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# MEMORANDUM

# State of Alaska

## DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Bob LeReshe, Director  
Division of Planning and Policy  
Development

DATE: July 21, 1976

FILE NO:

TELEPHONE NO:

FROM: Lee McAnerney, Commissioner  
Community & Regional Affairs

SUBJECT: Regional Government in the  
Unorganized Borough

In response to my June 21 memorandum to Governor Hammond, you have asked that I expand upon our ideas relative to the above subject. The following is in response to that request and, basically, presents the alternatives (at least as we view them) together with a brief discussion of each; preliminary conclusions are offered in the final pages.

As noted in my previous memorandum, we feel that any legislation dealing with regional government in the unorganized borough must address three major subject areas: structure, financing and intergovernmental relations. Our presentation of alternatives follows that format.

### STRUCTURE

Five alternative forms of government appear to be workable in the unorganized borough; they include:

1. Establishment of organized boroughs;
2. Creation of unorganized boroughs;
3. Creation of service areas in the unorganized borough;
4. Continuation of the Regional Educational Attendance Area (REAA) trend; i.e. delegation of municipal functions to independent boards and councils;
5. The status quo.

In reverse order, the above are discussed.

### THE STATUS QUO

We feel strongly that the existing system of government in the unorganized borough is both inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient in that existing service delivery mechanisms (cities and state regional offices) often lack the necessary expertise, be it professional or otherwise, to provide services on an efficient and responsive basis.

Being a department with extensive field contact, we have been made very much aware of many unorganized borough residents' dissatisfaction with existing municipal and state services--not necessarily with programs but with the manner in which those programs are administered. That the legislature, too, is receiving this message is evident from such legislation as HB 665 proposing health districts in the unorganized borough, SB 398 (Ch. 57. SLA 76) allowing for public works planning in the unorganized borough, HB 657 dealing with planning authority in the unorganized borough, SB 614 providing for taxation in the unorganized borough, HB 49 providing for organized boroughs in the unorganized borough and a number of other pieces of legislation dealing with service delivery problems in the unorganized borough.

Too, we hear non-profit regional native corporations talking about or actually providing such services as health, housing, electricity and comprehensive planning. While their efforts are commendable, they do not, in my opinion, fit into the scheme of local government provided for in our constitution. Nor, because of their own charters, may the corporations provide services to all residents of an area; on the contrary they are, by and large, limited to serving natives only and consequently can act as a service delivery mechanism for state and federal programs relating to services for Alaska natives.

Essentially, there are two major problems with the status quo. First, service delivery mechanisms established and those proposed are operated by independent boards or commissions acting totally without coordination. Additionally, this method of service delivery generates a much greater need for human and financial resources from areas that are in short supply of both. Second, it promotes a trend contrary to establishment of borough government in the unorganized borough--a course in direct conflict with the local government article of our constitution.

#### CONTINUATION OF THE REAA TREND

In our view, continuation of the REAA trend is going to be the status quo of tomorrow.

There is one very positive aspect about the concept of REAA's: it provides for decision making at the local level--one of the main purposes of providing for government in the unorganized borough. However, as presently constituted residents of REAA's literally "have their cake and eat it too"--100% plus funding is provided by the state, yet total local control is allowed. While this may be a desirable situation for residents of REAA's, it is certainly not equitable in comparison to a resident of a municipal school district who must pay local taxes. I would suspect that residents of urban areas--the bulk of the state's population--would not tolerate extension of this particular form of service delivery beyond its existing state.

It should be noted, too, that the two major concerns expressed under the "status quo" section apply equally, if not more so, to the REAA concept. Especially real-

izing that with the REAA concept of 100% plus funding, any incentive for a region to move toward regional government is destroyed.

One thing further should be said about REAA-type boards; they are so exclusively single purpose (usually attracting board membership concerned only with its particular responsibility) that development of a number of boards could actually lessen the level of service being provided; primarily because of lack of interboard coordination and restricted use of financial and, particularly, human resources. Moreover, when boundaries are drawn to define districts and the only criteria used are those relevant to the particular service to be provided overlapping boundaries are likely to result. With overlapping boundaries comes confused residents (who do we go to? where do we go to?) and, consequently, dissatisfaction with the services being provided.

Of concern too, is the lack of flexibility associated with the REAA's. Because they are not units of local government they cannot be given taxing authority nor can they provide "local government" services. While the legality of the current REAA's has not been challenged on the grounds of Article X, Section 2, of the Constitution (proponents of the REAA's argue that they are really service areas authorized under Article X, Section 6) there is good reason to believe that if additional REAA type boundaries are established they will be challenged and may very well end up being declared unconstitutional. Through establishment of REAA-type entities we, at best, guarantee a long court battle, at worst, an entity without legal standing.

#### CREATION OF SERVICE AREAS:

There are a number of features of the service area concept that make it a fairly attractive alternative. Leading the list is the fact that it is an existing, recognized mechanism for delivery of municipal services. The legislature is given constitutional authority to provide for service areas in the unorganized borough thereby negating any legal challenge. But, probably most important of all is the service area's flexibility. A service area could provide any municipal service and, if the legislature so elected, a tax could be levied within the service area for services provided. Of significant benefit, too, is that one service area board could be responsible for provision of all services within a given area.

Probably the biggest drawback to the service area concept is that service areas would be dependent upon the legislature, sitting as the assembly for the unorganized borough, to add or delete powers, change levels of funding, acquire taxation authority, etc. A lesser drawback of a service area is that the service area board, at least in the legal sense, would be advisory as a dependent agency of the assembly of the unorganized borough (legislature). Depending upon the language in the enabling legislation, the latter might not be a problem.

### DIVISION OF THE UNORGANIZED BOROUGH

In many ways establishment of a number of unorganized boroughs would be much the same as establishment of service areas with one overshadowing exception: the unorganized boroughs could have local autonomy. Because of the lack of constitutional constraints placed upon unorganized boroughs, their establishment could yield a tailor made form of regional government. More specifically, the legislature could delegate any municipal power to an unorganized borough, grant it taxing authority, etc.

We feel, too, that the term unorganized borough has significant advantages. First, it implies what is intended to be--an interim step in the long range development of regional government in rural Alaska. Second, it is a recognized and accepted term--most residents of rural Alaska know they live in the unorganized borough. In our opinion, residents would be more receptive to division of a governmental organization that already exists rather than establishment of a new form of government.

