise in the area outside cities without a vote in the area. Acquisition of additional non-areawide power and duties may be proposed by petition as well as by the assembly.

The third class borough is required to exercise only the areawide power of education and tax assessment and collection.

The following is a brief description of the three mandatory powers exercised by organized boroughs and the measure of acquisition of additional areawide and non-areawide powers:

The unorganized borough contains all the area outside organized boroughs, with cities being parts of the borough in which they are located. The unorganized borough - generally all of rural Alaska - bears no relationship to any local government. Rather, it is intended to be a means by which the legislature may encourage citizens to participate in activities of concern to residents. As the assembly, or governing body, for the unorganized borough, the legislature may establish service areas to "provide for the performance of services it deems necessary or advisable in unorganized boroughs." In this respect, the legislature, may - though it has never so acted - identify general criteria and procedures for establishment of service areas in the unorganized borough or enact separate acts establishing one or more service areas. Additionally, the legislature may provide service area functions separately to each service area established.

Draft

BOROUGH FUNCTIONS

A. Education

Each organized borough of the State of Alaska constitutes a borough school district and must establish, maintain and operate a system of public schools on an areawide basis. The borough's school responsibility is supervised by an elected school board composed of either five or seven members. A borough district with an average daily pupil membership exceeding 5000 has a school board of seven members; a borough district with an average daily membership of 5000 or less has a school board of five members, except that the governing body of the borough- the assembly -may, by ordinance concurred in by a majority of the school board, increase the number of members to seven.

To serve as a member of a school board, an individual must be a citizen of the United States, qualified to vote in a state election, and registered to vote.

As its first meeting following an election, each school board must organize and elect from its members a president, clerk, and treasurer. The president presides at all meetings, and has authority to vote on all matters before the board. Other powers may be conferred upon the president by state regulation or by-laws adopted by the board to assist in administration of the district. The clerk attends to correspondence of the board and exercises the functions of

(c) recommendation of hiring;

(d) planning for maintenance and expansion of building and site facilities;

(e) submission of the school calendar;

(f) completion of the annual and all special reports; and

(g) advising members of the school board in the conduct of their meetings.

Thus, the school administrator or superintendent is a key person in the organization and operation of the district's educational program, and the selection of a competent administrator is probably the single most important decision ^{the} ~~the~~ board may make.

Schools exist for the curriculum and instructional program which are offered to elementary and secondary students. Obtaining professional staff, negotiating conditions of employment, and providing adequate guides and materials are matters which though the immediate concern of the district superintendent, must come to the board for approval. After contracts are signed, the board should also concern itself generally with teacher training, expansion and enrichment of the educational program, and other matters which contribute to a well-rounded educational program. Likewise, the board should

understand those laws and regulations established governing the dismissal of employees of the school district and, where documented evidence supportive of a recommendation by the superintendent confirms dismissal, a board may so act.

Finally, the borough school board must concern itself with ~~planning~~ ~~and~~ adoption of a budget and other business affairs of the school district. The budget process involves, first, a determination of the educational needs of the community, ^{CONSISTENT WITH} ~~and~~ the financial ability of the school district to meet those needs. A draft budget is prepared by the district administrator and submitted to the board for consideration. After review and amendment, the budget is adopted.

State law requires that the budget of a borough school district be presented to the borough assembly. The assembly has the authority to determine the amount of funds to be made available for school purposes, but may not veto or challenge specific items in the school budget. Approval by the borough assembly is followed by adoption of a property tax levy or adjustment of sales tax rate, if necessary, to assure return of local revenues in support of school operations.

School board business transactions and keeping of financial records should follow approved accounting procedures. Adequate accounting is essential because reports to the state and federal government must be filed periodically by the district, from information to be founds within the financial records of the district. Purchase of sup-

plies and equipment, maintenance of inventory records, procuring adequate insurance coverage, and supplemental program, including the school hot lunch program, are other aspects of the business function of the district of which the members of the board should have knowledge.

Responsibility for school facilities is a responsibility of the board. Though the assembly of the borough is responsible for constructing necessary and suitable facilities and providing funds to maintain them, the school board has the major role in planning for additional facilities. Determination of classroom needs and space for special services, school site selection, and building design are concerns of the board. Capital improvements projects should involve residents of the community in the planning and survey, for public participation assures greater support in the community or region served.

Each of the three classes of organized boroughs has the authority to levy and collect taxes. Revenues collected through imposition of a local tax on real and personal property and taxes on sales and services are generally the chief means of support of ^a ~~the~~ borough's administrative function, and may contribute to local support of operation of the borough's schools.

Property tax assessment and collection is a function of the organized borough. Taxes levied may be imposed against each of the two major property classifications - real property, including land and improvements on it, and personal property, furniture, automobiles and other vehicles, inventory and merchandise, and other items.

The assessment function with respect to real property requires, first, the identification of taxable property, supplemented by additional information on land sales, appraisals, rentals, market data and other evidence tending to show the value of the real estate or improvement property. In this regard, preparation of maps, forms, and a system of permanent records indicating physical characteristics, legal description, and improvements to parcels of real estate will provide the basis for subsequent use of the information by borough officials.

Determination of land values and valuation of improvements situated on the land follow from on-site inspection, backed by computation of estimated costs and applicable depreciation, if any. With complete information, an assessment of real property should be completed that is equitable and valid.

Valuation of personal property - if the borough assembly determines that items of personal property shall be taxed - also requires that taxable personal property be identified. Generally, the items are discovered by mailing of a personal property declaration form for completion by the taxpayer and return. The information returned is classified by type and location, allowing the ready comparison of items in determination of values.

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~~The~~ primary task of the assembly of a new borough, then, is to establish the necessary administrative machinery that will provide for return of information to complete an assessment. An assessor should be hired or retained by agreement. With members of his staff, he should proceed to the identification of the real and personal property located within the borough generally in the manner outlined above.

Units of regional government - boroughs - established in rural Alaska labor under the handicap of an absence of existing information about real and personal property located within the unorganized borough. The expenditure of man hours in support of an initial identification and appraisal of the property will probably constitute a very signi-

ficat part of the borough's first year budget. Thereafter, the cost of maintaining property tax rolls should become less expensive. But the continuing cost of appraisal and assessment is a financial obligation of the borough and must be met on an annual basis to assure return of other borough functions.

By state law, certain property is exempt from taxation by a borough:

- (1) real and personal property owned and held by the government of the United States;
- (2) certain property belonging to Alaska Natives under the absolute control of the United States;
- (3) religious property, including structures for worship, land on which it stands, furniture and fixtures within it, and adjacent lots providing for enjoyment of the rights of public worship;
- (4) the first \$200 of household furniture owned by the head of a household;
- (5) certain oil and gas properties; and
- (6) the property of cooperatives where taxes are paid to the state.

In certain other areas, the governing body of the borough may enter a determination as to how the property shall be taxed. Of particular interest to residents of the unorganized borough may be methods of taxing boats and vessels, mining claims, electrical cooperatives, ~~PRIVATE~~ leaseholds or interests in land owned by the United States, and ~~LEASE~~ hold interests on state lands.

Once the initial appraisal and assessment has been completed, thirty days are provided to every taxpayer to notify the borough assessor as to any ^{ERROR OR} omission. The assessor, based on additional information provided by the taxpayer, may enter an adjustment of the initial assessment, but if he does not, the taxpayer may carry his appeal to the members of the borough assembly sitting as a "board of equalization." Individual appeals ^{ARE HEARD} ~~are heard~~ and decided in a manner which permits both the taxpayer and assessor an opportunity to offer testimony and evidence, but the burden rests with the taxpayer who is submitting an appeal that a particular assessment should be reduced.

Within seven days of a final hearing by a borough assembly sitting as a board of equalization, such changes as are to be made must be approved. The assessor then completes the assessment roll, certifies its accuracy, and returns the roll to the borough assembly. The assembly, having before it the proposed budget for the following fiscal year, reviews the roll and determines the rate of levy. Tax

notices are then mailed to owners of property subject to taxation.

The assessor is not involved in the tax collection function. ^{AN} ~~an~~ administrative procedures, collection may be handled by the city clerk with legal assistance from the attorney.

