

708

HCRA

HB

580

708

5800

HB

COMMITTEE REPORT

(7)

HOUSE

(1/21/80)

FURTHER: FINANCE

Date: 21 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 580

"An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 580 same title
 new title
- and recommends it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN

0067
Proposed Amendment CSHB 580

Add a new subsection at the end of Sec. 44.17.100 as follows:

The failure of a state agency to comply with the requirements of this section does not invalidate an action taken or proposed to be taken by a state agency.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth.
FROM: Marjorie Gorsuch *MG*
DATE: 3/22/80
RE: Committee Substitutes

Jack,

The Committee has approved the work draft copies of CSHB 886, CSHB 581 as prepared. Please have them run off as finals.

Also approved was the work draft for CSHB580 with the following change

- p. 2 Line 8 Change 120 days to 180 days
- p. 2 Lines 22-25 Eliminate this (b)
- p. 3 Line 11 Eliminate "or the commissioner may request proposals on his own initiative"
- p. 7 Lines 28 & following
There was a question of whether or not this wording was necessary and if (b) on p. 8 lines 3-8 didn't suffice?
- p. 2 Lines 11-14 Change to "The commissioner shall, upon request, hold public hearings in each of the regional educational attendance areas and may, after such hearings establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29,03.011.
The rest of this section p. 2 lines 14-21 would remain as in CS.

Joint - Agreements need jurisdiction of municipalities high school - threat to Agreements State a local concern subject of jurisdiction

Money - Smith REBAP

Mayone

WO 7657 ✓
Chenoweth

*P. 7 conflict
P. 8
P. 9 "may"*

Original sponsor: Rules/Legislative Council

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 580

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unorganized boroughs, establishing
7 unorganized boroughs, establishing a program of
8 planning assistance for unorganized boroughs, author-
9 izing ^{optional} adoption of home rule charters by unorganized
10 boroughs, and directing submission of recommendations
11 concerning adjustment of the boundaries of service
12 areas of the unorganized borough; and providing for an
13 effective date."

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

15 * Section 1. PURPOSE. The legislature finds that the single unorganized
16 borough of the state has proven unworkable in accommodating demands from its
17 residents for change and recognizes that a more systematic approach to the
18 planning and delivery of services for residents of this area is necessary.
19 In providing, in this Act, for identifying a common set of boundaries by
20 which to subdivide the state's single unorganized borough into multiple
21 unorganized boroughs, it is the purpose of the legislature to extend the
22 opportunity to residents of unorganized boroughs to assist in planning and
23 program development by

24 (1) preparing regional planning studies; and

25 (2) broadening the range of methods by which residents may in-
26 corporate a regional government.

27 * Sec. 2. INTENT. In providing for the division of the state's unorga-
28 nized borough into unorganized boroughs, it is the intent of the legislature
29 that all future transfers of functions or services from state agencies to

1 regions within unincorporated areas be made only within the boundaries for
2 unorganized boroughs established under AS 29.03.011 - 29.03.021, added by
3 sec. 3 of this Act.

4 * Sec. 3. AS 29.03 is amended by adding new sections to read:

5 Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHES. Except as
6 the boundaries are adjusted as provided in AS 29.03.021, the geographic
7 area within each regional educational attendance area established under
8 AS 14.08.031 is, effective 120 days after the effective date of this
9 Act, established as an unorganized borough.

10 Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. (a)

11 The commissioner of community and regional affairs ^{shall} may, after public
12 hearings in regional educational attendance areas, establish boundaries
13 other than the boundaries of a regional educational attendance area for
14 an unorganized borough under AS 29.03.011. In making adjustments, the
15 commissioner shall consider

16 (1) the standards applicable to the incorporation of boroughs
17 under AS 29.18.030;

18 (2) the regional boundaries adopted by the Native regional
19 corporations established under the Alaska Native Claims Settlement Act;
20 and

21 (3) census divisions of the state used for the 1980 census.

22 (b) The commissioner of community and regional affairs may not
23 establish boundaries so that an unorganized borough includes territory
24 within more than one Native regional corporation established under the
25 Alaska Native Claims Settlement Act.

26 * Sec. 4. AS 44.47 is amended by adding a new section to read:

27 Sec. 44.47.085. ASSISTANCE FOR REGIONAL PLANNING PROGRAMS IN THE
28 UNORGANIZED BOROUGH. (a) The commissioner may contract with a
29 municipality, a group of municipalities, or one or more nonprofit

Group Income

Do not contract with nonprofit to do work

Handwritten scribble in a circle at the top of the page.

1 corporations organized under the laws of the state, to prepare a re-
2 gional planning program for an unorganized borough.

3 (b) The commissioner may contract for the preparation of only one
4 regional planning program for each unorganized borough. The commis-
5 sioner may contract only if he is satisfied that the party with whom he
6 contracts is capable of preparing a regional planning program that
7 considers the entire population of the unorganized borough.

8 (c) A municipality, group of municipalities, or one or more non-
9 profit corporations interested in preparing a regional planning program
10 for an unorganized borough may ask the commissioner to request proposals
11 *Comments* or the commissioner may request proposals on his own initiative. The
12 residents of an unorganized borough may petition the commissioner to
13 request proposals for preparation of a regional planning program, and
14 the commissioner shall request proposals if the petition is signed by a
15 number of qualified voters equal to not less than 15 percent of the
16 number of votes cast in the unorganized borough at the last state
17 general election.

18 *See Murray's* (d) A request for proposal made under this section shall be ad-
19 vertised. The advertisement of a request for a proposal for the pre-
20 paration of a regional planning program for the unorganized borough
21 shall outline the work to be completed, and contain other information
22 which the commissioner believes will inform the public of the work to be
23 completed under the contract, and which will assist him in evaluating
24 proposals received. The commissioner shall advertise for a period of
25 not less than 45 days by public notice announcements provided to news-
26 papers and radio and television stations.

27 (e) After receiving the proposals for preparation of a regional
28 planning program, the commissioner shall evaluate them. The commis-
29 sioner may refuse all proposals and readvertise, or may accept a pro-

Handwritten note with an arrow pointing to the word 'readvertise' in the text above: 'provide public'

1 posal and enter into a contract as provided in (f) of this section.

2 (f) A contract entered into under this section shall

3 (1) require that the regional planning program include

4 (A) an analysis and recommendations concerning incor-
5 poration of a borough government for all or a portion of the un-
6 organized borough;

7 (B) an evaluation of the economic development potential
8 of the unorganized borough;

9 (C) a recommendation concerning capital facility needs
10 of the unorganized borough;

11 (D) an examination of demographic, social and environ-
12 mental factors affecting the unorganized borough;

13 (E) an examination of

14 (i) interrelationships among the regional educa-
15 tional attendance area, the coastal resource service area, and
16 any other regional entity responsible for services in the
17 unorganized borough; and

18 (ii) the interrelationships between the governments
19 of cities within the unorganized borough and regional entities
20 listed in (i) of this subparagraph; and

21 (F) a process for implementing the recommendations made
22 as part of the regional planning program;

23 (2) provide

24 (A) a mechanism for securing public participation in the
25 regional planning program;

26 (B) that the regional planning program be completed not
27 later than the June 30 following the third anniversary of the date
28 of the contract; and

29 (C) that payment for work performed under the contract

1 is subject to legislative appropriation to the account established
2 in (g) of this section.

3 (g) There is established in the Department of Community and Re-
4 gional Affairs the unorganized borough regional planning account. The
5 account shall be administered by the commissioner and shall be used to
6 pay for contracts entered into under this section.

7 (h) During each fiscal year, the commissioner may not pay to a
8 contractor under a contract authorized by this section more than \$25,000
9 plus \$25 per capita for each person residing within the unorganized
10 borough for which the regional planning program is to be prepared, as
11 determined by the commissioner.

12 (i) In this section, "unorganized borough" means a subdivision
13 established under AS 29.03.011 - 29.03.021.

14 * Sec. 5. AS 29 is amended by adding a new chapter to read: *Change*

15 CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

16 Sec. 29.19.010. INCORPORATION. (a) The residents of an unorgan-
17 ized borough established in accordance with AS 29.03.011 - 29.03.021 may
18 appl^r for the incorporation of a home rule borough. The petition for
19 borough incorporation shall be filed with the Department of Community
20 and Regional Affairs and shall include the information and signatures
21 required by AS 29.18.050. Petitions for incorporation filed under this
22 section shall be processed, reviewed and determined in accordance with
23 AS 29.18.060 - 29.18.090.

24 (b) A petition submitted under (a) of this section shall

25 (1) specify the number of members of the charter commission,
26 but the number of members may not exceed 15;

27 (2) describe the manner of election of members of the charter
28 commission; if election is to be by district, a description of the
29 boundaries of each district shall be included in or attached to the

1 petition;

2 (c) If the petition submitted under (a) of this section requests
3 election of charter commission members on a basis other than at large
4 within the unorganized borough, the manner of election of the members of
5 the commission shall conform to standards applicable to the composition
6 and apportionment of legislative bodies which are imposed by art. I,
7 sec. 1 of the state constitution.

8 (d) The standards applicable to the incorporation of an organized
9 borough under art. X, sec. 3 of the state constitution and AS 29.18.030
10 apply to the incorporation of an unorganized borough under this section.

11 Sec. 29.19.020. CHARTER ELECTION. (a) If the Local Boundary
12 Commission accepts the petition filed under AS 29.19.010, it shall
13 immediately notify the lieutenant governor. Within 30 days after noti-
14 fication, the lieutenant governor shall order an election within the
15 proposed home rule borough to determine whether the voters will elect a
16 charter commission, and to determine the persons elected to serve on the
17 charter commission.

18 (b) Charter commission candidates are nominated by petition signed
19 by at least 50 registered voters residing within the unorganized
20 borough. The lieutenant governor shall allow not less than 20 or more
21 than 30 days during which candidates for the charter commission may
22 present nominating petitions.

23 (c) The election on the question of election of a charter com-
24 mission and the determination of persons elected to serve on the charter
25 commission shall be held not less than 60 or more than 75 days after the
26 date of the election order.

27 Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election
28 called by the lieutenant governor under AS 29.19.020, a majority of the
29 voters favors election of a charter commission, the persons receiving

1 the highest number of votes cast at that election constitute the charter
2 commission. The charter commission shall prepare a proposed charter and
3 submit it to the Department of Community and Regional Affairs within one
4 year of the first meeting of the charter commission. The commissioner
5 of community and regional affairs shall review the proposed charter for
6 compliance with laws applicable to home rule municipalities and, if it
7 complies, request the lieutenant governor to submit the proposed borough
8 incorporation petition and proposed home rule charter to residents of
9 the proposed home rule borough. If the proposed charter does not comply
10 with law, the commissioner of community and regional affairs shall
11 return the proposed charter to the charter commission with a statement
12 of the legal deficiencies.

13 (b) Within 90 days of the receipt of the statement of the commis-
14 sioner of community and regional affairs indicating that the proposed
15 home rule charter does not comply with law, the charter commission may
16 prepare and submit to the commissioner an amended charter which meets
17 the objections to the original proposed charter.

18 (c) Only one original and one amended charter may be submitted to
19 the commissioner of community and regional affairs under this section.

20 Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor
21 shall order an election on the question of whether the unorganized
22 borough shall be incorporated as a home rule borough in accordance with
23 the charter approved by the commissioner of community and regional
24 affairs. The proposed charter shall be posted throughout the proposed
25 borough by the lieutenant governor before the election is held. The
26 election shall be held not less than 60 or more than 90 days following
27 the election order.

28 Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a
29 majority of the votes cast by the qualified voters of the proposed

Board should hold Commission in all areas.

