

71

HLG

HB

552

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1 (4) "region" means an area larger than a community, or
2 including all or part of more than one community, but sufficiently
3 integrated that it may be treated as a unit for administration of
4 particular services.

5 Sec. 44.47.130. REGULATIONS. The department may adopt procedures
6 and regulations to carry out the purposes of this chapter.

7 * Sec. 3. AS 18.55.020 is repealed and re-enacted to read:

8 Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. There is
9 created within the Department of Community and Regional Development
10 the Alaska State Housing Authority administered by a board consisting
11 of the commissioner of community and regional development, two
12 members designate^d by the commissioner of community and regional
13 development and four members appointed by the governor. Members othe^r.
14 than the commissioner of community and regional development and his
15 designates serve at the pleasure of the governor for three year terms.
16 The terms of office shall be staggered. Members appointed by the
17 governor are subject to confirmation by the legislature in the manner
18 provided in AS 39.05.080.

19 * Sec. 4. AS 41.25.010 is amended to read:

20 Sec. 41.25.010. GRANTS FOR TOURIST DEVELOPMENT. A political
21 subdivision of the state, a nonprofit organization formed under
22 AS 10.20.010 - 10.20.060, or a bona fide nonprofit civic, fraternal,
23 or service organization which is certified by the commissioner of
24 community and regional [ECONOMIC] development [AND PLANNING] as
25 qualified as developing tourist attractions as one of its purposes is
26 eligible to receive tourist attraction development matching money from
27 the state.

28 * Sec. 5. AS 41.25.020 is amended to read:

29 Sec. 41.25.020. USE OF MATCHING MONEY. Tourist attraction

SHOULD I THIS BE FUNCTION OF ATD?
ECON. DEV. WON'T HANDLE, AS KNOWLEDGEABLE ABOUT TOURISM
IF ATD NO LONGER UNDER ITS JURISDICTION.

Should this part
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AS 18.55.020?

Should this
be in
AS 18.55.020?

All of
in new
ch.?

why put
this
ATD in
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ch.?

1 development matching money may be obtained for the purpose of developing
2 tourist attractions of historical or contemporary interest found to be
3 worthwhile by the commissioner of community and regional [ECONOMIC]
4 development [AND PLANNING AND THE DIRECTOR OF TOURISM]. Available
5 money shall be divided on a fair and equitable basis between
6 applicants. No applicant may receive more than \$1,000 on first
7 application. Tourist attraction development may include the production,
8 preservation, and display of historical documents, artifacts, totem
9 poles, historical markers, native dances, blanket tossing, native
10 handicraft, and art, and any other worthwhile tourist attraction
11 dealing with Alaskan history or culture. Tourist attraction develop-
12 ment does not include the preparation and distribution of community
13 and other advertising material.

14 * Sec. 6. AS 41.25.030 is amended to read:

15 Sec. 41.25.030. QUALIFYING FOR MATCHING MONEY. In order to
16 qualify for tourist attraction development matching money, the
17 applicant shall submit and have approved by the commissioner of
18 community and regional [ECONOMIC] development [AND PLANNING AND THE
19 DIRECTOR OF TOURISM,] plans, programs, contracts, or agreements to be
20 used for carrying out the development of the tourist attraction.

21 * Sec. 7. AS 41.25.050 is amended to read:

22 Sec. 41.25.050. ADMINISTRATION OF SECS. 10 - 50 OF THIS CHAPTER.
23 The commissioner of community and regional [ECONOMIC] development
24 [AND PLANNING AND THE DIRECTOR OF TOURISM] shall administer secs.
25 10 - 50 of this chapter. All participating subdivisions and
26 organizations shall submit to the commissioner of community and
27 regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF
28 TOURISM] complete reports covering both the expenditure of state and
29 local matching money for tourist attraction programs. These reports,

*AD
Director*

1 in the case of programs extending over 12 months, shall be submitted
2 annually. Reports on shorter matching programs shall be submitted at
3 the completion of the program.

4 * Sec. 8. AS 43.18.010(a)(4)(B)(ii) is amended to read:

5 (ii) an annual contract with a recognized
6 planning firm to provide land use planning and plan
7 implementation on a consulting basis with a work program
8 outline approved by the Department of Community and
9 Regional Development [LOCAL AFFAIRS AGENCY]; or

10 * Sec. 9. AS 43.18.010(a)(4)(B)(iii) is amended to read:

11 (iii) the state's continuing planning advisory
12 service program through the Department of Community and
13 Regional Development [LOCAL AFFAIRS AGENCY];

14 * Sec. 10. AS 43.18.300(h)(1) is amended to read:

15 (1) "commissioner" means the commissioner of community and
16 regional [ECONOMIC] development;

17 * Sec. 11. AS 44.19.250 is amended to read:

18 Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the
19 Department of Community and Regional Development [LOCAL AFFAIRS AGENCY]
20 a local boundary commission. The local boundary commission consists
21 of five members appointed by the governor for overlapping five-year
22 terms. One member shall be appointed from each of the four major
23 senatorial election districts and one from the state at large. The
24 member appointed from the state at large is the chairman of the
25 commission.

26 * Sec. 12. AS 44.19.260(a)(3) is amended to read:

27 (3) consider a local government boundary change requested
28 of it by the legislature, the commissioner of community and regional
29 development [THE DIRECTOR OF LOCAL AFFAIRS], or a political subdivision

1 of the state; and

2 * Sec. 13. AS 44.19.270 is amended to read:

3 Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the
4 commission or the commissioner of community and regional development
5 [DIRECTOR OF LOCAL AFFAIRS] with the consent of the chairman may call a
6 meeting or hearing of the local boundary commission. All meetings and
7 hearings shall be public.

8 * Sec. 14. AS 44.19.880(a)(10) is amended to read:

9 (10) assist the governor and the Department of Community and
10 Regional Development [LOCAL AFFAIRS AGENCY] in coordinating the
11 activities of state agencies [THE ACTIVITIES OF] which have an impact
12 on the solution of local and regional development problems [PROGRAMS];

13 * Sec. 15. AS 44.60.020 is amended to read:

14 Sec. 44.60.020. SMALL BUSINESS DEVELOPMENT CORPORATION OF ALASKA.
15 The Small Business Development Corporation of Alaska is a public
16 corporation of the state. The corporation is an instrumentality of
17 the state within the Department of Community and Regional [ECONOMIC]
18 Development, but has a legal existence independent of and separate
19 from the state.

20 * Sec. 16. AS 44.61.020 is amended to read:

21 Sec. 44.61.020. CREATION OF AUTHORITY. There is created the
22 Alaska Industrial Development Authority. The authority is a public
23 corporation of the state and a body corporate and politic within the
24 Department of Community and Regional Development [CONSTITUTING A
25 POLITICAL SUBDIVISION WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT],
26 but with separate and independent legal existence.

27 * Sec. 17. AS 45.95.070(3) is repealed and re-enacted to read:

28 (3) the commissioner of community and regional development
29 certifies that the application accords with the standards set forth in

*How
active is
this agency?
what are
members?*

1 AS 44.47.030(17).

2 * Sec. 18. Whenever the titles "Local Affairs Agency" or "Rural
3 Development Agency" appear in the law of this state, they shall be read as
4 the "Department of Community and Regional Development."

5 * Sec. 19. The following laws are repealed: AS 18.55.970 - 18.55.990;
6 AS 44.19.180 - 44.19.210; AS 44.19.580 - 44.19.620; AS 44.19.880(5); and
7 AS 44.45.

8 * Sec. 20. All litigation, hearings, investigations and other proceed-
9 ings pending under any law amended or repealed or functions which may be
10 transferred by this Act, continue in effect and may be continued and
11 completed notwithstanding any such transfer or amendment or repeal provided
12 for in this Act. Certificates, orders, rules or regulations issued or
13 filed under authority of law amended or repealed by this Act or functions
14 which may be transferred by this Act, remain in effect for the term issued,
15 unless or until revoked, vacated, or otherwise modified under the provisions
16 of this Act. All contracts or other obligations created by any law amended
17 or repealed by this Act or by virtue of functions which may be transferred
18 by this Act, and in effect on the effective date of this Act, remain in
19 effect unless or until revoked, or modified under the provisions of this
20 Act. Appropriations, records, equipment and other property of the Depart-
21 ment of Economic Development ^{LAA, RDA} and other agencies of the state integrated
22 with the Department of Community and Regional Development established under
23 this Act are transferred to the department. Appropriations and other money
24 available and to become available to the Department of Economic Development
25 and other agencies the functions, powers and duties of which have been
26 transferred to the Department of Community and Regional Development
27 established under this Act shall be available for the objects and purposes
28 for which appropriate or otherwise made available, subject to the terms,
29 restrictions, limitations or other requirements imposed under this section

1 or federal law.

2 * Sec. 21. This Act takes effect July 1, 1972.

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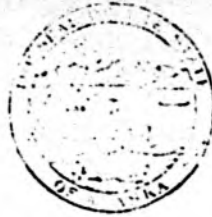
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Alaska State Legislature



House of Representatives

March 29, 1972

MEMORANDUM

TO: George Hohman, Chairman
House Finance Committee

FROM: Mike Miller, Chairman
House Local Government Committee

George -

As I indicated to you Saturday, the House Local Government Committee has now completed work on a "package" of important legislation dealing with local government in Alaska. It would be very much appreciated if you could schedule an afternoon appearance on this subject before the Finance Committee. At that time, I would suggest that you hear comments from the Local Affairs Agency and other agencies within the administration which might wish to be heard, the Alaska Municipal League and the House Local Government Committee.

Following is a very brief synopsis plus a few comments on each of these bills:

HB 552

This is a bill establishing a new Department of Community and Regional Affairs. In its original form, the bill envisioned a new department consisting of the Local Affairs Agency, the Rural Development Agency, present ASHA planning people, the Department of Economic Development plus some additional new or existing sub-agencies. The House Local Government Committee is proposing a committee substitute -- and this has the concurrence of the administration -- which eliminates the Department of Economic Development from the new department and instead leaves that department intact and as-is. (Incidentally, several members of the Local Government Committee have indicated a desire to make other arrangements for the present Department of Economic Development. These arrangements have not been reduced to writing, however, and in any case are not pertinent to this package of legislation.)

One of the great opportunities of HB 552 is to incorporate the existing ASHA staff into the new department where it can meet not

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

only its existing ASHA commitments but can also direct its experience and expertise toward meeting some of the horrendous non-ASHA planning problems that exist throughout the state. At present, the ASHA planning staff is totally funded with federal dollars. As I believe the administration will indicate, there is a compelling need to supplement those federal dollars with some additional state funding in order to broaden the base of the existing operation.

It is the feeling of the Local Government Committee -- and the feeling as well of the municipalities, several educators, and a number of other legislators -- that cabinet status for the local government function of the state is long overdue. The work of local government touches, directly and constantly, upon the health, the homes, the environment, and the taxability of every person who lives within the jurisdiction of some sort of municipality. The Local Affairs Agency has been serving this constituency rather well considering the inadequacies of the present structure, however, with departmental status they could do much better. (And, in fact, they must do much better in the future in view of the challenges of new and existing boroughs, new forms of regional government, new problems and new opportunities.) This projected new department is an outgrowth of the Alaska Constitutional Convention whose delegates clearly foresaw the need for such a department when the time was right. The time is right, right now.

HB 596

This bill, suggested by the Governor, recognizes that in many bush areas there is a crying need for some very basic and very elemental forms of local self-government. In such areas even 2nd or 3rd class boroughs are much too sophisticated to be wanted or useful. The bill sets the machinery in motion which will divide the state into unorganized boroughs and which will provide a vehicle for state financial aide to these localities.

HB 597

This was a much publicized bill establishing a 15 mill tax, with certain exemptions, in the unorganized borough. Because there are many considerations unanswered (relative to estimates of how much revenue such a tax would create; how much taxable property there is; how much it would cost to administer tax collections and distribution) the committee opted to request the Legislative Council to conduct a thorough study of these questions in the interim between sessions. This study, too, has the concurrence of the administration.

HB 598

This bill establishes a 20 mill tax on oil transportation facilities (pipelines) throughout the state and reallocates monies collected back to the organized and unorganized boroughs of the state. The reallocation formula is not based on simple population but is instead based on a formula which takes into consideration the relative wealth of an area, population, cost of doing business in a given municipality, and other factors.

Within our committee there was some discussion concerning two points which you might wish to explore further. One was a suggestion of mine that instead of redistributing the entire 20 mill tax amount the state could reallocate a certain number of these mills (perhaps one or two or more) directly to the municipality in which the tax resource is located. As a practical example, pipe stacked in the North Slope Borough, North Star Borough, or in Valdez would be taxed at 20 mills but one or two or more of those mills would go directly to the borough concerned and the balance of the millage would go to the state for reallocation to boroughs throughout the state. The entire foundation for HB 598 rests on the premise that the taxable wealth included in materials which will make up the pipeline is a state-wide resource. The premise also anticipates that if such a tax resource were not *to be* considered of a state-wide nature and if it were limited to a local municipality only, the resource would be vastly under-used. Nonetheless it should be recognized that the pipeline will make its greatest impact on those areas where the pipeline itself is located. Therefore, it seems only fair that a special portion of that tax should be granted exclusively to those impact areas in order to help solve the problems created there.

A second suggestion has been made by at least two members of the committee who feel that this tax should be levied only on pipe 30 inches or greater in diameter. This would have the effect of leaving smaller feeder lines within the taxing jurisdiction of a local municipality. Our committee did not discuss this concept in depth, however, I personally feel it may have considerable value.

Regardless of how we handle the details, I think it is very important to realize that a source of taxation such as this is necessary if we are going to provide needed revenue to fund the new unorganized boroughs anticipated by HB 596.

HB 521

One of the biggest problems in trying to deal with the proposed tax in the unorganized borough was the fact that we really don't know how much taxable wealth exists in the unorganized borough. Further, a certain amount of elementary mapping work needs to be

done in order to create the new administrative units envisioned by HB 596. This bill merely allocates monies for a program of assessment and basic mapping in the unorganized borough so that the problems raised in the other legislation can intelligently be resolved.

HB 488

This bill appropriates monies to the Local Affairs Agency to provide technical assistance and contractual services for the establishment of an accounting system for cities of the fourth class. This bill is not technically part of the local government package discussed above. The bill does, however, identify an existing and very critical problem which exists in the bush. That problem is lack of administrative experience and/or training on the part of new small municipalities which have sprung up throughout the state. The problem is, as indicated previously, a critical one and it is hoped by the committee that either through passage of this bill or by inclusion in the budget document that monies dealing with this issue will be allocated.