Tax bills sent to owners of real and personal property should be simple to understand, show the amount due, and rendered on a definite schedule. Establishing the proper mailing address is most important for, if not properly addressed, taxes become delinquent and penalties and interest are added. Collection and accounting procedures should also be simplified to keep the taxpayer well-informed and tax delinquencies to a minimum.

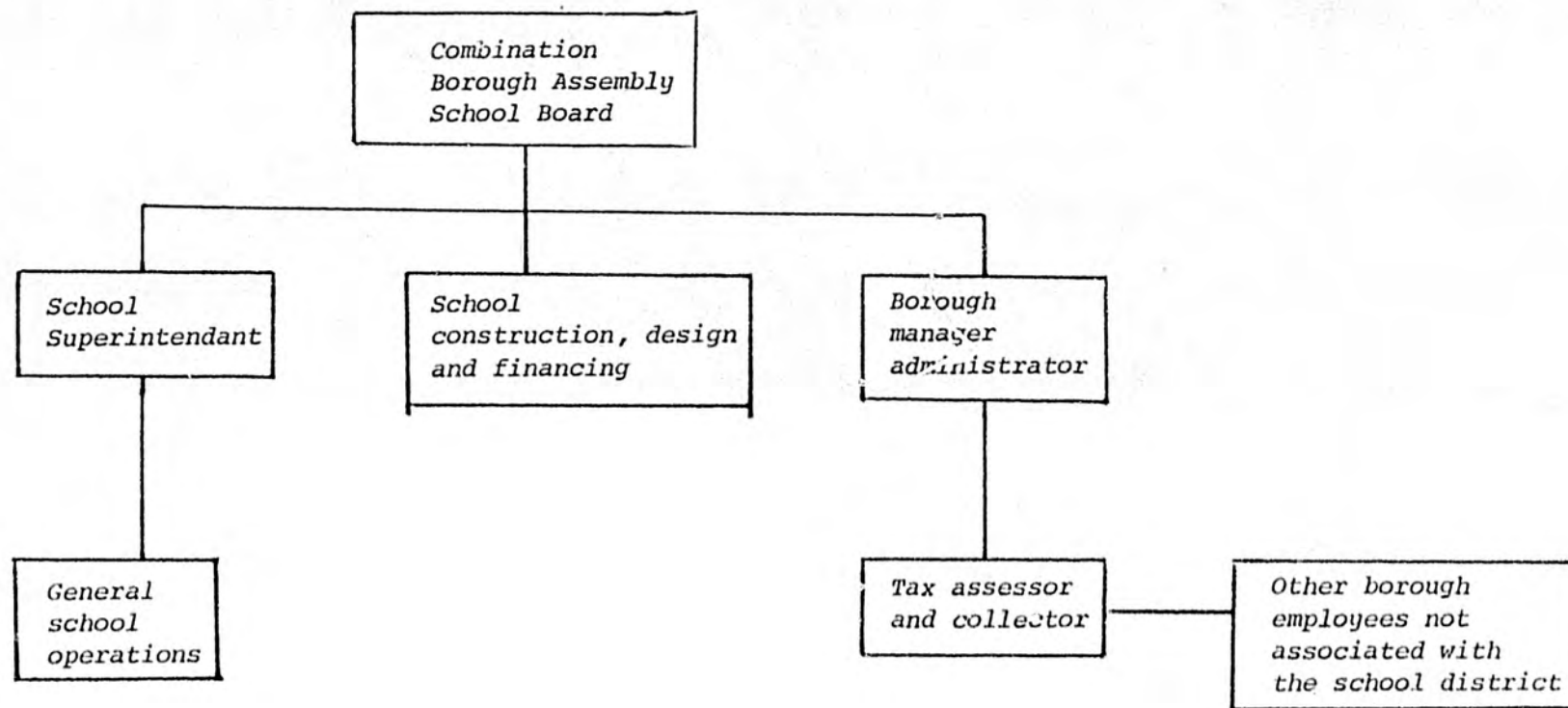
Penalties and interest should be legal and adequate to assure that a taxpayer that it is not cheaper to avoid taxes than to borrow money. State law establishes a maximum penalty of ____% and a maximum rate of interest of ____% which may be charged on the entire unpaid balance, not including penalties, from the due date until paid in full.

The clerk or collection of taxes is responsible for establishing and maintaining a roll of delinquent taxes on real and personal property. The roll, with respect to real property, also called the foreclosure list, is certified and must be publicized for four successive weeks in a newspaper designated by the borough assembly. Thereafter,

one action instituted by the borough assembly may foreclose the tax lines against all real property included on the foreclosure list.

Real property subject to foreclosure must be held for a one year redemption period, during which time any person having an interest in the property may redeem the property by payment of the full amount of the judgment. At the end of the redemption period, after publication of notice, the borough may acquire lists to the property.

Owners of personal property assessed are personally liable for the amount of taxes assessed against their personal property. This tax together with penalty and interest, may be collected after it becomes due by action brought by the borough against the owner.



BOROUGH GOVERNMENT - a brief outline of the powers and duties of organized boroughs.

A borough is a regional form of government desinged to provide specific municipal services over a specific geographic region.

There are three kinds of boroughs, known as first, second and thrird class boroughs.

POWERS - First and second class boroughs both have three mandatory powers. They are:

Education - responsibility for providing an areawide school system within the borough;

Planning - responsibility for all matters relating to planning, platting and zoning within the borough; and

Tax Assessment and Collection - responsible for assessing all taxable property within the borough and also responsible for collecting all taxes levied against that property. Would also have responsibility for collecting all sales tax levied within the borough.

First and Second class boroughs may also acquire the following additional powers:

- (1) streets and sidewalks;
- (2) sewers and sewage treatment facilities;
- (3) harbors, wharves, and other marine facilities;
- (4) watercourse and flood control facilities;
- (5) health services and hospital facilities;
- (6) cemeteries;
- (7) police protection and jail facilities;
- (8) cold storage plants;
- (9) telephone systems;
- (10) light, power and heat;
- (11) water;

- (12) transportation systems;
- (13) community centers;
- (14) libraries;
- (15) recreation facilities;
- (16) airport and aviation facilities;
- (17) garbage and solid-waste collection and disposal service and facilities subject to § 33 of this chapter;
- (18) fire protection service and facilities, not in conflict with AS 18.70.075, but not limited to AS 18.70.075;
- (19) parking and parking facilities;
- (20) housing and urban renewal, rehabilitation and development;
- (21) preservation, maintenance and protection of historic sites, buildings and monuments;
- (22) consumer protection.

The major difference between a first and second class borough is the manner in which these additional powers are acquired.

First class boroughs can acquire additional powers in the area outside cities simply by adopting an ordinance authorizing the power. Second class boroughs may acquire additional powers in the area outside cities by holding an election on the question: if the voters authorize exercise of the power the borough can adopt an ordinance so providing. If the voters say no to the exercise of the power, the borough cannot exercise it.

In both first and second class boroughs authority to exercise additional powers inside cities is acquired by having the city council transfer the power to the borough or by having an election in the city to transfer the power to the borough.

All first and second class boroughs are governed by a borough assembly composed of a number of members specified in the incorporation petition. Additionally, there is a Planning and Zoning Commission which is responsible for reviewing and making

decisions, subject to assembly action, concerning all planning, platting and zoning matters. Finally, there is a school board which is responsible for preparing the school budget and establishing school policy.

The only other major difference between first and second class boroughs is that a first class borough may adopt a home rule charter and a second class borough may not.

The other kind of borough is a third class borough. Third class boroughs have the mandatory powers of:

Education

Tax Assessment and Collection

All other powers (those listed as optional for first and second class boroughs) may only be exercised on a service area basis and only after residents of the service area have voted to authorize the borough to exercise the power.

A third class borough may not exercise any optional powers on a areawide or non areawide basis.

Third class boroughs are governed by a combined assembly/school board. Unless the borough established a planning service area there is no borough planning commission because the borough does not have planning powers.

HOW IS A BOROUGH FORMED

The first step in organizing a borough is to thoroughly educate all of the residents of the proposed borough about what boroughs are.

Once the education process is complete a petition is prepared. The petition must include:

1. The proposed boundaries;
2. How the assembly will be composed;
3. What powers the borough will exercise;
4. What class the borough will be;
5. A proposed budget for the borough; and
6. Evidence showing that the proposed borough meets the following standards for incorporation.