As with an organized borough, unorganized boroughs would have specific boundaries, powers, and a governing body responsible for more than one municipal service. All, in our opinion, positive results.

### ESTABLISHMENT OF ORGANIZED BOROUGHS:

Because it is a proven form of regional government, organized boroughs offer some obvious advantages (or disadvantages depending upon your view point). Their method of operation is basically understood; they have taxing authority and an ability to acquire additional municipal powers in response to resident requests; they may establish service areas to provide different levels of service and they have a maximum degree of local autonomy. Additionally, organized boroughs could represent a final, rather than an interim, step in regional government. Too, establishment of organized boroughs would provide a sense of equity among all residents of the state with regard to receipt of municipal services.

However, the organized borough is not without its disadvantages. One of the biggest, of course, is a product of the 1964 Mandatory Borough Act which made the term borough a "dirty" word in many an Alaskan's vocabulary.

There are structural disadvantages too: organized boroughs are locked into rigid methods of adding powers, levying a sales tax, changing class or unifying with the cities within them. Also, they must have separate assemblies, planning commissions and school boards. Depending upon the amount of activity of the borough this may or may not be a disadvantage.

### FINANCING

At this stage our thoughts are very tentative in terms of generating the funds

needed to pay for regional government in the unorganized borough. The following appear to be workable alternatives:

1. existing mechanisms, i.e. sales and property taxes levied and collected by and within the boundaries of each jurisdiction;
2. increase levels of funding of existing programs to cover all costs;
3. an ad valorem tax on property associated with the development of natural resources with distribution to regional governments, based on an equalization formula;
4. a sales or property tax throughout the unorganized borough with distribution to individual regional governments, based on an equalization formula;
5. levy of an additional income tax on wages earned in the unorganized borough with distribution to individual regional governments, based on an equalization formula.

1. Existing mechanisms: In our view, authority to levy sales and property taxes should continue to be an option available to organized municipalities. Although the constitution permits extension of taxing authority to unorganized boroughs, doing so does, in fact, create another class of organized borough. This is not, in our opinion, a viable, alternative structure.

The advantage, at least from the state's view, of a local property or sales tax is that it would be administered at the local level. However, the disadvantages appear to outweigh any advantage. First, a local sales or property tax reflects only the local economy; advantageous for those located along the pipeline; not so for those located on the lower Kuskokwim. Second, property taxes are, relatively speaking, regressive and expensive to collect. It is entirely possible that it might cost as much to levy and collect a tax in certain areas as the tax itself would generate. While a local sales tax would not be as expensive to levy and collect, an assessment and collection department in each taxing jurisdiction would need to be established.

2. Increase levels of funding: Basically, this approach is an extension of the funding mechanism provided for the REAA's. We oppose this method of funding because of its gross inequity. It is unpalatable for us to ask residents of one region to pay for municipal services while providing those services to another region at no cost to the residents. Additionally, such a method of funding totally discourages the formation of regional government; why pay if services can be received at no cost?

Of course, one means of alleviating the question of equity is to provide the same level of funding to all jurisdictions. However, at that point the costs seem to outweigh any advantage to be realized.

3. A "resources" tax: A fresh approach to funding local government services might be implementation of a resource tax. Essentially, the tax would be an ad valorem tax levied upon all property used for the exploitation of natural resources. The primary advantage of this tax is that administration of it would be relatively simple in that you would be assessing and collecting taxes on a fairly limited amount of property with a high dollar value. As we envision a resource tax, it would be levied and collected by the state throughout the unorganized borough and then redistributed to individual regional governments based on an equalization formula.

Optionally, the tax could be levied upon all resource related property throughout the state and redistributed on an equalization formula to all areas of the state. This would not only provide a source of funding for new regional governments in the unorganized borough but would also provide new revenues for existing regional governments.

The major disadvantages of a resource tax appears to be that it is an unknown quantity and, probably most important, an encroachment upon and placing under state taxing jurisdiction a tax base that, in the past, has been considered the exclusive tax base of local governments. Perhaps the latter problem, at least to some degree, could be relieved by allowing a local taxing jurisdiction having resource related property within its boundaries the right to levy a tax up to a certain limit and then "piggybacking" the state tax on top of the local. The resource tax would be similar to the present oil and gas tax of the state but would additionally apply to all other natural resources.

4. Unorganized borough sales or property tax: The advantages and disadvantages of a property or sales tax have been defined in the preceding discussion of alternatives. The change we are suggesting here is that the tax be levied throughout the unorganized borough and be collected by the state, thereby minimizing administrative costs. Tax proceeds would be redistributed to individual regional governments based on an equalization formula.

While levy of a property tax would undoubtedly yield sufficient revenues to cover the cost of regional government, it would seem that the additional net revenues received from extending the tax to all property, rather than just resource related property, would be so minimal as to hardly justify its levy.

An unorganized borough sales tax would yield sufficient revenues to cover the costs of regional government and would be much more simple and, accordingly, less costly to administer. We estimate a 2% sales tax levied and collected in the unorganized borough would generate in excess of \$10 million annually.

5. An additional income tax: As with the sales tax, the primary advantage of an income tax appears to be ease of administration. Collection could be accomplished by the state at the same time that state income taxes are collected and then redistributed to regional governments, based on an equalization formula.

A product of this tax is that you extend taxing jurisdiction previously restricted to the state to local governments, thereby strengthening the tax base of all local governments. (As a practical matter, if the income tax is established as a system of local government finance in the unorganized borough, it would have to also be extended, at least on an optional basis, to organized boroughs.)

Of the above, we tend to favor either the resource tax or a sales or income tax. The administrative burden imposed by a comprehensive property tax would, in our opinion, create more problems than it would solve. We also favor levy of a tax at the state level with redistribution to individual regional governments based upon an equalization formula. Administration of the tax in this manner would minimize costs and provide for consistent administration throughout the state.

Presently, we estimate that an additional \$7 million will be required to fully fund the program (see attached budget). This figure does not include existing shared revenues that might be made available to new regional governments. Preliminary calculations show that a 1.5% sales tax or a 2 mill (or less) resource property tax could generate this amount of revenue. Data needed to estimate the percentage for an income tax is not yet available.