HB 552 - Reference to Alaska Statutes
House Local Government Committee

- Page 1, Line 10 - AS 44.15.010 (14)
Section AS44.15.010 is a listing of the Departments in the executive branch. This would change the name of the Department of Economic Development.
- Page 3, line 15 - AS45.95 (SLA 1971)
Chapter AS45.95 deals with Small Business Loans. This program is presently under the Department of Commerce. Section 17 of HB 552 on Page 10, line 27 changes the wording in one section of AS45.95 from the "Department of Commerce" to the "Department of Community and Regional Development", but the bill doesn't change the wording "Department of Commerce" in the rest of the chapter.
- Page 5, line 8 - AS39.05.080
Section AS39.05.080 deals with the method of making appointments and legislative confirmation.
- Page 7, line 7 - AS18.55.020
The present statute places the Alaska State Housing Authority under the Department of Commerce. The present board of ASHA consists of the Commissioner of Commerce and four residents of the state. Page 11, line 5 of H.B. 552 repeals certain sections of AS18.55.970 - AS18.55.990.
- Page 7, line 18 - AS39.05.080
See page 5, line 8.
- Page 7, line 19, 20 - AS41.25.010
Sections AS41.25.010 - AS41.25.050 deal with tourist attraction development matching funds from the state. The underlined wording is substituted for the words in brackets in this section.
- Page 7, line 22 - AS10.20.010 - AS10.20.060
Sections AS10.20.010 - AS10.20.060 are the criteria for the establishment of nonprofit organizations.
- Page 7, line 28, 29 - AS41.25.020
The underlined wording is substituted for the words in brackets in this section.
- Page 8, line 14, 15 - AS41.25.030
The underlined wording is substituted for the words in brackets in this section.
- Page 8, line 21, 22 - AS41.25.050
The underlined wording is substituted for the words in brackets in this section.

- Page 9, line 4 - AS43.18.010 (a) (4) (B) (ii)
Chapter AS43.18 is the state aid to local government program. Section (a) (4) deals with the \$2.00 per capita sharing for land use planning. Subsection (ii) and (iii) are the requirements for planning assistance for municipalities under 12,000 population. The underlined wording is substituted for the words in brackets in this section.
- Page 9, line 10 - AS43.18.010 (a)(4)(B)(iii)
See preceding reference. The underlined wording is substituted for the words in brackets in this section.
- Page 9, line 14 - AS43.18.300 (h)(1)
Section AS43.18.300 sets up state grants to local governments for community facilities. Subsection (h)(1) defines "Commissioner". The underlined wording is substituted for the words in brackets in this section. HB 552 doesn't change the wording in subsection AS43.18.300 (c) "Department of Economic Development."
- Page 9, line 17, 18 - AS44.19.250
Sections AS44.19.250 - AS44.19.340 establish the Local Boundary Commission. The underlined wording is substituted for the words in brackets in this section.
- Page 9, line 26 - AS44.19.260 (a)(3)
AS44.19.260 is a listing of the Local Boundary Commissions powers and duties. The underlined wording is substituted for the words in brackets in this section.
- Page 10, line 2, 3 - AS44.19.270
The underlined wording is substituted for the words in brackets in this section.
- Page 10, line 8 - AS44.19.880 (a)(10)
Section AS44.19.880 is the duties of the Alaska Planning and Research division. The underlined wording is substituted for the words in brackets in this section.
- Page 10, line 13, 14 - AS44.60.020
Sections AS44.60.020 - AS44.60.120 deal with the Small Business Development Corporation of Alaska. The underlined wording is substituted for the words in brackets in this section.
- Page 10, line 20, 21 - AS44.61.020
Sections AS44.61.010 - AS44.61.050 creates the Alaska Industrial Development Authority. HB 552 doesn't change the membership of the Alaska Industrial Development Authority from the Commissioner of Economic Development to the Commissioner of Community and Regional Development in sections AS44.61.030 and AS44.61.040. The underlined wording is substituted for the words in brackets in this section.

Page 10, line 27 - AS45.95.070 (3)

Chapter 45.95 deals with the Small Business Loan program.
Section AS45.95.070 deals with the eligibility of persons
for these loans.

Page 11, line 1 - AS44.47.030 (17)

See subsection 17 on page 3, line 14 of HB 552. Chapter
AS44.47 is the new chapter created by HB 552.

Page 11, line 5 - AS18.85.970 - AS18.55.990

Section AS18.55.970 allows the Alaska State Housing Authority
to assist cities, public utility districts, boroughs or
planning authorities in planning.

Section AS18.55.980 allows the local jurisdictions to make
its fund available to ASHA for planning.

Section AS18.55.990 allows ASHA to accept grants and
contracts with the Federal Government and other sources.

Page 11, line 6 - AS44.19.180 - AS44.19.210

This section creates the Local Affairs Agency.

Page 11, line 6 - AS44.19.580 - AS44.19.620

This section creates the Rural Development Agency.

Page 11, line 6 - AS44.19.880 (5)

Section AS44.19.880 refers to the duties of the Alaska
Planning and Research Division. Subsection (5) now reads
"Provide research assistance to any state or private
development bank authorized by the legislature."

Page 11, line 7 - AS44.45

Chapter AS44.45 creates the Department of Economic Develop-
ment and Planning. The following are the articles in
AS44.45.

1. Organization
2. Division of Industrial Development
3. Division of Planning and Research
4. Alaska Travel Division
5. Tourism Advisory Board
6. General Provisions
7. Rampart Dam Development Committee

Vic Fischer
Director, ISEOR
U of A
College, Alaska 99701

all info on HB 552

copy of bills : 580
581
582

sent 2/19/72
get manilla envelopes

Harold Pomeroy
4048 Wright Street
Anchorage, Alaska 99504

Mike,

Vic Fisher will call back
when he has confirmed his
schedule.

Harold Pomeroy
272-7375



UNIVERSITY OF ALASKA

COLLEGE, ALASKA 99701

February 11, 1972

Representative Mike Miller
Chairman
Local Government Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Mike:

I am very interested in the enactment of legislation for a Department of Community and Regional Development, as per House Bill No. 552 or other legislation. I believe it is tremendously important to start any such department with the appropriate authority, responsibility and structure. Therefore, the enabling legislation will be extremely important. Perfection is something that may never be achieved, but each of the proposals so far can be significantly improved.

I will be glad to work with you and your committee, in so far as you are interested in such a system and time permits.

I also have a great interest in a number of other items for your committee, such as House Bill No. 520 dealing with a study of local government. On such items also I'll be glad to provide what assistance you desire and I could give.

Tom Morehouse would probably also be able to provide very substantial help to you and the committee. Without specific requests from Juneau, however, neither he nor I are in a position to know what is transpiring in committee and what assistance could be rendered. I will therefore at this time leave the initiative for utilizing our services in your hands.

I do hope that after this session we will not again be saying to each other that one of these days something must be done about local government, including a department and the unorganized borough. We have done this for as many years as I can remember, with all suggestions for constructive action either buried or lost during the closing rush of

UNIVERSITY OF ALASKA

Representative Mike Miller
February 11, 1972
Page Two

the session. I hope that timely action this year will produce some constructive results. And if we can be of help toward this end, please let me know.

Best personal regards,



Victor Fischer
Director, ISEGR

VF/jb

cc: Dick Whittaker

P.S. I currently anticipate being in Juneau February 23-24.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

OFFICE OF THE GOVERNOR

RURAL DEVELOPMENT AGENCY / POUCH A- JUNEAU 99801

March 13, 1972

RECEIVED

MAR 13 1972

TO: Byron Mallott
Director, Local Affairs Agency

FROM: Don Perkins, Director
Rural Development Agency **DP**

LOCAL AFFAIRS AGENCY

SUBJECT: CS for House Bill 552, An Act Creating a
Department of Community and Regional Affairs

Byron, should there be hearings this week please submit this memorandum from me whereas I am personally in full accord with the creation of this Department and believe that such a department and the proposed organizational structure we have mutually discussed would be an assist to both the rural and urban communities and their citizens and the overall effectiveness of our agencies in being combined would tend to add strength to a unified effort in the full utilization of our technical assistance staff and ASHA's planning and research people.

MEMORANDUM
OFFICE OF THE GOVERNOR

TO: [The Honorable Mike Miller
Alaska House of Representatives
Pouch V -- Juneau

DATE : March 9, 1972

FROM: Byron I. Mallott *BIM*
Director
Local Affairs Agency

SUBJECT: Comments on Proposed
Organizational Chart for
CSHB552

The enclosed proposed organization chart reflects as closely as possible budgeted funding levels for the proposed department and transferred agencies and functions for FY 1973. However, certain positions have been modified and several new ones added to reflect, what, in my judgment, is an essential staffing pattern. Such changes will be explained and pointed out in a subsequent memorandum.

You will note that the Commissioner's office contains both the Administrative Division and the Division of Community Development Planning and Research. This was done to centralize (and to emphasize that centralization) two major department-wide functions, namely, planning and research, and administration.

The importance of this centralization is reflective of the fact that the three major line agencies transferred to the department are maintained almost in toto as separate divisions within the department, namely, the Local Affairs Agency, Rural Development, and the State Economic Opportunity Office.

Coordination among the divisions and ultimate division and allocation of program responsibility will take place at a policy level within the commissioner's office and also through utilization of the following procedure:

Division directors, deputy commissioner and commissioner will function as a staff committee to develop policy, priority and program specifically for the Division of Community Development Planning and Research which serves to coordinate and develop in detail divisional planning and research. In other words, the Division of Community Development Planning and Research serves as planning and research staff arm both, for each division and department-wide.

The establishment of three separate divisions, in my judgment, is necessary for the initial organization and in fact does reflect a logical breakout of program functions. Placing the transferred agencies within the department as separate divisions will allow a much more rapid departmental gear-up with a minimum of administrative and program confusion. This approach also reflects realistic budgetary restraints. Furthermore, such a divisional system, at least currently, reflects logical and reasonable program separation.

Memo to:

Hon. Mike Miller

Page 2

March 9, 1972

Finally, organizational and program adjustments and changes can certainly be made more logically and reasonably upon the basis of operational experience than upon prior assumptions.

This proposed structure is certainly open to suggested change, but represents at this point the thinking of the three principal agencies involved.

It is pointed out that the Alaska State Housing Authority's Planning Department which will form the nucleus of the planning and research division, of necessity, was not consulted.

The Local Boundary Commission will be transferred from the Office of the Governor to the Department with the Division of Local Government Assistance serving as commission staff.

The Division of Rural Development Assistance will serve, as requested, as staff to the Rural Affairs Commission.

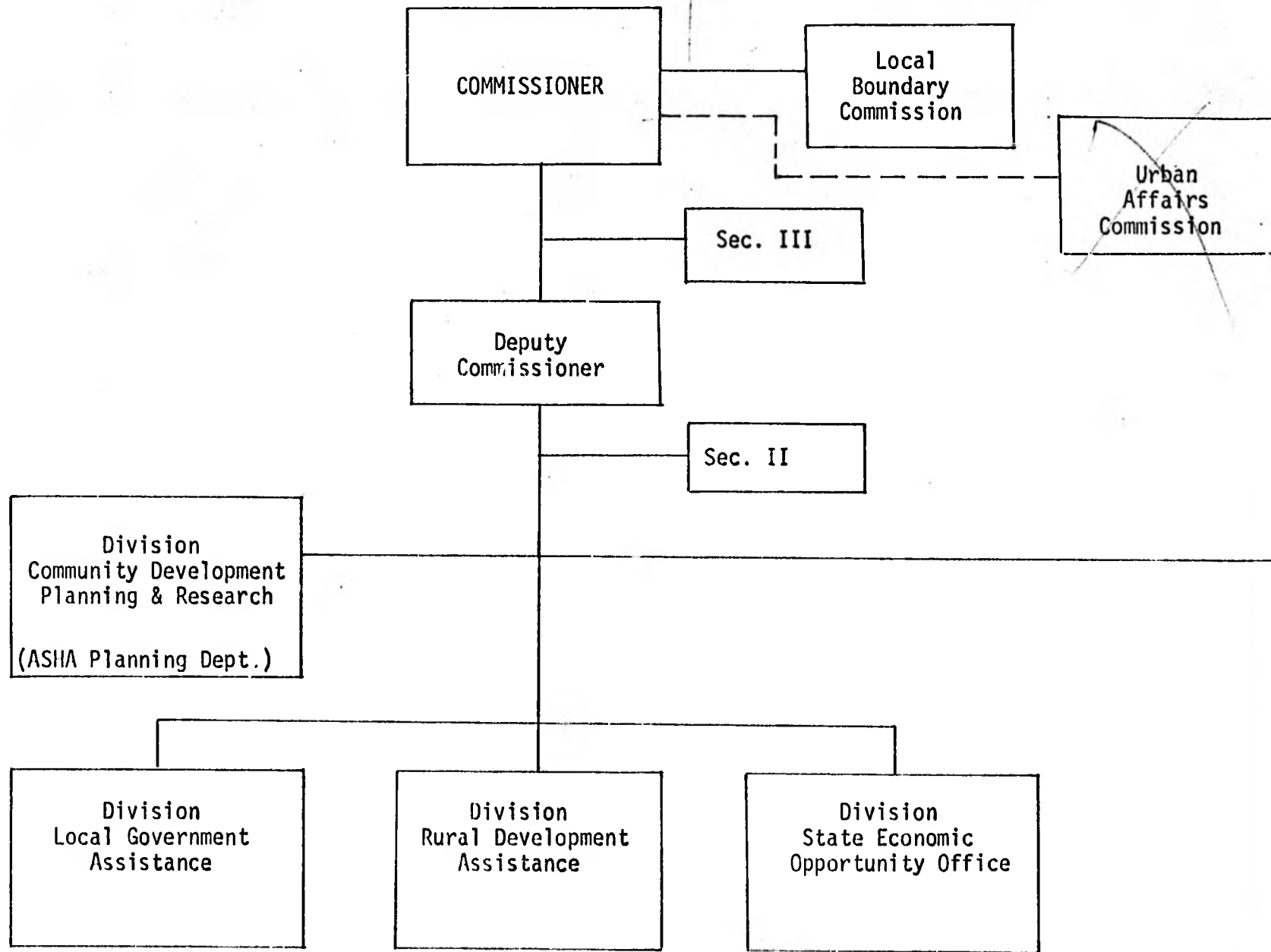
An Urban Affairs Commission is included in the organizational chart more because it has been included in other proposed organizational charts for the Department than because a policy decision has been made regarding its creation. House Bill 112 does include an Urban Affairs Commission but such a commission does not presently exist.