Sec. 29.18.030. Organized boroughs. An area may incorporate as an organized borough if it conforms to the following standards:

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

(2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services;

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

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

Once the petition is complete, it is filed with the Department of Community and Regional Affairs. They determine if the petition contains all the necessary information.

After Community and Regional Affairs accepts the petition it is filed with the Local Boundary Commission. The local Boundary Commission then holds public hearings in the region proposed for incorporation. The purpose of the hearing is to hear public comment for or against the petition. After the public hearings the Commission will hold a decisional meeting and may do one of the following:

1. accept the petition as presented;
2. amend the boundaries and accept the petition; or
3. reject the petition.

If the petition is accepted the Lt. Governor conducts an election to allow local residents to determine whether or not they wish to form a borough. If local residents vote yes - a borough is formed; if they vote no the process is ended and a borough is not formed.

I. Introduction

Among all the states in the Union, Alaska is unique in that vast portions of its territory are not divided into regional structures for state or local governmental purposes. Such areas of the State, referred to by the Alaska Statutes as the unorganized borough, depend upon the State Legislature for the mechanisms and fiscal means by which needs are defined and met. A variety of State and Federal agencies, whose jurisdictions are for the most part inconsonant, serve to administer governmental functions and programs some of which might otherwise be handled by regional governmental structures, were they in existence.

Recent events indicate an emerging interest on the part of some citizens toward the subdivision of the unorganized borough into borough governments. Legislative attention has focused upon the question of establishing by mandate the formation of borough governments covering the entirety of the unorganized borough or in the alternative the formation of regional service areas for the purpose of accomplishing a decentralization of the education function to allow maximum participation in and control over this function by residents in the unorganized borough.

The intermediate position of regional government between the State and city governments in rural Alaska is a largely untested mechanism, but one which deserves closer consideration than has been given to date. For those who would study the borough model, basic information about the structure, function, and resources is essential. It is, then, to those who are interested in the incorporation of an organized borough that this manual is directed.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Historical Perspective

II. ~~Background~~

When the framers of the Alaska Constitution confronted the question of establishing structures and mechanisms for regional government they selected the concept of boroughs. A derivative of the concept of areawide government under consideration in other states during the 1950's, the Alaskan borough concept was adopted by the 1956 Constitutional Convention as a structure which would bridge the local service gap between city and State governmental levels. Such areawide units would be broadly flexible, and adaptable to the diverse circumstances found in various parts of the State. Conditions at the time did not seem to warrant subdivision of the entirety of the State into boroughs and as a consequence the Constitutional Convention chose to merely define the concept of boroughs, leaving to the Legislature the responsibility of determining a scheme for classification, definition of the conditions and standards under which they would be formed and their powers, duties and functions.

While recognizing that some areas of the State required a regional form of government which would have the authority to administer and support a wide range of services and functions, the Constitutional Convention noted that other areas beyond metropolitan centers were not as yet "ready" for regional organized boroughs, but would benefit from the formation of regional structures to be administered by the State with maximum local participation in an advisory capacity. Hence the concept of the unorganized borough was prescribed. Unorganized boroughs would be administered by the Legislature which would be the governing body comparable in function to the assembly, the governing body of organized boroughs. The entire State would be divided into boroughs, organized or unorganized. It was assumed that once adequate administrative capabilities and finances were available, unorganized boroughs would move to organized borough status.

After two years of extensive study, hearings and evaluation, the Legislature enacted the first borough act in 1961. The act provided for first and second class boroughs, prescribing methods and standards by which they would be incorporated, their structure and powers and functions. A third category, the single unorganized borough, was designated to include all areas not included in organized boroughs. Under the act, first and second class boroughs would be initiated voluntarily by petition of residents. Minimum standards for incorporation were stated in general and flexible form. An essential feature of the first borough act was the requirement that existing special districts (Independent School Districts, Public Utility Districts, etc.) were to be integrated into organized boroughs or cities, or established as service areas in the unorganized borough no later than July 1, 1963. The effect of this provision was to focus attention on the more developed metropolitan areas of the State for application of the organized borough concept.

In the face of reluctance on the part of Alaskan citizens to voluntarily incorporate, the 1963 Legislature enacted a measure calling for mandatory incorporation of boroughs in eight developed areas of the State containing special districts. These areas included Anchorage, Palmer, Fairbanks, *Kenai*, Kodiak, Juneau, Sitka and Ketchikan. The major thrusts of the mandatory borough act were the equalization of local property tax burdens and the integration of the previously mentioned special districts into constitutional forms of local government.

Only one organized borough, the Bristol Bay Borough, was incorporated by local action prior to 1963. Since the formation of the boroughs mandated by the Legislature in 1963 only two other boroughs have been organized, the Haines Borough (1968) and North Slope Borough (1972). The Haines Borough incorporated by local action in response to a special district problem, that of integrating the Haines Independent School District into a constitutional form of local government. The North Slope Borough was incorporated largely in response to recognition by local residents that a sufficient financial base had developed to enable residents to undertake responsibility for government in their own region.

~~Unorganized Boroughs~~

During the past four years a number of events have taken place which have radically altered the social, economic and political context of the unorganized borough. The Alaska Native Claims Settlement Act provides for an eventual cash settlement of nearly \$1 billion and 40 million acres of land. In addition, the Act empowers 12 regional Native corporations to assume extensive responsibilities in the administration of the Claims Settlement Act, and involves them in some functions associated normally as government prerogatives, such as land selections. There has been developing over a period of time a change of climate and awareness among residents in the unorganized borough, as expressed in heightened interest in assuming local responsibility for the administration of certain services and programs, including health services, operations of schools, and control of school curricula. These and other changes indicate development of what one might call pre-conditions for borough formation.

In addition to a growing interest among residents in many areas of the unorganized borough in greater participation in determining how various programs and services will be administered on an area basis, some residents have openly expressed interest in exploring the possibilities of borough formation. A principal example would be the Ketchikan-Kobuk region. Some expressions of interest have also been heard from the Aleut League, from some residents in the Bethel area, and from residents of Prince of Wales Island in Southeast Alaska.

A number of proposals before the first session of the Eighth State Legislature give serious consideration of the problems of the development of governmental structures in the unorganized borough. SB 122 and HB 192 propose to decentralize the education function to return a greater degree of control over school operations to local residents. Under these bills communities with schools now administered by the State Operated School System Board of Directors would be resolved into educational services areas in the unorganized borough and would contain two or more communities, with elected school boards. Alternative proposals have also been offered which would create an Unorganized Borough School District within which local control could be achieved through optional formation of second class city school districts, contractual operation of community schools by agreement with existing municipal school districts, consolidation of several community schools with adjacent municipal districts for school administrative purposes only, or the formation of school service areas.

Of equal import to residents of the unorganized borough is HB 122, an act providing for the incorporation of new boroughs. Under this bill areas mandated for incorporation are defined along the boundaries separating the twelve Native Regional Corporations formed under the Alaska Native Claims Settlement Act of 1971. These areas would be incorporated mandatorily, effective January 1, 1977, unless earlier organized by local option procedures under existing law.

When one looks at the ~~more~~ contemporary pattern of initiatives and expressions of interest in borough formation, it becomes apparent that the interests and efforts being made are disconnected, and certainly are not part of an overall policy or plan initiated with any significant degree of analysis of the questions involved. Inasmuch as the boroughs that have been created are centered around either large population centers, or areas with some degree of development or sources of financial resources, and the great majority of communities and areas within the unorganized borough have not heretofore shown any serious interest in borough formation, it should be acknowledged that residents have at least intuitively recognized that the balance between responsibilities of borough governments and the availability of resources and skilled people is not adequate. When one begins to consider the questions and ramifications seriously, it becomes apparent that forms of regional government which have proven appropriate and workable in the more urban and developed areas may not be as suitable for more rural and less developed areas of the state. The subdivision of the unorganized borough would have profound impact on rural areas and it ought not take place without extensive consideration by residents of the unorganized borough themselves, and a thorough analysis of the questions involved by the State.

