

693 HCRA SKAGWAY ANNEXATION - HB 9

693

SKAGWAY

ANNEX.

****PLEASE NOTE****

THE ORIGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION: THIS FILE CONTAINS A LARGE COMPOSITE MAP OF THE SKAGWAY, ALASKA AREA. IT IS COMPOSED OF FIVE U.S. GEOLOGICAL SURVEY TOPICAL MAPS NUMBERED B-1, B-2, C-1, C-2, AND D-2.

Tax 19 votes ahead; final count Monday

By Dan Humphrey

HAINES—The question of whether or not to have additional taxation is yet to be settled. As of press time, the results from Tuesday's borough election show 19 more votes in favor of a temporary one percent sales tax than against. There are still 33 absentee ballots and 33 questioned ballots to be counted Monday, March 10, by the borough assembly at a special meeting.

The unofficial count today showed that 234 borough voters favored and 215 did not favor the tax. Also, all service areas, except "Proposition E," calling for emergency fire protection in the Haines Highway area from the airport to 18 Mile, are expected to be turned down.

Tabulated results so far are shown in the box at right.

If the temporary sales tax is approved, it will go into effect April 1, 1980, and stop March 31, 1981. The proceeds will go for the general administration of the Haines Borough and, specifically, for costs involved in intervening in the SEACC vs. State of Alaska, et al. lawsuit.

There will be no city-provided fire protection in the areas that turn down the proposed borough service areas. The borough will contract with the city to provide fire protection in the service area that will be set up.

The Haines City Council had called for a moratorium last October on all extra-territorial services because the city had no protection or right to go outside its corporate limits.

After a plea from Frank Wallace, the council lifted the moratorium until March 1 to give time for the borough to come up with service areas. The moratorium was later extended to July 1 at Wallace's request, only to give time for the city and borough to settle the paperwork.

If the service areas are refused, the council will probably enforce the moratorium before July 1.

A total of 490 voters turned out for this special election. In the last municipal election, 488 people voted.

PRECINCT	NOTES/REGISTERED VOTERS	Proposition A 1% SALES TAX	Proposition B EMERGENCY MEDICAL	Proposition C LUTAX FIRE PROTECTION	Proposition D MUD BAY FIRE PROTECTION	Proposition E HAINES HIGHWAY FIRE PROTECTION	Proposition F KUSHINI VALLEY FIRE PROTECTION	YES NO
Haines I	161 270	97 57						YES NO
Haines II	87 196	53 32						YES NO
Chilkat	78 180	19 59	28 51	0 11		4 1		YES NO
Klukwan	70 134	30 27	6 51				8 49	YES NO
Peninsula	84 185	35 40	37 36		3 15			YES NO
TOTAL	480 1000	234 215	89 138	0 11	3 15	4 1	8 49	YES NO

LYNN CANAL NEWS



Volume II, No. 1 - Thursday, March 6, 1980

50¢

Legislature upholds annexation

By Jeff Brady

SKAGWAY—The petition by the City of Skagway to annex all of the land between the Canadian boundary and the Haines Borough boundary has been upheld by the Alaska Legislature. The legislature had until Tuesday to pass a bill denying Skagway the annexation, and that bill stalled in committee after a public hearing on Friday.

Sen. Sturgulewski, chairperson of the joint House-Senate Community and Regional Affairs Committee, told the Lynn Canal News Tuesday that no action was taken on the annexation petition which had been endorsed by the Local Bound-

ary Commission. The legislature had 45 legislative days after the legislation was introduced to deny Skagway's petition, and the 45th day was Tuesday.

Testifying at the hearing for the annexation were city councilman Marvin Taylor and Sig Strandberg and Charles Bettisworth of the Local Boundary Commission. Skip Elliot of Dyea testified against the annexation, and Barbara Kalen of Skagway said she had mixed feelings about the annexation.

Taylor said after returning to Skagway that he felt the city got a fair hearing, and said he was pleased with the

outcome. He said all of the committee members were present and asked a lot of interesting questions.

He said that he informed the committee members of the procedures the city took to annex the area. He said that he did not tell them anything different from what was said by him and city officials at other meetings.

The city has contended that it needs the land for long term control of growth in the area, land use planning and municipal selection of state lands. Skagway voters approved of the annexation last October, and the boundary commission approved of the annexation after a long public hearing in Skagway last December.

Petersburg

Council wants parking lot



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: Skagway Annexation

ORIGINAL SPONSOR: _____
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 2/29/80

Joint Senate/House C&RA: Senate members present: Sturgulewski, Mulcahy, Stimson

MEMBERS PRESENT: Bill Parker X
Margaret Branson X
Fat O'Connell X

Pat Carney X
Charlie Parr
Fred Zharoff X
Ray Metcalfe

Sig Strandberg, Vice Chairman of Local Boundary Commission Points out boundaries of existing city of Skagway and of proposed annexation. Discusses history of 1978 annexation. Those who testified at Skagway LBC hearing on the subject were substantially in favor of annexation. The opposition presented articulate and substantive testimony. The LBC voted 3-1 in favor of the annexation. Some of the considerations included: There are a number of privately owned parcels in the Dyea area; the Park Service has been acquiring inholdings in the area proposed for annexation; the area is adaptable to development; the availability of hydroelectric sites outside of the existing city should be noted; planning, land use, and identification of land ownership could be done by the city. The appropriateness of borough incorporation was considered and rejected. Convenience of description could be viewed as a reason for the large annexation even though it is primarily ice and snow. Jurisdiction and services are needed outside of the current city limits. The question of tax equity is also an issue.

The Dyea residents were concerned about services and taxation and how they would be affected. There were concerned that the mantle of government regulation would be costly.

The geographic separation from the Haines borough eliminated the consideration of the area becoming part of that borough. The differential tax plan proposed by the city appeared to be fair to the LBC. There was also recognition that Skagway and Dyea are a social and economic unit.

In 1978 the LBC reduced the size of the parcel to be annexed by the city because the city didn't have a plan for differential taxation at that time. Not enough careful evaluation had taken place.

COMMITTEE ACTION: No negative resolution proposed. LBC decision to annex allowed to stand - 45th day since intro. 3/3/80
TAPE # 3 SIDE 1 Footage 724-1615

Land ownership was discussed and it was pointed out that the Fed. government owns a substantial amount of land in the area. The state has selected (Tentative Approval received) land on either side of the Dyea River. The Park Service is quietly acquiring all private property in the area.
Pop. approximately 850 (Skagway) 51 (Dyea)

Bettiworth - Member of the Local Boundary Commission
The opening of the road and the need for planning along the road were also considerations in the Commission's decision.

Marvin Taylo, Vice Mayor of Skagway
Skagway is a first class city of 11 square miles until 1978 then expanded slightly. It presently delivers all services but planning and zoning, water, sewer, and electricity to the Dyea residents. Services they receive, but do not pay for, include: solid waste, garbage, (used often by residents of Dyea) roads, police, fire, health (city owned), rescue/medical, cemetery, port, small boar harbor, historical district, library, museum, school, employment (in the city).
The city is interested in planning for the whole area.
The Nation Park Service is moving in at this time. The highway is completed and open during the summer. Pipeline will trigger developments in the Yukon. Barge facility and boat harbor are almost complete. State campgrounds planned for. There are approximately 150,000 tourists annually. Figures don't show air tourists (customs immigration miss these).

The city size had been unchanged for 80 years prior to 1978. The road is open and they need good planning and zoning along the road. The ice cap has high potential for recreation. Potential as major port for the Yukon. Transportation corridor for the northern panhandle. Land selection a concern. Cost of hydro necessitates looking at hydro. Not feasible to connect area to Haines as it is only connected by water and air.

45 miles of railroad property in the city. 16 miles of railroad and 10 residents along the RR. Skagway pays 14% (\$53,000) for schools. Skagway one of the few first class cities outside of borough. The limit of 3% sales tax is a problem. City can put in TV cheaper than the State can and wants to do that with part of the sales tax(?)

Skip Elliott, Dyea resident
Foregoen conclusion that the area will be annexed.
The LBC was hasty in making their decision. They had had split decisions in their other considerations around the state and wanted to have some unity.
8 months after the 1978 referendum, the city tried again to effect annexation. Questions wording on the ballot. The Mayor even admitted that they didn't want Dyea. The 250 acres which is part of the the municipal selection is marginal land. It appears that the Local Boundary Commission has changed its mind in 1 yr. The Park Service budget has been reduced so it probably won't be acquiring land. There are 25-30 people of voting age in Dyea--give them a chance. The fire dept. made only 1 fire call in 10 years. The schools outside the city are 100% funded by the state so the city isn't carrying

them. Clinic runs on \$2 per capita per year. \$15 per person would cover library costs for the residents. \$25-50 would cover the cost of a police call and the city makes money on street and sidewalk funding. Planning and zoning are the only services the city would plan to give the residents of Dyea. And no one wants annexation. White Pass is depressed and has asked for money. Instead they should annex the Skagway Valley. The city was under the impression that they needed survey posts and didn't know that they could describe the area they were choosing to annex. 450 sq. miles is too large for a city.

The residents of Dyea submitted a petition signed by 14 residents of Dyea opposed to the annexation. Negative aspects of annexation include: "big brother" unwanted; extra mill levy.

Barbara Callen, Skagway

Can see both sides of the issue. There is no water for community development in Dyea. inconvenient for community living. No way it would be feasible to be joined with Haines. It would only make the map look neat. Dyea wouldn't benefit in any way. Mixed feelings on annexation.

Senator Sturgulewski- Was economic pressure a valid reason for the annexation. In Dyea there is land for expansion. Skagway is constricted in land availability.

Sig Strandberg- LBC

Survey lines protracted. The fallback question should be: If there is a need for planning, what kind of a government structure is available. Don't want an extra layer of government (borough). They would be getting services through differential taxation. It is a classic problem of receiving services and not wanting to pay for them. City residents pay sales as well as property tax.

Milton Taylor - If residents of Dyea have something delivered to their home, they avoid the sales tax. Bond issue has to be paid off for the clinic so it is not just the \$2 annual fee which would cover the services.