BIM/jp

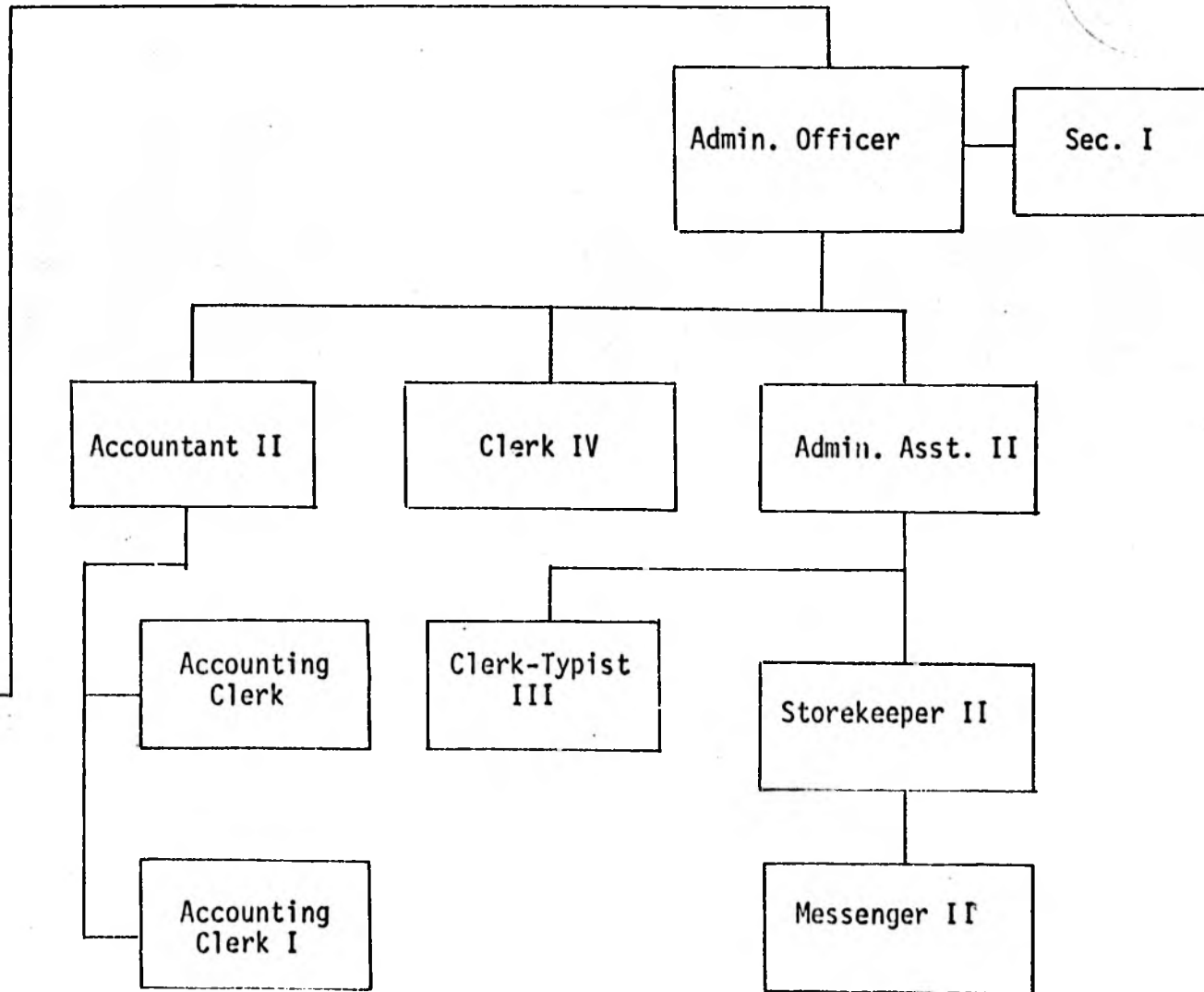
Enclosure

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

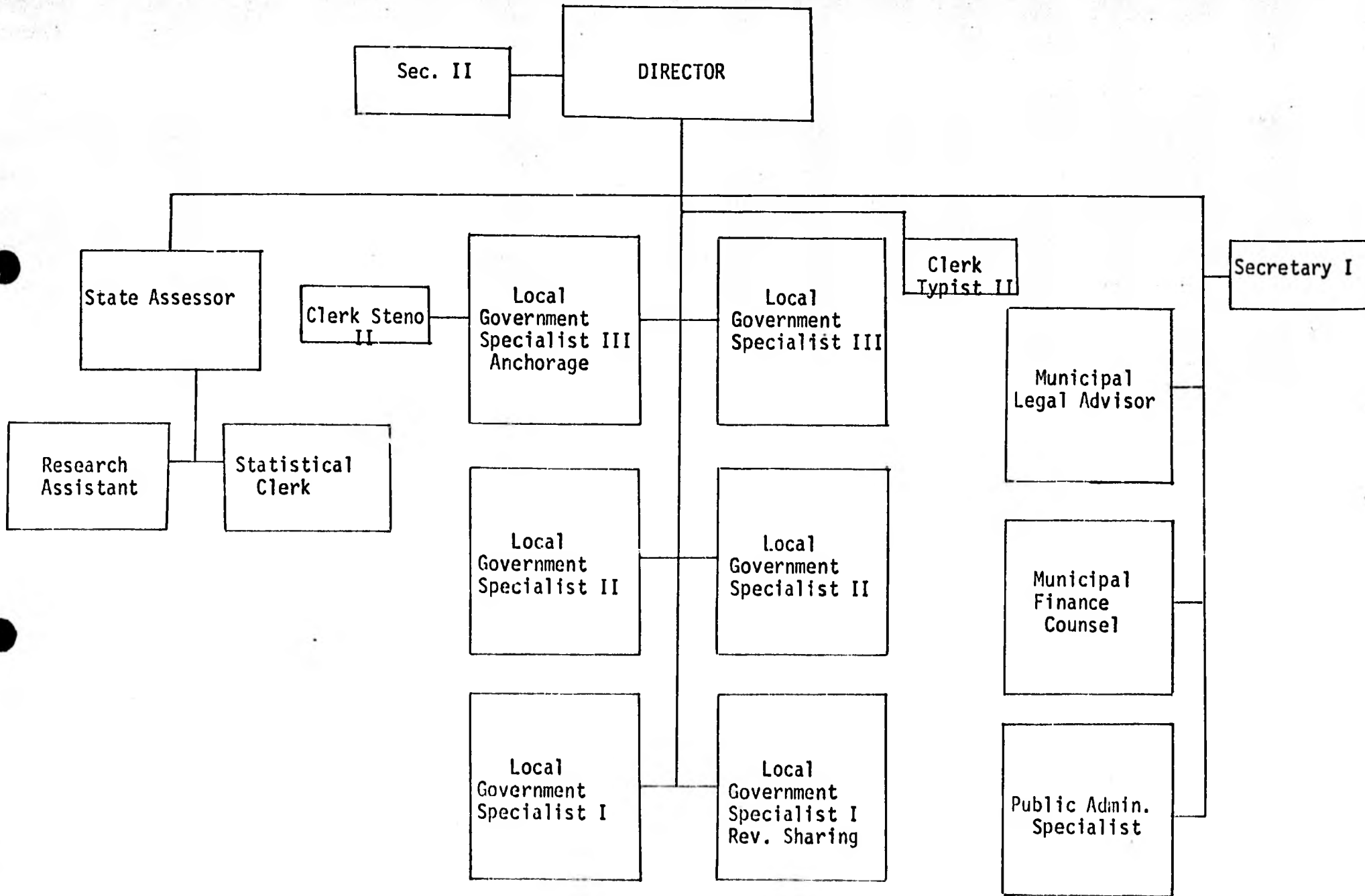
OFFICE OF THE COMMISSIONER



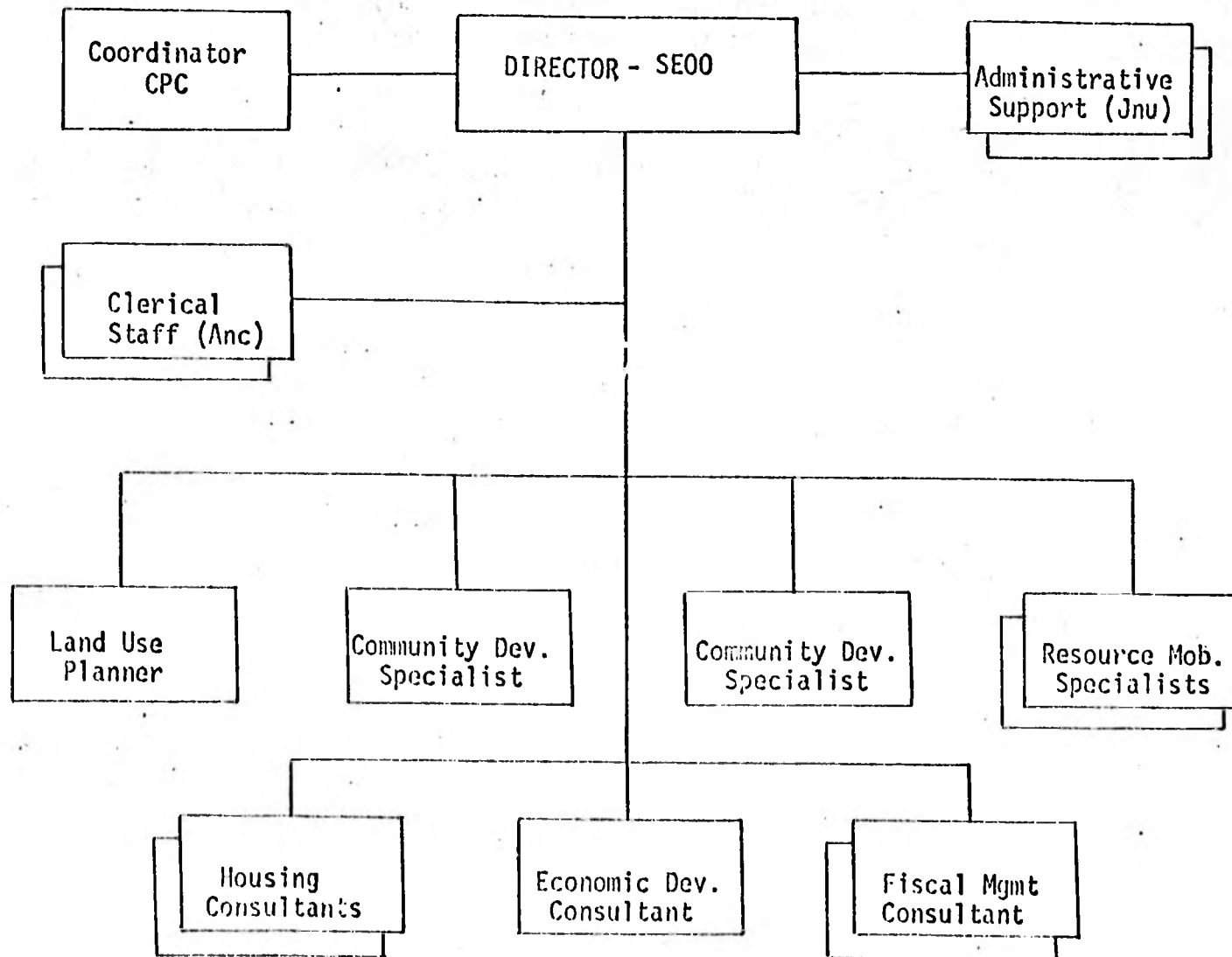
DIVISION OF ADMINISTRATIVE SERVICES



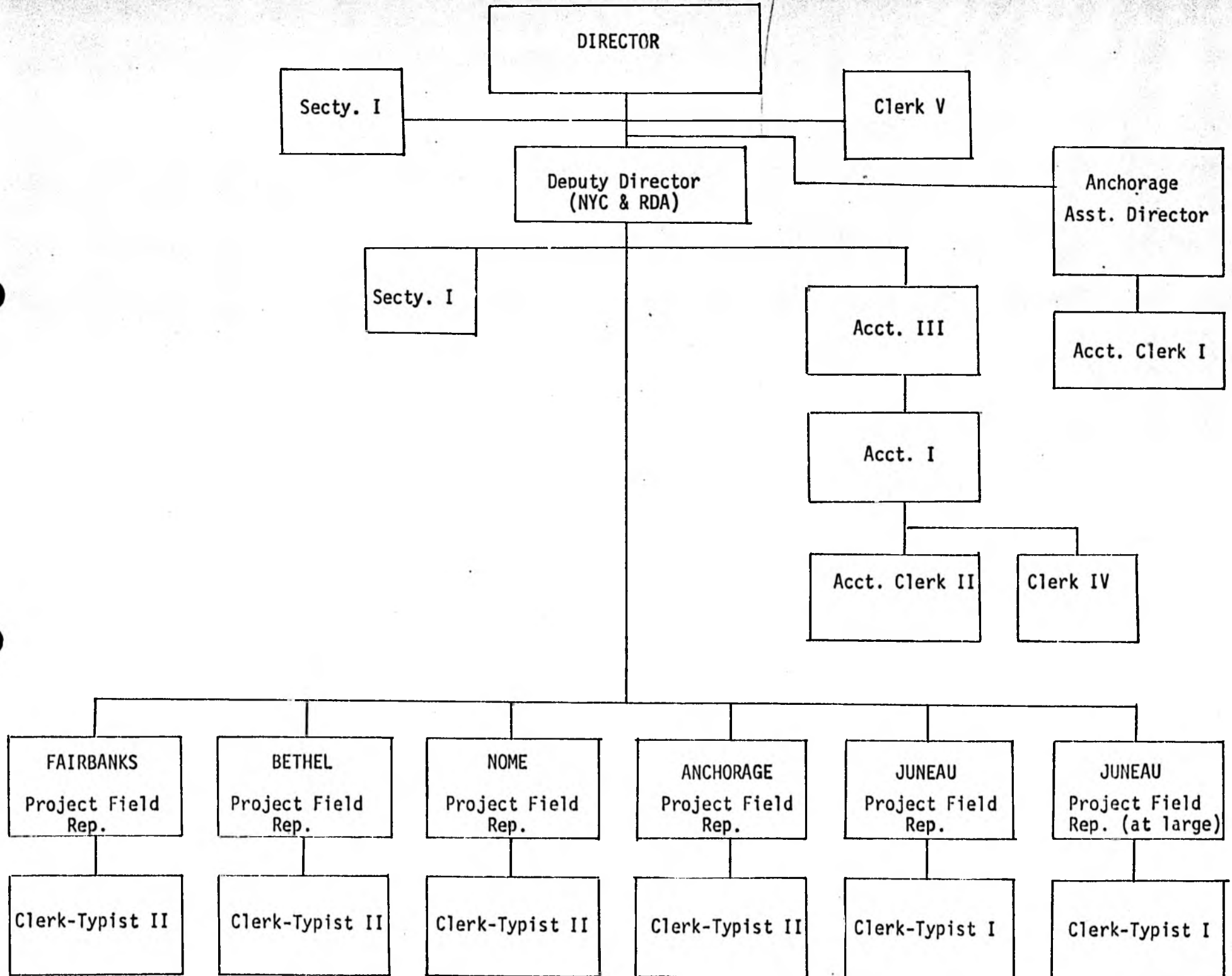
DIVISION OF LOCAL GOVERNMENT ASSISTANCE



DIVISION OF STATE ECONOMIC OPPORTUNITY OFFICE



DIVISION OF RURAL DEVELOPMENT ASSISTANCE



SUMMARY OF LOCAL GOVERNMENT PROGRAM

By the Attorney General's Office

House Bills 552, 596, 597, and 598 are designed to function together as a program for keeping the states constitutional promise with respect to the rural areas of the state.

HB 596 is the starting point of the program. That bill provides for establishment of borough boundaries which conform to statutory and constitutional standards.

The unorganized boroughs so formed will serve as administrative units for provision of state services and for the revenue sharing features of the proposed property taxes.

The people within each unorganized borough may at their option proceed toward organization either as boroughs of a particular class or as home rule boroughs. This option provides the flexibility necessary to accommodate different conditions within the state, as well as state level review of local government organization.

The second feature of the program is the Department of Community and Regional Development created in HB 552. As the number of local government units increases the need for increased state capacity to meet local government needs is apparent. The new department is designed to have the capability to assist local government units to solve a wide variety of problems, including problems related to economic development. The department is empowered particularly to serve as the arm of the legislature in providing services to unorganized boroughs. In addition, the department administers the revenue sharing under the proposed property tax bills.