Borough Planning

Borough^{ACC} of the first and second class an authorized and must undertake respon-
sibility for areawide planning. Planning is not a new concept, nor is it new
to Alaska. Larger cities and organized boroughs in the state have adopted plans
which include plans for ^{comprehensive} and transportation systems and the means and
for land use and construction of public facilities. ^{priorities for} The joint federal state land ^{funding}
use planning commission established in the Native Claims Settlement Act has ^{within the}
under consideration recommendations for land use of large tracts of federally- ^{Borough for}
owned public lands. Various state departments concerned with public facilities ^{ability to}
and economic development have formal plans. ^{pay.}

Borough planning combines land use, public facilities construction and develop-
ment planning. As an areawide function, it concerns areas within and outside
cities, and reaches to all aspects of community life.

Planning, if it is worth the time and money spent, must be action - oriented. ?

Members of borough planning commissions, understanding the problems pecu-
liar to the area, ^{should be} ~~are~~ prepared to address the needs of a village or region and
submit recommendations as to location of new buildings, limits on land use,
or general controls or patterns of commercial ^{industrial} and residential settlement. The
planning commission must also explain to the public the notices of recommenda-
tions offered and seek to encourage public support of the planning program.

Generally, responsibility for planning rests with the borough assembly and
borough mayor. A successful planning effort requires an enabling ordinance,
funds appropriated to support the work of the planning commission, enactment
of a zoning ordinance to implement recommendations of the planning commission

and adoption of a comprehensive plan for the community or area served; all of these are the immediate concern of the assembly and mayor.

The mayor appoints the members of the borough planning commission, a body of not less than five members each of whom serves a three-year term. Appointments must be approved by the borough assembly, and the membership should be broadly representative of the areas within the borough.

The planning commission's duties are described in state statutes. Generally, the commission:

- (1) Prepares plans for systematic development of the borough;
- (2) Suggests the employment of necessary staff;
- (3) Considers plan for public facilities in the capital improvement program;
- (4) Develops a comprehensive plan;
- (5) Proposes for consideration by the borough assembly, zoning and subdivision ordinances and amendments to those ordinances; and
- (6) Proposes plans for renewed projects.

Because members of a borough planning commission are laymen with other jobs and interests, all boroughs having responsibility for areawide planning may find expert assistance necessary. A planning staff may be used to conduct necessary studies or administer regulations. To other boroughs too small to maintain a permanent staff, the resources of the Division of Research and Planning of the Department of Community and Regional Affairs are available.

The first step in preparing a general plan for a borough is to describe the characteristics of the borough. The members of the planning commission must take account of the history of the area's economy, topography and natural resources, current and past employment, population and the activities and interests of proper, patterns of existing land use, and present and projected commercial activity. Once the summary is prepared, the commission must provide broad guidelines for the borough's development. Alternatives in land use policy should be considered.

One method of planning the future use of land is to map the current land uses and future requirements. Future land requirements for housing, commercial activity, or public use, should take into account road construction or relocation and easements for utilities. The ^{designation} ~~location~~ of land for commercial activity ^{should} ~~may~~ ^{be provided} ~~be located near~~ existing or proposed transportation facilities and ^{location of} ~~near~~ principal customers. Public facilities - including schools - serving the entire community should be sited only after due regard for residential construction. Public land for recreation should be identified and set aside before development occurs. Some land, particularly areas subject to flooding or erosion, may be placed in a conservation category. Area redevelopment within single communities - changing the use of land already developed - may properly be the subject of the commission's concern.

Assessment of a borough's potential economic development and future activities by federal, state, and local groups has a bearing on the land use plan and the capital improvement program. Public facilities often generate interest by private developers; in preparing a capital investment program, the planning

commission should strive to accomodate the decisions on plans of public and private investors. A capital improvements plan must also take into account available revenues and resources and expected patterns of growth within the region. Finally, the commission should work to prepare and refine a list of project, costs, and priorities and present its land use plan and capital improvements program to the borough assembly for review and approval.

A borough does not have authority to levy taxes within a city except for public improvements that are borough wide. But the borough plan and capital improvement program include facilities within the cities because the planning commission is charged by law with responsibility for areawide planning. Therefore, close cooperation between the borough planning commission and city advisory planning commission is essential if improvement projects of the borough are to be built within cities.

Zoning is a well-established function of local government. It is a legal and administrative device by which that part of the comprehensive plan adopted by the borough for land use may be enforced. Zoning identifies land and the best uses to which it may be set, and attempts to set controls on encroachments to the use recommended.

When new housing units are to be built, or a community relocated, the assembly may consider subdivision regulations. A subdivision ordinance specifies standards to be followed in determining the location of streets and easements, size of lots, preservation or protection of natural features, and encouragement of good building lots.

In support of improvements of benefit to the area of a borough, or to the area within a borough outside of incorporated cities, the borough has the power to incur bonded indebtedness. As an essential part of a capital improvements program, consideration of financing and decisions about how projects can be financed are important. Preparing the capital improvement program involves decisions about how projects may be financed out of current funds available to the borough, federal or state grants-in-aid, or proceeds of bond sales.

REGIONAL GOVERNMENT IN ALASKA

During the past three years there has been considerable thought about creating further regional governments in Alaska. The term "borough" is used to designate a regional government. Two years ago, on July 1, 1972, the North Slope Borough was formed; this is the last borough formed to date.

There are only two types of local governments in Alaska:

Cities

Boroughs

Cities are classified as follows:

Home-rule

First-class

Second-class

Boroughs are classified as follows:

Home-rule

First-class

Second-class

Third-class

We will not be discussing home rule in this pamphlet other than to say

that a home-rule city or borough is a first-class city or a first-class borough that by a favorable vote of the people has adopted a home-rule charter. Home-rule municipalities (municipality is another word for a city and a borough) have all powers not prohibited by law or charter.

As you can see by the map (organized cities and boroughs) some areas of your State have already organized as boroughs. These are the parts of the map that are colored red. The rest of your State, which has not been organized into boroughs, is called the unorganized borough. You can immediately see that the unorganized borough constitutes more areas of your State than the organized boroughs.

In the unorganized borough, we find three classes of cities:

Home-rule--those cities designated by a red circle

First-class--those cities designated by a red diamond

Second-class--those cities designated by a red triangle

You will also note some cities designated by a red cross and one by a red star --forget about them at present.

All of these cities in the unorganized borough have certain powers granted to them by law, and those powers are listed in Chapter 48 of Title 29. Title 29 is a part of the Alaska Statutes or Alaska law which deals with municipal government. Alaska law is referred to as follows:

AS 29.48.010

AS means Alaska Statutes or law

29 is the number of the title

48 is the chapter

010 is the section of the chapter

In addition to the powers listed in AS 29.48.010 through AS 29.48.330, the home-rule and first-class cities in the unorganized borough have other powers; among those powers that must be exercised, these are called mandatory powers, are the following:

1. They must establish, maintain, and operate a system of public schools. In other words, they operate their own schools.
2. They must provide for planning, platting and zoning. This means

But, the second-class cities cannot operate their own schools. Their schools are operated by the BIA or SOS (State-operated schools). Here is the picture.

Home-rule or first-class city in the unorganized borough:

CITY OF HOPE (Pop. 525) *(1st Class City)*

The eligible voters elect their own school board and run their own school or schools. We call this local control of the schools

BUT

CITY OF DISPAIRE (Pop. 287) *(2nd Class City)*

The eligible voters do not run their school. It is run from Anchorage, Juneau, Colorado or some other place. There may be an advisory school board--but someone else calls the shots--not the voters living in the City of Dispare.

This is the situation in most of the unorganized boroughs, and citizens want something to say about their schools. Thus, all of these cities which are second-class cities have choices:

1. They can stay as they are and let the outside operate their schools.
2. If they have a population of over 400 people, they can go through the process of reclassifying to a first-class city.
(AS 29.08.040)
3. Several cities and villages in an area can petition to form a borough.

This pamphlet is being prepared for circulation to the citizens of an area who are considering a regional type of government. We want to give you as much information as possible, but we may not answer all of your questions. Thus, feel free to write us and we shall promise to answer your questions.

State law (AS 29.18.030) says that an area may incorporate as an organized borough if it conforms to or meets the following standards:

1. The population of the area is interrelated and integrated as to

its social, cultural, and economic activities, and is large and stable enough to support organized borough government:

Interrelated and integrated as to its social, cultural and economic activities means that there is something in common among the population seeking incorporation. The population or most of the population have the same cultural background; they get along with one another and have an understanding of the jobs their friends perform, or that they are familiar with hunting and fishing. Large and stable enough to support organized borough government, means an area of several cities and villages that are permanent places.