Elliott - The bonded indebtedness is being paid off by the sales tax. There are figures available to substantiate the costs.

Report to the Local Boundary
Commission on the proposal to
Annex territory to the City of Skagway

November 14, 1979

Department of Community and
Regional Affairs

I. PROCEEDINGS TO DATE

On July 27, 1979, the Department of Community and Regional Affairs received a petition proposing annexation of some 431.35 square miles of territory to the City of Skagway. Review of the petition indicated that it was in the proper form and did contain all the necessary information. A letter stating acceptance of the petition was sent to L.B. Jacobson, petitioners representative, on July 30.

Notice of the Commission's forthcoming hearing was mailed to petitioners' representative on October 23 and was posted in three public places and televised over the Skagway Network Television during the period of October 29 through November 16.

II. PETITION

The petition, for all intents and purposes, is the same petition the Commission considered in November of 1976. Admittedly, it is a larger geographic area, but the vast majority of additional territory is mountainous, not suitable for development and, according to petitioners representative, is included so that the entirety of the region could be within the confines of one local government. Because the issues are the same as in 1976 and because the Commission's Statement of Decision entered in that proceeding (copy attached) does not indicate a basis for the deletion of

territory from the annexation proposal, the Department's recommendation is, literally, the same as it was in the prior proceeding.

III. RECOMMENDATIONS

Normally, our reports attempt to analyze an annexation proposal, note the positive and negative aspects of the proposal and make recommendations pursuant thereto. However, we have chosen to take a different approach this time; petitioners' arguments are clear and the information provided is detailed and accurate. We feel no need to expand or comment on petitioners' arguments - the decision is the Commission's.

However, we feel a broader question has been ignored; that question is "what size should a city be?" In our opinion all of petitioners' arguments are, to lessor or greater degrees valid, but at what point does a city become an innappropriate service mechanism. We are not suggesting that we have the answer, only that the question needs to be asked. Specifically, we recommend that petitioners be questioned as to how the city will provide services to such an enormous area.

P. O. Box 8324
Ketchikan, Alaska 99901
November 13, 1979

Department of Community and Regional Affairs
225 Cordova Building
Anchorage, Alaska 99501
ATT: Division of Local Government Assistance

Gentlemen:

The City of Skagway's proposal to annex all federal lands north of the Haines Borough to the Canadian border is objectionable to me as owner of land survey No. 1560. (Location map enclosed.) I find no advantage for my property in this proposal. The City of Skagway is not in a position to provide police protection, fire protection, road maintenance, public utilities, school or school transportation, etc. due to the remoteness of my property and the difficulties in crossing the deep Taiya Inlet. Adverse weather and sea conditions frequently isolate my property for days at a time.

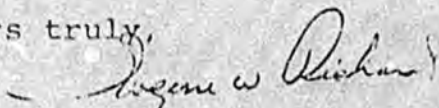
We are proposing to establish a non-profit salmon hatchery on our property to assist the State with its burdens of government. The preliminary application has been approved and our proposal is based on maintaining a tax-free basis. Any service-area taxation by Skagway will complicate our efforts to finance the hatchery.

We have started construction of our own water, hydro-electric and sewage systems at high cost to us. All efforts to obtain governmental assistance to develop the renewable energy resource, which will result in a saving of fossil fuels have met with failure. We are making every effort to develop a renewable fishery resource that can operate independently, yet support the common property fisheries.

Skagway is presently our main source of food and building supplies. We pay sales tax on all these purchases. We also moor our work boat in the Skagway boat harbor where we pay a moorage fee and personal property tax. Eventually, we will moor our boat on our own property when construction is completed. It is immaterial whether we re-supply at Haines or Skagway however, Skagway is more convenient.

In conclusion, we fail to understand why Skagway should want to annex property that they cannot or are unlikely to support and hope that you will consider our objection.

Yours truly,


Capt. Eugene W. Richards

EWR/cjp
enclosure



The White Pass and Yukon Corporation Limited

November 16, 1979

The Chairman
Local Boundary Commission
c/o Local Government Assistance Division
Dept. of Community & Regional Affairs
State of Alaska
Pouch "B"
Juneau, Alaska 99811

Dear Sir:

Re: Annexation by the City of Skagway

The Pacific and Arctic Railway and Navigation Company is a West Virginia Corporation carrying on business in Alaska under the laws of the State of Alaska. Together with our smaller affiliate, Skagway Terminal Company, we are the major taxpayer and employer in the City of Skagway.

Within the territory proposed to be annexed is the railroad's 200 foot right-of-way which runs from the north end of the City, following the east bank of the Skagway River, to the International U.S./Canada border, a distance of some 17 miles. In this large but narrow parcel of land the railroad has a right-of-way interest by virtue of an 1898 Act of Congress and owns the railway tracks and a four inch pipeline.

While we are optimistic that the community will enjoy gradual economic growth it is our contention the City has vastly overstated immediate prospects for growth. No doubt this is primarily due to events occurring since their petition was drafted. In any event we bring the following points to your attention;

- 1) It is physically impractical to transport pipe for the proposed natural gas pipeline through Skagway by means of the railway.
- 2) Northwest Energy - Foothills Ltd. has amended its application for an oil pipeline to exclude the Skagway route.
- 3) The responsibility for the maintenance of the Canadian section of the Carcross/Skagway road lies with the Government of Yukon. They have stated on several occasions that they have no intention of maintaining the road during winter months.

/2

4) The Carcross/Skagway road is unlikely to be upgraded for heavy vehicle traffic as the City of Skagway itself is in opposition to such a step.

5) There have been relatively few land transactions in the community during the course of the last year and local financial institutions have shown a reluctance to lend mortgage monies. These are both negative growth indicators.

One further statement in the City's petition is deserving of specific comment. It is implied that the area selected for annexation is dictated by the location of established survey monuments. Our contention is that there are numerous possibilities for revising City boundaries given the constraints of using existing survey monumentation.

With reference to the conclusion section of the City's petition there are two basic reasons given for annexation. Firstly the City has the opportunity to acquire 500 acres of land from the State of Alaska provided lands to be selected are within the Municipality. They contend that there are not 500 acres of State owned lands within the existing Municipality that are suitable for future development. The lands they have in mind are apparently located along the Dyea road, in the Dyea Valley and along the A.B. Mountain ridge line.

As we appreciate that this is a once only opportunity for the City to acquire lands for future development we support their annexation of a modest acreage for this purpose.

The second stated reason for annexation is to allow for orderly planning and zoning and the extension of Municipal services. Our contention is that there is no demonstrated need for these additional services outside of existing boundaries with the possible exception of the Dyea area.

With particular reference to our right-of-way from the City boundary to the International Border we contend that there are no permanent residents, land owners, suitable lands for urban development or requirement for Municipal services such as fire and police protection. Furthermore the railway is required by legislation and will continue to be required to be responsible for fire protection within the right-of-way.

In summary these lands are not urban nor is there any likelihood of them becoming urban in nature. We are of the opinion that the expansion of the City's property tax base is not sufficient reason for their inclusion within the Municipality.

The two preceding paragraphs also apply for the most part to the vast majority of the lands proposed for annexation. In conclusion we contend there is not sufficient justification for the annexation of additional land with the exception of those lands necessary in order to enable the City to exercise their entitlement to 500 acres of State owned property.

Yours truly,



K.M. Steele
Land Manager
Pacific & Arctic Railway & Navigation Company

KMS/eb

cc: City of Skagway

P. O. Box 8324
Ketchikan, Alaska 99901
November 13, 1979

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MINUTES OF THE LOCAL BOUNDARY COMMISSION
DECISIONAL MEETING ON THE ANNEXATION TO THE CITY OF SKAGWAY

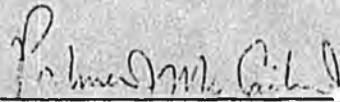
NOVEMBER 17, 1979

Beginning at 7:00 p.m. on November 17, 1979 at city hall in Skagway, Chairman Sheila Gallagher, along with Boundary Commission members Bettisworth, Anderson, and Strandberg, held a public hearing on the City of Skagway's petition to annex all of the unorganized borough outside the City of Skagway's current boundaries between the Haines Borough and the Canadian border. Approximately 70 people attended the public hearing and principle testimony supporting the petition was made by petitioner's representative, Attorney L.B. "Jake" Jacobsen with major opposition to the petition being given by several residents who live in the community of Dyea and a representative of the White Pass-Yukon Railroad.

At approximately 10:30 p.m. following the public hearing, Commissioner Gallagher convened a decisional meeting of the Local Boundary Commission for the purpose of acting on the petition for annexation as submitted by the City of Skagway. For purposes of discussion Commissioner Bettisworth moved and Chairman Gallagher seconded that the Local Boundary Commission accept the petition as submitted by the City of Skagway. Discussion followed as to the possibility of revising the boundaries to include a smaller area more adjacent to the current City of Skagway. Also, there was discussion concerning whether or not the City of Skagway could provide services to residents within the 481 square mile proposed boundaries. Commissioner Strandberg indicated that he was concerned that the area proposed for annexation was too small to be considered as a future borough and that, in the absence of other forms available for local government, the most desirable approach for providing local government services to the area would be through annexation to the City of Skagway. Commissioner Anderson expressed concern that with the opening of the highway it appears that the City of Skagway should have an opportunity to control development along that highway corridor. Chairman Gallagher expressed feelings that the Commission not concern itself with the "unorganized status" of certain areas that might be considered for exclusion from the petition and to concentrate Commission attention strictly to the annexation petition and the standards for annexation. She concurred with Commissioners' Strandberg and Anderson that the City of Skagway had acted in "good faith" following the previously approved annexation in Skagway (i.e. establishing differential tax zones, etc.)

On roll call vote, those voting in favor were Bettisworth, Strandberg, and Anderson; opposed Gallagher. The motion to accept the petition for annexation of unorganized borough territory between the Haines Borough and the Canadian Border was approved. Chairman Gallagher adjourned the decisional meeting at approximately 11:15 p.m.