Palmer should election for assembly be at some time

1 borough is against the incorporation of a borough under the proposed
2 home rule charter, the proposal is defeated.

3 (b) If a majority of the votes cast by the qualified voters of the
4 proposed borough favors incorporation of the borough under the proposed
5 home rule charter, the lieutenant governor shall declare that the un-
6 organized borough in which the election was held is incorporated as an
7 organized borough and a municipal corporation in accordance with the
8 provisions of the home rule charter. The lieutenant governor shall
9 provide for the election of the officers provided for in the charter.

10 (c) The election and qualification of officers under (b) of this
11 section shall be completed by the lieutenant governor in accordance with
12 AS 29.18.120 and the provisions of the home rule charter of the borough.

13 Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is
14 rejected, the charter commission shall prepare, adopt and submit a
15 second proposed charter to the voters within one year of the date of the
16 charter election held under AS 29.19.040. If the second proposed char-
17 ter is rejected, the charter commission is dissolved.

18 Sec. 29.19.070. VOTERS, ELECTIONS, COSTS, AND VACANCIES. (a) A
19 person is qualified to vote in an election authorized by AS 29.19.010 -
20 29.19.060 if he is qualified to vote in state elections and if he is a
21 resident of the unorganized borough proposed for incorporation as a home
22 rule borough.

23 (b) The lieutenant governor shall conduct elections authorized by
24 AS 29.19.010 - 29.19.060 substantially in the manner provided in the
25 Alaska Election Code (AS 15.05 - 15.60), and shall certify the results
26 of all elections under this chapter. Costs of elections under this
27 chapter shall be paid by the office of the lieutenant governor.

28 (c) Costs of charter preparation under this chapter shall be paid
29 by the Department of Community and Regional Affairs.

1 (d) The commissioner of community and regional affairs shall ap-
2 point a registered voter of the unorganized borough for which a charter
3 is being prepared to fill a vacancy occurring on the charter commission
4 established under this chapter.

5 Sec. 29.19.080. APPLICABILITY OF TRANSITIONAL PROVISIONS. The
6 provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs
7 incorporated under this chapter.

8 Sec. 29.19.090. STATUS OF HOME RULE BOROUGHES. (a) A home rule
9 borough incorporated under this chapter may exercise all powers granted
10 a first class borough.

11 (b) For purposes of acquisition of areawide powers, the provisions
12 of AS 29.38.010 apply to a home rule borough incorporated under this
13 chapter unless otherwise specifically provided in the charter of the
14 borough.

15 * Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

16 * Sec. 7. UNORGANIZED BOROUGH SERVICE AREAS. (a) The commissioner of
17 education shall recommend to the legislature, not later than January 31,
18 1981, whether changes should be made in the boundaries of a regional
19 educational attendance area organized under AS 14.08 to conform the bound-
20 aries of the regional educational attendance area to an unorganized borough
21 of which it is a part.

22 (b) The Alaska Coastal Policy Council shall recommend to the legis-
23 lature, not later than January 31, 1981, whether changes should be made in
24 the boundaries of an existing coastal resource service area organized under
25 AS 46.40 to conform the boundaries of the coastal resource service area to an
26 unorganized borough of which it is a part.

27 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).

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6 Jan

Original sponsor: Rules/Legislative Council

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 580

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unorganized boroughs, establishing
7 unorganized boroughs, establishing a program of finan-
8 cial assistance for the preparation of regional plans
9 by unorganized boroughs, permitting adoption of home
10 rule charters by unorganized boroughs, and directing
11 submission of recommendations concerning adjustment of
12 the boundaries of service areas of the unorganized
13 borough; and providing for an effective date."

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

15 * Section 1. PURPOSE. The legislature finds that the single unorganized
16 borough of the state has proven unworkable in accommodating demands from its
17 residents for change and recognizes that a more systematic approach to the
18 planning and delivery of services for residents of this area is necessary.
19 In providing, in this Act, for identifying a common set of boundaries by
20 which to subdivide the state's single unorganized borough into multiple
21 unorganized boroughs, it is the purpose of the legislature to extend the
22 opportunity to residents of unorganized boroughs to assist in planning and
23 program development by

24 (1) preparing regional plans; and

25 (2) broadening the range of methods by which residents may in-
26 corporate a regional government.

27 * Sec. 2. INTENT. In providing for the division of the state's unorga-
28 nized borough into unorganized boroughs, it is the intent of the legislature
29 that all future transfers of functions or services from state agencies to

1 regions within unincorporated areas be made only within the boundaries for
2 unorganized boroughs established under AS 29.03.011 - 29.03.021, added by
3 sec. 3 of this Act.

4 * Sec. 3. AS 29.03 is amended by adding new sections to read:

5 Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHS. Except as
6 the boundaries are adjusted as provided in AS 29.03.021, the geographic
7 area within each regional educational attendance area established under
8 AS 14.08.031 is, effective 180 days after the effective date of this
9 Act, established as an unorganized borough.

10 Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. The
11 commissioner of community and regional affairs may establish boundaries
12 other than the boundaries of a regional educational attendance area for
13 an unorganized borough under AS 29.03.011. If requested by residents
14 of an unorganized borough, the commissioner shall hold at least one
15 public hearing within each regional educational attendance area before
16 establishing boundaries for unorganized boroughs under this section. In
17 establishing boundaries under this section, the commissioner shall
18 consider

- 19 (1) the standards applicable to the incorporation of boroughs
20 under AS 29.18.030;
- 21 (2) the regional boundaries adopted by the Native regional
22 corporations established under the Alaska Native Claims Settlement Act
23 and
- 24 (3) census divisions of the state used for the 1980 census.

25 * Sec. 4. AS 44.47 is amended by adding a new section to read:

26 Sec. 44.47.085. ASSISTANCE FOR REGIONAL PLANS IN THE UNORGANIZED
27 BOROUGH. (a) The commissioner may contract with a municipality, a
28 group of municipalities, or one or more regional Native corporations
29 organized as nonprofit corporations under the laws of the state to

1 prepare a regional plan for an unorganized borough.

2 (b) The commissioner may contract for the preparation of only one
3 regional plan for each unorganized borough. The commissioner may con-
4 tract only if he is satisfied that the party with whom he contracts is
5 capable of preparing a regional plan that considers the entire popu-
6 lation of the unorganized borough.

7 (c) When a municipality, group of municipalities, or one or more
8 regional Native nonprofit corporations proposes to prepare a regional
9 plan for an unorganized borough, the commissioner shall request pro-
10 posals for preparation of a regional plan. The residents of an un-
11 organized borough may petition the commissioner to request proposals for
12 preparation of a regional plan, and the commissioner shall request
13 proposals if the petition is signed by a number of qualified voters
14 equal to not less than 15 percent of the number of votes cast in the
15 unorganized borough at the last state general election.

16 (d) A request for proposal for preparation of a regional plan for
17 an unorganized borough made under (c) of this section shall be adver-
18 tised. The commissioner shall advertise for a period of not less than
19 45 days by public notice announcements provided to newspapers and radio
20 and television stations. The advertisement of a request for a proposal
21 for the preparation of a regional plan shall

22 (1) invite a municipality, group of municipalities or re-
23 gional Native nonprofit corporation to submit a proposal for the
24 preparation of a regional plan;

25 (2) outline the work to be completed; and

26 (3) contain other information which the commissioner believe
27 will inform the public of the work to be completed under the contract,
28 and which will assist him in evaluating proposals received.

29 (e) After receiving the proposals for preparation of a regional

1 plan, the commissioner shall evaluate them. In evaluating the pro-
2 posals, the commissioner may request advice from residents of an un-
3 organized borough for which the regional plan is proposed. The commis-
4 sioner may refuse all proposals and readvertise, or may accept a pro-
5 posal and enter into a contract as provided in (f) of this section.

6 (f) A contract entered into under this section

7 (1) shall require that the regional plan include

8 (A) an analysis and recommendations concerning incor-
9 poration of a borough government for all or a portion of the un-
10 organized borough;

11 (B) an evaluation of the economic development potential
12 of the unorganized borough;

13 (C) a recommendation concerning capital facility needs
14 of the unorganized borough;

15 (D) an examination of demographic, social and environ-
16 mental factors affecting the unorganized borough;

17 (E) an examination of

18 (i) interrelationships among the regional educa-
19 tional attendance area, the coastal resource service area, and
20 any other regional entity responsible for services in the
21 unorganized borough; and

22 (ii) the interrelationships between the governments
23 of cities within the unorganized borough and regional entities
24 listed in (i) of this subparagraph; and

25 (F) a process for implementing the recommendations made
26 as part of the regional plan;

27 (2) shall provide

28 (A) a mechanism for securing public participation in the
29 preparation of the regional plan;

1 (B) that the regional plan be completed not later than
2 the June 30 following the third anniversary of the date of the
3 contract; and

4 (C) that payment for work performed under the contract
5 is subject to legislative appropriation to the account established
6 in (g) of this section;

7 (3) may permit the contractor to subcontract parts of the
8 work to be performed to one or more subcontractors.

9 (g) There is established in the Department of Community and Re-
10 gional Affairs the unorganized borough regional planning account. The
11 account shall be administered by the commissioner and shall be used to
12 pay for contracts entered into under this section.

13 (h) During each fiscal year, the commissioner may not pay to a
14 contractor under a contract authorized by this section more than \$25,000
15 plus \$25 per capita for each person residing within the unorganized
16 borough for which the regional plan is to be prepared, as determined by
17 the commissioner.

18 (i) In this section, "unorganized borough" means a subdivision
19 established under AS 29.03.011 - 29.03.021.

20 * Sec. 5. AS 29 is amended by adding a new chapter to read:

21 CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

22 Sec. 29.19.010. INCORPORATION. (a) The residents of an unorgan-
23 ized borough established in accordance with AS 29.03.011 - 29.03.021 may
24 apply for the incorporation of a home rule borough. The petition for
25 borough incorporation shall be filed with the Department of Community
26 and Regional Affairs and shall include the information and signatures
27 required by AS 29.18.050. Petitions for incorporation filed under this
28 section shall be processed, reviewed and determined in accordance with
29 AS 29.18.060 - 29.18.090.

1 (b) A petition submitted under (a) of this section shall

2 (1) specify the number of members of the charter commission,
3 but the number of members may not exceed 15; and

4 (2) describe the manner of election of members of the charter
5 commission; if election is to be by district, a description of the
6 boundaries of each district shall be included in or attached to the
7 petition.

8 (c) If the petition submitted under (a) of this section requests
9 election of charter commission members on a basis other than at large
10 within the unorganized borough, the manner of election of the members of
11 the commission shall conform to standards applicable to the composition
12 and apportionment of legislative bodies which are imposed by art. I,
13 sec. 1 of the state constitution.

14 (d) The standards applicable to the incorporation of an organized
15 borough under art. X, sec. 3 of the state constitution and AS 29.18.030
16 apply to the incorporation of an unorganized borough under this section

17 Sec. 29.19.020. CHARTER ELECTION. (a) If the Local Boundary
18 Commission accepts the petition filed under AS 29.19.010, it shall
19 immediately notify the lieutenant governor. Within 30 days after noti-
20 fication, the lieutenant governor shall order an election within the
21 proposed home rule borough to determine whether the voters will elect a
22 charter commission, and to determine the persons elected to serve on the
23 charter commission.

24 (b) Charter commission candidates are nominated by petition signed
25 by at least 50 registered voters residing within the unorganized
26 borough. The lieutenant governor shall allow not less than 20 or more
27 than 30 days during which candidates for the charter commission may
28 present nominating petitions.

29 (c) The election on the question of election of a charter com-

1 mission and the determination of persons elected to serve on the charter
2 commission shall be held not less than 60 or more than 75 days after the
3 late of the election order.