2. The boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services:

Conforms generally to natural geography; we shall illustrate:

Here the mountains separate the two cities on the east from those cities and villages on the west and a borough would not conform to natural geography and most certainly communications between the cities and villages on the west of the mountains and the cities on the east would be impossible.

So,

the cities and villages on the west would not include the mountains and the two cities on the east and thus would conform generally to natural geography.

The second part of this standard states that all areas necessary for full development of local services should be included in the boundaries. Again we shall illustrate:

Here we have nine cities and villages included in our proposed boundaries and we also have two villages and a city left out. The borough must operate its own schools. In order to develop a better school system, involve more young people and maybe have better athletic teams, the two villages and the city should be included in the proposed boundaries and thus include the area shown by the broken lines.

3. The economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses and income of the proposed borough.

The first part of this standard speaks to the economy of the area to be incorporated and is divided into two parts:

- a. Human resources: Regional government, in order to be effective, will demand that all elected officials be willing to spend long hours in the performance of their duties. The elected members of the assembly (this is the name for the governing body of the Borough--it is like the council, the governing body of the city) will meet at least monthly and perhaps twice a month. The assembly

may also be the school board and thus add responsibilities.

b. BUT all citizens share the responsibility for good government by

- (1) voting,
- (2) attending assembly meetings and expressing opinions about ordinances (laws),
- (3) obeying ordinances, and
- (4) working on committees, etc.

c. The second part of this section deals with financial resources capable of providing local services. In other words, good regional government demands not only your time but your money. This may be true if you only run your own schools. Let's suppose an area is seriously considering local self-government and they request the State Department of Education to work out the total costs involved in operating the schools and the results are as follows:

Total basic need	\$1,500,000.00
State Support	1,450,000.00
(at least 90%)	

\$50,000 is needed and must come from local support
which can be

- (1) Sales tax up to 3%
- (2) Real property tax
- (3) Personal property tax
- (4) National Forest Receipts
- (5) Business License Tax Refunds
(areas outside cities only)
- (6) Liquor License Tax Refunds
- (7) Raw Fish Tax Refunds

The following is a discussion of local sources of revenue:

- (1) Sales tax up to 3%. The assembly of the borough does not have the power to impose a sales tax. In order to levy such a tax a referendum vote must be held. In other words, the eligible voters have a chance to vote for or against a sales tax. If the voters favor a sales tax then the assembly by ordinance will enact such a tax. When the assembly holds a public hearing on the ordinances, all citizens have the opportunity to speak. So, if you feel some items ought to be exempt from the sales tax, speak up and let your assembly know your feeling. Also, please remember that the sales tax must

be paid by all persons who make purchases in your borough.

(2) & (3) Real and personal property tax. If the eligible voters within the area to be incorporated as a borough vote favorably for a borough, the assembly has the power to assess property and levy a tax on both real and personal property up to 30 mills. As citizens of the borough you do not have a separate vote on real and personal property taxes and you cannot have a vote on limiting the amount of the millage. Here is how it works:

Let's say that the borough has the property within the boundaries assessed. To assess a property means to place a value on the property and Alaska law says that a property shall be assessed at 100% true value.

So your home and the lot on which your home stands is assessed for \$20,000.00. This is just for your home and property or land. It does not include your personal property such as a boat, snowmobile or car. If the tax levy is five mills you would have to pay \$100.00 a year real property tax. Or, if your home and land were appraised for \$10,000.00 you would pay \$50.00

a year.

REAL PROPERTY

Personal property is another matter and it could include your boat, motor, snowmobile, tractor, car, fish nets, etc. All these items would have a value placed upon them; and if a two-mill tax was imposed, it would work this way:

Boat	\$100.00
Motor	200.00
Snowmobile	<u>350.00</u>
Total	\$650.00

$$\$650.00 \times 2 \text{ mills} = \$13.00$$

1 mill is 1/10th of a cent

2 mills is 2/10ths or 1/5th of a cent

Now, a little more about real property taxes:

(a) There are some exceptions we ought to consider:

- 1) If the land and building (the home) is owned by an Alaskan native and the owner has a restricted deed, one given to the owner by the Secretary of the Department of the Interior, this owner does not have to pay real property taxes. But, this owner has to pay personal property taxes.

The owner would have to pay personal property taxes on such items.

- 2) The borough has the power to give up to a \$10,000 exemption on all real property. Thus, with such an exemption, if your real property was assessed at \$20,000 and the exemption was

\$10,000, you would pay the millage on \$10,000 only.

Example: 5 mills on \$20,000 assessed value is \$100. With the \$10,000 exemption, \$20,000 minus \$10,000 equals \$10,000 and 5 mills on this would be \$50.

3) The Senior Citizens Property Tax Exemption.

The real property owned and occupied as permanent place of abode by a resident 65 years of age or older is exempt from taxation of the assessed value of the real property. More detailed information regarding this matter would be available, if a borough was organized, from the borough clerk or assessor.

PERSONAL PROPERTY

The remaining items listed as local support will not be discussed in detail:

- (4) National Forest Receipts. Your assembly does not make application for these funds. If there is a part of the national forest within the boundaries of your borough, the commissioner of Administration will pay your borough its share which shall be proportioned to the area of the national forest.

Example: 4% of the national forest is within the boundaries. The commissioner has \$100,000 to distribute. Thus your borough would receive \$4,000. This money can be used for schools or roads only.

- (5) Business License Refunds. 60% of the money collected in your borough outside cities will automatically be sent to the borough by the State.

Example: If there were 30 business licenses issued within the borough and the State received a total of \$16,000, your borough would receive \$9,600.

- (6) Liquor License Refunds. Again your assembly does not make application for those funds. But, twice a year the borough would receive the money derived from licenses issued outside cities, except wholesale licenses. In order to receive this refund, the borough must enforce its ordinances, the laws of the United States, the laws of the State and the regulations relating to the manufacture and sale of intoxicating liquors in the State. If the borough of intoxicating liquors in the State. If the borough fails to enforce the laws and regulations, the commissioner of the Department of Revenue may deny the refund.

Example: the State collects \$22,000 from licenses issued outside cities and sends the borough \$22,000.

- (7) Raw Fish Tax. This is another automatic refund. Ten percent (10%) of the amount of the tax revenue collected outside cities is refunded.

Example: the State collects \$50,000 and sends the borough \$5,000 and an additional 10% goes to the borough from all tax revenues collected in the borough.

Example: Over and above the \$50,000 of tax revenue collected outside cities, an additional \$40,000 is collected in cities; so the borough would receive an additional \$4,000, or a total of \$9,000.

(8) Other sources of revenue will be derived from:

- (a) Coin-operated Amusement and Caming Tax
- (b) Aviation Fuel Tax
- (c) Electric and Telephone Cooperative Tax
- (d) State-shared revenue for services performed
- (e) Federal revenue sharing
- (f) Grants

When all information is available regarding the financial resources, a tentative borough budget could be prepared and assistance will always be available from the Department of Community and Regional Affairs.

4. The final standard reads as follows:

Land, water and air transportation facilities allow the communication and exchange necessary for the development of integrated local government.

What's really being said is this: Can you get from place to place in your proposed borough either by land, water or air so that Joe Zimmer, a member of the assembly living fifty miles from the borough seat (the borough office) , could get to a meeting.

CLASSES OF BOROUGHS AND POWERS

There are three classes of boroughs, first, second and third. The standards we have discussed apply to all boroughs but the powers boroughs exercise and the way they assume additional powers, both areawide (this means throughout the whole borough) and non-areawide (this means the area outside cities) differ.

First-class boroughs must establish, maintain and

1. Operate schools
2. Perform planning, platting and zoning

First-class boroughs may assess and levy taxes

Second-class boroughs must establish, maintain and

1. Operate schools
2. Perform planning, platting and zoning

Second-class boroughs may assess and levy taxes

Third-class boroughs must establish, maintain and operate schools

Third-class boroughs may assess and levy taxes

As soon as a borough, either first, second or third class, is formed, it assumes the administrative responsibility for all State-operated schools within its boundaries as well as any schools in a first-class city. Transfer of direct administration of the schools should be made shortly after incorporation, prior to the beginning of the next fiscal year. The Department of Education for SOS has no authority to continue maintaining and insuring school buildings after the formation of a borough. If a brief period is necessary for the details of the transfer to be arranged, a use agreement must be executed, whereby the borough assumes the major responsibility of ownership, including costs of maintenance and insurance. The Department of Education has the responsibility to provide financial support as provided by statute.