Signed by:



Palmer McCarter
Staff to Local Boundary Commission

Approved by:

Sheila Gallagher, Chairman
Local Boundary Commission

Enclosed is a Public Hearing Notice on the Skagway Annexation Local Boundary recommendations to be held February 29, 1980 by the Joint Senate and House Community and Regional Affairs Committee.

Comments in person, by phone, or in written form will be welcomed.

A listing of committee members is also enclosed in the event you desire to contact members directly.

Sent 2-19-80

FROM

CITY OF SKAGWAY

P. O. BOX 415
SKAGWAY, ALASKA 99340

Reply

DATE

Marvin Taylor - Skagway

Gene Strong - "

Oscar Selmer - "

Gene Richards, P.O. Box 8324 Ketchikan

Mike Caffrey - Skagway

Barbara Kalen - "

John McDermott - "

White Pass & Yukon Route - Skagway

Dick Burrough - "

Lorna McDermott - "

Beryl Hosford - "

Leonard Sivertsen - "

James Matthews - "

Willard (Skip) Elliott - "

Subject

Annexation - Public Hearing

Twylla Startsock
Senate CRA Committee

Pouch
Juneau, Alaska 99811

Message

following was list of names
and no. (otherwise just give
Skagway). These people spoke for or
against annexation at the LBC
meeting here.

Lillian Litzengerger - Skagway

Edith Lee - "

Chris Rohlf - "

Michael Geyer - "

Send city hall & one notice

& will post them for you.

SIGNED

Beryl

DATE

2/12/80

SIGNED

Rediform # 45467

Poly Pak 150 ser. 4PA67
Poly Pak 150 ser. 50 (envelope) 4E467

SEND PARTS 1 AND 3 WITH CARBON INTACT. - PART 2 WILL BE RETURNED WITH REPLY.

LEGISLATIVE STANDING COMMITTEES
ELEVENTH LEGISLATURE - SECOND SESSION
1980 - 1981

HOUSE

COMMERCE

Brown (Chairman)
Munson (Vice-Chairman)
Malone, Osterback,
Bettisworth, Halford, Randolph

COMMUNITY & REGIONAL AFFAIRS

Parker (Chairman)
Carney (Vice-Chairman)
Parr, Zharoff,
Branson, Metcalfe, O'Connell

FINANCE

Meekins (Chairman)
Freeman (Vice-Chairman)
Duncan, Guy, McKinnon, Moss, Rogers
Smith, Schaeffer,
Haugen, Montgomery

HEALTH, EDUCATION & SOCIAL SERVICES

Buchholdt (Chairman)
Munson (Vice-Chairman)
Hurlbert, Miles, Barnes,
Beirne, Chatterton

JUDICIARY

Parr (Chairman)
Anderson (Vice-Chairman)
Brown, Buchholdt, Malone,
Barnes, Martin, O'Connell, Phillips

LABOR AND MANAGEMENT

Hurlbert (Chairman)
Rogers (Vice-Chairman)
McKinnon, Miller
Bettisworth, Branson, Hayes

RESOURCES

Osterback (Co-Chairman)
Miles (Co-Chairman)
Zharoff (Vice-Chairman)
Carney, Cotten, Fuller,
Chatterton, Eliason, Halford

RULES

Cotten (Chairman)
Brown (Vice-Chairman)
Anderson, Miller, Parr,
Hayes, Phillips

STATE AFFAIRS

Miller (Chairman)
Fuller (Vice-Chairman)
Gardiner, Parker,
Eliason, Martin, Metcalfe

SENATE

COMMERCE

W. Bradley (Chairman)
Sturgulewski (Vice-Chairman)
Kelly, Ferguson, Stimson

COMMUNITY & REGIONAL AFFAIRS

Sturgulewski (Chairman)
Mulcahy (Vice-Chairman)
Kelly, Rodey, Stimson

FINANCE

Sackett (Chairman)
Bennett, Dankworth, Hackney,
Sumner, Hohman, Ray

HEALTH, EDUCATION & SOCIAL SERVICES

Hackney, (Chairman)
Ferguson (Vice-Chairman)
Colletta, Sturgulewski,
Fahrenkamp

JUDICIARY

Ziegler (Chairman)
Dankworth (Vice-Chairman)
Bennett, Meland, Ray

LABOR AND MANAGEMENT

Ferguson (Chairman)
Ray (Vice-Chairman)
Bradley, Colletta, Kerttula

RESOURCES

Sumner (Chairman)
Dankworth (Vice-Chairman)
Bennett, Mulcahy,
Fahrenkamp, Kerttula,
Meland

RULES

Colletta (Chairman)
Ziegler (Vice-Chairman)
Sumner, Tillion, Hohman

STATE AFFAIRS

Mulcahy (Chairman)
Kelly (Vice-Chairman)
Bradley, Rodey, Ziegler

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

In the Matter of Annexation)
by the City of Skagway, Alaska))
PETITIONER'S BRIEF

I. In General. The City of Skagway, Alaska is a first class city organized and existing under the laws of the State of Alaska. It is Alaska's oldest city originally incorporated under territorial law as a municipality in 1900. The City of Skagway's original municipal boundaries, established in a 1900 election to incorporate, encompassed 931.49 acres more or less, excluding tide and submerged lands. The municipal boundaries were expanded through annexation in 1978 to encompass 11 square miles. According to the official 1970 census, the population of the City of Skagway was 675; its population for 1 July 1978 revenue sharing purposes as compiled for and approved by the Alaska Department of Community and Regional Affairs was 874.

II. Municipal Services Provided Within the City. The City of Skagway currently provides water, sewer (primary treatment), garbage and solid waste disposal services to its residents. Electrical power is provided by an independent, city-franchised utility regulated by the APUC. The City provides maintenance and repair services for city streets and rights-of-way.

Law enforcement within its jurisdiction is undertaken by a police force consisting of a chief of police and two officers, all on a full-time basis.

Fire protection, rescue and emergency medical services within the city and surrounding environs are undertaken by the Skagway Volunteer Fire Department operated out of the

City-owned fire hall, a modern facility constructed in 1969. Major equipment employed includes: one 1970 American LaFrance pumper, one 1973 American LaFrance pumper, one 1963 White 1000-gallon tank truck, one 1953 Howe Jeep pumper, one 1974 Dodge ambulance, 1 Kaiser Emergency Medical Rescue vehicle and one 1958 Ford hearse. The City retains and pays a part-time fire chief, two captains and two lieutenants. The Volunteer Fire Department has seventeen regular members in addition to officers, paid a drill allowance of \$2,500 plus a special training allowance for fire training school attendance and fees. There are four fire cadets and eight emergency medical personnel. Additionally there are a number of former members of the fire department and civic minded citizens who invariably respond and assist in combating fires.

The City owns and operates a cemetery and charges a flat fee of \$325.00 for opening and closing a grave plus the plot.

The City of Skagway by ordinance established a Port Authority which serves in a planning and advisory capacity to the Council respecting port development and regulation of maritime and small craft activities within Skagway Harbor, including the Small Boat Harbor.

The City of Skagway has adopted a complete zoning plan and map to govern the organized growth and development within the municipality, and further, has promulgated standards for subdivision development. These will be expanded to include the annexed territory. A unique aspect of its zoning plan is establishment of a Historic District and restrictive development regulations therein. To prevent

construction of substandard buildings and dwellings, the City Council has adopted the National Electrical Code, Uniform Building Code, and National Plumbing Code by reference in ordinance form. Also adopted is the fire prevention code promulgated by the American Insurance Association.

The City owns and operates a medical clinic in a rather new building, leasing same to a Haines-based physician commuting to Skagway two days per week to provide health and medical service to residents and the outlying population.

The municipal library is managed as a non-profit activity by a library board appointed by the Mayor. Library operations are financially subsidized by the City. A new public library building is presently under construction with an estimated completion date of early August 1979.

The Skagway Museum is an entirely city-operated entity both in terms of physical plant and personnel. Like the library, the museum is used by the population on an area-wide basis, not limited to residents. Further, the tourists which the museum and Historic District attract inure at least indirectly to the benefit of non-residents living on the periphery of Skagway's boundaries.

Additionally, the City owns the physical plant and facilities of the local school system operated by the Skagway School District through its School Board. The current enrollment for both primary and secondary grades is 200 students, 10 of which reside outside the present municipal boundaries.

III. Extra-territorial Services. The City currently provides extra-territorial fire protection to non-residents

on a limited and gratuitous basis. The decision of whether to respond to an out-of-town request for fire service lies with the independent discretion of the fire chief who will consider all known and relevant factors giving preference to vigilance and protection within the City. Outside calls are responded to only with the tank truck, jeep pumper and emergency rescue vehicle.

As to law enforcement outside the City, Skagway has no Alaska State Trooper based at the City, but instead relies upon a trooper being sent over from time to time from Haines on an as-needed basis. In essence, the City of Skagway does provide extra-territorial police protection currently; its offices are commissioned by the State to enforce state law and they do respond to calls for assistance outside the Skagway City limits. Approximately 35% of the traffic accidents investigated by the police department during the past 3 1/2 years occurred outside the City limits.

The City provides no water or sewer service on an extra-territorial basis. The City operates and maintains the only garbage dump in the vicinity. There is no charge made to persons residing outside the city limits who use the dump facility.

The residents within the territory proposed for annexation naturally use the city-owned and maintained schools, medical clinic, library, museum and all other municipal facilities, including city streets and roadways. The non-residents benefit from the access to and actual utilization of the foregoing municipal facilities but other than through payment of the 3% sales tax do not financially

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contribute to their establishment, maintenance or perpetuation in any manner corresponding with the contributions from local residents.

IV. Imminent Development. The prospective developments advised in Skagway's 1976-7 annexation brief have largely materialized. The Klondike Goldrush Historical Park and Skagway-Carcross Road are fact and the third project, port development, is well along. The city-State joint use barge and ferry terminal off-loading facility is scheduled for completion this October, 1979 at a cost of \$3.5 million. The White Pass rail freight dock and dredging project is in the permit process. Accordingly, it can be seen in retrospect that the City's 1976-7 annexation petition forecast the major projects with commendable accuracy.