HB 597 provides for a general property tax of 15 mills. The tax includes a \$50,000. personal exemption and a credit for the amount of tax paid to any organized city or borough. A local effort exclusion is designed to eliminate whole cities and boroughs from the reach of the tax where the local tax effort is such that the

total of all local taxes is greater than the revenue that would be raised under the state tax. Because of the exemption, credit and exclusion features, it is anticipated that very little, if any, additional tax would be paid by an individual resident of any organized city or borough.

The tax is structured as a statewide tax because of the view of the Department of Law that a special kind of tax levied only within the unorganized borough could be challenged on equal protection grounds. Some commentators have suggested that the tax could be levied on the unorganized borough by the legislature acting in its capacity as assembly of the unorganized borough. The difficulty with such an approach is that under present law the assembly of a first class borough would not have the power to enact a tax with the special features of the proposed tax. Accordingly, it may be doubted that the legislature acting as an assembly would have such power.

It has been suggested that the 15 mill rate of the state tax will compel the cities and boroughs to raise their tax rates to 15 mills in order to exclude the state tax. However, this view neglects the effect of the \$50,000 exemption. To illustrate, in every case where a taxpayer owned as much as 100,000 dollars worth of taxable property, was located levied at a rate of 7.5 mills or more, no state tax would be paid on that property since 15 mills on the \$50,000 taxable by the state would be equaled and cancelled out by 7.5 mills levied on the full 100,000 value.

If only the individual level were considered, it would be possible for a person owning a great deal of property located in an area where the tax rate was very low to pay a small amount of state

tax. However, the local effort exclusion provides that if the total tax revenue from all tax sources exceeds the state tax, no tax is paid by anyone within that city or borough. Because of the \$50,000 exemption and the exemption of certain whole classes of property, it is virtually certain that established municipalities would be excluded under this provision, since the great majority of people would pay no state tax but would pay some municipal tax, if only a sales tax.

The revenue sharing feature of the tax implements a major purpose of the program. That purpose is to make available the resources to enable new boroughs to provide an adequate level of services for their inhabitants. Under HB 597 the legislature is authorized to appropriate the full amount of net revenue from the tax for the benefit of unorganized boroughs. The "authorized to appropriate" formula is dictated by the state constitutional prohibition against earmarking of tax revenues.

The revenue appropriated is administered by the new Department of Community and Regional Development. The money will be held in separate accounts for each particular unorganized borough. The share of each unorganized borough will be determined in accordance with a formula which takes account of population, present wealth, and the cost of providing services. In other words, if it cost twice as much to provide services in one area as in another the first area would receive twice the revenue per capita in order to insure the same level of service. If the first area were also only half as wealthy in terms of taxable revenue per capita as the second area,

the share of the first area would again double per capita with respect to the second area.

HB 598 is designed to complement HB 597. HB 598 provides for a tax of 20 mills on property used in the exploration for and transportation of unrefined oil and gas. The class of property subject to the tax is oil and gas field equipment of all kinds except those types of property production exemption under the provisions of the severance tax. The 20 mill rate was selected as the approximate level of tax to which such property is subject by organized boroughs at the present time.

The oil and gas property tax is exclusive of all other state and local taxes on the same property, including the 15 mill tax under HB 597. Local governments which now tax property of the same category as that taxable under HB 597 would continue to tax that property which is part of its tax base as of January 1, 1972. New property of that class, that is, property which becomes taxable after January 1, 1972 wherever located would be subject to the 20 mill state tax exclusively.

The rationale for the state tax as the exclusive tax on oil property is that such property provides immense taxable value to certain areas without regard to the level of services required in those areas. It is believed that the vast revenue anticipated from taxation of oil and gas related property is properly considered a state resource rather than the exclusive property of the area where the property is located. Any other approach would lead to such great disparities in the ability of local government to provide necessary services that equal protection problems arise. Recent court cases

in California, Texas and elsewhere have held that the level of school financing cannot depend on the relative taxable wealth of school districts. The Department of Law has indicated its belief that the same principle is applicable to other essential local government services.

However, it is also felt that this revenue like other property tax revenue is properly utilized for the benefit of local governments. Accordingly, the revenue from the state oil and gas property tax is distributed to all local government units, including cities, organized boroughs and unorganized boroughs, in accordance with the same formula that governs distribution of the general property tax revenue under HB 597.

Though far from complete or perfect, it is believed that the program outlined above, if enacted, would provide a dramatic proof of the state's willingness to move in an innovative manner toward creation of a fair and workable statewide system of local government.

EXAMPLE OF OPERATION OF HB 597

WITHIN ORGANIZED BOROUGH

CASE - Juncau Service Area #4
Auke Bay

TOTAL assessed value real and personal		13,255,000
TOTAL held by persons owning over \$50,000		4,295,900
per capita exemption under HB 597	50,000	
no. of persons owning more than 50,000	<u>x 47</u>	
TOTAL exemption	2,350,000	<u>2,350,000</u>
TOTAL taxable under HB 597		1,945,900
mill rate under HB 597		<u>.015</u>
TOTAL tax due under HB 597		<u>29,188.50</u>
Amount levied by borough		
tax base	13,255,000	
mill rate	<u>.0119</u>	
	157,734	157,734
tax base	13,255,000	
2.5 mill rate	<u>.0025</u>	
	33,137.50	33,137.50

* In borough wide analysis sales tax and cigarette tax would be added to borough property levy.

re preamble to 552 as suggested in L. D. Comm on 2/28. I believe these ideas are worth working into proper wording.

Sen. Mike Miller

The affairs of local government become progressively more complex, especially by reason of inter-governmental relations involving grants and partnership in financing. Many activities are the outgrowth of changing national policies and consciousness throughout society, oriented to services directly to people and to quality of life, in areas beyond the traditional basic local governmental functions of education, a library, streets, utilities, police and fire protection, a park.

Most of the local governments serve such small populations that it is almost impossible for each separately to afford the knowledgeable personnel necessary to secure the benefits of community activities and developments in which various state and federal government agencies are ready to participate.

By means of a Department of Community Affairs the state can furnish a needed field service of specialists to aid local governments to develop and improve their services and activities more efficiently and economically than can be accomplished separately. The department can ~~also~~ be the orderly means through which to secure expertise available in other departments for much needed assistance to local governments and which on an uncoordinated basis would be less efficient, more expensive.

It is desirable to preserve and to promote local authority; nevertheless, inter-governmentally sponsored and financed programs have significant aspects of partnership in government. These considerations demand increasingly sophisticated inter-governmental relations. The predominant state interest in healthy, efficient and effective local governments requires that the state be adequately equipped for the role outlined in this preamble.

The rapidity of change and the challenge of developments to improve the quality of life demand a strong state role to ensure maximum effectiveness in support of local government from all levels and sources. This requires an authoritative state function in coordination, multi-agency concerted actions and liaison.

This preamble is descriptive of the predominant purposes of this chapter.

HEP/ 3-11-72

PROGRAM CATEGORY: Development

AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Dept. Summary

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	767.7	902.6	704.7	927.8	927.8
200 TRAVEL	135.8	160.9	188.8	267.0	267.0
300 CONTR. SERVICES	369.7	649.7	633.2	899.0	899.0
400 COMMODITIES	11.5	15.1	18.3	22.8	22.8
500 EQUIPMENT	2.3	3.9	2.4	6.9	6.9
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	6,704.3	7,649.0	8,761.0	8,899.5	8,799.5
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	7,991.3	9,381.2	10,308.4	11,023.0	10,923.0
900 INTER-AGENCY CHARGES*	35.5	39.5	47.8	52.1	52.1
FUNDING: GENERAL FUND	7,611.6	8,697.6	9,562.2	10,198.5	10,098.5
FEDERAL	351.7	644.6	645.4	693.1	693.1
REQ'D GF MATCH	28.0	39.0	100.8	131.4	131.4
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

PROGRAM CATEGORY: Development

AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Technical Assistance

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	289.1	311.9	² 209.8	291.1	291.1
200 TRAVEL	43.9	46.1	44.2	57.0	57.0
300 CONTR. SERVICES	150.8	429.9	442.6	590.7	590.7
400 COMMODITIES	2.6	5.7	6.1	8.1	8.1
500 EQUIPMENT	.3	1.7	1.6	4.6	4.6
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	¹ -0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	486.7	795.3	704.3	951.5	951.5
900 INTER-AGENCY CHARGES*	30.0	31.5	34.6	34.6	34.6
FUNDING: GENERAL FUND	350.7	422.2	268.6	437.1	437.1
FEDERAL	122.5	360.6	361.4	409.1	409.1
REQ'D GF MATCH	3.5	12.5	74.3	104.9	104.9
OTHER	-0-	-0-	-0-	-0-	-0-

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

FY 71 & 72 amounts are combined totals of Local Affairs Agency general assistance & State assessor's office, Rural Development Agency administration & planning and research, community planning assistance

1 PDA grants shown in financial assistance to communities

2. This reflects deletion of \$26.7 for partial funding of 7 positions in the Office of Planning and Research and \$52.2 for 3 positions deleted in Rural Development, the Rural Development grants administration will be performed in the administrative services division

PROGRAM CATEGORY: Development

AGENCY: Communit' & Reg. Dev. ORGANIZATIONAL UNIT: Human Resources

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	105.9	152.7	143.5	150.9	150.9
200 TRAVEL	58.7	75.6	63.1	63.1	63.1
300 CONTR. SERVICES	97.9	144.3	102.9	163.4	163.4
400 COMMODITIES	6.2	2.1	1.8	2.3	2.3
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	10.3	62.0	50.0	50.0	50.0
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	279.0	436.7	361.3	429.7	429.7
900 INTER-AGENCY CHARGES*	-0-	5.0	5.0	5.5	5.5
FUNDING: GENERAL FUND	25.3	126.2	50.8	119.2	119.2
FEDERAL	229.2	284.0	284.0	284.0	284.0
REQ'D GF MATCH	24.5	26.5	26.5	26.5	26.5
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

FY 71 & 72 amounts are from SE00

PROGRAM CATEGORY: Development

AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Local Boundary Comm.

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	12.0	12.6	11.8	11.8	11.8
200 TRAVEL	-0-	11.2	11.2	17.0	17.0
300 CONTR. SERVICES	-0-	8.3	8.1	8.1	8.1
400 COMMODITIES	-0-	.3	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	12.0	32.4	31.1	36.9	36.9
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-0-	-0-
FUNDING: GENERAL FUND	12.0	32.4	31.1	36.9	36.9
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

PROGRAM CATEGORY: Development

AGENCY: Community & Reg. Dec. ORGANIZATIONAL UNIT: Development Div.

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	199.6	251.3	¹ 194.3	194.3	194.3
200 TRAVEL	22.9	14.0	20.0	26.6	26.6
300 CONTR. SERVICES	85.1	41.0	43.4	73.4	73.4
400 COMMODITIES	1.2	5.0	5.3	5.3	5.3
500 EQUIPMENT	1.5	2.2	.8	.8	.8
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	75.0	37.5	37.5	37.5	37.5
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	385.3	351.0	301.3	337.9	337.9
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-9-	-0-
FUNDING: GENERAL FUND	385.3	351.0	301.3	337.9	337.9
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

FY 71 & 72 amounts are from Industrial Development Division in Dept. of Economic Development

1. This reflects the transfer of position #2006 to the Office of the Commissioner and position #2008 to the Community Development Section of the Local Assistance Division.

PROGRAM CATEGORY: DEVELOPMENT

AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT:

Office of the
Commissioner

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	161.1	174.1	¹ 122.6	151.8	151.8
200 TRAVEL	10.3	14.0	² 48.9	³ 101.9	101.9
300 CONTR. SERVICES	35.9	26.2	31.2	43.4	43.4
400 COMMODITIES	1.5	2.0	4.0	4.0	4.0
500 EQUIPMENT	.5	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	209.3	216.3	206.7	301.1	301.1
900 INTER-AGENCY CHARGES*	5.5	3.0	3.2	7.0	7.0
FUNDING: GENERAL FUND	209.3	216.3	206.7	301.1	301.1
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

1. Reflects transfer of 2 positions to Office of Tourism (Storekeeper III & Messenger II); 1 position to Division of Admin. Services (Accountant II); deletion of 3 positions (Admin. Officer II, Clerk Steno III & Clerk I); also 2 positions added from Industrial Development Division (Dev. Spec.(Anchorage) & Clerk Steno II (Anchorage))
2. Includes \$29.9 travel for Rural Affairs Commission.
3. Includes \$45.0 travel \$15.0 each for A.I.F.C. Steering Committee; Urban Affairs Commission; Fisheries Marketing & Advisory Board.

PROGRAM CATEGORY: DEVELOPMENT

AGENCY: Community & Reg. Dev.

ORGANIZATIONAL UNIT:

Administrative
Services Division

CODE	ACTUAL FY 71	AUTHORIZED FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	-0-	-0-	22.7	127.9	127.9
200 TRAVEL	-0-	-0-	1.4	1.4	1.4
300 CONTR. SERVICES	-0-	-0-	5.0	20.0	20.0
400 COMMODITIES	-0-	-0-	1.1	3.1	3.1
500 EQUIPMENT	-0-	-0-	-0-	1.5	1.5
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	30.2	153.9	153.9
900 INTER-AGENCY CHARGES*	-0-	-0-	5.0	5.0	5.0
FUNDING: GENERAL FUND	-0-	-0-	30.2	153.9	153.9
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

PROGRAM CATEGORY: DEVELOPMENT

AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: to Communities

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES					
200 TRAVEL					
300 CONTR. SERVICES					
400 COMMODITIES					
500 EQUIPMENT					
600 LAND & STRUCTURES					
700 GRANTS	16,619.0	17,549.5	17,499.5	17,638.0	17,538.0
800 MISCELLANEOUS					
TOTAL	6,619.0	7,549.5	7,499.5	7,638.0	7,538.0
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-0-	-0-
FUNDING: GENERAL FUND	6,619.0	7,549.5	7,499.5	7,638.0	7,558.0
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

	<u>FY 71</u>	<u>FY 72</u>	<u>Maintenance FY 73</u>	<u>Request FY 73</u>	<u>Gov. Rec. FY 73</u>
Municipal Services Revenue Sharing	6,333.7	7,100.0	7,100.0	7,200.0	7,100.0
Rural Development Grants	385.3	449.5	399.5	438.0	438.0