4 Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election
5 called by the lieutenant governor under AS 29.19.020, a majority of the
6 voters favors election of a charter commission, the persons receiving
7 the highest number of votes cast at that election constitute the charter
8 commission. The charter commission shall prepare a proposed charter and
9 submit it to the Department of Community and Regional Affairs within one
10 year of the first meeting of the charter commission. The commissioner
11 of community and regional affairs shall review the proposed charter for
12 compliance with laws applicable to home rule municipalities and, if it
13 complies, request the lieutenant governor to submit the proposed borough
14 incorporation petition and proposed home rule charter to residents of
15 the proposed home rule borough. If the proposed charter does not comply
16 with law, the commissioner of community and regional affairs shall
17 return the proposed charter to the charter commission with a statement
18 of the legal deficiencies.

19 (b) Within 90 days of the receipt of the statement of the commis-
20 sioner of community and regional affairs indicating that the proposed
21 home rule charter does not comply with law, the charter commission may
22 prepare and submit to the commissioner an amended charter which meets
23 the objections to the original proposed charter.

24 Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor
25 shall order an election on the question of whether the unorganized
26 borough shall be incorporated as a home rule borough in accordance with
27 the charter approved by the commissioner of community and regional
28 affairs. The proposed charter shall be posted throughout the proposed
29 borough by the lieutenant governor before the election is held. The

1 election shall be held not less than 60 or more than 90 days following
2 the election order.

3 Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a
4 majority of the votes cast by the qualified voters of the proposed
5 borough favors incorporation of the borough under the proposed home rule
6 charter, the lieutenant governor shall declare that the unorganized
7 borough in which the election was held is incorporated as an organized
8 borough and a municipal corporation in accordance with the provisions of
9 the home rule charter. The lieutenant governor shall provide for the
10 election of the officers provided for in the charter.

11 (b) The election and qualification of officers under (a) of this
12 section shall be completed by the lieutenant governor in accordance with
13 AS 29.18.120 and the provisions of the home rule charter of the borough.

14 Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is
15 rejected, the charter commission shall prepare, adopt and submit a
16 second proposed charter to the voters in accordance with AS 29.19.030 -
17 29.19.050. The second proposed charter shall be submitted to the voter
18 within one year of the date of the charter election held under AS 29.-
19 19.040. If the second proposed charter is rejected, the charter com-
20 mission is dissolved.

21 Sec. 29.19.070. VOTERS, ELECTIONS, COSTS, AND VACANCIES. (a) A
22 person is qualified to vote in an election authorized by AS 29.19.010 -
23 29.19.060 if he is qualified to vote in state elections and if he is a
24 resident of the unorganized borough proposed for incorporation as a home
25 rule borough.

26 (b) The lieutenant governor shall conduct elections authorized by
27 AS 29.19.010 - 29.19.060 substantially in the manner provided in the
28 Alaska Election Code (AS 15.05 - 15.60), and shall certify the results
29 of all elections under this chapter. Costs of elections under this

1 chapter shall be paid by the office of the lieutenant governor.

2 (c) Costs of charter preparation under this chapter shall be paid
3 by the Department of Community and Regional Affairs.

4 (d) The commissioner of community and regional affairs shall ap-
5 point a registered voter of the unorganized borough for which a charter
6 is being prepared to fill a vacancy occurring on the charter commission
7 established under this chapter.

8 Sec. 29.19.080. APPLICABILITY OF TRANSITIONAL PROVISIONS. The
9 provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs
10 incorporated under this chapter.

11 Sec. 29.19.090. STATUS OF HOME RULE BOROUGHES. (a) A home rule
12 borough incorporated under this chapter shall exercise all powers
13 required of a borough under AS 29.33.

14 (b) For purposes of acquisition of areawide powers, the provisions
15 of AS 29.38.010 apply to a home rule borough incorporated under this
16 chapter unless otherwise specifically provided in the charter of the
17 borough.

18 * Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

19 * Sec. 7. UNORGANIZED BOROUGH SERVICE AREAS. (a) The commissioner of
20 education shall recommend to the legislature, not later than January 31,
21 1981, whether changes should be made in the boundaries of a regional
22 educational attendance area organized under AS 14.08 to conform the bound-
23 aries of the regional educational attendance area to an unorganized borough
24 of which it is a part.

25 (b) The Alaska Coastal Policy Council shall recommend to the legis-
26 lature, not later than January 31, 1981, whether changes should be made in
27 the boundaries of an existing coastal resource service area organized under
28 AS 46.40 to conform the boundaries of the coastal resource service area to an
29 unorganized borough of which it is a part.

1 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
2 070(c).

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Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/12/80
RE: HB 580, HB 582

- * In addition to the points covered in the attached memo, the Committee raised the following issues for discussion:
HB 580
- * p. 3 Lines 7-29 This section was questioned in general. It was felt that in every instance in the bill, reference should be made to the legislature rather than to the Legislative Council (see p. 3 line 10). The section should be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44.17.110. The legislature would then be empowered to override such exemptions and modifications.
- * The repealers are to be checked with legislative legal staff.
- * After discussion of the census lines, it was determined that mention should be made of these boundaries, along with those of the ANCSA, on page 2.
- * Use of the term "substantially" (p. 6 line 17) was questioned. McCarter suggested that this was legally applied as there may be technical difficulties in complying with all the requirements of the election code if there are no election clerks in the areas.

HB 582

- * If the term "may" (p. 2 line 26) is changed to "shall", the reference to housing (p. 3 line 1) should be eliminated.
- * p. 2 lines 5-6. The legal meaning of the term "advertise" will be checked to see if it is adequate and "by any means which he believes will provide adequate notice etc." will be eliminated.

HB 583-586 will be reviewed Feb. 13

GARNETT, KLINKNER & BENDELL

ATTORNEYS AT LAW

900 WEST FIFTH AVENUE, SUITE 540
ANCHORAGE, ALASKA 99501
(907) 276-2221

RICHARD W. GARNETT, III
THOMAS F. KLINKNER
JAMES BENDELL

February 21, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

RE: Local Government Study
Legislation

Dear Arliss:

I have reviewed with great interest the legislation resulting from the local government study that you co-chaired. I believe that the legislation your committee has proposed, which I have seen in the form of House Bills 580-586, successfully addresses deficiencies in the State's municipal law that were pointed out during the course of the committee's study. As one who has had some experience practicing municipal law in Alaska, I believe that the amendments proposed in these bills make important improvements in the statutes governing Alaska's municipalities. If passed, these bills will create a better statutory framework for both urban and rural local government, affording needed flexibility to meet unique community needs.

I also would like to offer the following comments and suggestions regarding the specifics of these bills. These address technical matters which, I believe, may be resolved easily while preserving the desirable policy thrust of the legislation as proposed.

HB 580

29.03.021--If the commissioner adjusts boundaries, when does the establishment of an unorganized borough that is the subject of such an adjustment become effective? Some language positively declaring the establishment of unorganized boroughs with adjusted boundaries, similar to that in 29.03.011, might be helpful.

A. Sturgulewski
Page 2
February 21, 1980

?
44.17--A specific requirement that districting be reflected, to the extent feasible, in agency budgets commencing with a specified fiscal year, might help move the districting process along.

?
29.19.020--What are the requirements for the nominating petitions referred to in this section? They might be made analogous to those in AS 29.13.020.

OK
29.19.030--What happens if the commission fails to complete a charter in one year, or if it fails to modify a proposed charter within 90 days of rejection by the commissioner of community and regional affairs. If such a failure terminates the existence of the commission and its authority to act, the statute should so specify.

?
Disputes may arise as to whether particular charter provisions conform to state law. Several cases (for example, the one involving the Anchorage Charter's Notice of Claims Provision) have been litigated over this issue. A provision in Chapter 29.19 providing for judicial review of a charter rejection, the parties who may seek such review, and the procedure after such review has been completed, would be helpful.

?
29.19.040--Should there be a time limitation for the ordering of an election after it has been requested by the commissioner of community and regional affairs?

?
29.19.070--This section may cause problems. Stating that the referenced sections apply may be interpreted to mean that other statutes not mentioned do not apply--for example, the part of AS 29.18 pertaining to land selection.

Also see
HB 580
HB 585

As 29.08.010 also should be amended to read:

A home rule municipality is a municipal corporation and political subdivision and is an organized borough [of the first class] or a city of the first class which has adopted a home rule charter. It has all legislative powers not prohibited by law or charter.

Since both first and second class boroughs may adopt a charter rule under this bill (and under HB 530, too, as I

will discuss below), AS 29.08.010 should be consistent with that change.

STATUS OF HOME RULE BOROUGHES CREATED UNDER HB 580 OR 585

The creation of home rule boroughs under either bill creates a conceptual problem. While this problem in no way detracts from the substantive merits of this legislation, it should be addressed, and one of several policy solutions adopted.

Title 29 presently provides for first and second class boroughs. The principal distinction between them arises in AS 29.38, which specifies how first and second class boroughs, respectively, exercise non-areawide powers. First class boroughs are authorized to exercise any general law municipal power on a non-areawide basis, AS 29.38.010. Second class boroughs are limited to those powers conferred at incorporation, by AS 29.48.020, or approved at an election, AS 29.38.020-050. The labeling of a borough as "first class" or "second class" is basically shorthand for this distinction.

As HB 580 and 585 now stand, a home rule borough formed under either of those bills need not conform to the first class/second class borough distinction in AS 29.38. A new borough charter could adopt as its authority to exercise non-areawide powers one of the alternatives specified in AS 29.38, or develop its own approach, for example, by making the exercising of some, but not all non-areawide powers subject to voter approval. All of these options are open because AS 29.38 does not govern home rule boroughs, see AS 29.13.100. Since Title 29 refers throughout to "first and second class boroughs", it is important that the types of boroughs that may be created (a policy question) and the title's nomenclature (a housekeeping matter that should be resolved after the policy has been determined), be consistent.

There are several possible approaches to this problem:

1. Require each new home rule borough formed under HB 580 or HB 585 to designate itself either a first class or second class borough, by adopting the corresponding authority to exercise non-areawide powers under AS 29.38.
2. The same as (1) above, but in addition specify that a home rule borough formed under HB 585

remains a second class borough governed by AS 29.38.020-050.

3. Provide that home rule boroughs formed under HB 580, HB 585, or both, may determine by charter the scope of their authority to exercise non-areawide powers, and are not limited to the two options provided in AS 29.38.

If (1) or (2) above is adopted, the present nomenclature is sufficient. If (3) is adopted, references to "first and second class boroughs" must be modified to take account of the hybrid home rule boroughs that may be created. In this case, if the legislation abolishing third class boroughs passes, a reference to "organized boroughs" would be sufficient. In the classification of boroughs there would be three distinct classes: home rule, first class, and second class.

Thank you for your consideration.

Yours truly,


Thomas F. Klinkner

TFK:pac

John Halterman, Deputy Director
Div. of Policy Development & Planning

February 15, 1980

J-66-464-80

AVRUM M. GROSS
ATTORNEY GENERAL

HB 580, unorganized
boroughs and state
agencies

By:

Rodger W. Pegues
Assistant Attorney General

This responds to your request for comments on HB 580, relating to unorganized boroughs and state agencies. Our comments follow:

1. AS 29.03.021 refers to an indefinite, undefined "commissioner." Its imprecision makes it a fitting precursor of the things to come.