Additionally, it appears that additional major projects will be imminently undertaken. These prospective developments in and about the City will assuredly affect its growth, level of commercial activity, and invoke desirability for further municipal control respecting external affairs.

1. Additional Port Developments. The City is in receipt of State and EDA grant funding for the concurrent construction of a heavy duty transfer bridge and cargo staging facility. The White Pass & Yukon Route has applications pending approval by the Corps of Engineers for construction of improvements to its water front facilities - e.g. dredging and rehabilitation of the cargo dock, dredging and major alteration of the Ore Terminal wharf. Dredging work in the City's Small Boat Harbor has been completed and the new float system is scheduled for installation in the summer of

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in May 1979 and has been heavily traveled subsequently, e.g. for the period 7 May, 1979 to 30 June, 1979, the U.S. Customs Service reports some 12,198 persons, 6,243 U.S. citizens and 5,955 Canadian and other nationalities, have traveled southbound over the highway. Canadian customs reports some 17,000 persons traveling northbound during the same period. This road is certain to become a major transportation corridor for commerce to interior Alaska and the Yukon Territory. Its importance was originally understated. It will serve as a scenic alternative to the Haines Highway for ferry borne vehicles entering and departing Alaska and will, as well, attract traffic traveling the Alcan Highway. The last session of the State Legislature appropriated some \$564,000.00 for the procurement of maintenance equipment and employment of additional highway maintenance personnel in order to keep the road open year-around. It is anticipated that the Canadian Government will follow suit. For example, the Federal Government of Canada has appropriated \$3 million for further construction and improvements and it is expected a portion of this funding will be applied to winter maintenance.

The establishment of the National Park and the opening of the highway already have resulted in increased tourism as well as changes in the nature of visitors, specifically, more younger families with children; more backpackers and hikers and more recreational and camping vehicles as opposed to retired couples traveling by cruise ships. The impacts of the Park and Highway are already being felt in Skagway. There is a lack of campgrounds and accommodations for recreation vehicles, resulting in traffic congestion and tight parking

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in and close by the Historic District. Additional campgrounds and tourist support facilities are required, and, due to the limited developable land within the City limits, these will have to be located in the area proposed for annexation to the north of the City and along the Dyea road and in the Dyea valley. To prevent haphazard development with attendant adverse impact on the natural environment, creation of dangers to public health and safety, it is essential that the City exercise zoning and platting authority.

Impacts of change deserve comment. As noted above, the distinct impacts of the Park and Highway are already present. If either of the pipeline projects materialize, singly or in combination, the City will be severely impacted. The City will be faced with almost overwhelming demands for housing accommodations and for municipal services, most obviously, public safety, education and utility.

In order to meet and to reduce or ameliorate the adverse aspects of these foreseen changes the City must plan and prepare. The time is now. The City is doing this. The City's OEDP Committee has spent a great deal of time recently in updating the City's Overall Economic Development Plan. This report emphasizes the need for annexation.

Additionally, the City has received a planning grant under the Coastal Energy Impact Program. This planning effort will include the development of a District Coastal Management Plan, an Energy Impact Plan and also a comprehensive plan, a capital improvement plan and a financial management plan. Work on this plan will be initiated this summer with a completion date of May 1980.

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V. Why the Boundaries Proposed? The municipal boundaries of Skagway remained unchanged for 75 years. Until the last several years, growth in and around the City has not warranted extension of the municipal boundaries on the basis of need for provision of municipal services when viewed in the light of costs and services benefit to residents both within and outside the municipal boundaries. In 1976 it became apparent to the City Council that the City, by reason of its serving as a major port in a transportation corridor and as the commercial and industrial center of the area, has conferred substantial benefits upon residents and owners of properties outside the City without corresponding tax contributions on their part for these services and benefits. Due to opposition on the part of some of these non-residents and primarily because of a lack of consensus within the Council, the City petitioned for only a limited extension of its boundaries. The Local Boundary Commission considerably reduced the extent of the territory applied for and the annexation was approved by the Legislature in March of 1978. Subsequently, in its administration of government, the City has established differential tax districts for the annexed areas based on the City's capability to provide municipal services and the level of services provided.

The lines of communications in the Skagway area are limited and there is a dearth of developable land which is readily accessible - e.g. the area is largely river flood plain, mountain and glaciers. There are however, pockets of land suitable for residential or industrial development and to which provision of access will be practicable through

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road improvements and construction, e.g., along the Dyea road, in the Dyea valley and along the AB Mountain ridge line. And, most importantly, there is the transportation corridor through the White Pass. These are the areas which must be made available and developed in order that the City may accommodate ongoing and foreseen increased population and industrial growth. Under the State municipal land selection program the City's entitlement is 500 acres. There are, however, not 500 acres of State land within the City boundaries which are suitable for selection. Therefore, with the concurrence and assistance of the State Division of Lands, the City has nominated lands for selection which lie outside the present municipal boundaries. In making these nominations, it was understood that the City would have until 1986 to extend its boundaries through annexation and thereby select its full allocation. The recent legislature, however, set a deadline of 1 October 1980 for municipal land selection. Therefore, completion of the annexation process has become a matter of urgency.

To facilitate annexation, it is considered to be entirely appropriate as well as both more practical and more economical that the area to be annexed be encompassed by established survey monuments. Accordingly, the City Council reached a decision to petition for annexation of all of the area within the unorganized borough encompassed by the Haines Borough boundary and the U.S.-Canada Boundary.

Given the confines established by the Haines Borough boundary and the U.S. - Canada boundary, it is self-evident that any further enlargement of the City of Skaqway's

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boundaries will be impossible. The question becomes which form of government is most appropriate. The Skagway Council rejected establishment of a borough as being an overlapping, expensive, and largely unnecessary layer of government: better that the City should expand into the "gap". Further, there was no legal method under the State statutes for the City to transform into a unified city-borough in a single step. Lastly, the Council acknowledges a legislative trend toward classification of all lands in the State and toward elimination of the unclassified borough. Enlargement of the City of Skagway's boundaries to 431 square miles might be considered large for a city, but it is a mere paucity by present borough standards prevailing in the state. Specifically, it would be approximately one-third as large as the present smallest borough, about one-tenth as big as the "average" borough, and little useful purpose could be seen in organizing yet another separate local government unit in the form of a borough. A borough would furnish no greater services, and the City of Skagway has adopted a scheme of differential tax zones to implement a policy of real property taxation to correspond with the level of services provided.

VI. City Owned Properties Outside the Existing Boundaries.

A segment of the west side of the City's recreational park at Yakutania Point lies outside the present boundary. The City has nominated several hundred acres of land for municipal selection which lies outside the City limits. Subject to approval of this petition, some of these lands will be selected prior to 1 October 1980.

VII. Population and Activities Within the Area Proposed for Selection. A total of 51 persons reside outside the City limits and within the area proposed for annexation. There are approximately 175 acres of privately-owned land in the area, primarily along the Dyea Road and in Dyea Valley. In addition to permanent residences there are a number of recreational cabins located on private and State land which are occupied weekends.

The largest industrial activity in the area, the White Pass and Yukon Route has extensive improvements in the area, specifically the railway and pipeline through the White Pass. The area proposed for annexation consists largely of Federal and State lands including the National Park and a portion of the Tongass National Forest.

VIII. Taxes, Services and Benefits in Transition. Upon receiving annexation authority, the City of Skagway would propose to undertake planning and zoning control immediately and to increase the level of police and fire protection as practicable throughout the enlarged jurisdiction. That is not to say that the services will be equal. For example, the Council will have to consider obtaining some separate and lesser firefighting equipment for placement at Dyea.

The City of Skagway's fiscal year runs from July 1 through June 30 of the next calendar year. Since the effective date of the annexation would fall in the middle of calendar year 1980 and most probably at a time other than the commencement of Skagway's 1980-81 fiscal year, it is contemplated that the City's services would be phased in on a schedule roughly

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commensurate with additional revenue which is generated for capital improvements. The City will not impose taxation, either on real or personal property, in the territory proposed for annexation until tax year 1981.

Extension of governmental services and of water and sewer utilities will be undertaken on a basis compatible with the City's financial ability with a view toward a favorable cost-benefit ratio. This is not in the immediate future and Skagway would establish differential tax zones which would be amended from time-to-time in parallel with the level of services provided. Skagway's present differential tax zone applies 100% of the levy to the land on the flats on the southeast side of the river; 79 1/2% to the flat lands on the other side of the river, and a 50% levy on the sloping lands and those within the City towards Dyea. It is contemplated that additional tax zones with appropriately lesser rates would be established for the areas proposed for annexation by this petition, e.g., for the Dyea and White Pass Corridor areas.

The City Council recognizes the need for fire, rescue and ambulance services; a plan will be formulated to ascertain how to best respond to additional requirements.

The construction of new residential and commercial structures and additions thereto in the new territory will be subject to the Planning and Zoning Permit process thus insuring greater value through compliance with recognized standards. In this regard, it is the intent of the City Council that these standards will be applied in a reasonable and equitable manner with due consideration given to the

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situs and nature of the building and to the individual life style preference of the inhabitants. The City's comprehensive zoning plan will have to be revised and expanded commensurate with its enlarged jurisdiction, and this will be done. In undertaking this task, the City plans to recognize non-conforming uses through "grandfather rights" and to confer with residents and owners of property in Dyea to ascertain whether full applicability of the aforementioned codes is appropriate in that sector.

Members of the population currently residing outside of the city and using municipally-provided services are unable to play a role in the formulation of policy pertaining to those services. The annexation would, in addition to the obvious benefit of the privilege of voting, allow those who are currently non-residents of the City to participate in policy formulation through candidacy for elective office such as council and school board, and serve on numerous committees and commissions.

There are no inter-municipal agreements regarding transitional provisions of services and distribution of assets and liability because this proposed annexation does not affect any other city or borough.