#### INTERGOVERNMENTAL RELATIONSHIPS

Without doubt one of the major factors that will determine the success, or lack of it, of a regional government proposal is the relationship between a new regional government and the cities and other service mechanisms located within it. While a detailed discussion of intergovernmental relationships is not possible until the form of regional government to be used is specified, there are certain key elements that should be present regardless of the form of government. Those elements are:

1. promotion of regionalism: any form of government should encourage regional provision of services; that is not to say that services could not be provided at the local level but rather, that policy development and overall control should rest at the regional level;
2. certain services should mandatorily be at a regional level; these services should include at a minimum, planning, health, education and public safety;
3. if any form of regional government less than an organized borough is established, home rule cities should not be forced to relinquish any authority to the region;
4. an alternative to second class city government should be established (see attached memorandum) relieving many villages of the obligation to provide

municipal services;

5. any form of regional government established should, to the maximum degree possible, be free from state and federal control.

### CONCLUSIONS

Based on the above discussion and several in-house work sessions on the subject, we think that the following would be the best method of establishing and operating regional governments in the unorganized borough.

### STRUCTURE

Establishment of unorganized boroughs with boundaries that would meet organized borough standards. Each unorganized borough would have the mandatory powers of:

Education  
Health  
Planning  
Public Safety (fire and police protection)

Home rule cities located within an unorganized borough would continue to exercise all of the above powers unless they elected to participate on a regional basis. The assembly of the unorganized borough would have absolute authority, subject to state and federal law, over the exercise of the above powers. Additional powers could only be added by a process requiring state approval and voter ratification in the region.

The unorganized borough would be governed by an assembly with separate boards for school and planning functions. The assembly could assume the responsibilities of the school board and planning commission upon voter approval. The unorganized borough would be required to employ a professional manager.

### FINANCING

Unorganized boroughs would not have taxing authority. A resource tax as previously described would be the recommended source of funding; as an alternative, a sales or income tax would be levied and collected, by the state, in all of the unorganized boroughs and then redistributed based on an equalization formula. Unorganized borough assemblies would have full budget authority.

### INTERGOVERNMENTAL RELATIONS

The unorganized borough would be the regional government for the area; state and federal agencies would be obligated to treat it as we currently do an organized borough.

Bob LeReshe

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July 21, 1976

As noted the unorganized boroughs would have mandatory responsibility for certain services. They could, also, contract with cities for provision of certain services.

This is obviously a very complicated subject and these are only our preliminary conclusions. I would like to discuss this matter further.

LMcA:PP:jg

Attachments

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Public Safety (fire and police protection)

Home rule cities located within an unorganized borough would continue to exercise all of the above powers unless they elected to participate on a regional basis. The assembly of the unorganized borough would have absolute authority, subject to state and federal law, over the exercise of the above powers. Additional powers could only be added by a process requiring state approval and voter ratification in the region.

The unorganized borough would be governed by an assembly with separate boards for school and planning functions. The assembly could assume the responsibilities of the school board and planning commission upon voter approval. The unorganized borough would be required to employ a professional manager.

### FINANCING

Unorganized boroughs would not have taxing authority. A resource tax as previously described would be the recommended source of funding; as an alternative, a sales or income tax would be levied and collected, by the state, in all of the unorganized boroughs and then redistributed based on an equalization formula. Unorganized borough assemblies would have full budget authority.

### INTERGOVERNMENTAL RELATIONS

The unorganized borough would be the regional government for the area; state and federal agencies would be obligated to treat it as we currently do an organized borough.

Bob LeReshe

-9-

July 21, 1976

As noted the unorganized boroughs would have mandatory responsibility for certain services. They could, also, contract with cities for provision of certain services.

This is obviously a very complicated subject and these are only our preliminary conclusions. I would like to discuss this matter further.

LMcA:PP:jg

Attachments

The following sample budget is very tentative at this time. Several assumptions have been made. They include:

1. that health programs provided will be those transferred from the state; accordingly, it is anticipated that no significant additional cost will be incurred.

2. public safety costs are estimated at \$150,000. However, until the level of service is clearly indentified an actual cost is not calculable

SUMMARY OF COSTS

Assembly	\$ 65,000
Administration & Finance	144,000
Planning	56,000
Health	-0-
Public Safety	150,000
Education (same funding as with REAA's)	-0-
	<hr/>
Total additional cost	\$415,500

New Boroughs 15	=	\$6,232,500
10% Items not covered		<u>523,250</u>
TOTAL COST		\$6,855,750

## ASSEMBLY

Personal Services	\$ 5,000
Travel	10,000
Contingency	<u>50,000</u>

TOTAL ASSEMBLY \$ 65,000

Personal services includes payments to assembly members attending meetings. The contingency amount is to be used to meet extra-ordinary operating expenditures not anticipated.

## ADMINISTRATION

### General

Personal Services	\$ 45,000
Materials & Supplies	2,000
Equipment	3,000
Travel	2,000
Contractual	<u>35,000</u>

TOTAL ADMINISTRATION \$ 87,000

Personal services includes an administrator and secretary. Materials and supplies are necessary paper goods and other office items. Office furniture and machines are included in the equipment figure. Travel expenditures are predicated on some regional and statewide travel. All legal and other necessary services are listed on the contractual line item.

## FINANCE

Personal Services	\$ 45,000
Materials & Supplies	3,000
Equipment	3,000
Travel	1,000
Contractual	<u>5,000</u>

TOTAL FINANCE \$ 57,000

An accountant and clerical support are included in personal services. Contractual includes professional services required for the maintenance and audit of the entire administrative financial structure.

PLANNING

Personal Services	\$ 39,000
Materials & Supplies	3,000
Equipment	2,500
Travel	2,000
Contractual	<u>10,000</u>

TOTAL PLANNING \$ 56,500

Personal services includes one planner and secretary. Contractual includes money to be used to purchase professional planning advice on selected topics.

PUBLIC SAFETY

TOTAL PUBLIC SAFETY \$150,000

HEALTH

TOTAL HEALTH -0-

TOTAL EXPENDITURE  
PER BOROUGH \$415,500

Regional Government...

A Choice of the People\*

by

The Department of Community & Regional Affairs

Local Government Assistance Division

March, 1977

\*This is the text of a slide and audio presentation discussing alternative forms of regional government for rural Alaska.

Regional government . . . a choice of the people .

The following is a presentation of the Department of Community and Regional Affairs, Local Government Assistance Division.