If there are BIA schools within the boundaries of the borough, it would be up to the borough and the BIA to work out the details of an orderly transfer of BIA schools to the borough.

First- and second-class boroughs must provide for planning, platting and zoning on an areawide basis. We have discussed this on page as far as a home-rule or first-class city in the unorganized borough is concerned. In the case of a borough, this power is exercised areawide--which means in the cities as well.

Third-class boroughs, you will note, do not have the mandatory power of planning, platting and zoning and cannot exercise this power either on an

areawide or non-areawide basis. First-class cities in a third-class borough must exercise this power and second-class cities may exercise the power.

Each class of borough may assess and levy taxes. This matter has already been discussed on page forward. But it must always be remembered that if citizens demand services from their borough, that services cost money, and sales as well as real and personal property taxes constitute a local source of funds to provide services for residents.

AS 29.48.010. General powers. [Municipalities] Boroughs have the following powers, subject to other provisions of law:

- (1) to establish and prescribe the functions of municipal departments, offices or agencies;
- (2) to establish and prescribe salaries for the elected and appointed municipal officers and employees;
- (3) to make investigations of the affairs of the municipality and make inquiries into the conduct of a municipal department;
- (4) to enter into agreements, including those for cooperative or joint administration of any functions or powers with a local government, with the state, or with the United States;
- (5) To require periodic and special reports from a municipal department to be submitted through the municipal executive;
- (6) to sue and be sued;
- (7) to levy taxes and special assessments;
- (8) to enforce ordinances and to prescribe penalties for violations;

(9) to acquire, manage, control, use and dispose of real and personal property for a purpose authorized under this title, federal law, or other law, or in accordance with such law, and irrespective of whether or not the property is situated within or outside the municipal boundaries;

(10) to acquire membership in organizations which promote legislation for the good of the municipality;

(11) to expend funds for community purposes for the good of the municipality;

(12) to borrow money and issue evidences of indebtedness.

AS 29.48.030. Municipal facilities and services. (a) A [municipality] borough may exercise the powers necessary to provide the following public facilities and services.

- (1) streets and sidewalks;
- (2) sewers and sewage treatment facilities;
- (3) harbors, wharves, and other marine facilities;
- (4) watercourse and flood control facilities;
- (5) health services and hospital facilities;
- (6) cemeteries;
- (7) police protection and jail facilities;
- (8) cold storage plants;
- (9) telephone systems;

- (10) light, power and heat;
- (11) water;
- (12) transportation systems;
- (13) community centers;
- (14) libraries;
- (15) recreation facilities;
- (16) airport and aviation facilities;
- (17) garbage and solid-waste collection and disposal

service and facilities subject to § 33 of this chapter;

- (18) fire protection service and facilities;
- (19) parking and parking facilities;
- (20) housing and urban renewal, rehabilitation and development;
- (21) preservation, maintenance and protection of historic sites, buildings and monuments;
- (22) consumer protection.

(b) First and second class boroughs may exercise the powers conferred by (a) of this section or § 33(a) of this chapter only after they have been assumed in the manner required under AS 29.33.250-29.-33.290 for areawide exercise or in the manner required under AS 29.-38.010-29.38.050 for exercise in the borough area outside cities, or are conferred by § 20 of this chapter for exercise in the borough area outside cities. However, as to powers conferred under (a) (12) of this section, exercise of the powers areawide or in the borough area outside cities is at the option of the borough and is not subject to those restrictions on acquisition of additional borough powers. With respect

only to boroughs which on September 10, 1972 are not exercising powers conferred under (a) (12) of this section on an areawide basis, objection which a city may raise to areawide exercise of the powers by a borough shall be reviewed by the Alaska Transportation Commission. The commission shall decide whether exercise of the powers exclusively by the borough areawide is to be approved as in the public interest under the particular facts and circumstances at issue. (§ 2 ch 118 SLA 1972)

You will note here that third-class boroughs are omitted in (b) above. Third-class boroughs can provide these public facilities and services only on a service-area basis. Service areas will be discussed in page forward. AS 29.48.035. Regulatory powers. (a) A [municipality] borough may regulate the operation and use of its public rights-of-way, public facilities and services. It may also regulate the following:

- (1) licensing and operation of motor vehicles, including snow vehicles, and operators;
- (2) licensing of drivers of taxicabs, for-hire automobiles, motor buses, or other vehicles for the transportation of passengers or baggage;
- (3) vehicle parking and traffic;
- (4) transportation fares;
- (5) licensing, impounding and disposition of animals;
- (6) selling of goods;

- (7) selling of food;
- (8) abandoned property;
- (9) dangerous and disorderly conduct;
- (10) alcoholic beverages as provided by AS 04.15.070;
- (11) recreational devices as provided by AS 05.20.100;
- (12) control of insects and rodents;
- (13) offering for sale, exposure for sale, sale, use, or explosion of fireworks;

(14) building, housing and related codes, which may be provided by cities within cities or, in the manner required in (b) or (c) of this section, by first or second class boroughs in the borough area outside cities or areawide; exceptions to requirements of the codes may be made in the codes among other reasons, in order to provide for the preservation, maintenance and protection of historic sites, buildings and monuments;

- (15) condemnation and abatement of public nuisances and hazards;
- (16) garbage and solid-waste collection and disposal;
- (17) water pollution control;
- (18) air pollution control as provided in AS 46.03.140-46.03.240;

(19) other powers and functions affecting the general health, safety, well-being and welfare of its inhabitants. (Am § 44 ch 53 SLA 1973)

(b) First and second class boroughs may exercise the powers

conferred by (a) of this section only after they have been assumed in the manner required under AS 29.33.250-29.33.290 for areawide exercise or in the manner required under AS 29.38.010-29.38.050 for exercise in the borough area outside cities or are conferred by § 20 of this chapter for exercise in the borough area outside cities. However, as to powers conferred under (a) (5), (17) and (18) of this section, exercise of the powers areawide or, as to (a) (5) and (17) in the borough area outside cities is at the option of the borough and is not subject to those restrictions on acquisition of additional borough powers. Upon adoption of a borough ordinance to provide for areawide exercise of the powers specified, no home rule or general law city within the borough may exercise the powers, unless the borough ordinance provides otherwise or the borough by subsequent ordinance ceases to exercise the power.

(c) The provisions of (b) of this section notwithstanding, boroughs which on September 10, 1972 are exercising building, housing or related code powers, except as those code powers relate to flood control, on an areawide basis or in the borough area outside cities shall, subject to acquisition of the powers on an areawide basis by transfer or election as provided in (b) of this section, exercise the powers in the borough area outside the cities and, upon agreement of the city and borough, within any city, home rule or otherwise, in which the powers are being exercised on September 10, 1972; if the city does not agree to

continued borough exercise of the powers within the city, the city shall exercise the powers within the city. (§ 2 ch 118 SLA 1972)

Again you will notice in (b) above that there is no mention of third-class boroughs. Third-class boroughs may perform the above ^{regulatory} ~~regarding~~ powers only on a service-area basis.

SERVICE AREAS

Above shows an area known as Alaska Village with 75 residents. The residents want a library. The two cities are quite a distance from the village. The first- and second-class boroughs are not providing libraries on an areawide or non-areawide basis and by ordinance establish the service area. In a first-class borough the assembly may exercise within a service area any power granted to a first-class city by law. (These are the facilities and services as well as the regulatory powers listed for boroughs.) In a second- and third-class borough the

power to be exercised in the service area must be approved by a majority of the qualified voters residing within the service area and voting on the question at a regular or special election. The assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas, and may levy taxes, charges or assessments in the service area to finance the special service.

Other areawide powers can be exercised by first- and second-class boroughs only and such powers can be secured in three ways:

1. Designated on the petition for incorporation
2. Transfer from a city or cities
3. Areawide election on the question

BOROUGH OFFICERS AND EMPLOYEES

The governing body of the borough is called the assembly. The assembly shall be composed of the number of members and be apportioned in a manner set out in the incorporation petition approved by the voters. But the composition and apportionment must be consistent with the equal representation standards of the Constitution of the United States.