2. AS 44.17.110 requires "agencies" (whatever that means, the University? the judiciary? ASHA?) to administer their "programs" (whatever that means, activities? goals? budgets?) on the "basis of" (whatever that means, pursuant to? in accordance with? coterminus with? by?) "districts," a superfluous and ultimately confusing synonym for organized boroughs, unorganized boroughs, and unified municipalities. The districts will bear only a partial relationship to many agency activities and no relationship to others. Any reporting, programming, planning, or coordinating on this basis will be correspondingly incomplete, misleading, and wasteful. Worse, because humans are rationalizing animals, bureaucrats will try to rationalize their agency's activities with the bill's requirements for administration on the basis of the districts rather than on the basis of actual needs. If a given amount of agency activity is programmed for the Kenai, rather than for southcentral, then Kenai will get the action regardless of the need.

3. AS 44.17.120 provides for the legislature to make exemptions but does not say how. Presumably, if experience is a guide, exemptions will be made by concurrent resolution on an ad hoc basis. That is not a legislative function under the constitution. In addition, not specifying how to make an exemption raises problems of equal treatment.

4. AS 29.19.010 -- 070 provides for the incorporation of unorganized boroughs as home rule boroughs. Under the present municipal code, only first class municipalities may adopt home rule charters. A sense of symmetry (and of

John Halterman
February 15, 1980
Page #2

fairness) commands that the good citizens of our second and third class boroughs be afforded an equal opportunity. Indeed, in Alaska, the equal protection clause may dictate that result.

The Alaska courts operate on the basic premise that laws governing the administration of government are commands which may be invoked by anyone who feels adversely affected by an agency action which is arguably not consistent with the law. E.g., United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n., 489 P.2d 140 (Alaska 1971) (standards for annexation); State v. Aleut Corp., 541 P.2d 730 (Alaska 1975) (consultation on land disposal); Coghill v. Boucher, 511 P.2d 1297 (Alaska 1973) (early count of votes). The result is that vague and indefinite statutes, such as this bill, which may or may not require an agency to do something or to refrain from doing something are imposed to prevent the agency's doing anything on totally unexpected grounds and for totally unexpected reasons. The agency cannot be sure, or even reasonably comfortable about, what it is supposed to do, but the courts will tell it.

In United States Smelting, a boundary change recommended by the Local Boundary Commission in accordance with powers vested in it by the constitution was held invalid because the commission had not adopted standards which were required by a statute but which were in no way required by the constitution. In Aleut Corp., a land sale was enjoined (even though a complaint was never filed) on the grounds that the statute required consultation with traditional tribal councils when it referred to local planning authorities. In Coghill, early release of election returns was enjoined on the grounds that it could only be authorized by regulations adopted under the Administrative Procedure Act.

Under AS 44.17.110 as proposed by this bill all the "agencies" of the state government must somehow gear their programs to the districts, i.e., to organized boroughs and unified municipalities and to the unorganized boroughs the bill would establish. What that means, no one knows. Presumably, the current land disposal program must be organized on that basis in order to plan and report on that basis. Presumably, criminal prosecutions must also be on that basis. What happens if the agency fails to comply is anyone's guess. Presumably, land disposals can be enjoined and criminal prosecutions halted. Obviously, the statistics on elections will be way out of line. Campaign disclosure and lobbyists reports will be equally so. Fish and game

John Halterman
February 15, 1980
Page #3

statistics do not have a prayer.

The only cure for these uncertainties is either (1) make the use of districts discretionary with the agency, or (2) rewrite section 44.17.110 to be precise. The latter is impossible because no one really knows what result precisely is intended. Accordingly, it must be made a matter of discretion. If it is made discretionary, section 44.17.-120 should be eliminated. If it is not, the bill, if it passes, should be vetoed.

RWP/pjg

CSHB 580

"AN ACT RELATING TO UNORGANIZED BOROUGHs, ESTABLISHING UNORGANIZED BOROUGHs, ESTABLISHING A PROGRAM OF PLANNING ASSISTANCE FOR UNORGANIZED BOROUGHs, AUTHORIZING ADOPTION OF HOME RULE CHARTERS BY UNORGANIZED BOROUGHs, AND DIRECTING SUBMISSION OF RECOMMENDATIONS CONCERNING ADJUSTMENT OF THE BOUNDARIES OF SERVICE AREAS OF THE UNORGANIZED BOROUGH"

BOUNDARIES

The bill divides the unorganized borough into "unorganized boroughs" using the boundaries of the Regional Educational Attendance Areas (REAAs). Public hearings are held, upon request, in each REAA by the Commissioner of Community and Regional Affairs and provision is made for adjustment of the boundary lines.

REGIONAL PLANNING

Each unorganized borough is eligible for regional planning program funds to study the economic, social, and environmental conditions of the area and the interrelationships between governmental units along with an examination of the feasibility of borough organization. No one is required to either undertake a study or form a borough. \$25,000 plus \$25 per capita is available to each unorganized borough for each of three years for regional planning programs.

HOME RULE

Title 29 is amended allowing for the incorporation, by petition to the Local Bounday Commission, of unorganized boroughs as home rule municipalities and the adoption by vote of the people of a home rule charter. Nothing in the bill requires the incorporation of a home rule borough or borough of any class. Rather, this section broadens the options currently available to residents in the unorganized borough.

CSHB 581

"AN ACT RELATING TO THE RESPONSIBILITIES OF EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT FOR CERTAIN STATE PROGRAMS"

This bill addresses certain responsibilities of executive departments important to the implementation of CSHB 580. State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted. Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery.

Alaska's Constitution establishes the policy of maximum self government for the people. This policy has been implemented through creation of boroughs and cities in urban areas and in some rural communities. However, the vast bulk of Alaska lacks any basis for self-government, and the people do not even have the means for planning and participating in the affairs of their own region. It is this problem that provided the principal focus for the interim work of the Senate and House Community and Regional Affairs Joint Local Government Study of 1979.

Legislative proposals of the Joint Committee were derived from (1) a series of studies and analyses sponsored by the Committee, (2) a two-day symposium designed to define issues and problems and suggest policies and directions, and (3) a series of public hearings held throughout rural parts of the state.

The Joint Committee found wide consensus in favor of a maximum measure of self-determination and self-rule, and establishment of regional units throughout the state to provide a basis for planning and program coordination. At the same time, the people do not want to rush into formal governmental organization; nor do they want it mandated.

Accordingly, the Joint Committee has developed an evolutionary approach that will provide people in rural areas with the means for self-government without forcing anything upon them prematurely. Choices and initiatives are left with each region.

HB 580 and HB 581 are two of the bills developed by the Joint Committee.



Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

CSSB 348

This bill provides for sub-state regional units, called "unorganized boroughs," to be established in the unorganized borough. The Commissioner of Community and Regional Affairs is directed, after public hearings, to determine appropriate boundaries, initially based on REAA boundary lines. Provisions are made for the adjustment of boundary lines.

Each "unorganized borough" will be eligible for regional planning program funds to assist in determinations of the economic, social, and environmental conditions of the area and the interrelationships between governmental levels, with an examination of the potential and need for borough organization. No one is required to either undertake the study or to form a borough. The planning program and future organization, if any, is up to the local area. Each year, for 3 years, \$25,000 plus \$25 per capita is available to each unorganized borough for regional planning. A new chapter is added to AS 29 which allows for incorporation, by petition to the Local Boundary Commission, of unorganized boroughs as home rule boroughs and the adoption by election of a home rule charter. Dual majority votes are required for passage of the home rule charter.

CSSB 349

This bill addresses certain responsibilities of executive departments important to the implementation of CSSB 348.

State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted.

Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery.

PEOPLES VIEW

SB 348 or HB 580 goes into effect -

Boundaries

- Within 120 days/ REAA boundaries are established creating unorganized boroughs boundaries
 - Objections/or problem areas - public hearings ^{by} Commissioner C/RA can establish other boundaries
- QUESTION? Any Local Boundary Commission Involvement?

Regional Planning Program

Proposal request

- Munic., a group of munic, or 1 or more nonprofits interested in preparing may ask Commissioner/C/RA to request proposal (10)
- Commissioner may request
- 15% voters petition request (voted in last election)

Advertising - proposal

- Commissioner C/RA - 45 or more days *Advertising required.*

Proposal Acceptance/Rejection

- Commissioner C/RA

NOTE: Commissioner can issue only one contract per unorganized borough
Contractor cannot receive more than \$25,000 plus \$25 per person in area

ABOVE TWO CAN BE MANDATED

Home Rule Borough

Petition

- filed ^{by residents} with Dept. C/RA (must specify number of members/ ^{of Charter Commission} cannot be more than 15-
(must state format for election of members - if district (give boundaries) or at large (be within St. Constit. guidelines)
- if Local Boundary accepts - the L.B. C. will notify Lt. Gov.

Charter Commission

- Lt. Gov. has 30 days to order election - election must be held between 60-75 days from order.
- Charter Commission candidates submit petitions signed by 50 voters to Lt. Gov. within 20/30 days
- Election - if Charter Commission is favored, persons receiving highest no. of votes gets elected

Duties

- prepares proposed Charter and submits to C/RA within 1 year of Charter Commission (if rejected Charter Commission has 90 day days to resubmit amend. charters
- C/RA reviews proposed charter and requests Lt. Gov. / election

Election

- Lt. Gov. submits election order on proposed borough incorp. petit plus proposed home rule charter within 60-90 days
- if Charter rejected at election, get one chance for amendment - to be resubmitted within one year. Rejected again=Commission dissolves)

Election

- officers...

FISCAL NOTES

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 21, 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. 580

House Bill No. 580, an Act establishing boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs, was introduced in the House on January 21, 1980 and was referred to the House Community & Regional Affairs and Finance Committees.

For the consideration of the House Community & Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Joseph K. Donohue, Deputy Commissioner, 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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580 (revised fiscal note)
 Title An Act establishing reorganized boroughs
 Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE March 17, 1980

PREPARED BY Joseph K. Donohue

AGENCY Department of Revenue

PHONE 465-2300

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

I. REQUEST
 Bill/Resolution No. CSHB 580
 Title An Act Establishing Unorganized Boroughs
 Requested by Rules Committee (By Legislative Counsel) Date 4-9-80

II. FISCAL DETAIL
 Agency Affected Labor
 Program Category Affected Social Services
 BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services
 (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	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

ASSUMPTION

This revised Fiscal Note assumes that CSHB 581 will be passed concurrently so that problems which may develop in relating unorganized borough statistics to census divisions and REAA'S statistics can be addressed later if they arise.

IV. DATE 4-9-80

PREPARED BY James Souby
 AGENCY Labor
 PHONE 465-2720

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

1. REQUEST
 Bill/Resolution No. H. B. 580 and S. B. 348
 Title An Act Establishing Unorganized Boroughs...and Authorizing Adoption of Home Rule
 Requested by Community & Regional Affairs Committee Date 1-21-80 Charters

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance

(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	0	154.8	167.2	180.6	125.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	.0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	226.6	233.4	247.1

FUNDING (Thousands of Dollars)

GENERAL FUND	8.8	287.2	238.7	226.6	233.4	247.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

The high travel cost during FY 81 reflects the need to administer both of the main

IV. DATE 1-21-80 PREPARED BY Doug Griffin
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4736

activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

The Local Boundary Commission's involvement in the incorporation of home rule boroughs under Section 4 of this bill is not budgeted for in this fiscal note. The annual appropriation received by the LBC to perform its constitutional and statutory duties may be adequate to cover the expenses incurred due to passage of this bill. If these expenses cannot be met by the LBC's annual appropriation there should be adequate lead time to secure additional funding so that the Commission may adequately participate in the borough incorporation process.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580 (revised fiscal note)
 Title An Act establishing reorganized boroughs
 Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE March 17, 1980

PREPARED BY Joseph K. Donohue

AGENCY Department of Revenue

PHONE 465-2300

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

February 26, 1980

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

Dear Mr. Parker:

Re: House Bill No. 580

House Bill No. 580, an Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs, was introduced in the House on January 21, 1980 and was referred to the House Community and Regional Affairs Committee.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Denna Cline, Special Assistant, 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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580

Title An Act establishing unorganized boroughs

Requested by Rules - Request of Legislative Council

Date 2/20/80

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		(25.05)	(23.85)	(22.86)	(21.98)	(20.87)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

It may be anticipated that the residents of an unorganized borough established under this bill will apply for the incorporation of a home rule borough, especially if they are so located that they would encompass the Trans-Alaska Pipeline corridor. In this case the borough would be able to impose a substantial property tax on property assessed and taxable by the state under AS 43.56. Municipal taxes levied on this type of property are a direct credit against state taxes. It is estimated that the FY 81 loss to state revenues could potentially be \$25.05 million. This analysis does not include the possible effects of a gasline startup in the early 1980's.