It is contemplated that benefits from annexation would accrue to the city, present as well as those enfranchised by annexation. The tax base will be broadened by the extensive capital investment programs proposed for support of the oil and natural gas pipelines. For example, of the estimated \$211 million cost for the oil pipeline, some \$163 million will be expended for capital improvements within the proposed

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municipal boundaries. The City will also arguably benefit from receipt of a percentage of the Tongass National Forest stumpage fees. These benefits will enable the upgrading of city services for the benefit of all residents, tourists and casual users of the area, commercial and industrial users who would patronize the area as a transportation corridor and staging location, and in particular will provide for the extension of a higher level of services to the more removed areas such as Dyea Valley.

IX. Conclusion. The purpose of this annexation petition is to anticipate growth and provide for advance planning. The increase in activity attendant to the construction and operation of the pipelines will both benefit the City's economy and generate increased demands and costs for governmental services. The City will require that the pipeline construction companies assume a major share of these costs until they can be supported by the increased tax base. In the absence of annexation, the City would be lacking adequate jurisdiction and controls necessary to implement timely extensions of municipal services.

Annexation is imperative if the City of Skagway is to fully realize its land selection entitlements.

It is the conclusion of the City Council that there is a need for basic governmental services such as the promotion and control of land usage and development through the exercise of planning and zoning authority paralleled by the extension of police and fire protection service to the inhabitable areas outside the city which are now or soon will be partially urban in character. Extension of the City

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boundaries rather than formation of an overlapping borough jurisdiction is deemed a more prudent alternative. The volume and nature of tourism and recreational visitation is both changed and increased, and most importantly, the prospects for major industrial development are imminent. The City wishes to respond to the foreseen impact by enlarging its jurisdiction "to provide for maximum local self-government" consistent with Alaska's Constitutional mandate.

DATED this 24 day of July, 1979.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By: 
L.B. Jacobson

Of Attorneys for Petitioner

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL
BOUNDARY COMMISSION
SUBMITTED TO THE ELEVENTH STATE LEGISLATURE
SECOND SESSION ASSEMBLED

SUBMITTED JANUARY 18, 1980

Recommendation for Annexation of Territory

to the

City of Skagway

WHEREAS, petitioner, the City of Skagway has requested that certain territory be annexed to the City of Skagway; to wit: the entire area contiguous to the City between the Haines Borough and the Canadian border containing residential and recreational lands; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Skagway on November 17, 1979, to consider whether the territory for which the City of Skagway petitioned should be annexed to the City; and

WHEREAS, following the public hearing the Local Boundary Commission convened a decisional meeting at which it reviewed the City of Skagway's petition, supporting brief and all testimony received prior to and during the November 17, 1979, public hearing; and

WHEREAS, the Local Boundary Commission has determined that the proposed area met the standards for annexation in that the area is likely to see development that will require municipal services; and

WHEREAS, the City of Skagway is the only local government located proximate to the territory which has the capability of providing the needed services;

NOW THEREFORE, the Local Boundary Commission recommends that pursuant to Article X, Section 12 of the Alaska Constitution and Alaska Statutes 44.19.260 that the petition for annexation of territory to the City of Skagway be approved and that the boundaries of the City of Skagway be changed to read as follows:

City of Skagway. Beginning at Mt. Bagot at Lat. $59^{\circ} 21' N$ and Long. $135^{\circ} 2' W$. Thence due West on a straight line to a point in the center of Lynn Canal on Taiya Inlet at approximately Lat. $59^{\circ} 21' N$ and Long. $135^{\circ} 22'.5'' W$. Thence northwesterly to Monument No. 124 on the Alaska-Canada Boundary at Lat. $59^{\circ} 44' N$ and Long. $135^{\circ} 43' W$. Thence northeasterly along the Alaska-Canada Boundary to Mt. Foster. Thence southeasterly along the Alaska-Canada Boundary to the point of beginning.

In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

HOUSE & SENATE JOINT
JOURNAL SUPPLEMENT

January 21, 1980

Monday

No. 4

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL
BOUNDARY COMMISSION
SUBMITTED TO THE ELEVENTH STATE LEGISLATURE
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REPORT TO THE
SECOND SESSION OF THE
ELEVENTH LEGISLATURE
RELATING TO REVIEW OF
SERVICES PROVIDED TO THE
RESIDENTS IN THE KODIAK ISLAND BOROUGH

PREPARED AND SUBMITTED PURSUANT
TO HOUSE CONCURRENT RESOLUTION No. 7AM
BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

JANUARY 10, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in use Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also

preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the city.

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAnerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
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ORIGINAL.

CITY OF SKAGWAY, ALASKA

Ordinance No. 10-5

AN ORDINANCE PROPOSING THE MODIFICATION OF THE MUNICIPAL BOUNDARIES OF THE CITY OF SKAGWAY BY ANNEXATION OF THE SURROUNDING AREA AS DESCRIBED IN SECTION 5 BELOW.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SKAGWAY, ALASKA:

Sec. 1. Classification. This ordinance is of an impermanent nature and is not to be codified in the Skagway Code of Ordinances.

Sec. 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Sec. 3. Effective Date. This ordinance shall be effective upon adoption. However, the official map and zoning map of the City of Skagway shall not be modified until the annexation is approved by the Alaska State Legislature.

Sec. 4. Declaration of Intent. The City of Skagway proposes to modify and extend its municipal Corporate boundaries and jurisdiction by annexation of surrounding, unincorporated lands and waters of the United States.

Sec. 5. Description. The territory proposed to be annexed to the City of Skagway Recording District, First Judicial District, State of Alaska, is described as follows:

The land and water area contiguous to the City encompassed by the following boundaries:

On the South and West by the Haines Borough Boundary and on the North and East by the Canadian Boundary.

Sec. 6. Standards. It is verily submitted that the territory proposed for annexation does and will continue to satisfy the standards prescribed in 19 AAC 05.010.

Sec. 7. Procedure. The City of Skagway shall forthwith petition for a local government boundary change pursuant to Chapter 10, Title 19, Alaska Administrative Code.

Sec. 8. Purpose of Annexation. The justification and purpose for the proposal to extend the municipal boundaries and jurisdiction of the City of Skagway are premised on the following considerations:

- 1) Although the territory to be annexed is presently sparsely populated on a permanent basis, it is foreseen that there will be a significant growth in permanent residents within the next decade and a major increase in the number of transients as the result of the establishment of the Klondike Gold Rush National Park and the opening of the Klondike International Highway.
- 2) The City of Skagway currently provides limited governmental services within the territory and for residents of the territory. (eg. Police, fire, magistrate's court.)
- 3) The City of Skagway currently serves and will continue to serve as the commercial, industrial and transportation center of the territory.
- 4) The residents of the City and the many visitors to the City use the territory for recreational purposes.
- 5) A demand for and a gradual and equitable extension of municipal services to the territory is logical and foreseeable. Accordingly, the extension of the municipal boundaries and jurisdiction of the City of Skagway is necessary in order that the City may control the development and the provision of municipal services in the territory.


Sec. 9. Authorization. The Mayor, City Manager, City Clerk and City Attorney, and such other municipal officials as are deemed appropriate, are authorized to initiate, petition and implement such procedures as may be necessary to complete this annexation as proposed herein and/or as modified by the Local Boundary Commission and the Alaska State Legislature.

PASSED AND APPROVED: _____, 1979

JUNE 21


MAYOR

ATTEST:


CITY CLERK

1st Reading: June 2, 1979

2nd Reading: June 21, 1979

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

Name	Address and Phone	Organization/Self	For/Against or Observing
1/ MARVIN P. TAYLOR	Phone 983-2500/2501 BOX 436, SHAGWAY, ALASKA	CITY OF SHAGWAY	FOR ANNOTATION
2/ PAT POLAND	225 Cordova Anch	CIRA/LBC	Observing
3/ MICK CAMPBELL	Dept of Comm. & Reg. Affairs LCAD POUCH B JUNEAU, AL. 99811	D.C.R.A./LCAD	Observing
4/ Marie Pignatelli	Dept Pouch B JUN 99811	CIRA	Observing
5/ Palmer McCarter	"	"	"
6/ Barbara Kallen	Box 317 Shagway 983-2276	Citizens of Shagway	against
7/ Skip Elliott	Box 143 Shagway (Dyea)	Dyea residents	against
8/ Jo Anderson	204 Ocean View Dr, Wrangell	LBC	for ✓
9/ Ann J. Starnally	7235 Blackberry St ANCH 99502	LBC	for ✓
10/ [Signature]	PO BOX 20180 FAIRBANKS	LBC	FOR. ✓
11/			
12/			
13/			

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting/Hearing
on _____

Date: _____

Name	Address and Phone	Organization/Self	For/Against or Observing
1/ MARVIN P. TAYLOR	Phone 983-2500/2501 BOX 436, SHAGWAY, ALASKA	CITY OF SHAGWAY	FOR ANNEXATION
2/ PAT POLAND	225 Cordova Anch	CIRA/LBC	Observing
3/ M ^{rs} M ^{rs} CAMPBELL	Dept of Comm. & Reg. Affairs LGAD Pouch B JUNEAU, AK. 99811	D.C.R.A./LGAD	Observing
4/ Marie Pignatelli	Dept Pouch B JUN 99811	CIRA	Observing
5/ Palmer McCarter	"	"	"
6/ Barbara Kallen	Box 317 Shagway 983-2276	Citizens of Shagway	against
7/ Skip Elliott	Box 143 Shagway (Dyea)	Dyea residents	against
8/ Jo Anderson	204 Ocean View Dr, Wrangell	LBC	for ✓
9/ Arnie J. Stumpling	7235 Blackberry St ANCHORAGE 99502	LBC	for ✓
10/ [Signature]	PO BOX 20100 FAIRBANKS AK	LBC	for ✓
11/			
12/			
13/			

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting/Hearing
on _____

Date: _____

Name	Address and Phone	Organization/Self	For/Against or Observing
1/ MARVIN P. TAYLOR	Phone 983-2500/2501 BOX 436, SHAGBURY, ALABAMA	CITY OF SHAGBURY	FOR ANNEXATION
2/ PAT POLAND	225 Cordova Anch	CIRA/LBC	Observing
3/ MICK CAMPBELL	Dept of Comm. & Reg. Affairs Pouch B JUNEAU, AL. 99811	D.C.R.A./LGAD	Observing
4/ Marie Pignatelli	Dept Pouch B JUN 99811	CIRA	observing
5/ Palmer McCarter	"	"	"
6/ Barnard Kallen	Box 317 Shogunoy 983-2276	Citizens of Shogunoy	against
7/ Skip Elliott	Box 143 Shogunoy (Dyea)	Dyea residents	against
8/ Jo Anderson	204 Green View Dr, Wenonah	LBC	for ✓
9/ Arnie Starnally	7235 Blackberry St Ann 1AK 99502	LBC	for ✓
10/ Elliott Swartz	PO BOX 10180 FIS AK	LBC	FOR ✓
11/			
12/			
13/			

RETURN TO

CITY OF SKAGWAY

P. O. BOX 415

SKAGWAY, ALASKA 99840

Reply

DATE

Subject

Announcement Public Hearing

FROM

Tanya Hartsch
Senate CRA Committee
Pouch V
Juneau, Alaska 99801

Message

Following was list of names

name list in's. (otherwise just give
Skagway) These people spoke for or
against annexation at the LBC
meeting here.