PROGRAM CATEGORY: DEVELOPMENT

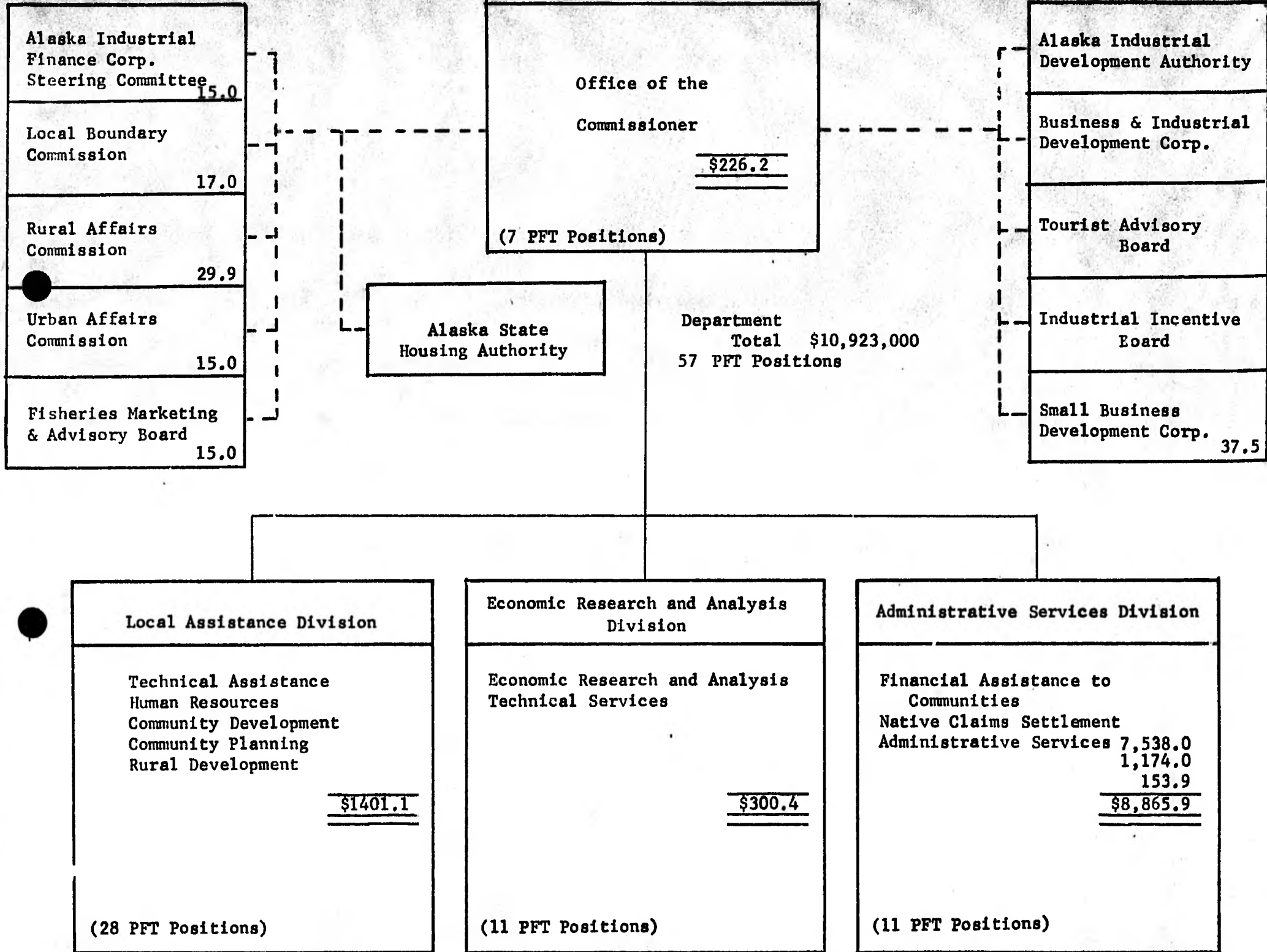
AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Settlement

Native Claims

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES					
200 TRAVEL					
300 CONTR. SERVICES					
400 COMMODITIES					
500 EQUIPMENT					
600 LAND & STRUCTURES					
700 GRANTS	-0-	-0-	1,174.0	1,174.0	1,174.0
800 MISCELLANEOUS					
TOTAL	-0-	-0-	1,174.0	1,174.0	1,174.0
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-0-	-0-
FUNDING: GENERAL FUND	-0-	-0-	1,174.0	1,174.0	1,174.0
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

DEPARTMENT OF REGIONAL AND COMMUNITY DEVELOPMENT



Alaska Industrial Finance Corp. Steering Committee
15.0

Local Boundary Commission
17.0

Rural Affairs Commission
29.9

Urban Affairs Commission
15.0

Fisheries Marketing & Advisory Board
15.0

Office of the Commissioner

\$226.2

(7 PFT Positions)

Alaska State Housing Authority

Department
Total \$10,923,000
57 PFT Positions

Alaska Industrial Development Authority

Business & Industrial Development Corp.

Tourist Advisory Board

Industrial Incentive Board

Small Business Development Corp. 37.5

Local Assistance Division

Technical Assistance
Human Resources
Community Development
Community Planning
Rural Development

\$1401.1

(28 PFT Positions)

Economic Research and Analysis Division

Economic Research and Analysis
Technical Services

\$300.4

(11 PFT Positions)

Administrative Services Division

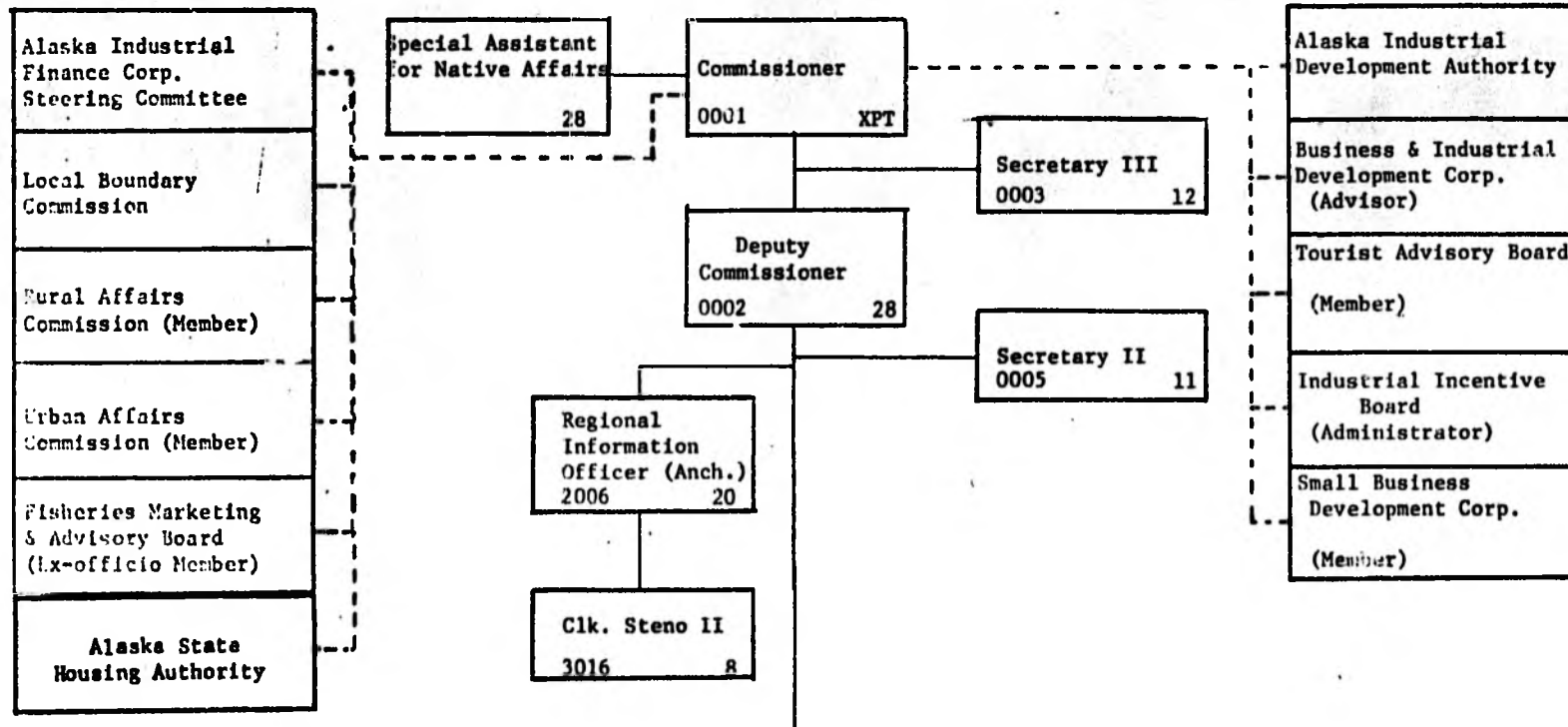
Financial Assistance to Communities
Native Claims Settlement
Administrative Services 7,538.0
1,174.0
153.9

\$8,865.9

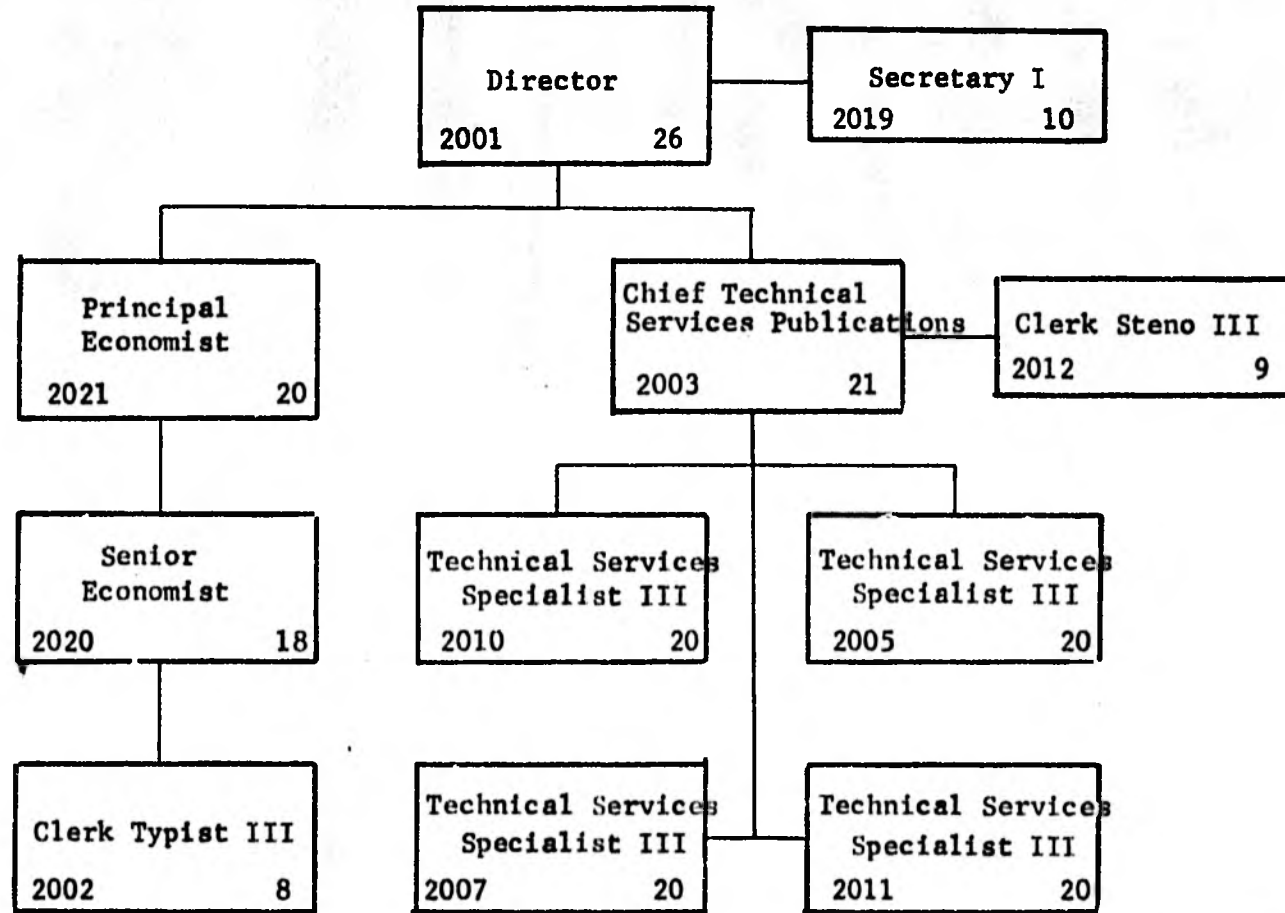
(11 PFT Positions)