There are no administrative costs associated with the proposed bill for the Department of Revenue.

IV. DATE 2/20/80

PREPARED BY David L. Chie
AGENCY Revenue
PHONE 465-2301

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

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811

February 5, 1980

Marjorie Gorsuch
Administrative Assistant
Community & Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99802

Dear Ms. Gorsuch:

Please find attached a position paper and a fiscal note which support testimony that was presented by John Post, Chief of Research and Analysis, Department of Labor, on Monday, February 4, 1980.

Thank you for the opportunity to present testimony. If you have any further questions, please contact me at 465-2700.

Sincerely,



Judy G. DuBois
Legislative Liaison

Attachments

Bill No. HB 580 (SB 348)

Date February 4, 1980

Title An Act Establishing Unorganized Boroughs...

Contact: Judy DuBois
John Post

The Department of Labor finds no fault with the purpose of this bill. Section 2 provides for the establishment of unorganized boroughs within the geographical boundaries of the rural educational attendance areas (REAs) and the adjustment of their boundaries. The bill also requires the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies. (Section 3). Included is a section that authorizes the adoption of home rule charters by unorganized boroughs. (Section 4).

Currently all areas of the state not part of an organized borough are classified as a single unorganized borough. Essentially this bill allows for the subdivision of this single unorganized borough into several unorganized boroughs with the option of becoming incorporated home rule boroughs.

The area of immediate interest to the Department is Section 3, which amends AS 44.17. When combined with the Provisions of Section 2 where the Commissioner of C&RA may establish/adjust the boundaries of unorganized boroughs, the bill has the potential of disrupting critical data collection and analysis. This is not only a matter of potential file revision and duplication at great cost, but also a matter of potential invalidation of or rendering useless time series of data which are key elements in any serious evaluation or planning effort. The bill, if adopted would have serious implications for the Department.

The Department of Labor (Research & Analysis) collects and disseminates data in a geographical format based on census divisions. The boundaries for the census divisions evolved from election district boundaries and the boundaries of organized boroughs. The census areas have been reclassified for the 1980 census in a plan that treats the unorganized borough similar to that described in this bill. Each organized borough in the state will coincide with a census area while the remaining sections of the state are divided into areas and subareas based on Native corporation boundaries and REAs. This plan was adopted by the Governor's Committee on the census in conjunction with the U.S. Census Bureau. The census area concept geographically divides the state into 23 major areas and 24 subareas. Certain data collected by the Department of Labor which is required and funded by federal agencies must be transmitted to those agencies in the census area format, i.e., ES-202 employment and earnings employer reports, labor force estimates, population figures, and others. The impact of this bill on the department would be substantial. Adoption of a new geographical classification scheme would alter the census area agreement between the Governor's Census Committee and the U.S. Census Bureau. It would be necessary to convert the geographical coding of 10,000 employer files, 50,000 UI claimant files and upwards of 60,000 job applicant files.

At a minimum, an amendment to Section 2 emphasizing correlation of boundaries with the latest Census areas and subareas (or divisions), is essential to good planning and administration over time; or an amendment to Section 3 allowing census area or subarea information (aggregated to approximate unorganized/organized boroughs) to be sufficient for reporting requirements.

POSITION PAPER/Department of Labor

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580 (SB 348)

Title An Act Establishing Unorganized Borough

Requested by Rules Committee (by Legislative Counsel)

Date 2/5/80

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services

(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	-0-	81.6	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	2.3	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	36.0	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	1.0	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	.9	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	122.5	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	122.5	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	2	-0-	-0-	-0-	-0-
PART TIME	-0-	3	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

1. Assumes an effective date of July 1, 1980.
2. Personal Services at current salary schedule (1/79).
3. One time cost, federal funding is not anticipated.
4. This estimate is for the initial boundary changes only.
Subsequent changes have not been estimated

IV. DATE 2/6/80

PREPARED BY Jim Souby

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE
 HB 580 (SB348)

	<u>Employment Security</u>		<u>Administrative Services</u>		<u>Total</u>
	<u>1 of 4</u>	<u>2 of 4</u>	<u>3 of 4</u>	<u>4 of 4</u>	
100	38,994	25,386	9,946	7,295	81,621
200	790	639	600	300	2,329
300	2,750	7,000	6,800	13,400	35,950
400	310	250	300	100	960
500	375	300	-0-	-0-	675
Other (ASHA)			600	300	900
	49,219	33,575	18,246	21,395	122,435

Totals: Employment Security 82.8
 Administrative Services 39.7
122.5

1	POSITION TITLE Systems Analyst II			RANGE/STEP 20A	BARG. UNIT. GGU	LOCATION Juneau	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 15	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:		
	1	2	3					
4	PERSONAL SERVICES:					Pers. Serv. current Salary schedule 1/79.		
	SALARY	2532 p/m	30,384			NPS: Cost p.p. as in 1981 Detail' Budget		
5	BENEFITS	.1542	4,685					
6	FICA	.0665	2,020					
7	HEALTH INS.	127 x 15	1,905					
8	TOTAL PERSONAL SERVICES			38,994				
9	TRAVEL		790					
10	CONTRACTUAL		8,750					
11	COMMODITIES		310					
12	EQUIPMENT		375					
13	OTHER							
14	TOTAL COST			49,219				
	CODE	FUNDING SOURCE						
15		FED RCPTS. 1002						
16		GF MATCH. 1003						
17		GEN. FUND 1004		49,219				
18		I-A RCPTS. 1005						
19		PGM RCPTS 1028						
20		OTHER						
21	CONTINUATION							
22	ADDITION	XXXX	FOR B&M USE ONLY					
6A KEY NUMBER				COLUMN NO.				

	'81	This form 1.1/4p.
Travel	639	790
Contr.	7,000	8,750
Com.	250	310
Equip.	300	375

This position will design a cross match coding system, data files and report changes to produce area statistics under provisions of AS 44.17.100. The majority of Department reports are automated. Cross coding will be required for upwards of 120,000 files.

AGENCY Labor PROGRAM AREA Employment Stabilization
 BRU E.S.D.
 COMPONENT Data Processing Applications

13 REQUEST FOR NEW POSITION.

FY 81

1	POSITION TITLE Employment Security Specialist I			RANGE/STEP 14A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DISAP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:			
	1		2	'81	3	Pers. Serv. current salary schedule 1/79.			
4	PERSONAL SERVICES:					NPS: Cost p.p. as in FY '81 Detail Budget			
4	SALARY	1,629			19,548				
5	BENEFITS	1542			3,014				
6	FICA	.0665			1,300				
7	HEALTH INS.	127 x 12			1,524				
8	TOTAL PERSONAL SERVICES				25,386				
9	TRAVEL				639				
10	CONTRACTUAL				7,000				
11	COMMODITIES				250				
12	EQUIPMENT				300				
13	OTHER								
14	TOTAL COST				33,575				
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND				33,575			
18		I-A RCPTS.							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION			FOR B&M USE ONLY					
22	ADDITION								
	4A KEY NUMBER				COLUMN NO.				

This position will make manual changes of 20% of all applicant files creating approximately 17,000 computer transactions to adjust the area codes for those clients for which the computer can not automatically generate new area codes.

AGENCY Labor PROGRAM AREA Employment Stabilizaiton
 BRU Employment Security
 COMPONENT Employment Service

13 REQUEST FOR NEW POSITION.

FY 81

1	POSITION TITLE Statistical Clerk III			RANGE/STEP 10A	BARG. UNIT.	LOCATION Juneau	APPROV.	DISAP.
2	TYPE OF POSITION PFT	STAFF MONTHS 6	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	GOV	LEG.

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	1,254 p/m	7,524
5	BENEFITS	.1542	1.160
6	FICA	.0665	500
7	HEALTH INS.	127 x 6	762
8	TOTAL PERSONAL SERVICES		9,946
9	TRAVEL		600
10	CONTRACTUAL		6,800
11	COMMODITIES		300
12	EQUIPMENT		-0-
13	OTHER		600
14	TOTAL COST		18,246

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1012	
16		GF MATCH. 1003	
17		GEN. FUND 1004	18,246
18		I-A RCPTS. 1005	
19		PGM RCPTS 1018	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Services: Salary Schedule eff. 3/78.

Non. Pers. Serv:

Based on NPS cost per position in the research contract FY '81 Budget.

	<u>Cost P.P.</u>	<u>This Form 1/2</u>
Travel	1.2	.6
Contr.	13.7	6.8
Comm.	.5	.3
Equip	---	--
Lands. Bldg.	1.2	.6
	<u>16.6</u>	<u>8.3</u>

The individual would assist in developing the detailed coding systems. Using detailed maps and lists of communities and other name places, the individual would insure accurate coding within the overall boundary scheme. Would enter data through an interactive computer terminal for those data series on the University of Alaska and consultant computers. Would give technical support to various statistic 1 programs such as employment, unemployment, occupational information and population, in implementing the coding revisions.

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU Administrative Services

COMPONENT Research Contracts

FY 81

13 REQUEST FOR NEW POSITION.

1	POSITION TITLE Labor Economist II			RANGE/STEP 16A	BARG. UNIT. GGU	LOCATION	GOV	APPROV	DISAPP																														
2	TYPE OF POSITION PFT	STAFF MONTHS 3	RF No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG																															
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:																																	
	1	2	3	Pers. Services: Salary Schedule effective 3/78.																																			
4	PERSONAL SERVICES:			NPS: See Page 1 of																																			
						<table border="0"> <tr> <td></td> <td><u>Cost p/p</u></td> <td><u>This Form 1/4</u></td> <td colspan="2"></td> </tr> <tr> <td>Travel</td> <td>1.2</td> <td>.3</td> <td colspan="2"></td> </tr> <tr> <td>Contr.</td> <td>13.7</td> <td>3.4</td> <td colspan="2">+ \$10,000 D.P. Cost</td> </tr> <tr> <td>Comm.</td> <td>.5</td> <td>.1</td> <td colspan="2"></td> </tr> <tr> <td>Lands</td> <td><u>1.2</u></td> <td><u>.3</u></td> <td colspan="2"></td> </tr> <tr> <td></td> <td><u>16.6</u></td> <td><u>4.1</u></td> <td colspan="2"></td> </tr> </table>					<u>Cost p/p</u>	<u>This Form 1/4</u>			Travel	1.2	.3			Contr.	13.7	3.4	+ \$10,000 D.P. Cost		Comm.	.5	.1			Lands	<u>1.2</u>	<u>.3</u>				<u>16.6</u>	<u>4.1</u>		
	<u>Cost p/p</u>	<u>This Form 1/4</u>																																					
Travel	1.2	.3																																					
Contr.	13.7	3.4	+ \$10,000 D.P. Cost																																				
Comm.	.5	.1																																					
Lands	<u>1.2</u>	<u>.3</u>																																					
	<u>16.6</u>	<u>4.1</u>																																					
4	SALARY	1,888		5,664																																			
5	BENEFITS	.1542		873																																			
6	FICA	.0665		377																																			
7	HEALTH INS.	127 p/m		381																																			
8	TOTAL PERSONAL SERVICES			7,295																																			
9	TRAVEL			300																																			
10	CONTRACTUAL			13,400																																			
11	COMMODITIES			100																																			
12	EQUIPMENT			-0-																																			
13	OTHER			300																																			
14	TOTAL COST			21,395																																			
	CODE	FUNDING SOURCE			The individual would be responsible for designing and developing a coding system to accommodate the expected boundary changes. Would locate places and boundaries on maps, determine program and projects affected, evaluate various coding schemes and gain comments from affected divisions and sections within the Department of Labor. Would present alternate approaches to management for their review and decision. Would prepare a detailed data processing work request to define and justify project. Would participate in quality data processing reviews through final installation of the coding system. Would prepare a publication defining approved coding scheme.																																		
15		FED RCPTS. 1002																																					
16		GF MATCH. 1003																																					
17		GEN. FUND 1004		21,395																																			
18		I-A RCPTS. 1005																																					
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20		OTHER																																					
21	CONTINUATION																																						
22	ADDITION	XXXX			FOR B&M USE ONLY																																		
4A KEY NUMBER				COLUMN NO.																																			