Lillian Litzenberger - Skagway
Edith Lee - "
Chris Rohlf - "
Michael Meyer - "

SIGNED

Beard

DATE

2/12/80

SIGNED

✓ Marvin Taylor - Skagway
✓ Gene Strain - "
✓ Oscar Schier - "
Gene Richards, P.O. #8324, Ketchikan
✓ Mike Caffrey - Skagway
Barbara Kalcin - "
John McDermott - "
White this, Alan Rouse - Skagway
✓ Rick Burroughs - "
✓ Larner McDermott - "
✓ Beryl Hosford - "
✓ Leonard Sjoertsen - "
✓ James Matthews - "
✓ Willard (Skip) Elliott - "
Send out, I'll send notes
✓ I will post them for you.

Enclosed is a Public Hearing Notice on the Skagway Annexation Local Boundary recommendations to be held February 29, 1980 by the Joint Senate and House Community and Regional Affairs Committee.

Comments in person, by phone, or in written form will be welcomed.

A listing of committee members is also enclosed in the event you desire to contact members directly.



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 18, 1980

TO: SENATOR BOB MULCAHY
VICE-CHAIRMAN
SENATOR TIM KELLY
SENATOR PAT RODEY
SENATOR TERRY STIMSON
All interested parties

FROM: SENATOR ARLISS STURGULEWSKI ^(S)
CHAIRMAN

SUBJECT: JOINT C/RA MEETING - HOUSE HESS RM. #112, Capitol Building

FRIDAY, FEBRUARY 29, 1980 - 8:00-10:00 a.m.

SKAGWAY ANNEXATION - Local Boundary Recommendations

LEGISLATIVE STANDING COMMITTEES
ELEVENTH LEGISLATURE - SECOND SESSION
1980 - 1981

HOUSE

COMMERCE

Brown (Chairman)
Munson (Vice-Chairman)
Malone, Osterback,
Bettisworth, Halford, Randolph

COMMUNITY & REGIONAL AFFAIRS

Parker (Chairman)
Carney (Vice-Chairman)
Parr, Zharoff,
Branson, Metcalfe, O'Connell

FINANCE

Heekins (Chairman)
Freeman (Vice-Chairman)
Duncan, Guy, McKinnon, Moss, Rogers
Smith, Schaeffer,
Haugen, Montgomery

HEALTH, EDUCATION & SOCIAL SERVICES

Buchholdt (Chairman)
Munson (Vice-Chairman)
Hurlbert, Miles, Barnes,
Beirne, Chatterton

JUDICIARY

Parr (Chairman)
Anderson (Vice-Chairman)
Brown, Buchholdt, Malone,
Barnes, Martin, O'Connell, Phillips

LABOR AND MANAGEMENT

Hurlbert (Chairman)
Rogers (Vice-Chairman)
McKinnon, Miller
Bettisworth, Branson, Hayes

RESOURCES

Osterback (Co-Chairman)
Miles (Co-Chairman)
Zharoff (Vice-Chairman)
Carney, Cotten, Fuller,
Chatterton, Eliason, Halford

RULES

Cotten (Chairman)
Brown (Vice-Chairman)
Anderson, Miller, Parr,
Hayes, Phillips

STATE AFFAIRS

Miller (Chairman)
Fuller (Vice-Chairman)
Gardiner, Parker,
Eliason, Martin, Metcalfe

SENATE

COMMERCE

W. Bradley (Chairman)
Sturgulewski (Vice-Chairman)
Kelly, Ferguson, Stimson

COMMUNITY & REGIONAL AFFAIRS

Sturgulewski (Chairman)
Mulcahy (Vice-Chairman)
Kelly, Rodey, Stimson

FINANCE

Sackett (Chairman)
Bennett, Dankworth, Hackney,
Sumner, Hohman, Ray

HEALTH, EDUCATION & SOCIAL SERVICES

Hackney, (Chairman)
Ferguson (Vice-Chairman)
Colletta, Sturgulewski,
Fahrenkamp

JUDICIARY

Ziegler (Chairman)
Dankworth (Vice-Chairman)
Bennett, Meland, Ray

LABOR AND MANAGEMENT

Ferguson (Chairman)
Ray (Vice-Chairman)
Bradley, Colletta, Kerttula

RESOURCES

Sumner (Chairman)
Dankworth (Vice-Chairman)
Bennett, Mulcahy,
Fahrenkamp, Kerttula,
Meland

RULES

Colletta (Chairman)
Ziegler (Vice-Chairman)
Sumner, Tillion, Hohman

STATE AFFAIRS

Mulcahy (Chairman)
Kelly (Vice-Chairman)
Bradley, Rodey, Ziegler

HB

9



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 9 Tax in the Unorganized Borough

ORIGINAL SPONSOR: Parr
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: Finance

HEARING DATE: 4/30/80

MEMBERS PRESENT:	Bill Parker	X	Pat Carney	
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Terry Early, State Assessor

Initial assessment would be done if a borough were to be formed. 3.83% is average mill rate statewide at present time. Two main problems with assessment are:

- (1) Restricted deeds and the inequities caused by these
- (2) Cost of doing the assessment would be high

Parr - What Early sees as problems could be seen as opportunities. Restricted deeds are not significant.

Early - Study could be done to see what might be possible. Tax base study for the unorganized borough could be done as we don't have any informational basis we need.

Branson - "Developed", "improved" federal land taxed in Kenai.

Early - Section 4 Statehood Act restricts ability to tax. Time frame for the job would be 3 years. Recording of districts and plat maps would be the starting point.

Parr - A 3 yr. study to decide how to go about it isn't necessary.

Early - Study would only need to take 1 year. Lack of information is the main problem.

Parr - Feasibility isn't the question, rather how to do it.

Early - Average school millage being reduced yearly. Could cost more to administer than would be received.

Zharoff - Bill is premature. P.1 line 24 and following needs to be changed. Dec. 18, 1991 should be date. Not talking about "land" which is exempt.

Clarence Antioklia, Ex. Director, SeaAlaska

Opposed to bill. SeaAlaska will be the largest land owner in unorganized borough. Section 1C doesn't provide adequate protection. Lands were to be conveyed immediately and exempt for 20 years. Delay in

COMMITTEE ACTION: No Action

TAPE # 9 SIDE 2 Footage 710-1564
10 1 00-298

conveyance should be noted. "Unimproved land" definition too broad. Asks if timber harvesting is covered in the bill along with roads connected with such operations. What is the purpose of taxation? Few services are being rendered in the villages.

Parr - Should SeaAlaska have different tax status than any other Corp. in the state? What is the definition of "unimproved land" in ANCSA?

Antioklia - Wary of anything to do with taxation. Aimed at those areas not contributing to schools (Parr)

Tony Strong - Tlingit/Haida Director of Community Services
Need more time to review bill. Employment services (CETA) jobs being cut back. People couldn't pay taxes.

Parr - \$10,000 exemption could be raised.

Strong - Land ownership almost impossible to identify.

Parr - Land owned by municipalities not taxable. Leasehold interest taxed on state land. Inequity needs to be addressed.

Strong - Income and sales taxes paid when people earn money. Potential of bill is that ability to pay may eventually mean that people lose their land.

Section 4
Statehood
Act
Alienation Rights
Matters
no tax lien

occupants reconveyance
definition of "developed"

1991 ^{alienation} only refers to
"undeveloped land"

Revenue projections from taxation of the Unorganized Borough pursuant to House Bill 9.

1978-79 School Millages

Anchorage	5.87
Bristol Bay	2.70
Fairbanks	5.50
Haines	2.027
Juneau	6.85 *
Kenai	4.035
Ketchikan	4.25 **
Kodiak	5.00
Mat-Su	6.05
North Slope	1.59 *
Sitka	2.30 *

Total 51.172 divided by 11 (boroughs)
equals 4.652 average.

- * rates received by telephone
- ** rate by telephone, comment was 85% of rate
is school (85% X 5 mills = 4.25)

Value Estimates

Method I

Average value per capita in organized areas (excluding oil & gas)	\$25,369
Population of Unorganized Borough (include second class cities)	43,584
Average value per capita in Unorganized Borough (80% of organized)	20,295

$20,295 \text{ times } 43,584 = \$884,537,280$

$884,537,280 \text{ less vacant land exclusion (20\%)} = \underline{\$707,629,824}$

Method II

Average population per parcel in organized borough	1.96
Average value per parcel in Unorganized Borough (80% of organized)	35,758.00
Parcels in Unorganized Borough	22,374.00

$22,374 \text{ less } 20\% \text{ for vacancy exclusion} = 17,899$

$17,899 \text{ times } \$35,758 = \underline{\$640,032,442}$

Method III

Average value per parcel - 6 smallest first class cities	19,704
Parcels in Unorganized Borough	22,374

$22,374 \text{ less } 20\% \text{ for vacancy exclusion} = 17,899$

$17,899 \text{ times } 19,704 = \underline{\$352,681,896}$

Revenue Estimate

Method I - 707,629,824 @ 4.652 mills = \$3,291,893

Method II - 640,032,442 @ 4.652 mills = \$2,977,430

Method III - 352,681,896 @ 4.652 mills = \$1,640,676

Our estimates of revenues range from a low 1,640,676 to a high of 3,291,893 and feel the final result would fall in that area. However, it should be noted that these figures are no more than estimations and could be far afield.