DEPARTMENT OF COMMUNITY AND REGIONAL DEVELOPMENT

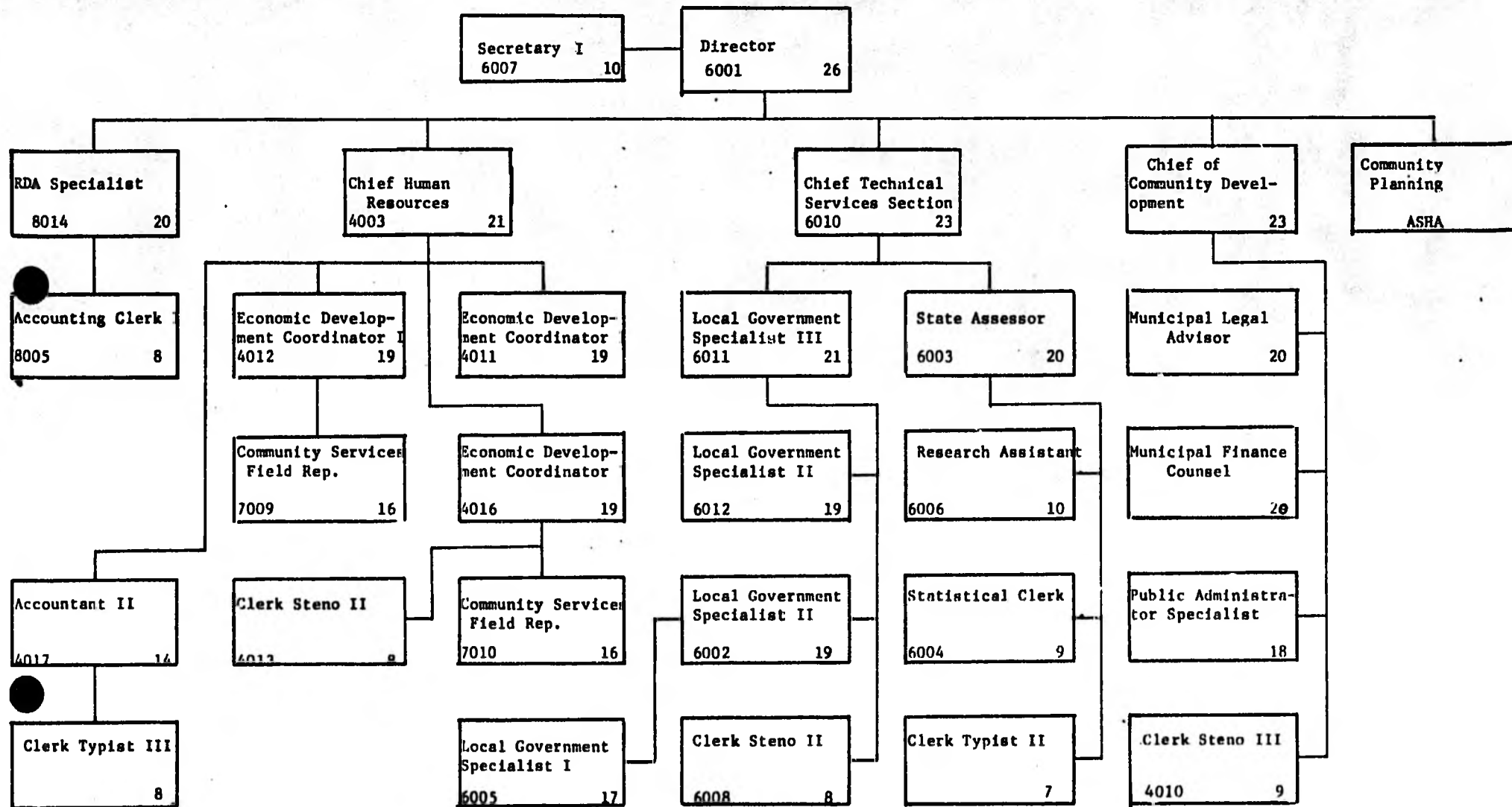
Office of the Commissioner



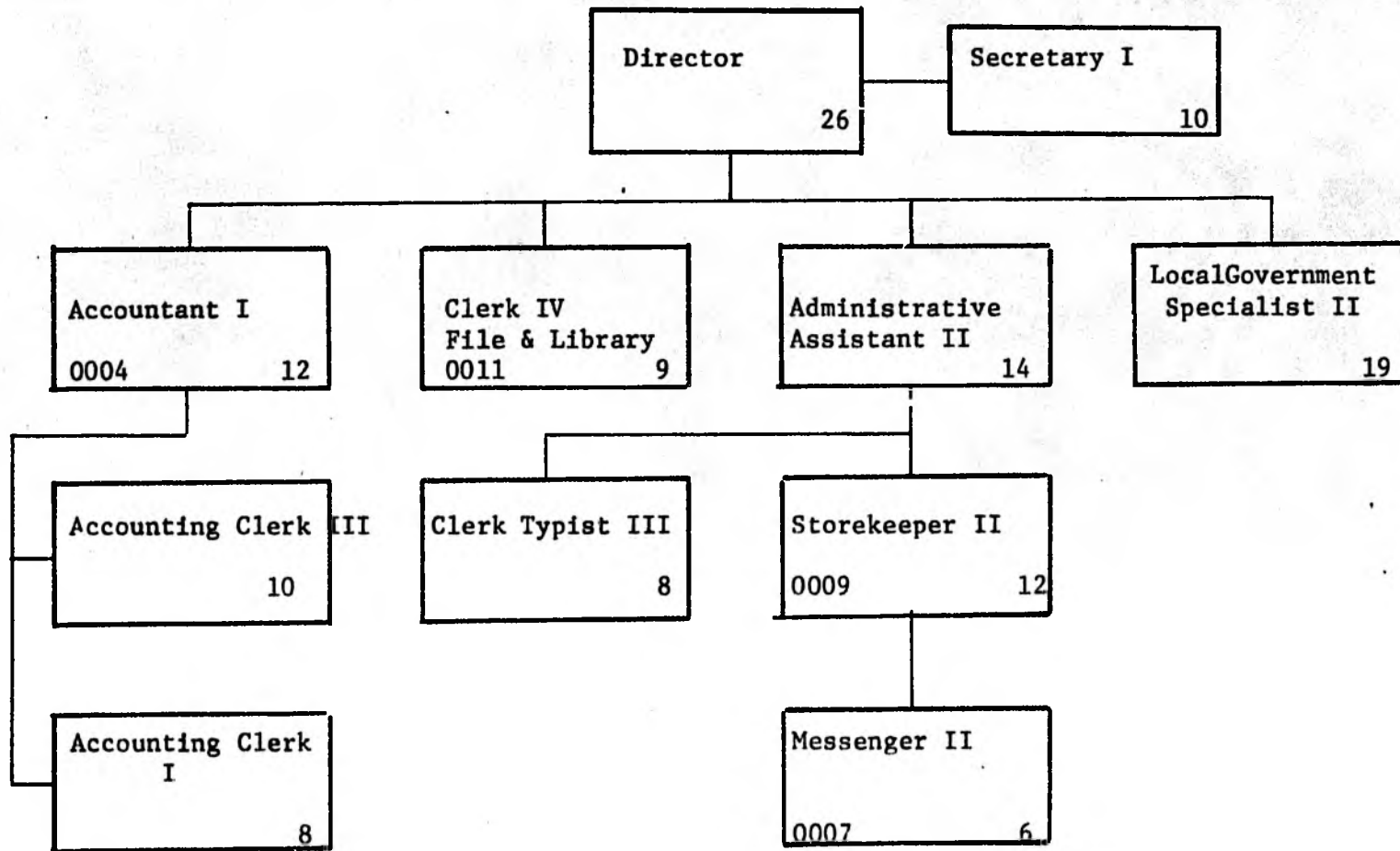
ECONOMIC RESEARCH AND ANALYSIS DIVISION



DIVISION OF LOCAL ASSISTANCE



DIVISION OF ADMINISTRATIVE SERVICES



Committee to create bank report after World Bank - Finance 60% of project.

DEPARTMENT OF REGIONAL AND COMMUNITY DEVELOPMENT

1/29/72 REVISION

Alaska Industrial Finance Corp. Steering Committee	15.0
Local Boundary Commission	17.0
Rural Affairs Commission (Member)	29.9
Urban Affairs Commission (Member)	15.0
Fisheries Marketing & Advisory Board (Ex-officio Member)	15.0

5 man commission 3 from MUM - 2 from...

Office of the Commissioner	<u>\$226.2</u>
(7 PFT Positions)	

Alaska State Housing Authority

Alaska Industrial Development Authority	
Business & Industrial Development Corp. (Advisor)	
Tourist Advisory Board (Member)	
Industrial Incentive Board (Administrator)	
Small Business Development Corp. (Member)	37.5

DEPARTMENT TOTAL \$11,810,400
76 PFT POSITIONS

Local Assistance Division
Technical Assistance Human Resources Community Development Community Planning Rural Development
<u>\$1401.1</u>
(28 PFT Positions)

Tourism
Publicity Advertising & Publications Research Conventions & Shows Creative Arts
<u>\$887.4</u>
(9 PFT Positions)

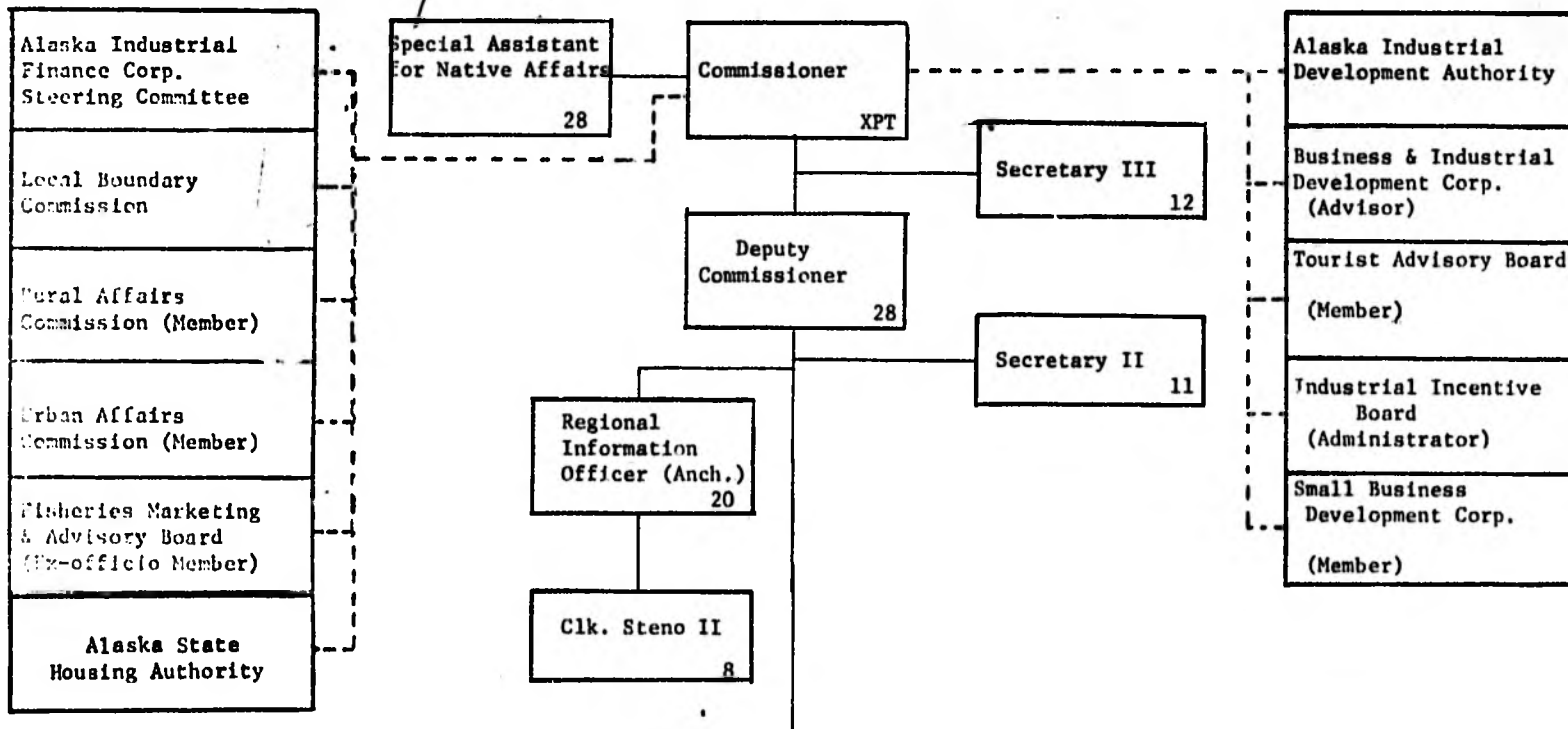
Economic Research and Analysis Division
Economic Research and Analysis Technical Services
<u>\$300.4</u>
(11 PFT Positions)

Administrative Services Division
Financial Assistance to Communities Native Claims Settlement Administrative Services
7538.0 1174.0 153.9 <u>\$8,865.9</u>
(11 PFT Positions)

DEPARTMENT OF COMMUNITY AND REGIONAL DEVELOPMENT

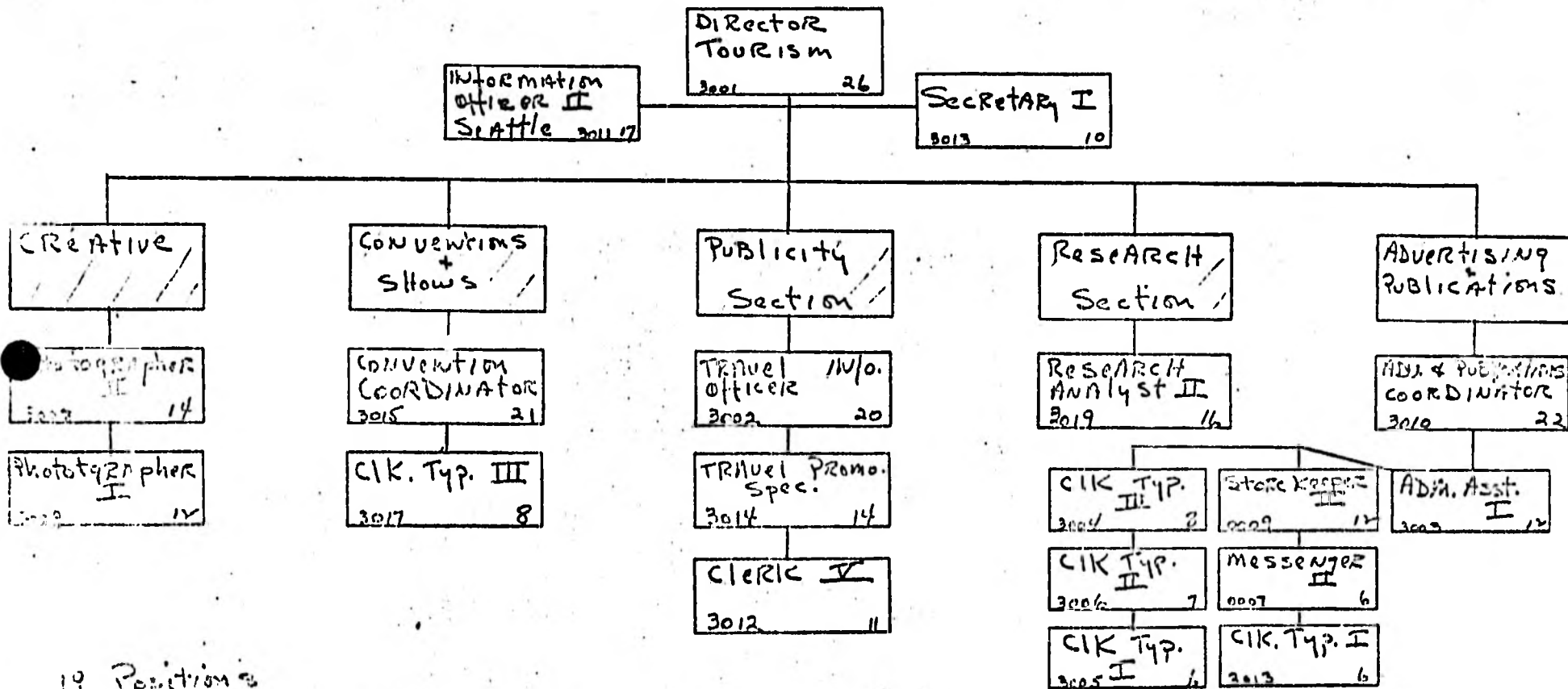
Office of the Commissioner

Liaison with Nat. Corp.



Division of Tourism

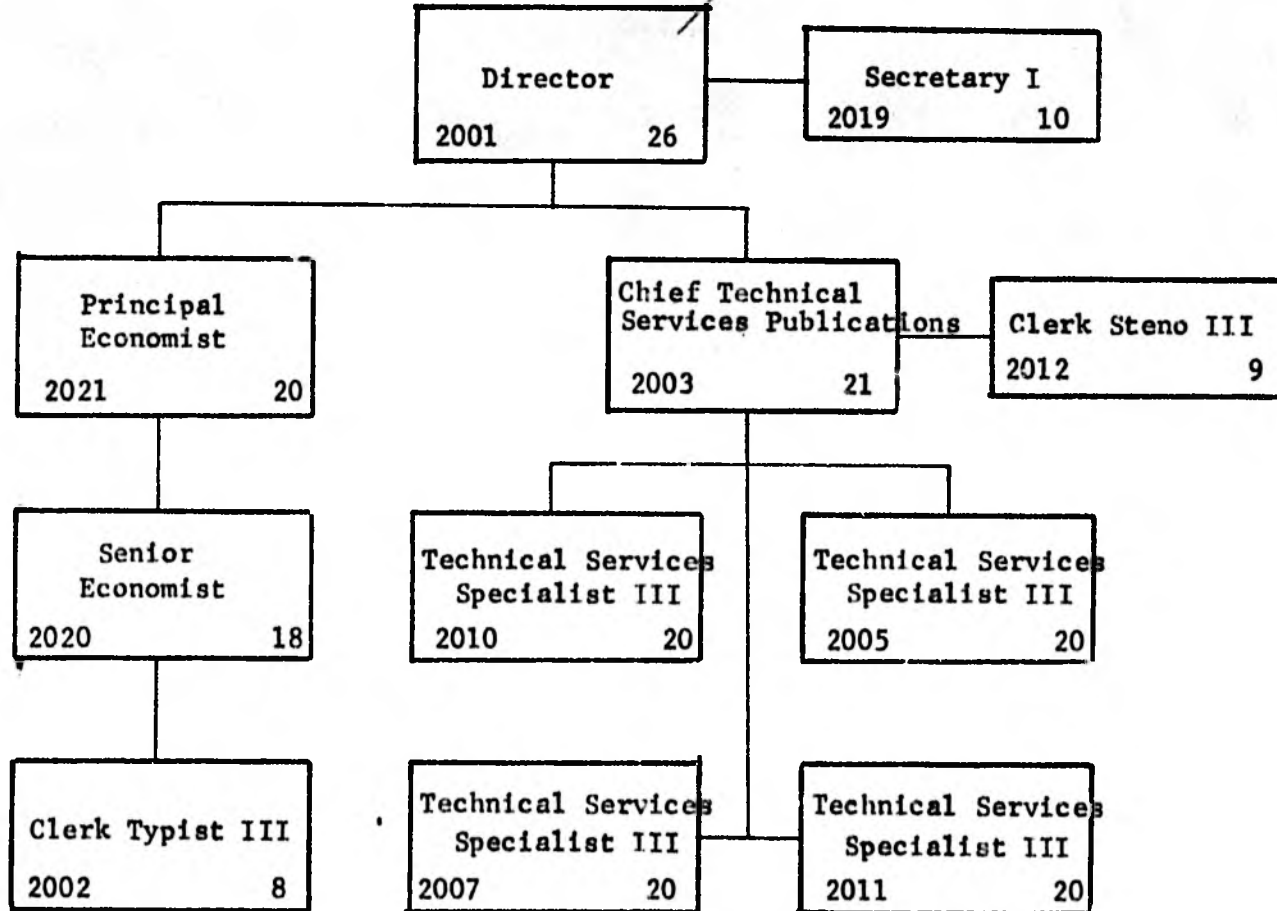
4.
TRANSFERRED TO ANOTHER
OPERATIONAL DEPARTMENT.