Let's suppose the petition calls for an assembly of nine members. These members could be elected at large, which means that all eligible voters in the

proposed borough would vote for nine members, or districts could be created and the eligible voters in each district vote for 1 or more members, according to population. Here is an example of districts:

The above is called a weighted vote and the total number of votes is nine. District "A" representative with only 50 people would have $1/2$ a vote and District "C" representative with 150 people would have $1\ 1/2$ votes.

Assemblymen are elected for a three-year term and must be borough voters. By ordinance, new terms can be prescribed, not to exceed four years, but the term of incumbent assembly (those already elected and serving) cannot have their terms changed.

Suppose an ordinance is passed that staggers terms of councilmen, then after serving three years an election would take place and assemblymen could be elected as follows:

3 councilmen elected for 1 year

3 councilmen elected for 2 years

3 councilmen elected for 3 years

This rotation system has one great advantage. There is continuity on the assembly and this is important.

In the third-class borough the assembly also acts as the school board. In second- and first-class boroughs there is an elected school board; but, if the public school enrollment within the borough is 500 pupils or less, then a borough ordinance approved by the assembly and ratified by a referendum of a majority of the qualified borough voters voting on the question at a regular or special election can make the assembly also the school board.

The borough executive and chief administrative officer can be an elected mayor or borough manager.

BOROUGH MAYOR

1. Elected by people
2. Must be a borough voter
3. Term of office-- 3 years unless otherwise provided by ordinance not to exceed 4 years
4. Veto power with some exceptions
5. Participation in assembly discussions but no vote

BOROUGH MANAGER

1. Plan adopted by borough voters at regular or special election; motion by assembly or petition by voters
2. Appointed by assembly and must have executive and administrative qualities
3. Subject to terms of contract, manager serves at pleasure of assembly
4. Veto
5. Participate

STATE ASSISTANCE TO ORGANIZED BOROUGH

A. Organizational Grants

The state provides organizational assistance to boroughs in the form of a cash grant. The purpose of the grant is to assist an area in the transition to borough government. Under the terms of Alaska Statute 29.18.180, each organized borough is entitled to an organizational grant equal to \$10 for every qualified voter who voted in the last general election. The minimum that a borough may receive is \$25,000. The law provides that the Department of Community and Regional Affairs, within 30 days after the date of the incorporation election, determine the number of qualified voters in the borough who voted in the last general election. The Department must then transmit, within 30 days of completion of its findings, from money appropriated for this purpose the grant to which the borough is entitled. However, in the case where money has not been appropriated to the Agency for this special purpose, the transmission of the grant will have to await legislative appropriation of the special funds to the agency's account.

B. Borough Land Selection

As an added incentive to the establishment of borough government, the legislature has provided for selection by an organized borough ten percent of certain state lands within the borough. These lands must be vacant, unappropriated and unreserved for any state use. Land dedicated to mental health and university use are considered reserved and appropriated for state use. Present law pro-

vides that an organized borough may select 10 percent of these unreserved state lands. The land selection will not affect any valid existing claim, location, or entry under state or federal law, whether for homestead, mineral, right-of-way, or other purpose, or affect the right of any owner, claimant, locater, or entryman in the full use of the land so occupied. Borough selections must be made in reasonably compact tracts and must consider the present and potential use of the lands. If the lands are unsurveyed at the time of selection, the Department of Natural Resources will establish exterior boundaries of the area requested. The borough bears the cost of the survey. Lands selected by the borough are patented to the borough by the Department of Natural Resources. The law permits the borough to execute conditional leases and make conditional sales of selected lands, prior to issuance of final patent.

C. State Shared Taxes

Business License Tax

For the privilege of engaging in a business in the state, the Alaska Business License Act requires that a person first obtain a license from the Department of Revenue. The license fee for each business is \$25 plus a sum equal to one-half of one percent of the gross receipts in excess of \$20,000 from the business during the year for which the license is issued. Gross receipts exceeding \$100,000 a year are taxed at the rate of one-quarter of one percent. Businesses and activities whose gross receipts are exempt from this tax are listed in AS 43.70.010.

The State Department of Revenue refunds to organized boroughs and cities of any

class 50 percent of the money collected in the local government unit.

Aviation Fuel Tax

The state taxes aviation fuels at the rate of four cents a gallon for gasoline and two and one-half cents a gallon for all other aviation fuels. Sixty per cent of the proceeds of the revenue from these aviation fuel taxes, excluding the amount determined to have been expended by the state in the collection of the taxes, are refunded to a municipality (city or borough) owning and operating an airport in the proportion that the revenue was collected at the municipal airport.

National Forest Receipts

The state receives national forest income from the federal government under 16. U.S.C. Section 500. Upon receipt of this income the Commissioner of Administration must immediately pay to every organized borough in which national forest land is located, a share of the income from that forest. An organized borough's share of the receipts is proportional to the area of the national forest located within its boundaries. The law requires that organized borough use the national forest income for public schools or roads.

Tobacco Tax

The state licenses all persons engaging in the manufacture, distribution, retailing, or operation of vending machines in the sale of cigarettes. In addition to the license fees, an excise tax of two and one-half mills on each cigarette imported

or acquired in the state. The proceeds of the licenses and excise tax, collectively referred to as the Tobacco Tax, are paid into a state fund entitled "School Fund." The "Fund" is used exclusively to rehabilitate, construct, and repair the state's school facilities and for costs of insurance for the life of the buildings. The Tobacco Tax monies are divided into two major divisions, state operated schools and local (city and borough school districts. The Department of Education has established a set of formulae by which the state schools and local districts share in the disbursement of the funds. These formulae are found in the Alaska Administrative Code, Title 4.

Fish Processing Tax

Persons engaged in canning, cold storage or other processing of fish and fish resources are required to pay an annual license tax to the state. The amount of tax depends upon the type of fish involved and the manner in which it is processed. The following table summarizes the nature of the taxes levied.

<u>Fishery Resource</u>	<u>Processing Activity</u>	<u>Rate of Tax</u>	<u>Measure of Taxable Value</u>
Salmon	(1) Canning (Share-based or floating canneries)	3%	Average wholesale price of finished product obtained by Alaska salmon canneries during August-December of the preceding year

	(2) Cold storage and	1%	Price paid by processor
	other processing	(4%)*	
	(3) Fresh salmon sold by processor without processing	1%	Price received by processor
Herring	All processing (canning, curing, salting, freezing, bait, meal, oil)	1%	Price paid by processor
Crab	(1) Canning	2%	Price paid by processor
	(2) Cold Storage and other processing	1% (4%)*	Price paid by processor
	(3) Fresh crab, exported without processing	4%	Price paid by processor
Clams	(1) Canning of razor and butter clams	2%(razor clams) 1%(butter clams)	Price paid by processor

	(2) Cold storage and other processing	1% (4%)*	Price paid by processor
Halibut, scallops, shrimp, and other fishery resources	All processing	1% 4%	Price paid by processor

*Applies to freezer ships and other floating cold storages.

The State pays fisheries tax refunds to each organized borough and city of the first, second, and third classes according to the following formula:

(1) If the cannery, cold storage, or other fish processor is located within an incorporated city of the first, second, or third class, the borough receives 10 percent and the incorporated city receives 10 percent, of the revenue collected from the tax levied on the processing facility.

(2) If the fish processing facility is located within the organized borough but outside an incorporated city of the first, second or third class city, the borough receives a refund of 20 percent of the revenue collected.

(3) If the processing facility is located in a first, second, or third class city in the unorganized borough, the city receives a 10 percent refund.

Liquor Licenses

Any person, firm, corporation, organization, or company wishing to manufacture, sell, offer for sale or possess for sale or barter or exchange for goods in the state, an intoxicating liquor must first obtain an appropriate license. The following is a list of those licenses whose fees are refunded by the state to eligible local governments.

(1) Beverage dispensary license. The license fee is \$500 in all towns, villages, and other places having a population not exceeding 1,500 persons and \$1,000 in all towns, villages and incorporated cities having a population in excess of 1,500 persons. The population determination is made at the time of license application.