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU Administrative Services

COMPONENT Research Contracts

13 REQUEST FOR NEW POSITION.

FY 81

Page 4 of 4

REVISED DATE _____

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580/CSSB-348

Title An Act Establishing Unorganized Boroughs...regional plans...home rule charters

Requested by Community and Regional Affairs Committee Date 4-21-80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(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	0	154.8	167.2	180.6	195.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	241.2	254.8	269.4

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	8.8	287.2	238.7	241.2	254.8	269.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session, the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

IV. DATE 4-21-80

PREPARED BY Doug Griffin

AGENCY Community and Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CSHB 580/CSHB 348 (continued)

The high travel cost during FY 81 reflects the need to administer both of the main activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

There will be no fiscal impact in Sec. 4 of this bill until there is an appropriation (CSHB 886) for regional plans. The Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

Personnel		42,156
Local Government Specialist IV (Range 19)		32,934
Benefits @ 28% base pay		9,222
Travel 10 trips @ 600		6,000
Contractural		2,700
Communications	1,000	
Printing and Advertising	200	
Office Space 100 Sq. ft. @ 1.25 x 12	1,500	
Commodities		300
Equipment (one time only)		700
	TOTAL	<u>51,856</u>

CORRESPONDENCE



Ahtna, Inc.

HERBERT SMELCER
LAND MANAGER
PRESIDENT AHTNA
MINERALS COMPANY

HOME PHONE 822-3424 OR 274-1358
TEL: (907) 822-3476 OR 822-3486
DRAWER G
COPPER CENTER, AK 99573

Summarization of:

Need for a Regional Planning Model
The AHTNA Region

INTRODUCTION:

As Exhibit A (Need for a Regional Planning Model) aptly demonstrates there is an urgent need for a mechanism to coordinate and integrate developmental plans, and service delivery by federal and state agencies within the AHTNA Region.

There is presently no such mechanism to coordinate inter-agency services, or the great variety of developmental schemes which are involved within, or directly and significantly impact the Region.

Some of the major forces which will impact the Region result from ANCSA d-2 stipulations, national park plans for the McKinley-Wrangell reserves, Northwest Gasline construction, state and Native land conveyances, Susitna-Salmon Gulch hydroelectric projects, mineral, oil and gas exploration/production. Additionally, the emergence of Valdez as a deepwater port of entry to interior Alaska can be anticipated to have highly significant socio-political, and economic impacts on the AHTNA Region.

It is evident that these forces involve federal, state, local and private interests, which at this time act upon the Region in their own interests absent any mechanism for coordination and integration. The immediate remedy must therefore be the urgent and timely establishments of such a mechanism.

The Regional Planning Model (Exhibit A) provides the basis for the establishment of an effective coordinating and integrating mechanism. *will send you a copy*

OBJECTIVES OF THE MODEL;

The central objectives to be realized through model formulation are as follows:

- 1) To provide a mechanism of implementation that will guide and direct the drafting of a regional cooperative planning organization for the area, and develop guidelines for future permanent government structure.
- 2) The implementation of such an organization will allow for the development and management of integrated programs, services, facilities in community development, economic growth, infrastructure and land use planning. Special attention and reference are given to social, physical, and economic issues influencing the Region. Particular emphasis will be given to the development and implementation of appropriate projects, and in the preparation of proposals for grant applications.
- 3) Planned and coordinated management of the region's resources is intended to approach maximum utilization/enjoyment of the resources for those who reside within, as well as those who visit the area.

- 4) Because citizen participation and inter-agency coordination are the essential elements that will determine the success of this innovative planning model, citizen input will be maximized during the project development.

PROGRAM PROCEDURAL FORMAT:

Upon sufficient funding, endorsement and conceptual initiation of the program, the following outlines the intended course of action, approximately one year's time:

1. Organize board of directors and/or coordinating committee.
2. Establish staff personnel for administrative organization.
3. Contact all interested/participating persons and agencies for initial introduction, review and opinion.
4. Formulate preliminary model and structural organization with state and federal agencies participation.
5. Develop and hold information workshops on local coordination and self determination. These workshops will be held in the AHTNA Region.
6. Revise and review process as needed.
7. Maintain channels of advice and opinion with state legislators and agencies.
8. Formulate mode of implementation system design for primary model alternates.
9. Provide preliminary cost analyses of necessary operational and related support facilities as required.
10. Establish communication methodology for dissemination of priority recommendations and support data to all vested parties and concerned agencies.
11. Obtain conceptual endorsement and support for model and program format, submit to proper governmental agencies for review and endorsement. Review and revise as necessary.
12. Upon endorsement and acceptance of program, organize preliminary plans for initiation of established implementation stage.
13. Begin implementation stage.

GENERAL PROCESS OF PROGRAM EVALUATION:

1. Maintain periodic citizen and agency workshops as required.
2. Establish internal review process for program consistency.
3. Review and audit program efficiency.

PRELIMINARY BUDGETARY CONSIDERATIONS:

The following estimates are anticipated expenses for program development and organization during the initial stage (estimated one year duration):

Office equipment, supplies, printing and space rental

Equipment, supplies, printing	\$ 10,000
Rental of office @ \$500/mo.	6,000

Administrative Costs

Staff	50,000
Support consultant fees (as required)	15,000
Travel and coordinating expenses (village people, others)	10,000
Miscellaneous and contingency costs	<u>9,000</u>

Aggregate Funding Required	\$100,000
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Public Hearing
 HB 580 - 586
 3/19/80 7:30 P.M.
 Meeting with Rural Cap Citizens' Participation Conference

Name

Address

Director
 Participants
 RESOURCES

Chris G...	Tarana Corp. Conference Inc.
William C. "Spud" Williams	1st - Hall Street Fair, AK 99701
Patricia McAster	Pouch B - Juneau, AK
D. POPE	912 ul. 6 th , Anchorage
Norman H. Cohen	Rural CAP
Patricia Petrucci	" "
Charles Hubbard	3305 Rossella - Anch, AK 99504 (COPPER RIVER NATIVE ASSOC.)
Charles Mueller	PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)
DAVE WAKEFIELD	Box 276, Port Lions, AK 99550 (KANNA)
Robin Bean	Unite. Crow Band P.O. Box 121 Tok, Alaska 99780
J. Alfino	F.4. Log. Chair person Boxes FYU 99740
Jeff Smith	Mareluk, Inc
Bob Lohr	Rural CAP 327 Eagle, Anch 99501

LISA RUDD
2827 LORE ROAD
ANCHORAGE, ALASKA 99507

February 7, 1980

Dear Akliss,

I enjoyed testifying yesterday and hope that some of my comments were useful to you. I'm sure some of them were redundant.

In follow up on my question as to whether there are, or you contemplate, any statutorily required functions of a home rule borough, I'm afraid the citation you gave me - 29.33.010(b) - does not go to my question. Let me try again:

The present practice is for boroughs or cities only to go for home rule after having already established and maintained a fairly sophisticated form of local government, those forms having been required under statute to carry out certain functions. The presumption is that those functions would continue under home rule. However, I do not think there are any particular functions statutorily required of home rule governments. That means, I think, that an unorganized borough seeking home rule status could, if it wished, perform only the function of, say, fire protection in a service area, and still be a home rule government. In other words, it would be very much like the third class boroughs you seek to eliminate.

Perhaps (quite likely, in fact) I am missing something in the present law. Or perhaps the result I outlined above is exactly the result you want. I don't see too much wrong with it, in fact. But I was just wondering if you had thought about it.

Love to see the Senate debating!
As you say, regards to a goodwoman!

LJR

Lydia Seltray 3/18/80

Project '80 Ben Isenstines

Public input & "selection" projects. No S involved.

S' zoning Committee hasn't reviewed.
Mental Health needed.

Need educational program for natives

Need for a Regional Planning Model
The AHTNA Region
Dr. L. Selkregg - February 1980

INTRODUCTION:

A catalyst is needed to integrate and coordinate developmental plans emerging within the AHTNA-Copper River Region.

The concern for local autonomy and regional coordination of these plans encouraged the AHTNA Regional Corporation and Copper River Native Association to further investigate feasible alternate mechanisms that will provide for orderly and planned implementation.

Therefore, upon their commission, an inventory analysis of existing and impending institutional, economic and social issues that will influence the future of the region was developed. Additional data gaps and informational deficiencies were identified as they related to the pertinent issues.

Consolidation of questions, facts and recommendations is the central format of the text "Need for a Regional Planning Model - The AHTNA Region" by Dr. L. Selkregg, 2-1980.

The absence of any such regional government (Exh. A) along with the enormity of impending developmental issues within the Unorganized Borough, indicate the degree of urgency for current action.

CENTRAL ISSUE:

There is presently no existing organizational mechanism to coordinate inter-agency services and development schemes that are involved within the region.

The number of agencies and entities concerned are as diverse as those central institutions that spawned them. Federal, state, local and private interests are represented in a myriad of departments and commissions.

Major forces of impending change are evidenced in ANCSA d-2 stipulations, national park plans for McKinley-Wrangell reserves, Northwest Gasline construction, state and Native land conveyances, Susitna-Salmon Gulch hydroelectric projects, mineral, oil and gas exploration/production in conjunction with the emergence of Valdez as a deepwater port of entry to Interior Alaska are a few of the primary and significant projects that will have an impact on the area.

The absence of any such coordinating mechanism, in view of the potential regional projects and diverse institutional/private interests within the region, suggests the need to act now.

The Regional Planning Model text provides preliminary information and structural analysis that can lead to a feasible solution.

OBJECTIVES OF MODEL:

The central objectives intended to be realized through model formulation are as follows:

- 1) To provide a mechanism of implementation that will guide and direct the drafting of a regional cooperative planning organization for the area, and develop guidelines for future permanent government structure.
- 2) The implementation of such an organization will allow for the development and management of integrated programs, services, facilities in community development, economic growth, infrastructure and land use planning. Special attention and reference are applied to the social, physical and economic issues pertaining to the people of the region. These are the people for whom the model is developed.
- 3) Planned and coordinated management of the region's resources is intended to approach maximum utilization/enjoyment of the resources for those who reside within, as well as those who visit the area.

Citizen participation and inter-agency coordination are the essential elements that will determine the success of this innovative planning model.