Specific Questions or Concerns

Six first class cities levy no property tax. Act as written seems to ignore them.

Eagle is a second class city that does levy a property tax. Shouldn't some provision be made for them to continue in some way?

Prepared by:

Department of Community and Regional Affairs
State Assessor's Office



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/23/79

COMMITTEE MINUTES

BILL NUMBER AND TITLE: HB 9 Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough

ORIGINAL SPONSOR : Parr

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Parker Branson
Zharoff Parr
Metchlfe O'Connell

MEMBERS ABSENT:

Carnev

INDIVIDUALS CONTACTED:

Obterback Soboloff C&RA
Clocksin Anderson

WITNESSES TESTIFYING:

Parr- The intent of the bill is to equalize the tax burden. There should be a contribution for services received. The millage rate should reflect the costs for education .

Within the unorganized borough there are service stations, restaurants (37) lodges and hotels (90) and canneries (30plus) none of which are currently taxed.

\$10,000 exemption would be automatic . Native Village Corp. lands would be exempt.

At the present time REAA get \$12 per pupil in Foundation money. State furnishes what would normally be the local contribution.

Eventual effect of the bill might be to encourage organization in the unorganized borough but that is not the intent of the bill.

Nels Anderson - Basically opposed to bill.

p. 11. 24-27 Date should be reconsidered. Dec. 18, 1991 should replace date. Points out that it will take a large amount of money to collect these revenues and that it might not match the amount of revenue actually generated.

State of Alaska guarantees education. How it decides to fulfill this function is a decision of the state. 100% funding should come from the state. The purpose of the bill would then be moot.

Natives do not want a free lunch.

There are 1,600,000 acres which will be native owned and which are not to be subject to taxation. These should be noted in the bill. The title to these lands is restrictive. It can't be sold without BIA approval.

Policy making responsibility should go with taxation. There should be a rural equalization board.

There are laws mandating organization of boroughs on the books. It should be remembered that there are financial burden which come with organization.

COMMITTEE ACTION: No action taken.

TAPE # 5 SIDE 1

Sections 1-680

Tape 5 Side 1 1030-1170

Health and Social Services monthly reports show that 53-56% of the state's welfare caseload is in rural Alaska. The state would end up paying these taxes in many instances.

The Dept. of Revenue would have an impossible job trying to collect these revenues. It is difficult to even get to most of the lands we are talking about. Land ownership is unclear. Often the land is held in common by a village.

Are individual gardens (farms) considered improved? (Parr- all exemptions presently in the law would apply and farms are now exempt in the organized borough.)

Land ownership is not clear in the villages. (Early- Fed law requires that this title begin to be defined)

(Parr- Sec. 140 provides for equalization procedure. Third Class borough is really independent school board. No additional costs would be involved that aren't involved in REAA now.)

Terry Early, State Assessor

Unimproved land owned by non-residents should be taxed. Private ownership disappears as people hold title to it.

p. 3 l. 17-18 (AS 34.10.070 was repealed) This section should refer to Title 29.

1980 implementation date would not be practical. It would take 3 years. Side benefit of bill would be that privately owned property could be catalogued. For purposes of bonding this is going to need to be done eventually.

Board of Equalization costs need fiscal note.

No central source for finding out ownership. Title problems abound, even in the organized boroughs.

Question of distinguishing between the improved and unimproved portions of land. Regulations would have to deal with this.

There are 90 second class cities in addition to villages. There are 6 first class cities in the unorganized borough which are not taxed.

Metcalfe--Exempt communities should levy themselves the amount which would be equal to the school levy.

Phil Wall, Administrative Director, Dept. of Revenue
Start up year not realistic.

Parker--The bill would be a major departure from current state policy. Might be a tie in with study to be done on local gov't in the interim.

Parr -- HB 9 concept introduced in previous sessions. CRA committee passed the bill on. CRA Committee did field work on the bill. Parr had made the suggestion that the \$10,000 base exemption be raised but the CRA committee didn't deal with that.

BILL NO. HB 9 re Tax on developed London Unorganized Borough

Received from _____
 Referred to _____

Original Sponsor Parr
 Fiscal Note Revenue + C+RA

LAA Legal Research Contact _____

CONTACTS:

- ✓ At. Natani Foundation
- At. Legal Services
- ✓ A F M
- ✓ Rural Corp
- C+RA
- ✓ Revenue
- ✓ Parr
- ✓ Anderson, Nels
- ✓ Municipal League

- 4/30/80 Status of Mellakatta?
 hearing
- ✓ Seal Corp
 - ✓ Thirigt Harda
 - ✓ Seablastra
 - ✓ Parr
 - ✓ Anderson
 - ✓ Municipal League
 - ✓ Bruce Horowitz - At. Legal Services

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 9

Title Assessment Levy & Collection of Taxes in The Unorganized Borough

Requested by Representative Parr Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Office of State Assessor

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		415.10	440.00	446.40	494.39	524.05
200 TRAVEL		66.50	70.49	74.72	79.28	83.95
300 CONTRACTUAL		852.79	861.96	871.68	281.98	292.89
400 COMMODITIES		19.50	20.67	21.91	23.22	24.62
500 EQUIPMENT		37.34	10.00	5.00	5.00	5.00
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,391.23	1,403.12	1,419.71	883.79	930.51

FUNDING (Thousands of Dollars)

GENERAL FUND	1,391.23	1,403.12	1,419.71	883.79	930.51
FEDERAL FUNDS					
OTHER (Specify)					

POSITIONS

FULL TIME	15	15	15	15	15
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This analysis is based on the assumption that the original mapping program and establishment of the necessary assessment data and files will be contracted for.

The additional staff included are only to supervise the original project and then maintain system after initial program.

(Continued on attached pages)

IV. DATE February 14, 1979

PREPARED BY Terry L. Farley, State Assessor
 AGENCY Department of Community & Regional Affairs

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (Dist. Legislator)

Note: Subsequent years are based on inflationary pressure on FY 80 except the \$700,000 for professional fees has been projected to decrease to \$100,000 in FY 83 assuming original establishment of maps and records to be complete by that time. Also the Equipment item has been reduced substantially after initial purchase.

Additional Comments: We would envision the process of setting up the administration as multiple step in nature. The first logical step would be an indepth study to establish proper procedure of implementing the administrative process. Subsequent steps at this point are tentative in nature and would be subject to revision at the conclusion of Step I.

Step Two would be setting up of a mapping program by region. Administratively, mapping of one region at a time would appear appropriate. This mapping program would involve a private contract with supervisory direction and controlled by professional staff to be added to the Department of Community and Regional Affairs.

Step Three would be listing, enumeration and calculation of data into preliminary appraised values (this should be done by geographic area and directly follow Step 2 in each area).

Step Four would be onsite review of finished product by professional staff of the Department of Community and Regional Affairs for acceptance or refusal of contractor's work.

Step Five would be the compilation of all data into final assessment roll and present to review board for their actions.

Step Six - At conclusion of Review process, final assessment roll would be compiled and presented to Revenue for collection.

As you can see, this process will be relatively time consuming, however, it appears to be the best and most logical approach to solution of the problem.

Also, it should be noted that even though some of the work is to be contracted, it is essential that professional staff be heavily involved from the onset to insure the quality of the finished product.

It would appear that another approach at least at the start would be a "Study of Taxation in the Unorganized Borough" to determine both feasibility and cost of administering such a property tax. It is completely possible that the cost of administration could exceed the revenue produced at least for the first few years.

BREAK DOWN OF COSTS INCLUDED IN ANALYSIS

ADMINISTRATIVE COSTS

100 Personal Services

MAPPING

		FY 80
1 Mapping Supervisor	Range 19 @ 2355	28,260
1 Title Examiner	Range 17 @ 2031	24,372
2 Draftsmen	Range 17 @ 2031	48,744
1 Clerk IV	Range 9 @ 1178	26,592
2 Clerk III	Range 8 @ 1108	<u>26,592</u>
	Sub Total	\$142,104

ASSESSMENT

State Assessor (upgrade)	Range 24 @ 467	5,604
1 Appraisal Supervisor	Range 20 @ 2532	30,384
4 Appraisers	Range 18 @ 2168	104,928
2 Statistical Clerks	Range 10 @ 1254	30,096
1 Administrative Consultant	Range 12 @ 1426	<u>17,112</u>
	Sub Total	\$188,124

Sub Total Mapping	142,104
Sub Total Assessment	188,124
	<u>330,228</u>
Fringes @ 25.7%	84,868
Total	\$415,096

200 Travel and Per Diem

	FY 80
State Assessor and Supervisors	7,500
Title Examiners and Appraisers	50,000
Review Boards	9,000
Total	<u>\$66,500</u>

300 Contractual

	FY 80
Telephone	7,200
Postage	4,500
Printing and Advertising	6,000
Data Processing and Programming	126,000
Machine Rental and Xerox	72,000
Office Space 1400 sq. ft. @ \$1.35	1,890
Professional Fees	700,000
Total	<u>\$852,790</u>

400 Commodities

	FY 80
Reference Materials	4,500
Mapping Supplies	5,000
Office Supplies	10,000
Total	<u>\$19,500</u>

500 Equipment

Sufficient Equipment to establish new personnel in environment conducive to work	FY 80 \$37,330
--	-------------------

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 13, 1979

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Court Building, Room 628
Juneau, AK 99801

Dear Mr. Parker:

HOUSE BILL NO. 9

House Bill No. 9, an Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue, concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill Resolution No. HB 9

Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough

Requested by House Community & Regional Affairs

Date 1-24-79

II. FISCAL DETAIL

Agency Affected _____ Revenue

Program Category Affected _____ General Government

BRU, Program, or Subprogram(s) Affected _____ Administration & Support

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		137.8	104.3	109.5	115.0	120.8
200 TRAVEL						
300 CONTRACTUAL		14.3	15.0	15.8	16.6	17.4
400 COMMODITIES		.7	.7	.8	.8	.9
500 EQUIPMENT		3.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	156.3	120.0	126.1	132.4	139.1

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	0	156.3	120.0	126.1	132.4	139.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		5/60	5/60	5/60	5/60	5/60
PART TIME		2/9	2/4	2/4	2/4	2/4
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached fiscal detail.