(2) Restaurant license. The license fee is \$300

(3) Road house license. The holder of a road house license may exercise the privilege of his license in a place which is located not less than 18 miles from the corporate limits of a city. The license fee is \$150

(4) Club License. The license fee is \$400, except that the fee is \$200 is the gross sales of liquor have not exceeded \$5000 for the preceding year.

(5) Bottling works license. The license fee is \$100

(6) Brewery license. The license fee is \$100

(7) Retail license. The license fee is \$600, but the fee for a retail liquor store with gross sales not exceeding \$20,000 in any calendar year is \$300

(8) Distillery license. The license fee is \$100

(9) Common carrier dispensary license. The license fee is \$250 for each vessel, or buffet car.

(10) Retail stock sale license. The license fee is \$100.

Money derived from licenses issued (except wholesale licenses) within organized boroughs and all classes of cities, is refunded semi-annually to the boroughs and cities, provided that all local, state, and federal laws and regulations concerning intoxicating liquors are being enforced.

Electric and Telephone Cooperative Tax

Electric and telephone cooperatives which are exempt from the provisions of the business license tax except for the initial \$25 license fee, pay to the State before March 1 of each year, instead of state and local ad valorem, income and excise taxes, a percentage of their gross revenue earned during the preceding calendar year. The gross revenue tax is computed as follows:

(1) Cooperatives which have furnished electric energy and power, or telephone service to consumers for less than five years as of December 31 of the pre-

ceding calendar year pay to the State one percent of their gross revenue.

(2) Cooperatives which have furnished the above services to consumers for five years or longer as of December 31 of the preceding calendar year are taxed at the rate of two percent of their gross revenue.

The proceeds of this gross revenue tax, less the amount expended by the state in its collection, are refunded to the local taxing authorities by action of the legislature in the proportion that the revenue was earned within the geographical area of the taxing authorities.

Amusement and Gaming Devices Tax

The State imposes a tax on any person who maintains for use or permits the use on premises under his control of a coin-operated device. The tax varies according to the classification of the device:

(1) Class 1 devices include amusement and gaming apparatuses which do not involve an element of chance. Example: Juke Box. Coin operated radios are not included in this classification. The tax is \$48 on each device.

(2) Class 2 devices include pinball machines, bingo type coin-operated devices, and hore race machines and the like, operating by means of insertion of a coin or similar object and which by embodying the elements of chance and skill, award free plays. The tax for each device is \$120.

(3) Class 3 devices include slot machines and other devices, operated by insertion of a coin or similar object, which, by strict dependence upon the element of chance, make cash or equivalent awards to the person operating the machine. The tax for each device of this classification is \$240.

<u>Classification</u>	<u>Example</u>	<u>Amount of Tax</u>
(1)	Juke Box	\$ 48
(2)	Pinball Machines	120
(3)	Slot Machines	240

One-half of the proceeds of the gross revenue from the coin-operated amusement and gaming device tax, excluding distributors' fees, penalties, and the amount spent by the state in its collection, is refunded to organized boroughs and cities of the first, second and third classes, by action of the legislature, in the proportion that the revenue was earned in the eligible local government unit.

Punchboards

A distributor who distributes a punchboard in the state is required to pay the following license tax before the punchboard is sold at retail trade:

- (1) \$2 for each board of 2,00 holes, or less;
- (2) \$4 for each 1,000 holes or fraction in each board with more than 2,000 holes

Seventy-five percent of the tax collected from sales of punchboards in an organized borough or city of the first, second, or third class is refunded to the local

government.

D. Local Governemnt Assistance Under AS 43.18

In addition to the shared revenues listed above, an organized borough may be elibible to receive the following state aid for municipal services under AS 43.18.

010 - AS 43.18.050:

- (a) \$10 per capita to a unit of local government providing police protection;
- (b) \$5 per capita to a unit of local government boroughs providing fire protection;
- (c) \$2 per capita to a unit of local government providing aire and water pollution control;
- (d) \$2 per capita to a unit of local government providing land use planning;
- (e) \$5 per capita to a unit of local government providing for parks and recreation;
- (f) \$5 per capita to a unit of local government providing transportation facilities or services;
- (g) \$1500 per mile to a unit of local government providing for road maintenance;
- (h) assistance to units of local government providing health or hospital facilities.

In fiscal year 1973-74, the program is funded for \$8,250,000. or approximately 85 percent of its maximum. The program accounts, (a) through (b) above, are effective only as long as the legislature makes annual appropriations to them.

E. State Aid for Education

The State of Alaska provides aid to borough and city school districts through the Public School Foundation Program. The purpose of the Foundation Program is to provide a basic education program for every pupil in the state without regard to the wealth of the district in which he or she resides. The objective of the program is to apportion state financial assistance on a basis which makes possible the same basic educational opportunity in all school districts.

The formula by which Foundation Program support is computed is based on the number of instructional units within a district. Instructional units are computed on the basis of number of students enrolled and attending elementary, secondary, vocational and special education classes. The number of units is multiplied by the dollar value of a unit - presently \$20,250; thereafter a percentage of the total - 5%, 10%, or 15%, dependent upon the district's remoteness - is added to complete total basic need. Of that sum, the state will pay, by way of foundation program support, not less than 90% of "basic need." The final determination is made by comparing the full and true value of property located within the district against the state total on the basis of an assumed levy of a 3.5 mill rate. "Wealthier" districts - those with substantive taxable property, generally - receive as foundation support an amount nearer 90% of basic need; "less wealthy" districts - those with property having a value less than the norm - may receive foundation program support of nearly 100% of basic need.

The difference between total basic need as computed by the formula and actual foundation program support - together with any other funds which the assem-

bly chooses to provide the district for operation of schools - is derived from "local effort." Local sources may include revenues derived from local taxes - property and sales taxes - but may also include support paid directly or indirectly to the borough by the federal government. Return of stumpage fees by the state to an organized borough located in a national forest, described above, may be counted as "local effort." So, too, may funds paid by the United States under PL 874 on behalf of children parents who live and work on federal land. The mini-874 program of the State of Alaska providing funds for the children of parents who live and work on state land may likewise be counted as "local effort." State-shared taxes returned without restriction on their use and appropriated by the borough assembly to support operation of schools are another source.

Generally, districts of the unorganized borough, utilizing contributions of revenue from other sources as "local effort" in support of schools have had to contribute little or no money derived from property and sales taxes in support of education.

F. Federal Revenue Sharing

G. Categorical Grants

H. Bonded Indebtedness

Incorporating a Borough:

Residents of rural Alaska who discovers an interest in the incorporation of a borough should consider convening an areawide meeting at which the following should be accomplished:

1. A representative of the Department of Community and Regional Affairs will presentation and answer questions.
2. Organize a Borough Study Group. This group should represent each section of the proposed area to be incorporated, and the group should be empowered to add to its membership other representatives if a larger area is to be considered for incorporation.

The Borough Study Group should be authorized to organize itself, keep accurate minutes of its findings; be sensitive to the feelings of the entire area; become well acquainted with this Manual as well as Alaska Statutes, Title 29, Boroughs (additional copies of both can be secured from the Department, and to hold frequent public meetings (some general and other in various locations in the proposed borough) to disseminate information and answer questions. This group has the responsibility of keeping the public well informed, and should use all possible resources such as newspapers, radio and television.

In addition to using the resources of the Department, the Borough Study Group will want to call upon other State and Federal Agencies as well as personnel presently in, or familiar with, local government.

Among the many responsibilities of the borough study group are the following:

To determine the class of borough.

It is a big job. Perhaps you will want to divide the study group into various committees and assign specific tasks to the committees. The committees should be responsible to the borough study group and all information coming from a committee should come through the study group.

After many meetings, much sharing and a few headaches the group will be ready to complete a petition for the Department and secure the required number of signatures.

Before preparing a petition, please do the following:

- (1) Read AS 29.18.050 carefully.
- (2) Consult with the Department of Community and Regional Affairs to ascertain what further information they require.
- (3) Consult with the Director of the Division of Elections, Office of the Lieutenant Governor, Pouch AA, Juneau to determine the number of signatures that are required to be secured.

Please remember that the petition should be directed to the Local Boundary Commission. The Department of Community and Regional Affairs, to whom the petition should be sent, will determine whether the petition and supporting materials are in proper form, conduct an investigation on the proposed borough, and report its findings together with its recommendations to the Local Boundary Commission.