PROGRAM PROCEDURAL FORMAT:

Upon sufficient funding, endorsement and conceptual initiation of the program, the following outlines the intended course of action, approximately one year's time:

1. Organize board of directors and/or coordinating committee.
2. Establish staff personnel for administrative organization (approximately three individuals of expertise with consultant support upon need).
3. Contact all interested/participating persons and agencies for initial introduction, review and opinion.
4. Formulate preliminary model and structural organization with state and federal agencies participation.
5. Develop and hold information workshops on local coordination and self determination.
6. Revise and review process as needed.
7. Maintain channels of advice and opinion with state legislators and agencies.
8. Formulate mode of implementation system design for primary model alternates.

9. Provide preliminary cost analysis of necessary operational and related support facilities as required.
10. Establish communication methodology for dissemination of priority recommendations and support data to all vested parties and concerned agencies.
11. Obtain conceptual endorsement and support for model and program format, submit to proper governmental agencies for review and endorsement. Review and revise as necessary.
12. Upon endorsement and acceptance of program, organize preliminary plans for initiation of established implementation stage.
13. Begin implementation stage.

GENERAL PROCESS OF PROGRAM EVALUATION:

1. Maintain periodic citizen and agency workshops as required.
2. Establish internal review process for program consistency.
3. Review and audit program efficiency.

PRELIMINARY BUDGETARY CONSIDERATIONS:

The following estimates are anticipated expenses for program development and organization during the initial stage (estimated one year duration):

Office equipment, supplies, printing and space rental

Equipment, supplies, printing	\$ 10,000
Rental of office @ \$500/mo.	6,000

Administrative Costs

Staff @ 3 qualified individuals	50,000
Support consultant fees (as required)	15,000
Travel and coordinating expenses	10,000
Miscellaneous and contingency costs	<u>9,000</u>

Aggregate Funding Required	\$100,000
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TESTIMONY

MEMORANDUM


State of Alaska

TO: John Halterman, Deputy Director
Division of Policy Development
& Planning
Office of the Governor

DATE: February 21, 1980

FILE NO: 100H

TELEPHONE NO: 465-3900

FROM:  Ronald, Deputy Commissioner
Administration
Department of Transportation
& Public Facilities

SUBJECT: HB 580 - State Program Line to
Follow Standardized Boundaries

The impact of HB 580 upon Department of Transportation & Public Facilities (DOT/PF) for planning and management cannot be adequately assessed without a clearer idea of what is envisioned by the bill. However, a simplified reading of AS 44.17.110 would indicate that all statistics, planning, and information (including financial) would need to be on the basis of districts designated by AS 44.17.100. This would be a considerable shift from the alignments now used. While not impossible, it would be very time consuming and, in my view, counter productive until a clear picture of the benefits expected are outlined.

I would suggest that instead of passage of this bill, which mandates all information along these predetermined lines, funding be made available to one central group to identify the results desired, their benefits, and the costs associated with providing the information. If the bill were passed as it now stands, it would have a financial impact on DOT/PF because it would be necessary for us to revise our financial reporting and planning data processing systems to track the information by the new districts. We would also need to prepare our transportation plans in much finer detail, which would increase their cost.

In summary, I believe that there would be merit in a system which allowed extraction of statistical and program information in a manner which would make it compatible. I am not sure this bill has the best approach. If a central geographic coding were agreed to and sufficient data processing support provided, agencies could supply raw data by location, which is more specific than by district. Then when it would be beneficial to do planning on a district basis, it could be done, or if it were more reasonable to do the planning on a larger basis without reference to district, that could also be done.

RECEIVED

FEB 22 1980

POLICY DEVELOPMENT
& PLANNING

EDWARD HOFFMAN'S STATEMENT ON PROPOSED LEGISLATION ON

THE UN-ORGANIZED BOROUGH

THIS STATEMENT I MUST MAKE CLEAR IS NOT ONLY MADE AS
CHAIRMAN OF THE BOARD OF THE ASSOCIATION OF VILLAGE

COUNCIL PRESIDENTS, BUT IT REFLECTS THE VIEWS OF
OTHER CONCERNED CITIZENS AND ORGANIZATIONS WHO HAVE
SPENT CONSIDERABLE HOURS IN ANALYZING THESE BILLS.

FIRST, THOSE OF US IN THIS REGION WOULD LIKE TO IMPRESS
ON THE LEGISLATURE SEVERAL POINTS:

1. WE CONSIDER THE ISSUES RAISED BY SENATE BILL 348
TO SENATE BILL 354 TO BE OF PARAMOUNT IMPORTANCE
TO OURSELVES AND OUR CHILDREN AND WE CONSIDER THIS
QUESTION OF GOVERNMENT TO BE THE SINGLE MOST IMPORTANT
ISSUE WE WILL BE ADDRESSING IN THE 1980'S.
2. WE ARE DETERMINED TO RESOLVE THIS ISSUE BY 1983. IF
THE OPPORTUNITY IS GIVEN TO US.
3. THE BILLS BEING PROPOSED ARE AN EXCELLENT STARTING
POINT BUT PREMATURE IN THAT NO SERIOUS STUDIES HAVE
BEEN MADE BY THE PEOPLE OF THIS REGION ON THE ISSUE
THEREBY MAKING ACCEPTANCE OR REJECTION OF THE
CONCEPTS PROPOSED IMPOSSIBLE.

AFTER CURSORY ANALYSIS OF THE PROPOSED BILLS, THESE ARE OUR VIEWS
ON EACH:

1. SENATE BILL 348 IS NOT AN ANSWER TO LOCAL GOVERNMENT
IN RURAL ALASKA AS IT SIMPLY CUTS THE EXISTING UN-
ORGANIZED BOROUGH INTO ADMINISTRATIVE UNITS WITHOUT
PROVIDING FOR LEGISLATIVE AND ENFORCEMENT POWERS BY
RURAL ALASKANS. IN ESSENCE THIS BILL WOULD MERELY
EXTEND THE GOVERNOR'S PLANNING POWERS TO THE LOCAL
LEVEL, WHICH IS IN ITSELF A GOOD IDEA, BUT DOES NOT
REQUIRE HARD AND FAST BOUNDARIES AS PROPOSED. THIS
BILL MERELY FORMALIZES THE "ADVISOR" ROLE RURAL ALASKANS
HAVE BEEN PLAYING FOR OVER 20 YEARS. WE FIND HOWEVER
THAT THE CONCEPT ALLOWING FOR AN UNORGANIZED BOROUGH
TO INCORPORATE INTO A HOME RULE BOROUGH A GOOD ONE AND
ARE SUPPORTIVE OF THE CONCEPT. WE FEEL STRONGLY HOW-
EVER THIS LEGISLATION IS PREMATURE AS IT IS NOT BASED
ON FACTS VERIFIABLE BY EXPERIENCE OR SERIOUS STUDY,
AND AS SUCH SHOULD NOT BE PASSED BY THE LEGISLATURE.

2. SENATE BILL 349 HAS IN IT CERTAIN DESIRABLE ELEMENTS IF WE COULD STAY AWAY FROM SENATE BILL 348 AND THE BOUNDARIES IT PURPORTS TO CREATE. THIS BILL WOULD BE ACCEPTABLE IF THE PRINCIPLE OF LOCAL SELF-DETERMINATION IS RESPECTED AND IT WILL NOT BE IF A CONTRACTOR WERE HIRED BY THE COMMISSIONER AND RESPONSIBLE TO HIM TO DETERMINE THE ISSUE WITHOUT THE ACTUAL INVOLVEMENT OF THE LOCAL ELECTORATE. WHAT WE FIND DESIRABLE HOWEVER IS THE LEGISLATURE APPROPRIATING FUNDS TO REGIONAL ORGANIZATION FOR PURPOSES OF STUDY AND PLANNING, BUT SB 349 IS NOT ACCEPTABLE AS PRESENTLY DRAFTED AS IT GIVES TO A CONTRACTOR DECISIONS THAT ARE, AND MUST BE, RESERVED FOR THE LOCAL PEOPLE.
3. SB 350 GIVES TO THE GOVERNOR DECISIONS WHICH SHOULD BE MADE BY THE ELECTORATE AND RECIPIENTS OF STATE SERVICES. THE GOVERNOR CANNOT EVALUATE HIS OWN PERFORMANCE. WE RECOMMEND NO PASSAGE.
4. SB 351 IS ACCEPTABLE AND DESIRABLE AS THE AID PROPOSED IS NEEDED BY RURAL MUNICIPAL GOVERNMENT.
5. SB 352 IS AN EXCELLENT HOUSEKEEPING TOOL FOR THE LEGISLATURE AS LONG AS IT DOES NOT ELEVATE MONETARY CONSIDERATIONS ABOVE HUMAN NEEDS AND AS LONG AS THE LEGISLATURE DOES NOT ALLOW MONEY TO FOREGO ITS CONSTITUTIONAL RESPONSIBILITIES.
6. SB 353 IS AN ACCEPTABLE BILL AS LONG AS IT INCLUDES SECOND CLASS CITIES.
7. SB 354 IS ACCEPTABLE.

IN CLOSING, THOSE OF US IN THIS REGION WOULD LIKE TO REITERATE TO THE MEMBERS OF THE COMMITTEE THAT THE BILLS DEALING WITH THE UNORGANIZED BOROUGH ARE ALL PREMATURE AS WE ALL, INCLUDING THE LEGISLATURE, DO NOT KNOW WHAT WE ARE TALKING ABOUT. WE ALL HAVE NO BASIS TO SUPPORT THESE BILLS AS WE HAVE NOT DETERMINED FOR OURSELVES AS VOTERS AND RESIDENTS OF THIS AREA OF 56 VILLAGES, AS TO WHAT IT IS WE WOULD LIKE TO DO BECAUSE WE HAVE NOT STUDIED THE ISSUE, NOR HAVE WE CONSULTED WITH OUR VILLAGES. WE ALSO CANNOT RULE OUT INCORPORATING INTO MUNICIPAL GOVERNMENTS UNDER EXISTING LAWS SIMPLY BECAUSE WE HAVE NOT SERIOUSLY STUDIED THE ISSUE.

WE FEEL THAT UNTIL WE HAVE STUDIED THIS ISSUE THAT THE STATE
LEGISLATURE SHOULD NOT PRE-EMPT OUR RIGHTS TO SELF-DETERMINATION,
THE VERY REASON WHY WE HAVE LOCAL GOVERNMENTS. WHAT WE WOULD
LIKE THE LEGISLATURE TO DO IS TO PROVIDE FUNDS FOR US TO
STUDY OUR OPTIONS AND PROVIDING AN EFFECTIVE DATE AS TO OUR
DECISION. WE SHOULD AT LEAST BE GIVEN THIS OPPORTUNITY. AT
PRESENT WE ALL DO NOT KNOW WHAT WE ARE TALKING ABOUT, AND
FOR WE AND THE LEGISLATURE TO MAKE DECISIONS AT THIS TIME
WOULD BE IRRESPONSIBLE. WE ALSO HAVE A RESPONSIBILITY TO
OUR VILLAGE PEOPLE WHO TODAY DO NOT EVEN KNOW WHAT WE ARE
TALKING ABOUT. GIVE US MONEY TO INFORM THEM OF THEIR OPTIONS
AND THIS ARGUMENT WILL NO LONGER HOLD WATER. THEN AND ONLY
THEN CAN WE MAKE OUR DECISION, AND WE WILL.

Bill No. HB 580 (SB 349)

Date February 4, 1980

Title An Act Establishing Unorganized Boroughs...