19 Positions

ECONOMIC RESEARCH AND ANALYSIS DIVISION

TOP ECON. DIVISION



DIVISION OF LOCAL ASSISTANCE

Secretary II
0005 11

Director
26

New Gov's

RDA Specialist
8014 20

Chief Human Resources
4003 21

*Pres'd
SECO*

Chief Technical Services Section
6010 23

*Pres'd
VSA*

Chief of Community Development
23

Community Planning
ASHA

Accounting Clerk
8005 8

Economic Development Coordinator I
4012 19

Economic Development Coordinator
4011 19

Local Government Specialist III
6011 21

State Assessor
6003 20

Municipal Legal Advisor
20

Community Services Field Rep.
7009 16

Economic Development Coordinator
4016 19

Local Government Specialist II
6012 19

Research Assistant
6006 10

Municipal Finance Counsel
20

Accountant II
4017 14

Clerk Steno II
4013 8

Community Services Field Rep.
7010 16

Local Government Specialist II
6002 19

Statistical Clerk
6004 9

Public Administrator Specialist
18

Clerk Typist III
8

Local Government Specialist I
6005 17

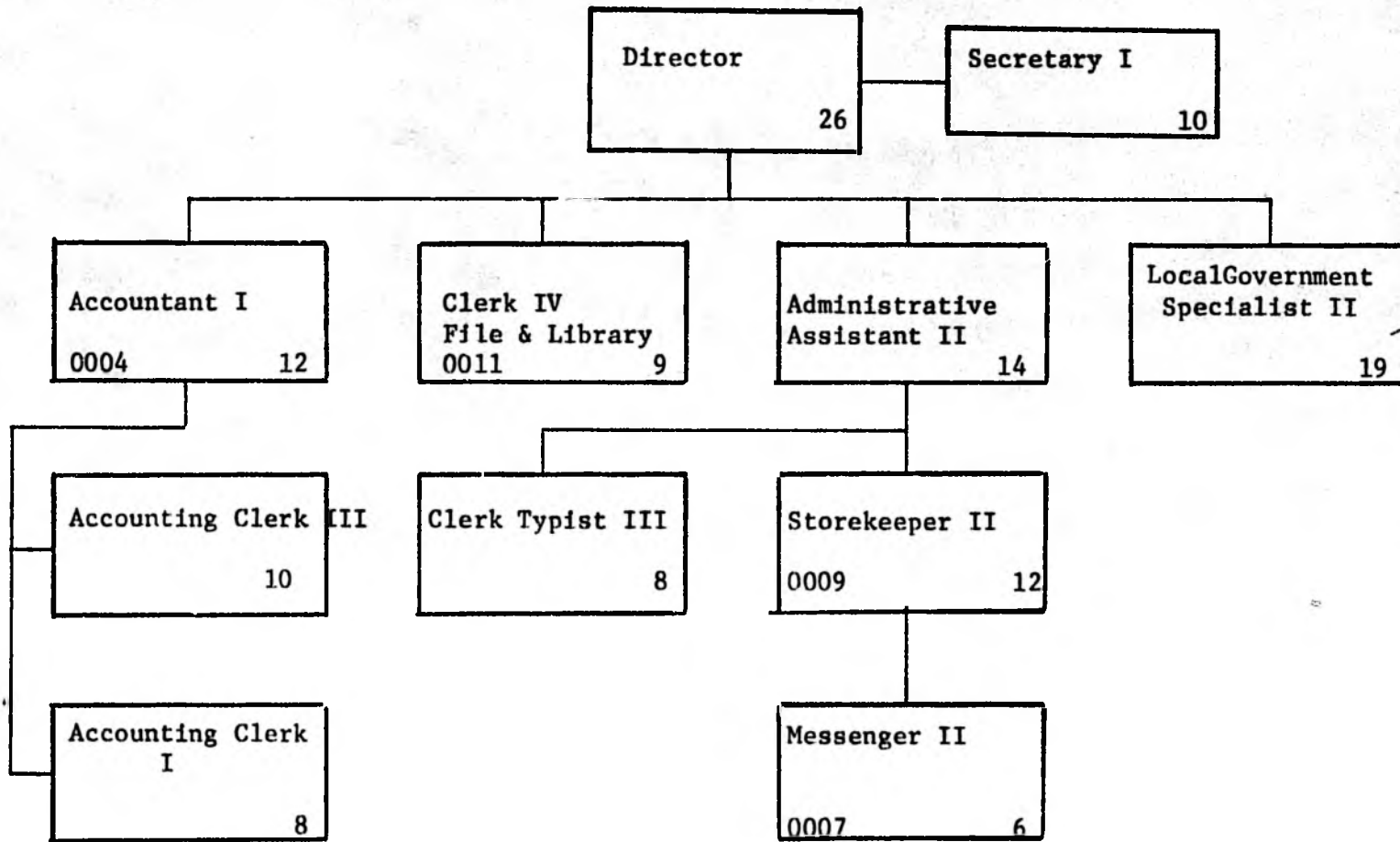
Clerk Steno II
6008 8

Clerk Typist II
7

Secretary I
6007 10

*10/1/53
to
State
20/1/53*

DIVISION OF ADMINISTRATIVE SERVICES



Rev. shanin

March 13, 1972

Mrs. Grabelle Leigh
506 Northward Building
Fairbanks, Alaska 99701

Dear Mrs. Leigh:

Thank you for your letter of March 2 relative to HB 552. This bill has been passed out of the House Local Government Committee. However, the elements which would have placed the Economic Development function within the new proposed Department of Community and Regional Affairs have been deleted. It is not precisely clear without some additional hearings what the committee chooses to do relative to the Economic Development role. It is entirely possible that the department will remain as it is. There is desire among at least one or two committee members to combine the department with some other agency, perhaps the Department of Natural Resources. As I mentioned, this will be discussed further and you may be sure that your views will be passed on to the committee.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

Gradelle Leigh

Realtor

506 Northward Building
Fairbanks, Alaska 99701

March 2, 1972

Representative Mike Miller
Box 1494
Juneau, Alaska 99801

Dear Representative Miller:

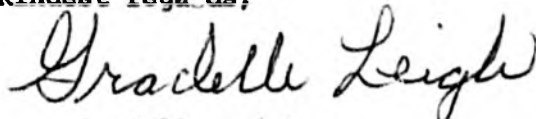
It has come to my attention that legislation to weaken the Department of Economic Development has been filed in the House and is now in your Local Affairs Committee.

In my opinion, this type of negative thinking indicates unbelievable irresponsibility on the part of the sponsors. The State administration should realize that the orderly intelligent development of our State must depend on attracting more than the petroleum industry. Our excellent relationship with Japanese industry is largely the result of work of the Department of Economic Development. Hopefully, in a few years the Department may also develop a market for our raw materials with China. Surely, we should increase our efforts to achieve planned economic growth.

During recent years I have asked and received assistance from the Department in trying to develop our Interior Alaska economy. I have been very favorably impressed with the serious efforts to help us although its activities were constrained by a totally inadequate budget. We are indeed fortunate to have Mrs. Ryan and her competent staff doing such a splendid job under difficult circumstances.

Of course, being politically oriented, you must be fully aware of the machinations that preceded the introduction of this regressive bill. Meanwhile, I earnestly hope that you will use your good offices to see that this bill receives a merciful death and decent burial.

Kindest regards,



Mrs. Gradelle Leigh

March 13, 1972

Mr. Ronald L. Usher
City-Borough Manager
The City & Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

Dear Ron:

Thanks much for your letter of March 6 and for your suggested amendments to HB 552. Enclosed for your information is the committee's substitute bill which was passed out Friday, March 10. As you can see, we completely separated the government function from the economic function, with the result that the department would be concerned only with local government affairs.

Again, thanks for your help and assistance.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

enc: 1

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

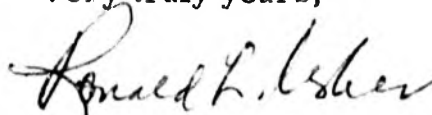
March 6, 1972

Honorable Mike Miller
Alaska House of Representatives
Capitol Building
Juneau, Alaska 99801

Dear Mike:

Attached is a copy of House Bill 552 with the amendments recommended by the Alaska City Managers' Association.

Very truly yours,



Ronald L. Usher
City-Borough Manager

RLU:pw

attachment

Introduced: 1/26/72
Referred: Local Government
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 552

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a Department of Community and
7 Regional Development; and providing for an effective
8 date."

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

10 * Section 1. AS 44.15.010(14) is amended to read:

11 (14) Department of Community and Regional [ECONOMIC]
12 Development

13 * Sec. 2. AS 44 is amended by adding a new chapter to read:

14 CHAPTER 47. DEPARTMENT OF COMMUNITY AND
15 REGIONAL DEVELOPMENT

16 ARTICLE 1. ORGANIZATION AND PURPOSE.

17 Sec. 44.47.010. COMMISSIONER OF COMMUNITY AND REGIONAL DEVELOP-
18 MENT. The principal executive officer of the Department of Community
19 and Regional Development is the commissioner of community and
20 regional development.

21 Sec. 44.47.020. PURPOSE OF DEPARTMENT. The purpose of the depart-
22 ment is to render maximum state assistance to the political, social and
23 economic development of Alaska at the community and regional level.

24 ARTICLE 2. COMMUNITY AND REGIONAL DEVELOPMENT.

25 Sec. 44.47.030. POWERS AND DUTIES. The department is authorized
26 to

- 27 (1) advise and assist local governments;
28 (2) serve as staff for the local boundary commission;
29 (3) conduct studies and carry out experimental and pilot

1 projects for the purpose of developing solutions to community and
2 regional problems;

3 (4) promote cooperative solutions to problems affecting more
4 than one community or region, including joint service agreements,
5 regional compacts, and other forms of cooperation;

6 (5) serve as a clearing house for information useful in
7 solution of community and regional problems, and channel to the
8 appropriate authority requests for information and services;

9 (6) advise and assist community and regional governments on
10 matters of finance, including but not limited to bond marketing and
11 procurement of federal funds;

12 ~~(7) - prepare regulations governing the content of notice~~
13 ~~- of bond sale advertisements, prospectuses and other bonding matters~~
14 ~~- issued by local governments;~~

15 (7) (8) provide advice and assistance on efficient development
16 of economic potential at the community and regional level including
17 planning, feasibility studies and negotiations with government bodies
18 and with private enterprise;

19 (8) (9) administer state funds appropriated for the benefit
20 of unorganized regions within the state, allowing for maximum
21 participation by local advisory councils and similar bodies;

22 (9) (10) carry out those administrative functions in unorganized
23 boroughs that the legislature may prescribe;

24 (10) (11) study existing and proposed laws and state activities
25 that affect community and regional affairs and recommend to the
26 governor changes in the laws and activities which it considers
27 advisable;

28 (11) (12) coordinate activities of the state which have impact
29 on community and regional affairs;

1 (12) ~~(13)~~ promote the development of new communities and serve as
2 the agent of the state for purposes of participation in federal
3 programs relating to new communities;

4 (13) ~~(14)~~ provide planning assistance upon request to community
5 and regional governments, state departments and agencies, and other
6 planning bodies; Provide assistance to community and regional governments

7 (14) (15) / ^{in the} ~~supervise~~ planning, management, and other activities
8 required for local eligibility for financial aid under those federal
9 and state programs. ~~which provide assistance to community and regional~~
10 ~~governments;~~

11 (15) ~~(16)~~ administer state, and, as appropriate, federal programs
12 for revenue sharing, grants, and other forms of financial assistance
13 to community and regional governments;

14 ~~(17) -- review and approve or reject applications for small-~~
15 ~~business loans provided for in AS 45.95, evaluating applications in~~
16 ~~accordance with the extent to which the enterprise to be assisted by~~
17 ~~the loan (A) meets needs created by governmental action, such as~~
18 ~~construction of airports, highways, and ferry terminals; (B) conforms~~
19 ~~to local comprehensive plans (C) provides opportunity for acquisition~~
20 ~~of job skills (D) can be carried out without adverse effect on~~
21 ~~environmental quality and competing uses for the same natural resources;~~

22 (16) ~~(18)~~ provide staff assistance, as requested, to the Rural
23 of Community ^{Advisory Council}
24 ~~Affairs Commission, the Council of Economic Advisors, and the~~
25 ~~Fisheries Marketing and Development Board;~~

26 (17) ~~(19)~~ apply for, receive and use funds from federal and other
27 sources, public or private, for use in carrying out the purposes and
28 duties of the department;

29 (18) ~~(20)~~ utilize the resources of other agencies of state
30 government in carrying out the purposes of this chapter to the extent

1 such utilization is more efficient than maintaining departmental
2 staff, reimbursing the other agencies when appropriate;

3 (19) ~~(21)~~ carry out other functions and duties, consistent with
4 law, necessary or appropriate to accomplish the purpose of this
5 chapter.

6 ARTICLE 3. -- RURAL DEVELOPMENT.

7 Sec. ~~44.47.040.~~ -- POWERS AND DUTIES -- To promote development of
8 rural areas of the state the department is authorized to of communities and rural

9 (20) ~~(1)~~ investigate social and economic conditions of rural
10 areas to determine the need to expand economic opportunities and
11 improve living conditions;

12 (21) ~~(2)~~ formulate a coordinated program to broaden and
13 diversify the economic base of communities and
rural areas;

14 (22) ~~(3)~~ coordinate administration of emergency relief, surplus
15 ? food distribution, or other public assistance programs, except the
16 regular relief and assistance programs of the federal government in
17 rural areas;

18 (23) ~~(4)~~ formulate and conduct a program for providing
19 ? of construction of
20 basic facilities to improve health, welfare and economic security and
communities and
21 provide employment and income in the rural areas;

22 (24) ~~(5)~~ promote training and education programs designed to
improve administration of governmental services
23 ~~expand employment opportunities~~ for residents of rural areas.