NOTE: Reference page three, line 17, AS 24.10.070-220 was repealed by Chapter 182, SLA 1978. A new enforcement provision is needed.

IV. DATE March 2, 1979

PREPARED BY _____


P. A. Wall

AGENCY _____

Revenue

PHONE _____

465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Duplication of Four-page Report	\$ 36.00
Envelopes	267.75
Postage	3,150.00
Commodities	700.00
Forms	1,800.00
Computer Costs	9,000.00
Equipment	<u>3,500.00</u>
Total	\$ 18,453.75

Personnel One-Time Costs

Systems Analyst - Systems Design - One Man Month	\$ 3,019.37
Programming - One Man Month	3,019.37
Key punch Programs - One Man Month	3,019.37
Edit-Update Program - Two Man Months	6,038.74
Report Programs - One Man Month	3,019.37
Documentation - One Man Month	3,019.37
Tax Scanner - Data Capture - Two Man Months	<u>3,138.36</u>
Sub-total	\$ 24,273.95

Personnel On-Going Costs

Systems Analyst - DP System Maintenance - Two Man Months	\$ 6,038.74
Tax Scanner - Data Capture - Two Man Months	3,138.36
Data Control - Full Time	18,830.16
Tax Collection Specialist II - Full Time	22,496.88
Revenue Enforcement Officer II - Full Time	27,302.28
Accounting Clerk II - Full Time	18,830.16
Clerk Typist II - Full Time	<u>16,863.84</u>
Sub-Total	\$ 113,500.42
Total	<u>\$ 156,228.12</u>

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 22, 1979

SUBJECT: HB 9; Tax on developed lands in the unorganized borough

TO: Representative Bill Parker, Chairman
House Community & Regional Affairs Committee

FROM: Richard A. Bradley
Legislative Counsel 

You have requested a sectional analysis of HB 9 by Representative Parr. HB 9 bears a close relationship to last session's HB 202, also by Representative Parr. Apart from the stylistic changes in the bill occasioned by the 1979 Legislative manual, the only change to HB 9 is found in the addition of (c) to AS 29.03.100.

§100(a): An annual tax is levied. The first year in which the tax would be levied is the 1980 tax year. As with other real property taxation, the tax is levied on the "full and true value" of "taxable real property" in the unorganized borough.

The unorganized borough is described in §100(a) as the area "outside home rule and first class cities." includes the areas of second class cities. Since the tax levied is measured by the tax for education in organized boroughs and since the second class cities neither levy taxes for nor provide education the classification is reasonable.

§100(b): This subsection establishes the exclusions from the tax levied under §100(a). Property excluded includes:

(1) unimproved lands. The exclusion owes at least part of its parentage to §21(d) of the Settlement Act. The latter section provides:

Representative Bill Parker
Page 2
March 22, 1979

Real property interests conveyed pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State or local real property taxes for a period of twenty years after the date of enactment of this Act [December 18, 1971]: Provided, that municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State. . .

This provision explicitly prohibits the state and any municipality from levying a tax on property until it is "leased or developed real property" if it belongs to an organization established under the Settlement Act. HB 9 proceeds from the premise that the state should not [and very likely may not] classify property taxation according to ethnic ownership. Accordingly, the exemption is extended generally. The justification for the exemption can, of course, be defended on policy grounds quite apart from the requirements of the Settlement Act.

(2) real property exempt under AS 29.53.020. This exclusion relates to the exemptions generally available within municipalities, including the senior citizen exemption and others.

(3) real property exempted under AS 29.53.025(a). This provision relates to the exemption for residential property allowed to municipalities.

(4) real property exempted under AS 43.56 [Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes] and AS 43.58 [Oil and Gas Reserves Ad Valorem Tax].

§100(c): As noted, this is the only departure from the content of HB 202 from the Tenth Legislature. It exempts "improvements to land" owned by a village corporation as well as the lands necessarily associated with the improvements for the five years from the effective date of the act.

Representative Bill Parker
Page 3
March 22, 1979

§110: This section provides for the mill rate levy. It establishes the levy at an amount equal to the mill rates levied in boroughs in the state for the support of the borough school districts on the preceding January 1. The commissioner of revenue will determine the amounts.

§120: This provision states the conclusion that the "exemption laws" in AS 09 [e.g., AS 09.35.080] do not exempt property from taxation under HB 9. I advised the sponsor on the introduction of HB 202 that I considered the section unnecessary but included it because it was included in an earlier bill on the same subject. [Senator Orsini's SB 35 from the same session.] AS 29.53.020(d) confirms my view.

§130(a): This section provides that the state assessor will exercise the functions of the borough assessor under specified sections in AS 29.53.

§130(b): Second class cities may levy a limited property tax. AS 29.53.410. This provision grants the state assessor discretion to accept the assessment if he believes it to be accurate.

§130(c): Reassessment must be undertaken on a three year schedule.

§140: This section establishes the equalization process.

§150: This section directs the commissioner of community and regional affairs to adopt regulations for the equalization process which are consistent with the procedures established under AS 29.53.140 for municipal equalizations.

§160: This section establishes the date on which the tax is due and penalties and interest for late payments.

§170: This section provides that the tax together with any interest or penalties due constitute a lien on the property. Priority is accorded to tax liens due second class cities within the unorganized borough.

Representative Bill Parker
Page 4
March 22, 1979

§180: A penalty section with relatively nominal penalties is established for false statements in returns.

§190: The Departments of Community and Regional Affairs and Revenue are given specific authority to adopt regulations.

§200: This section requires separate "BRU's" for this program, apart from any already utilized by Revenue or C&RA for their existing programs.

§210: The commissioner of revenue will make an annual report to the legislature on the amount of funds derived from the program and its cost to the state.

§220: This section is designed to encourage areas of the unorganized borough to seek organization as a borough or city of the first class, that is, assume a level of government that is responsible for education. This policy is achieved in part by granting to any area establishing that level of government all the taxes collected under this law during that year, in addition to any money due under revenue sharing.

§230: The definitions of "real property" and "unimproved land" are established in straightforward fashion.

RAB:jdn/nem

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 13, 1979

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Court Building, Room 628
Juneau, AK 99801

Dear Mr. Parker:

HOUSE BILL NO. 9

House Bill No. 9, an Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue, concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill Resolution No. HB 9
 Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough
 Requested by House Community & Regional Affairs Date 1-24-79

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected _____ Administration & Support _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

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	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
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300 CONTRACTUAL		14.3	15.0	15.8	16.6	17.4
400 COMMODITIES		.7	.7	.8	.8	.9
500 EQUIPMENT		3.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	∅	156.3	120.0	126.1	132.4	139.1

FUNDING (Thousands of Dollars)

GENERAL FUND	∅	156.3	120.0	126.1	132.4	139.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

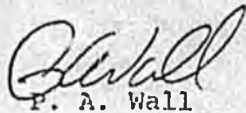
POSITIONS

FULL TIME		5/60	5/60	5/60	5/60	5/60
PART TIME		2/9	2/4	2/4	2/4	2/4
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached fiscal detail.

NOTE: Reference page three, line 17, AS 24.10.070-220 was repealed by Chapter 182, SLA 1978. A new enforcement provision is needed.

IV. DATE March 2, 1979 PREPARED BY  P. A. Wall
 AGENCY Revenue
 PHONE 465-2313

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Duplication of Four-page Report	\$ 36.00
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Sub-Total	\$ 113,500.42
Total	<u>\$ 156,228.12</u>

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

April 30, 1980

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Room 112 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parker:

Re: House Bill No. 9

House Bill No. 9, an Act providing for assesment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of an updated Fiscal Note prepared by P. A. Wall, Director, Administrative Services Division of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 9 (UPDATE)
 Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected _____ Administration & Support _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		165.7	133.7	143.1	153.1	163.8
200 TRAVEL						
300 CONTRACTUAL		14.1	15.1	16.2	17.3	18.5
400 COMMODITIES		.7	.8	.9	1.0	1.7
500 EQUIPMENT		3.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		184.0	149.6	160.2	171.4	184.0

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
<u>GENERAL FUND</u>		184.0	149.6	160.2	171.4	184.0
<u>FEDERAL FUNDS</u>						
<u>OTHER (Specify Fund Source)</u>						

POSITIONS

	5/60mm	5/60mm	5/60mm	5/60mm	5/60mm
<u>FULL TIME</u>					
<u>PART TIME</u>	3/11mm	3/11mm	3/11mm	3/11mm	3/11mm
<u>TEMPORARY</u>					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The reference on page 3, line 17 (AS 34.10.070-160) was repealed by Chapter 182, SLA 1979. A new enforcement provision is needed.

HB 9 sets up a new property tax system which requires the preparation of about 21,000 tax bills, tax bill mailout, remittance processing, maintenance and posting of accounts and transmittal of tax receipts to the Treasury. Section 29.03.160 sets a penalty of ten percent on delinquent taxes and interest at the rate of eight percent on unpaid taxes. The Fiscal Analysis includes a Revenue Enforcement Officer and a Tax Collection Specialist to administer the tax enforcement contained in this section.


P. A. Wall

IV. DATE April 29, 1980 PREPARED BY _____
 AGENCY Revenue
 PHONE 465-2317
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)