Contact: Judy DuBois
John Post

The Department of Labor finds no fault with the purpose of this bill. Section 2 provides for the establishment of unorganized boroughs within the geographical boundaries of the rural educational attendance areas (REAs) and the adjustment of their boundaries. The bill also requires the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies. (Section 3). Included is a section that authorizes the adoption of home rule charters by unorganized boroughs. (Section 4).

Currently all areas of the state not part of an organized borough are classified as a single unorganized borough. Essentially this bill allows for the subdivision of this single unorganized borough into several unorganized boroughs with the option of becoming incorporated home rule boroughs.

The area of immediate interest to the Department is Section 3, which amends AS 44.17. When combined with the Provisions of Section 2 where the Commissioner of C&RA may establish/adjust the boundaries of unorganized boroughs, the bill has the potential of disrupting critical data collection and analysis. This is not only a matter of potential file revision and duplication at great cost, but also a matter of potential invalidation of or rendering useless time series of data which are key elements in any serious evaluation or planning effort. The bill, if adopted would have serious implications for the Department.

The Department of Labor (Research & Analysis) collects and disseminates data in a geographical format based on census divisions. The boundaries for the census divisions evolved from election district boundaries and the boundaries of organized boroughs. The census areas have been reclassified for the 1980 census in a plan that treats the unorganized borough similar to that described in this bill. Each organized borough in the state will coincide with a census area while the remaining sections of the state are divided into areas and subareas based on Native corporation boundaries and REAs. This plan was adopted by the Governor's Committee on the census in conjunction with the U.S. Census Bureau. The census area concept geographically divides the state into 23 major areas and 24 subareas. Certain data collected by the Department of Labor which is required and funded by federal agencies must be transmitted to those agencies in the census area format, i.e., ES-202 employment and earnings employer reports, labor force estimates, population figures, and others. The impact of this bill on the department would be substantial. Adoption of a new geographical classification scheme would alter the census area agreement between the Governor's Census Committee and the U.S. Census Bureau. It would be necessary to convert the geographical coding of 10,000 employer files, 50,000 UI claimant files and upwards of 60,000 job applicant files.

At a minimum, an amendment to Section 2 emphasizing correlation of boundaries with the latest Census areas and subareas (or divisions), is essential to good planning and administration over time; or an amendment to Section 3 allowing census area or subarea information (aggregated to approximate unorganized/organized boroughs) to be sufficient for reporting requirements.

POSITION PAPER/Department of Labor

Present: Co-Chairmen Senator Arliss Sturgulewski and Representative Bill Parker
Senator Terry Stimson, Repre. M. Branson, Sen. T. Kelly and Sen. B. Mulcahy

Anchorage/ Sig Strandberg, Local Boundary Commission

I have a few general comments on the House Bills 580-586. The Local Boundary Commission just received these bills through the mail so we haven't had an opportunity to meet and formulate any consensus of opinions, but I'll suggest a few comments that I think will general position of the Boundary Commission and rather than separate my own opinions from those. HB 580 relating to the establishment of organized boroughs. I think this is a bill long overdue and I think the Boundary Commission itself would indicate that point of view. Obviously the purpose seems to be several fold, as to the conforming of the State (budget?) as to the various regions of the State, I think all of us applaud the attempt to try and get a better system as to where the State dollars are going and for what particular purpose. The Local Boundary Commission introduction in to the scheme of things, according to this bill, I think does occur at the proper point, where the unorganized boroughs seem to incorporate as municipalities. I'll look through my notes here real quick. I think I should perhaps limit the Boundary Commission's comments to those I've just given on that particular bill. We, of course, don't have any comments on HB 581, relating to the Division of Policy, Development and Planning, Office of the Governor. My own comment on that is that it certainly does tie in very well with HB 580. HB 582, ^{an act} establishing ^a program for planning assistance, an excellent bill, and I think the Boundary Commission would agree to that. IF there is one thing that we haven't accumulated over the years that we have had our organized boroughs, it's information from areas beyond the Fairbanks, Anchorage, and Southeastern urbanized areas. My own comment accumulating information through planning studies is that if you are ever going to determine the economic viability of an organized local government, in a given rural

(2)

area, I think on a Statewide basis, we ought to move ahead to map (mass?) the unorganized borough areas as to the location of an ownership of parcels of private property. I think that this is the necessary precedent to ... activities that addresses the formation of organized boroughs. That is, the unorganized boroughs established by HB 580. This program ought to be started immediately because it is going to take a long time, once boroughs are formed out in the more rural areas we will know what the tax base is. I think we all realize it is limited. A lot of communities are living hand-to-mouth so to speak, and can't afford a large mill rate, but the purpose is to identify how narrow that tax base is out there so that the State can possibly formulate legislation to help support the purpose of local government in these areas. HB 583, State aid to local governments, \$25,000 adjusted to cost of living differential certainly will come in handy ^{to} for all local governments who are weathering heavy inflation and I think that \$25,000 will be well received. HB 584, an act eliminating 3rd Class Boroughs, looking back over the past decade, I believe we had one 3rd Class Borough that was formed as a result of the 3rd class borough legislation of, I believe, 1968. There have been no other takers. It's a very narrow constitutional form of local government in this State, and I think that its elimination probably is in our best interest in order that we have a system of local government that encourages a planning on a regional basis. I think that the Boundary Commission would share that point of view. HB 585, incorporation of second class boroughs as Home Rule

BT-49 → Boroughs, I have got to think about this one for awhile, and I think the Boundary Commission would like to consider that before making any formal comment. HB 586, an act requiring fiscal notes. This is a piece of legislation that is long overdue as well, and it ties into the fiscal needs of rural areas, where they might want to incorporate as an organized borough. Obviously, within a narrow tax base, if a responsibility is thrust upon them that they cannot fund, we could have some serious problems unless we

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are aware the Executive Branch and the Legislative Branch is aware of ahead of time of the cost implications.

Soldotna, Borough Mayor Don Gilman, Kenai Peninsula Borough

Good afternoon, Madam Chairman. I have the bills of the Senate version of the bills, so I'll be referring to the Senate numbers, and try to keep them in numerical sequence. SB 348, while it does not have much to do with the second class borough, which we are, you know, I would like to make some comments that deal with the service area, or special area concept. Having had some experience in the Kenai, with overlapping and proliferation of service areas, there are some built in preps that people can get into. And Senator, as you know, in the Alaska Coastal Management Act, there are special areas called Coastal Resource Districts, which are now under way and being formed by the vote of the people in those areas, and they are not necessarily, or would they become co-terminus with an REAA as this would indicate here, as one of the potentials? I feel that there should be some way built into SB 348 that Coastal Resource Districts should become a part of this bill, so that we don't end up down on the line someplace with 2 or 3 overlapping districts. If you could have, for instance, a planning area as you have defined here that is not necessarily the same size as an REAA, and you could also have a narrower coastal district, which might end up with 3 overlapping districts with 3 different boards and it will do nothing but complicate the issue. I don't have any specific suggestions of how that's done, but I think it is something that needs to be looked at. Other than that, I would just like to remark that if the unorganized boroughs go along the REAA lines, it is interesting to note that the only difference, and the only ingredient left out between the second class boroughs and these unorganized boroughs is the subject of investment? and collection of taxes. As you know, the 3 powers of the second class boroughs mandated to per-

4
form is education, planning and taxation. That would be all the comments I would have on both SB 348 and 349. Unless there are questions, I would go to areas.

Sen. Sturgulewski.

Mr. Mayor, I would like to make a comment. You raised a very good point regarding, we don't want to create legislation that in turn causes for boundaries that are not co-terminus and one of the things that we have noted and there will be a Committee Substitute on it, the, there is no mechanism for boundary adjustments in the coastal district plan and in the REAA, and so we will be addressing just what you are talking about, because there are some from testimony received apparently some of the REAA's would need perhaps some minor adjustment in boundaries. And the issue has been raised by Senator Mulcahy, and others, so we will be modifying that language to speak to that issue and I do not have a specific answer for you right now, but I do appreciate that.

Mayor Gilman

Thank you. Anything I can do as Chairman of the Coastal Policy Council, please feel free to call on me. Again, not that I have any grand design for how it should work. Next, SB 350, we really have no comment on and we think that's an internal process between the Legislature and the Governor's Office. In SB 351, as we read it, the \$25,000 would be an additional to all cities and boroughs regardless of what the class is, and we thank you for that kind thought and additional money, and we would not be opposed to that at all. We are strongly in favor of SB 352. Not that that concept hasn't been rolling around for some time, this really does strengthen it, and of course both the local municipalities and the Legislature are always concerned about actions which may crop up, or cause problems at the local level and not only problems, but money? problems

5

where there is, certain legislation would pass on to the local government fiscal responsibilities that we really are not aware of, so we are strongly in favor of SB 352. SB 353, I don't think, there will be some time before the Kenai Borough, a second-class borough would be considered ... as a Home Rule municipality, but we are in favor of that, because it just gives us just that many more options in terms of expense and municipal services or expenses? as they are needed. SB 354, elimination of the 3rd class borough, we have no official position on this because there is ... at this point. In fact there is a movement led by one assemblyman to place on the ballot, the question of whether the Kenai Peninsula would become a 3rd Class Borough. For your information, that's primarily viewed with problems that crop up with planning and zoning authorities and the issue of who controls what, between the assembly and the school board. The one factor that seems to be a major consideration in the 3rd class status ^{if it were} to be placed before the voters, is, of course, in question, that the Alaska Division of Lands becomes the planning authority and basically can enact building ordinances in what is now what ~~is~~ called the 3rd class borough, and that of course, people who land in the 2nd class borough don't relish the idea of working with the Division of Lands as a planning authority. And that basically are our comments on these series of bills.

Kotzebue/ Pam Herman from Manuluk

Good afternoon. My name is Pam Herman. I am a planner with the Maneeluk manpower which is the employment and training arm of the Maneeluk Association. I am mostly to offer testimony in support of SB 351, which provides a basic entitlement to 2nd Class city in our region. We have 11 2nd class cities incorporated in this region. Our CETA program has about \$1 million this year and that's about a 50% cut from last years level of \$2 million.. With that ^{Funding} ~~money~~, we operate

(b)

a city administrator, a city clerk employment training program. The reason that we are supporting SB 351, is reaction to pretty much of a crisis situation that exists in the villages right now. The City Administrator-City Clerks of this region are responsible under the direction of their City Council for operating municipal electric utilities, sewer and water facilities, 2 or more public buildings in each village, roads, trails and airport runways. They are responsible for providing 24 hours a day law enforcement, many of the villages have jails, recreation programs and they also have special funding capital projects, like REAA, RDA, Public Health Service. In addition to that, they have CETA funds to manage, and they get funds from .. and sales tax. State Federal revenue sharing money that the villages have been receiving generally go to pay fuel bills to keep the public buildings from freezing up in the winter time and for other basic costs not usually including personnel costs. Almost all of the village employees in this region are, not counting Kotzebue, are funded through CETA, either by Muneekluk Manpower, or from the Division of Community and Regional Affairs in Nome. This is despite the fact that CETA funds are not intended to provide basic support in municipalities. It is very clear in the CETA legislation that is not an appropriate use of the money. A fluctuating funding level with CETA is subject to, or partly designed specifically to preclude dependents on CETA funds for the operation of basic municipal services. About the most that any municipality in this region receives of St-Fed. revenue sharing is about \$12-15,000 a year, and that's for the larger villages, so there is no way they pick up those personnel costs on their revenue sharing We have about 65 employees in the villages, to give you an idea of the number, earning between \$10-\$12,000 a year salaries, which by the way, is just about enough to support someone living a subsistence lifestyle that is, someone who spends a great deal of their time out gathering food. The \$10,000 income in villages is really insufficient to buy their own, because of the cost of living out there. The \$12,000 a year that the City Administrators

Fuel