24 -ARTICLE 4. -- FISHERIES MARKETING AND

25 DEVELOPMENT ADVISORY BOARD.

26 -Sec. ~~44.47.050.~~ -- FISHERIES MARKETING AND DEVELOPMENT ADVISORY
27 -BOARD. -- A Fisheries Marketing and Development Advisory Board is
28 -established in the Department of Community and Regional Affairs:

29 Sec. ~~44.47.060.~~ -- COMPOSITION. -- The board consists of seven members
whose knowledge, experience and professional background qualify them

ARTICLE 3
ADVISORY COUNCIL ON COMMUNITY AFFAIRS

Sec. 44.47.040. ADVISORY COUNCIL ON COMMUNITY AFFAIRS. (a) The advisory council on community affairs within the department shall consist of the commissioner as chairman, and six other members appointed by the governor and confirmed in their appointment by the legislature. Two members shall be elected municipal officers appointed by the governor and recommended for appointment by the Board of Governors of the Alaska Municipal League; two members shall be legislators from each house respectively; two members shall be appointed at large from among the citizens of the state. Terms of members shall be two years. Of the members first appointed three shall serve for a term of one year each, and three shall serve for a term of two years each. Members first appointed may be reappointed for successive two-year terms. Vacancies for the balance of the unexpired term shall be filled in the same manner as original appointments.

(b) The council shall consult with and advise the commissioner with respect to the affairs and problems of local government and rural areas and the work of the department and conduct such studies of specific local governmental needs as the commissioner may direct. The council shall give initial priority to proposals for revision of the local government laws of the state and submit its evaluation and recommendations to the legislature as promptly as possible after formation of the council.

(c) The council shall meet at least annually at the call of the commissioner and at other intervals or times as the council may direct. The council may adopt bylaws governing its proceedings.

(d) Members of the council shall not receive compensation for their services, but they shall receive the same travel and per diem allowances as provided by law for board members.

(e) The department shall provide clerical services and furnish equipment for the council. Within the limit of available funds, the commissioner may employ and compensate staff personnel necessary for the work of the council and may retain on an independent contract basis consultants and other persons to facilitate the purpose of the council.

(f) The council shall make an annual report to the legislature.

1 to review and evaluate proposals and staff work in the area of fisheries
2 marketing and development. -- The commissioner of community and regional
3 development; the commissioner of fish and game; or their designates,
4 and a representative from the college of biological sciences and
5 renewable resources of the University of Alaska, or his designate, may
6 sit as ex officio members of the board. -- Members other than ex officio
7 members, are subject to confirmation by the legislature in the manner
8 provided in AS 39.05.030.

9 Sec. 44.25.070. -- APPOINTMENT AND TERMS. -- Members are appointed
10 by the governor and serve at his pleasure for terms of three years,
11 except that, of the members first appointed two shall be appointed
12 for terms of one year, two for terms of two years, and three for terms
13 of three years.

14 Sec. 44.25.080. -- CHAIRMAN AND MEETINGS. -- The board shall select
15 one of its members as chairman. -- The board shall meet at least
16 quarterly in the state capital, and at such other times and places as
17 circumstances require. -- Meetings may be called by the governor or by
18 the chairman with concurrence of two other members.

19 Sec. 44.25.090. -- DUTIES OF THE BOARD. -- The board shall review,
20 analyze, and submit to the governor its recommendations and comments on
21 proposals prepared by the Department of Fish and Game, the Department
22 of Community and Regional Development and other agencies of the state
23 government in the area of fish marketing and development, including
24 particularly proposals designed to

- 25 (1) assist and promote local processing efforts;
- 26 (2) foster development of new fishery products;
- 27 (3) make available at the local level technical and manage-
28 ment training designed to enable a maximum number of Alaskans to manage
29 their own fishery affairs in the area of fish processing and marketing.

1 Sec. ~~44.47.095~~ -- COMPENSATION AND PER DIEM: -- Members of the board
2 ~~receive no salary for their services on the board but are entitled to~~
3 ~~per diem and travel expenses authorized by law for boards and~~
4 ~~commissions.~~

5 Sec. ~~44.47.100~~ -- ANNUAL REPORT: -- The board shall make an annual
6 ~~report to the governor before the end of each fiscal year.~~

7 -ARTICLE 5- - ECONOMIC DEVELOPMENT- -

8 Sec. ~~44.47.110~~ -- ECONOMIC DEVELOPMENT: -- To promote balanced
9 ~~economic development of the state the department is authorized to~~

10 (1) -- formulate a continuing program for basic economic
11 ~~development, promotion, planning and research;~~

12 (2) -- seek investors for development of industrial, commercial,
13 ~~mining, recreational, agricultural, and other economic enterprises,~~
14 ~~within the state;~~

15 (3) -- provide technical assistance to potential investors and
16 ~~industries by drawing on professional, specialized, and technical~~
17 ~~employees of the department and other agencies;~~

18 (4) -- provide technical assistance to the political sub-
19 ~~divisions of the state which wish to attract industrial and commercial~~
20 ~~investment.~~

21 4

22 ARTICLE ~~6~~ GENERAL PROVISIONS.

23 44.47.050

24 Sec. ~~44.47.050~~ DEFINITIONS. In this chapter

25 (1) "department" means the Department of Community and
26 Regional Development;

27 (2) "commissioner" means the commissioner of community and
28 regional development;

29 (3) "community" means home rule cities and boroughs, cities
 and boroughs of any class, and unorganized boroughs and villages which
 are social units;

1 (4) "region" means an area larger than a community, or
2 including all or part of more than one community, but sufficiently
3 integrated that it may be treated as a unit for administration of
4 particular services.

5 44.47.060
6 Sec. ~~44.47.130~~. REGULATIONS. The department may adopt procedures
7 and regulations to carry out the purposes of this chapter.

8 * Sec. 3. AS 18.55.020 is repealed and re-enacted to read:

9 ~~Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. There is~~
10 ~~created within the Department of Community and Regional Development~~
11 ~~the Alaska State Housing Authority administered by a board consisting~~
12 ~~of the commissioner of community and regional development, two~~
13 ~~members designated by the commissioner of community and regional~~
14 ~~development and four members appointed by the governor. Members other~~
15 ~~than the commissioner of community and regional development and his~~
16 ~~designates serve at the pleasure of the governor for three-year terms.~~
17 ~~The term of office of all be staggered. Members appointed by the~~
18 ~~governor are subject to confirmation by the legislature in the manner~~
19 ~~provided in AS 37.05.080.~~

20 * Sec. 4. AS 41.25.010 is amended to read:

21 ~~Sec. 41.25.010. GRANTS FOR TOURIST DEVELOPMENT. A political~~
22 ~~subdivision of the state, a nonprofit organization formed under~~
23 ~~AS 10.20.010 or 10.20.066, or a bona fide nonprofit civic, fraternal,~~
24 ~~or service organization which is certified by the commissioner of~~
25 ~~community and regional [ECONOMIC] development [AND PLANNING] as~~
26 ~~qualified as developing tourist attractions for one of its purposes is~~
27 ~~eligible to receive tourist attraction development matching money from~~
28 ~~the state.~~

29 * Sec. 5. AS 41.25.020 is amended to read:

~~Sec. 41.25.020. USE OF MATCHING MONEY. Tourist attraction~~

1 -development matching money may be obtained for the purpose of developing
2 -tourist attractions of historical or contemporary interest found to be
3 -worthwhile by the commissioner of community and regional [ECONOMIC]
4 -development [AND PLANNING AND THE DIRECTOR OF TOURISM]. -- Available
5 -money shall be divided on a fair and equitable basis between
6 -applicants. -- No applicant may receive more than \$1,000 on first
7 -application. -- Tourist attraction development may include the production,
8 -preservation, and display of historical documents, artifacts, totem
9 -poles, historical markers, native dances, blanket tossing, native
10 -inuderaft, and art, and any other worthwhile tourist attraction
11 -dealing with Alaskan history or culture. -- Tourist attraction develop-
12 -ment does not include the preparation and distribution of community
13 -and other advertising material.

14 * Sec. 6. -- AS 41.25.030 is amended to read:

15 See 41.25.030. -- QUALIFYING FOR MATCHING MONEY. -- In order to
16 -qualify for tourist attraction development matching money, the
17 -applicant shall submit and have approved by the commissioner of
18 -community and regional [ECONOMIC] development [AND PLANNING AND THE
19 -DIRECTOR OF TOURISM], plans, programs, contracts, or agreements to be
20 -used for carrying out the development of the tourist attraction. --

21 * Sec. 7. -- AS 41.25.050 is amended to read:

22 ----- See 41.25.050. -- ADMINISTRATION OF SECS. 10 -- 50 OF THIS CHAPTER.
23 -The commissioner of community and regional [ECONOMIC] development
24 -[AND PLANNING AND THE DIRECTOR OF TOURISM] shall administer secs.
25 -10 -- 50 of this chapter. -- All participating subdivisions and
26 -organizations shall submit to the commissioner of community and
27 -regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF
28 -TOURISM] complete reports covering both the expenditure of state and
29 -local matching money for tourist attraction programs. -- These reports,

1 ~~-in-the-case-of-projects-extending-over-12-months,-shall-be-submitted~~
2 ~~annually.-Reports-on-shorter-matching-programs-shall-be-submitted-at-~~
3 ~~the-completion-of-the-program.-~~

4 * ~~Sec. 8.~~ AS 43.18.010(a)(4)(B)(ii) is amended to read:
5 Sec. 3

6 (ii) an annual contract with a recognized
7 planning firm to provide land use planning and plan
8 implementation on a consulting basis with a work program
9 outline approved by the Department of Community and
Regional Development [LOCAL AFFAIRS AGENCY]; or

10 * ~~Sec. 9.~~ AS 43.18.010(a)(4)(B)(iii) is amended to read:
11 Sec. 4.

12 (iii) the state's continuing planning advisory
13 service program through the Department of Community and
Regional Development [LOCAL AFFAIRS AGENCY];

14 * ~~Sec. 10.~~ AS 43.18.300(h)(1) is amended to read:
15 Sec. 5.

16 (1) "commissioner" means the commissioner of community and
regional [ECONOMIC] development;

17 * ~~Sec. 11.~~ AS 44.19.250 is amended to read:
18 Sec. 6.

19 Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the
20 Department of Community and Regional Development [LOCAL AFFAIRS AGENCY]
21 a local boundary commission. The local boundary commission consists
22 of five members appointed by the governor for overlapping five-year
23 terms. One member shall be appointed from each of the four major
24 senatorial election districts and one from the state at large. The
25 member appointed from the state at large is the chairman of the
26 commission.

27 * ~~Sec. 12.~~ AS 44.19.250(a)(3) is amended to read:
28 Sec. 7.

29 (3) consistent with a local government boundary change requested
of it by the legislature, the commissioner of community and regional
development [THE DIRECTOR OF LOCAL AFFAIRS], or a political subdivision

1 of the state; and

2 * ~~Sec. 13.~~ AS 44.19.270 is amended to read:
3 Sec. 8.

4 Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the
5 commission or the commissioner of community and regional development
6 [DIRECTOR OF LOCAL AFFAIRS] with the consent of the chairman may call a
7 meeting or hearing of the local boundary commission. All meetings and
8 hearings shall be public.

9 * ~~Sec. 14.~~ AS 44.19.380(a)(10) is amended to read:
10 Sec. 9.

11 (10) assist the governor and the Department of Community and
12 Regional Development [LOCAL AFFAIRS AGENCY] in coordinating the
13 activities of state agencies [THE ACTIVITIES OF] which have an impact
14 on the solution of local and regional development problems [PROGRAMS];

15 * ~~Sec. 15.~~ ~~AS 44.60.020 is amended to read:~~

16 ~~Sec. 44.60.020. -- SHALL BUSINESS DEVELOPMENT CORPORATION OF ALASKA.~~

17 ~~The Small Business Development Corporation of Alaska is a public~~
18 ~~corporation of the state. The corporation is an instrumentality of~~
19 ~~the state within the Department of Community and Regional [ECONOMIC]~~
20 ~~Development, but has a legal existence independent of and separate~~
21 ~~from the state.~~

22 * ~~Sec. 16.~~ ~~AS 44.61.020 is amended to read:~~

23 ~~Sec. 44.61.020. -- CREATION OF AUTHORITY. -- There is created the~~
24 ~~Alaska Industrial Development Authority. The authority is a public~~
25 ~~corporation of the state and a body corporate and politic within the~~
26 ~~Department of Community and Regional Development [CONSTITUTING A~~
27 ~~POLITICAL SUBDIVISION WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT],~~
28 ~~but with separate and independent legal existence.~~

29 * ~~Sec. 17.~~ AS 45.95.070(3) is repealed and re-enacted to read:
30 Sec. 10.

(3) the commissioner of community and regional development
certifies that the application accords with the standards set forth in

1 AS 44.47.030(17).

2 * ~~Sec. 18.~~ Whenever the titles "Local Affairs Agency" or "Rural
3 Sec. 11. Development Agency" appear in the law of this state, they shall be read as
4 the "Department of Community and Regional Development."
5 Sec. 12.

6 * ~~Sec. 19.~~ The following laws are repealed: AS 18.55.970 - 18.55.990;
7 AS 44.19.180 - 44.19.210; AS 44.19.580 - 44.19.620; AS 44.19.880(5); and

8 AS ~~44.45.~~
9 Sec. 13.

10 * ~~Sec. 20.~~ All litigation, hearings, investigations and other proceed-
11 ings pending under any law amended or repealed or functions which may be
12 transferred by this Act, continue in effect and may be continued and
13 completed notwithstanding any such transfer or amendment or repeal provided
14 for in this Act. Certificates, orders, rules or regulations issued or
15 filed under authority of law amended or repealed by this Act or functions
16 which may be transferred by this Act, remain in effect for the term issued,
17 unless or until revoked, vacated, or otherwise modified under the provisions
18 of this Act. All contracts or other obligations created by any law amended
19 or repealed by this Act or by virtue of functions which may be transferred
20 by this Act, and in effect on the effective date of this Act, remain in
21 effect unless or until revoked, or modified under the provisions of this
22 Act. ~~Appropriations, records, equipment and other property of the Depart-~~
23 ~~ment of Economic Development and other agencies of the state integrated~~
24 ~~with the Department of Community and Regional Development established under~~
25 ~~this Act and transferred to the department. Appropriations and other money~~
26 ~~available and to become available to the Department of Economic Development~~
27 ~~and other agencies the functions, powers and duties of which have been~~
28 ~~transferred to the Department of Community and Regional Development~~
29 ~~established under this Act shall be available for the objects and purposes~~
30 ~~for which appropriate or otherwise made available, subject to the terms,~~
31 ~~restrictions, limitations or other requirements imposed under this section.~~

~~or-federal-law-~~
Sec. 14.

* ~~Sec. 21.~~ This Act takes effect July 1, 1972.

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February 28, 1972

Mr. Mike Dean, President
Chamber of Commerce
Box 649
Petersburg, Alaska 99833

Dear Mike:

I appreciate very much your letter relative to HB 552 which is now under consideration by the House Local Government Committee. Your views on this bill will certainly be noted by the committee. I rather anticipate that a committee substitute for HB 552 will be drafted very shortly. We will look forward to hearing your further evaluations at that time.

Sincerely,

Mike Miller, Chairman
House Local Government Committee