What you are about to see is , or will soon be , of concern to a great many Alaskans .  
As Alaska grows , the need for the development of regional forms of government in the Unorganized Borough will grow . There are many opinions as to the kinds of regional government that should be established and how they should operate .  
The purpose of this presentation is to explore some of the different types of regional governments and consider which might best help your community and region .

The history of Alaska is one of constant and dramatic change. The change has not occurred evenly. Some areas of the State have changed dramatically, producing large cities. Other regions have changed much less, and in many of the villages some of the old ways are still an every day way of life.

Major changes have been caused by growth, and much of the growth has resulted from the discovery and development of natural resources. The early development of trade, the discovery of gold, money coming into the State from the Federal Government, the development of industries, and the individual efforts which Alaskans have made to improve their lives, have all been a part of making change happen.

Change can be seen almost everywhere. Transportation systems have improved and expanded, communication systems have been enlarged to include a majority of remote areas, new schools have been built and more are proposed, medical care has been extended to serve more residents, and new businesses developed, to name just a few.

Change is continuous. For example, the discovery of oil in Prudhoe Bay created thousands of jobs and provided money to the State Treasury, which in turn is being used to meet the people's needs. The Alaska Native Claims Settlement Act is bringing money and land title to the Native people, their village and regional corporations. It will also create new concepts and practices of land ownership and land management.

Let's examine the role of government and how it can respond to the kinds of changes that are taking place and look at the ways in which people, especially those in the smaller communities of rural Alaska, can have a stronger voice within their communities and regions.

Government is a way in which people organize to provide services, and make decisions beneficial to the entire community. Through government, communities can determine how services will be provided and how money is to be raised to pay for services.

Government is very different from private corporations such as the Native Regional Corporations. Government has official powers and responsibilities which have come from the people. Its function is to serve people by providing public services. Government, whether a city or a state is administered by representatives elected by the people, and employees who are appointed or hired by elected representatives.

Private organizations serve their owners or stockholders and are not responsible for providing services to an entire community. Private corporations obtain their authority from the State and decisions are made by a board of directors elected by the shareholders.

Some villages have elected village councils, or have councils, as provided in the Indian Reorganization Act. These councils can in a sense, be called local governments because they can make certain kinds of decisions for the community.

However, there are many powers which a local government can have only if it is officially incorporated as a city. The laws of Alaska say that there can be two kinds or classes of cities, called first class and second class. The difference is a first class city assumes more responsibilities than a second class city; and a first class city requires a larger population.

The incorporation of a city gives the people of that community official status in dealing with the State and Federal Governments, and other agencies. Also, cities have the authority to make rules and regulations, in the form of ordinances, and the authority and responsibility for providing services to the people of the community. In many cases, problems and issues affect several communities in a region. As an example, residents of a region may wish to have local control over police protection. This would mean that police officers could be hired locally and be totally responsible to a locally elected governing body. Another example could be found when several communities want to create and finance their own school districts so that together they can provide a higher level of education for their children. These are all regional problems and issues that can be solved by a regional form of government.

This map of Alaska shows the present division of the State into cities and boroughs. Currently, Alaska has one hundred and thirty nine cities, eleven organized boroughs, and the remaining area is called the Unorganized Borough.

The way in which our forms of government are organized was decided originally

by the Alaska Constitutional Convention of 1955-56. This convention consisted of delegates from many parts of what was then the Territory of Alaska.

The delegates to the convention determined how the State Government would be organized. They decided on three branches...the Executive Branch, which is the Governor and the agencies working under him; the Legislative Branch, which is the Senate and the House of Representatives, which make the laws and appropriate the money necessary for the government to provide services, and the Judicial Branch, which interprets the laws, and operates the system of justice in Alaska.

The delegates to the Constitutional Convention decided that all government powers and responsibilities would first be given to the State, and that certain of these powers could then be transferred to cities and boroughs. Thus, the delegates left it up to the people of villages and communities to decide for themselves when they wanted to become cities, and when they wanted to join together to create borough government. It was determined that those areas not incorporating as boroughs would form the Unorganized Borough, and that the State Legislature would provide as many services as possible to the Unorganized Borough.

We've seen that most of the State is the Unorganized Borough, and that 11 boroughs have been created so far. Let's briefly look at the history of how these boroughs were formed.

The first borough to be formed after Statehood was the Bristol Bay Borough, shown on the map. Other larger communities of the State could have joined

together to create boroughs but they did not. The State Legislature in 1963 passed the Manditory Borough Act, which said that the State would incorporate other boroughs if the people did not do it themselves. After that, four regions voted to become boroughs. These were the Kodiak Island, Sitka, Ketchikan and Juneau Boroughs, shown on the map.

The State Legislature then took the step of incorporating four additional boroughs in the regions of Anchorage, Matanuska-Susitna, Fairbanks and the Seward-Cook Inlet election districts.

After these Boroughs were incorporated by the State through the Manditory Borough Act, two additional boroughs have been formed. They are the Haines Borough and the North Slope Borough.

Let's take a look at the status of the Unorganized Borough today. The Legislature is the governing body of this vast area...approximately 75% of the State.

While at least some municipal services are being provided to the Unorganized Borough, they are provided without input from locally elected representatives. The rural residents have recognized the shortcomings of the Unorganized Borough and are beginning to demand that another form of regional government deliver these services. The creation of REAA's was a direct result of the rural resident's frustration with the Unorganized Borough. These residents are also asking for more and more municipal services and for the authority to provide these services on a regional level. The Association of Village Council Presidents has shown a

strong interest in creating substate planning agencies. The Native Regional Corporations would like to form areawide non-profit health corporations. With increased development of natural resources in the Unorganized Borough, we can be certain there will be an increase in population. More people will mean greater demands for municipal services.

There are serious pro's and con's to be considered in thinking about any form of regional government. Let's look at some of the alternatives that are, or could be available to residents of the Unorganized Borough.

Borough government is one mechanism for solving regional problems. In some ways it is a bridge between the State and local government. Boroughs are regional forms of government which provide services to communities within an area having similar physical, social and economic conditions.

A region must meet certain requirements in order to be eligible to form a borough.

These requirements include:

1. The population must be interrelated and integrated as to its social, cultural and economic activities. It must also be large and stable enough to support organized government.
2. The boundaries should conform to natural geography.
3. The economy of the area should include the human and financial resources capable of providing local services.
4. Transportation facilities must be adequate to allow the communication and

exchange necessary to develop integrated government.

The most attractive aspect of borough government is that it puts some of the power in the hands of the people of the borough, allowing them to do their own regional decision making. Unlike other forms of regional governments which have advisory powers only, organized boroughs are truly self-governing with clearly established powers. All first and second class borough governments have the responsibility for providing education and planning services, and levy sales and/or property taxes to help pay for these services. Optional services that first and second class boroughs may provide include:

- Health services and hospital facilities
- Fire protection service and facilities
- Provide for sewage and garbage disposal
- Make plans and regulations for water pollution control
- Community centers
- Police protection and jail facilities
- Cold storage plants
- Telephone systems
- Light, power and heat
- Transportation systems
- Libraries
- Recreation facilities
- Airport and aviation facilities

Housing programs for new construction and rehabilitation

Preservation, maintenance and protection of historic sites, buildings and monuments

Consumer protection

Organized boroughs could represent a final, rather than interim, step in regional government.

One disadvantage of organized boroughs is that some areas of the State have limited taxable resources. Additionally, organized boroughs are locked into rigid methods of adding powers, collecting taxes, changing class or unifying with the cities within them.

Another form of regional government is unorganized boroughs. This map shows how the Unorganized Borough could be divided into several unorganized boroughs. Unorganized boroughs are similar to organized boroughs in that they each would be able to elect a local governing assembly. The assembly could have the responsibility to act on issues concerning education, regional planning, public safety and health. However, there are disadvantages. The Legislature still retains the power to make the final decision concerning performance of services; unorganized boroughs could not have the power to levy taxes; and they are only a temporary form of government.

Service areas are another form of regional government. One of the good aspects is the flexibility of service areas. A service area could provide any municipal

service and local taxes could be collected to provide a higher than existing level of service. Additionally, one service area board could be responsible for providing all services within a given area.

One disadvantage of service areas is that they are dependent on the Legislature to add or take away services, levy taxes, or change the level of funding. Furthermore, the service area would only be a temporary form of regional government.

Another form of regional government would be service areas patterned after the Regional Education Attendance Areas concept. There is one very positive aspect about the REAA's: it allows decision making at the regional level--which is one of the main purposes of providing for government in the Unorganized Borough. At present though, the REAA's receive 100% state funding and have regional control of educational services. While this may be a good arrangement for the REAA residents, it really isn't very fair when compared to residents of boroughs and first class cities in the Unorganized Borough who must pay local taxes. REAA type boards have the disadvantage of being so exclusively single purpose that the level of service could actually be lessened if several boards were formed. Another disadvantage is that overlapping boundaries are very likely to result... promoting even more confusion.

REAA's are not units of local government, so they cannot be given taxing authority. Furthermore, the REAA concept has not yet been tested in court, but there is reason to believe that if more REAA type service areas are established they will

be challenged and may be declared unconstitutional.

The options for development of regional government in rural Alaska are numerous.

We have examined four possibilities. Let's review them briefly:

The organized borough - this form of regional government contains three positive features:

- (1) Much of the power to make decisions at a regional level is placed with the people. This power is clearly established and the people become truly self governing;
- (2) A wide variety of services can be delivered due to increased freedom in decision making; and
- (3) It is the final step in regional government.

Disadvantages of the organized borough form of regional government are:

- (1) Even though a borough might have the authority to levy and collect taxes, some areas of the State have limited taxable resources; and
- (2) Organized boroughs are locked into rigid methods of adding powers, levying a sales tax, changing class or unifying with the cities within them.

The second form of regional government examined was unorganized boroughs.

The most positive aspect of this form of government is that a regionally elected governing body acts on issues concerning education, planning, etc.

The principal disadvantages are that the Legislature still retains the power to make the final decisions concerning performance of services, and levy of taxes, and the unorganized borough form of government would be only temporary in nature.

The third form of regional government discussed was service areas. This concept contains two positive aspects:

- (1) A service area could provide any municipal service and local taxes could be collected to provide a higher level of services; and
- (2) One service area board could be responsible for providing all services within a given area.

There are two distinct disadvantages to the service area concept:

- (1) Service areas are dependent on the Legislature to add or take away services, authorize taxes or change the level of funding; and
- (2) Service areas are a temporary form of government.

The fourth type of regional government discussed was the service area modeled after the Regional Education Attendance Areas concept.

The principal advantage of this concept is that it would allow decision making at the local level.

There are several disadvantages:

1. They are inequitable in that some residents are required to help pay for governmental services, while others aren't taxed;
2. The boards would be so exclusively single purpose that the level of service could actually be lessened if several boards were formed;
3. Overlapping boundaries are likely to result, promoting even more confusion;
4. The Legislature still has the ultimate authority; and
5. If tested in court, REAA's may be declared unconstitutional.

Alaska is presently undergoing a wide variety of changes...development of natural resources, growth in population, and rapid economic expansion. As this growth and change becomes more evident in the Unorganized Borough, Alaskans will be looking for ways in which they can have a stronger voice within their communities and regions. We have presented four alternatives to regional government, which can give Alaskans especially those in smaller communities, the opportunity to shape the future of their region for themselves and their children.

*also  
non-profit  
org.*

December 14, 1976

David S. Case, Staff Director  
Bush Justice Project  
Alaska Federation of Natives, Inc.  
550 West 8th Avenue  
Anchorage, Alaska 99501

Dear Mr. Case:

As promised, enclosed is a copy of the division's "white paper" on regional government in the unorganized borough. However, because the paper was prepared earlier this year I do not believe it accurately reflects our correct thoughts concerning this subject. Rather, I think it more appropriate to say that we have concluded that much more time and effort must be spent before any course of action may be suggested. Accordingly, legislation dealing with the unorganized borough will not be introduced by us during the coming legislative session. We are suggesting to the Governor, however, that funds be acquired to study the issue of delivery of services to unorganized borough residents.

If the Governor decides to introduce legislation providing for such a study, I will see that a copy of the proposed bill is mailed to you.

Sincerely,

Patrick Poland  
Local Government Specialist

Enclosure  
PP:sg

LEAD - WORK  
Regional Corp  
Non-Profit Ass

DEPT. OF COMMUNITY & REGIONAL AFFAIRS - OCCUPATIONAL

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Lee McAnerney  
Commissioner

DATE: September 28, 1976

FILE NO:

TELEPHONE NO:

Patrick Poland  
Local Government Specialist

SUBJECT: For Release to the AP

Commissioner Lee McAnerney announced today that she has directed staff of the Department of Community and Regional Affairs to begin drafting legislation which would provide for regional government in the unorganized borough. McAnerney said she made the decision after reviewing a preliminary report from the Department's local government division showing that regional government was needed in the unorganized borough.

McAnerney said the report suggests creation of separate "un-organized boroughs" along lines complementing existing native regional corporation and Rural Education Attendance Area boundaries. Each unorganized borough would be responsible for providing for education and land use planning within its boundaries. Funding of those services would be through existing programs and local tax proceeds. The tax, while being a local tax, would be levied and collected throughout the unorganized borough by the State and then returned to individual regional governments.

McAnerney said staff of the Department will be taking the proposal before the public for comment and discussion before presenting her with a final report and recommended legislation in December.

PP:sg

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

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DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS  
 MEMORANDUM  
 TO: COMMISSIONER  
 FROM: [illegible]  
 DATE: [illegible]  
 SUBJECT: [illegible]

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Commissioner McAnerney  
 Deputy Commissioner Harper  
 Division Directors  
 LGAD Staff

DATE: January 5, 1976

FILE NO:

TELEPHONE NO:

Palmer McCarter, Director  
 Local Government Assistance

SUBJECT: Status - LGAD Proposed  
 Legislation - 1976

The purpose of this memo is to advise as to the status of several items of proposed legislation which have been requested by LGAD. In general, most legislation is of a "house-keeping" nature; however, other legislation is somewhat substantive. Our apologies for not coordinating and formally advising the Commissioner on the Division's legislative activities. Because of the lateness in being able to submit proposed legislation, the staff of LGAD met on two different occasions with Dick Bradley, Department of Law, to formulate draft legislation.

The following is the status of the Division's proposed legislation.

- 1) Detailed budget on organizational grants - draft prepared by Department of Law; forwarded to Governor's office; returned with fiscal note request; withdrawn by Division.  
 Note: Upon further consideration by LGAD staff, it was decided not to require a budget from a newly incorporated municipality in order to transmit the organizational grant. The Division withdrew this request in view of the limited amount generally granted to a new municipality and in view of the lack of budgetary training presently available to newly incorporated municipalities by the Division. No further action.
- 2) Elimination of third class boroughs - draft prepared by Department of Law, forwarded to Governor's office; returned with fiscal note request; fiscal note with comment transmitted to Governor's office.  
 Note: With creation of REAA's, the need for third class boroughs (with powers limited to education and taxation) is basically obviated. The only third class borough (Haines)

COMMISSIONER'S OFFICE

## MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY &amp; REGIONAL AFFAIRS

Palmer McCarter, Director

DATE: October 6, 1976

FILE NO:

TELEPHONE NO:

Rebecca Burch  
Research Analyst *RB*SUBJECT: Anchorage Trip Report  
October 4, 1976

Purpose: In response to a request to meet with Executive Directors of Health Service Area Boards to review regional government proposal and get reaction and comment on the proposal in light of development of Health Service Area Boards and their planning function.

Met with: Judy Janneck, Executive Director, Northern HSA  
Roy Hammett, Executive Director, Southcentral HSA  
Peggy Wilson, Staff Southcentral Health Service Area Board  
Susan Callon, Contract Staff Southcentral Health Service Area Board  
Brian Saylo, Contract Staff Southcentral Health Service Area Board  
Cintra Price, Planner, Health & Social Services  
Gail Zimmerman, Bristol Bay Native Corporation Contract

Questions and Concerns:

1. Advisory Boards - HSA boards are going away from developing subarea health advisory boards, the executive directors see it as possible that they could look to regional assemblies for advisory function.
2. A-95 - a. Health service area boards have A-95 review capacity for health and are somewhat concerned about role of regional governments in relation to their own review.
  - b. Saw A-95 review capacity as valuable for overview of range of proposed programs, construction, upcoming grants within a given area.
3. Native Corporations -
  - a. Expressed concern over development of a regional government in relation to regional Native Corporations (both profit and non-profit). Felt that Regional Native Corporations (non-profit) were expressing planning for their areas and are moving from representation of Native groups only to a broader base of the area population.
  - b. If regional corporations could fulfill function of representing rural areas then, the committee questioned, would constitutional change be feasible? Likely to happen?

4. Financing

- a. Who would pay start-up costs? (If the initial phase not paid from revenue directly collected from region what would be pay back arrangements when sales taxes were collected?)
- b. Is there a fiscal note to be developed for more staff for CRA to aid in making transition?
- c. What will be the total cost of the regional government proposal for the first year year? Second year? (Including cost picked up by State Departments of Community and Regional Affairs, Department of Revenue - administration of tax, etc.)

Judy Jannack wanted copy of draft legislation - I suggested that further inquiries be routed through Community and Regional Affairs Offices to Pat Poland. We will put executive directors on the notification list for meetings in their area.

5. Concerns over where support - resistance for regional governments, where "push" for project came from.
6. Coordination with House Bill 596 (local health districts?) to be reintroduced in 1977.

Flight schedules were changed due to strike so I planned to leave Anchorage on 1:25 Alaska Airlines flight. However, there was a bomb threat on this flight and the plane stayed in Anchorage at the airport until 4:30.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS  
 FY '79 Functions by Division by Budget Category

DEVELOPMENT CATEGORY

<u>Commissioner's Office</u>	<u>Local Government Assistance</u>	<u>Community Planning</u>	<u>Administrative Services</u>	<u>Community &amp; Rural Development</u>
Program & Policy Director	Technical Assistance to Local Governments	Planning Services to Local Governments	Budget Coordination	Community Services Program - assistance to CSA grantee in Alaska
Department Management	Circuit Rider Program	Regional Development Planning	Fiscal Control & Reporting	- advocate for low income people in State government
Inter-departmental Coordination	Local Boundary Commission	Munic. Lands Trusteeship	Audit Requirements Coordination	- citizen participant projects
Legislative Liaison	Municipal Revenue Sharing	HUD Rural Housing Program	Purchasing & Supply	Rural Development Grant Program
Monitor & Evaluate CRA Activities	National Forest Receipts	HUD 701 Program	Leasing	- management & grant training & assistance to rural communities & non-profit organizations
	Community Legal Assistance	Alaska Coastal Management Program	Inventory Control	
	Census Coordination	- outer continental shelf planning	Property Control & Reporting	
	Municipal Bond Bank	- coastal management planning	Administrative Compliance	
	School Bond Guarantee	National Flood Insurance Program	Records Management	
	Municipal Training Development	Coastal Energy Impact Program	Grant & Contract Review	
	Technical Assistance to Municipal Assessors		Special Research & Administrative Projects	
	Agricultural Lands Exemption		CETA Allowance Payments	
	Juneau Indemnification		Personnel Recruitment & Monitoring	
	Coastal Energy Impact Program			
	<i>FED. REVENUE SHARING REPORTING</i>			

SOCIAL SERVICES CATEGORY

Senior Citizen Property Exemption	Senior Citizen Housing Development Program	Child Assistance Programs - day care grants - headstart grants
Senior Citizen Renters Equivalency		Weatherization Programs
Senior Citizen Special Assessment		
Senior Citizen Motor Vehicles Exemption		
	<u>Manpower</u>	
	Regional Advisory Council	
	State Manpower Services Council	
	Prime Sponsors Planning Council	
	Public Service Employment Program	
	Work Experience Program	
	On-the-Job Training Program	
	Classroom Training Program	
	Services to Clients	

## MEMORANDUM

## State of Alaska

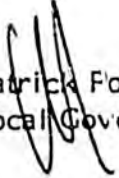
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Palmer McCarter  
Director

DATE: August 20, 1976

FILE NO:

TELEPHONE NO:

FROM:  Patrick Poland  
Local Government Specialist

SUBJECT: Regional Government

The following is a first draft of legislation that might provide for organization of the unorganized borough.

Section 1. AREAS DESIGNATED. (a) The following areas are designated as unorganized boroughs and possess all the powers and privileges prescribed by AS 29.03. The areas designated are:

- (1) Regional Education Attendance Area #1
- (2) Regional Education Attendance Area #2
- (3) Regional Education Attendance Areas #3, #4 and #5
- (4) Regional Education Attendance Areas #6 and #7
- (5) Regional Education Attendance Areas #8, #9 and #10
- (6) Regional Education Attendance Areas #11, #12, #13 and #14
- (7) Regional Education Attendance Areas #15 and #16
- (8) Regional Education Attendance Area #17
- (9) Regional Education Attendance Areas #18, #19 and #20
- (10) Regional Education Attendance Area #21

(b) Within 180 days of the effective date of this act the Local Boundary Commission shall hold public hearings in each of the unorganized boroughs to determine whether or not boundary adjustments are necessary. If determined necessary, the Local Boundary Commission shall proceed in accordance with law governing

changes of boundaries of municipalities and shall submit any proposed changes for review in accordance with Article X, Section 12 of the Constitution.

(c) If a portion of any unorganized borough becomes incorporated as an organized borough the Local Boundary Commission shall determine whether the remaining portion of the unorganized borough should continue as a separate unorganized borough or be annexed to another unorganized borough.

Section 2. AS 29.03 is amended to read:

CHAPTER 03. [THE] UNORGANIZED BOROUGH<sub>S</sub>.

Article

1. Administration
2. Assembly
3. Other officers and employees
4. Elections
5. Recall
6. Powers
7. Home rule charters

ARTICLE I.  
ADMINISTRATION.

Sec

- 10. Chief executive officer
- 20. Chief administrative officer

Sec. 29.03.010. CHIEF EXECUTIVE OFFICER. (a) The chief executive officer of an unorganized borough is an elected borough mayor who has, consistent with the provisions of this chapter, the same functions as those of the mayor of a manager-plan city under AS 29.23.240.

(b) An unorganized borough voter is eligible to be borough mayor.

(c) The unorganized borough mayor's regular term of office is three years ~~and~~ until a successor is elected and has qualified and begins on the first Monday following his election which is held at the time of the regular unorganized borough election.

Sec. 29.03.020. CHIEF ADMINISTRATIVE OFFICER. (a) The chief administrative officer of each unorganized borough is a manager selected by the assembly who has, consistent with the provisions of this chapter, the same functions as the manager of a manager-plan borough under AS 29.23.140.

(b) The chief administrative officer serves at the pleasure of the assembly and may be hired or dismissed only by a majority of the authorized assembly membership.

ARTICLE II.

ASSEMBLY.

Sec.

- 30. Assembly
- 40. Composition, apportionment and reapportionment
- 50. Regular term of office
- 60. Qualification
- 70. Filling a vacancy

Sec. 29.03.030. ASSEMBLY. Each unorganized borough shall have an advisory assembly. The assembly may participate in the development and implementation of state programs and projects relating to the borough and may enact legislation necessary to carry out the purposes of this chapter.

Sec. 29.03.040. COMPOSITION, APPORTIONMENT AND REAPPORTIONMENT. (a) The assembly shall be composed of five, seven or nine members elected at large or from designated sections within the unorganized borough equal as near as practicable in population. The initial number of assembly members, a determination as to at large or sectional representation and the initial boundaries of the sections, if any, shall be determined by the department in consultation with the communities within the unorganized borough.

(b) The qualified voters of an unorganized borough may increase or decrease the number of assembly members or alter the manner of representation by submitting a petition to the department requesting a change and bearing the signature of a number of voters equal to at least 25% of the number who voted in the last unorganized borough election.

Sec. 29.03.050. REGULAR TERM OF OFFICE. (a) Assemblymembers are selected for three year terms and until their successors are elected and have qualified.

(b) The initial elected assembly shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

Sec. 29.03.060. QUALIFICATION. A resident of the borough is eligible to be an assemblymember if he or she is a borough voter. An assemblymember who ceases to be a borough voter immediately forfeits his or her office. An assemblymember elected from or selected to represent an area less than the unorganized borough area at large and who becomes a resident of another area may continue to serve only until the next regular election.

Sec. 29.03.070. FILLING A VACANCY. A vacancy is filled by the majority of the remaining assemblymembers, who designate a voter and, if the assembly seat vacated is other than on an at large basis, a resident of the unorganized borough area to which the seat was apportioned, to serve until the next regular election.

### ARTICLE III.

#### OTHER OFFICERS AND EMPLOYEES.

Sec.

080. Appointment of officers

090. Combining offices

Sec. 29.03.080. APPOINTMENT OF OFFICERS. The manager, acting as chief administrative officer of the unorganized borough, shall appoint a clerk-treasurer,

health officer, public safety officer and planner. Appointments by the chief administrator are subject to confirmation by the assembly.

Sec. 29.03.090. COMBINING OFFICES. At the direction of the assembly no more than two of the above offices shall be combined.

#### ARTICLE IV.

#### ELECTIONS.

Sec.

100. Administration

110. Election dates

Sec. 29.03.100. ADMINISTRATION. The Department of Community and Regional Affairs shall adopt regulations for conducting elections in unorganized boroughs. The regulations shall specifically address the issues of candidate nomination, voter qualification, notice requirements, majority elections and election contest and appeal.

Sec. 29.03.110. ELECTION DATES. (a) The date of an unorganized borough's regular election is the first Tuesday of October annually except that the commissioner may, upon receipt of a petition requesting a change and bearing the signature of a number of qualified voters equal to at least 25% of the number of voters who cast ballots in the last regular election, change the date of the regular election.

(b) The commissioner may, with concurrence of the assembly, call a special election upon no less than 20 days notice.

ARTICLE V.

RECALL.

Sec.

110. Procedures

Sec. 29.23.110. PROCEDURES. The members of an unorganized borough assembly are subject to recall in accordance with the provisions of AS 29.28.130 - 29.28.150.

ARTICLE VI.

POWERS.

Sec.

120. General powers

130. Areawide powers

140. Additional areawide powers

Sec. 29.03.120. GENERAL POWERS. Unorganized boroughs have the following general powers, subject to other provisions of law:

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

(2) 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;

(3) to acquire membership in organizations which promote legislation for the good of the municipality.

Sec. 29.03.130. AREAWIDE POWERS. (a) Unorganized boroughs have the following areawide powers, subject to other provisions of law:

- (1) education as provided at AS 14.08;
- (2) planning, platting and zoning as provided at AS 29.33.070-245;
- (3) health as provided at AS 29.48.030 (5); and
- (4) police and fire protection as provided at AS 29.48.030 (7) and (18).

(b) Subject to the provisions of (c) of this section, unorganized boroughs shall exercise the powers specified in (a) of this section both inside and outside cities within their boundaries.

(c) No unorganized borough may exercise a power within a home rule city unless the city has, in the manner provided by AS 29.33.260, transferred the power to the unorganized borough.

Sec. 29.03.140. ADDITIONAL AREAWIDE POWERS. Unorganized boroughs may not acquire additional areawide powers.

## ARTICLE VII.

### HOME RULE CHARTERS.

Sec. 29.03.150. ADOPTION OF CHARTER. An unorganized borough established under this chapter may adopt a home rule charter in the manner prescribed by

AS 29.40.010 - 29.40.030 and AS 29.85.110 (a) - (d), except that the assembly elected in accordance with sec. 30 of this chapter shall perform the duties assigned to city councils, and except that the charter commission shall consist of 11 members. Vacancies on the charter commission shall be filled in the same manner as vacancies on the assembly.

Sec. 29.03.160. ORGANIZATION. The charter commission shall initiate organization of the borough in accordance with the terms of the charter by submission of their charter to the Department of Community and Regional Affairs. The charter shall be submitted within one year of the first meeting of the commission. The department shall review the charter in light of the circumstances of the particular borough and, within 120 days from receipt shall transmit the charter, together with its findings and recommendations, to the Local Boundary Commission.

Sec. 29.03.170. HEARING. The Local Boundary Commission shall hold at least one hearing in the area proposed to be organized for the purpose of hearing public comment on the charter.

Sec. 29.03.180. LOCAL BOUNDARY COMMISSION DETERMINATION. The Local Boundary Commission, within 90 days from receipt of the charter and the recommendations and findings of the Department of Community and Regional Affairs, shall determine whether the charter meets standards for organization established by the laws and the Constitution of the State of Alaska and by regulations adopted by the commission.

Sec. 29.03.190. REJECTION OF CHARTER. If the Local Boundary Commission determines that the charter fails to meet the standards for organization it shall reject the charter stating in writing its reasons for the rejection.

Sec. 29.03.200. AMENDED CHARTER. A charter commission, within 60 days of rejection, may prepare and submit to the Department of Community and Regional Affairs an amended charter fairly meeting the stated objections to the original charter. The amended charter shall be evaluated in the same manner as the original charter. No more than one original and one amended charter may be submitted within one 12 month period.

Sec. 29.03.210. RATIFICATION OF CHARTER. If the Local Boundary Commission determines that the charter meets the standards for organization it shall notify the lieutenant governor. As soon thereafter as practicable the lieutenant governor shall provide for an election in the borough on the question of whether or not the charter is ratified and for election of the officers provided for in the charter. The election shall be preceded by publication and posting of the proposed charter by the lieutenant governor substantially in the manner provided for other charter elections in AS 29.85.150.

Sec. 29.03.220. CERTIFICATION OF RESULTS. If a majority of the votes cast by the qualified voters of the borough are against ratification the lieutenant governor shall so certify and shall certify that the charter is defeated. If a majority of the votes cast by the qualified voters on the question are in favor of ratification the lieutenant governor shall so certify and declare that the borough in which the election was held is an organized borough and a municipal corporation in accordance with the terms of the charter. The lieutenant governor shall also certify the names of those candidates who received the greatest number of votes for the offices established by the charter.

Sec. 29.03.230. VOTERS, ELECTIONS AND COSTS. (a) A person is qualified to vote in a borough election authorized in this chapter if he is qualified to vote in state elections and if he is a resident of the borough.

(b) The lieutenant governor shall supervise elections under this chapter as provided for supervision of other borough elections under AS 07.10.120 (d).

(c) The state through the office of the lieutenant governor shall assume the costs of elections and charter preparation under this chapter.

\*Sec. 2. Nothing in this act may be construed to affect any organization petition pending on the effective date of this act. All such petitions shall be acted upon in the manner provided by law in effect prior to the effective date of this act.

\* Sec. 3. AS 29.03.010 and AS 29.03.020 are repealed.

\* Sec. 4. This act takes effect immediately in accordance with AS 01.10.070 (c).

\* Sec. 5. In each unorganized borough, the lieutenant governor, within not less than 60, nor more than 90 days after the establishment of the unorganized borough, shall provide for election of an advisory assembly.

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