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receive, pays them for operating municipalities that provide all of these services, with as many as 8 different funding sources. These willing and able, but basically untrained personnel are expected to manage all of these operations and comply with all the various funding requirements of these different agencies, different recording procedures and application procedures. In addition, to that the length of time CETA allows that person to participate in only 18 months, so that by the time someone has finally learned how to do all these things, they are no longer eligible for CETA, and they have to find another City Administrator to take over and start from the ground up again. For this reason, we are strongly in support of any kind of of basic entitlement that would provide the villages with enough of a budget so that they hire trained personnel, or provide their current personnel, with adequate training to do an efficient job of operating a village. I think that most people in the states should realize that the well-being of the entire State of Alaska is very dependent on the well-being of the rural residents. It's when things get bad in the villages, they are going to be reflected in a lot of.. urban areas, a lot social problems that don't have to be the case, if we just have an adequate municipal system set up in the region and bush. For that reason, we are in support of SB 351, although we would like to see a larger amount of money made available; but this is at least a start. Thank you for this opportunity.

Bethel/ Edward Hoffman? Sr.

Here is my statement. My name is Edward Hoffman, Sr.. (See written testimony)

One last question - I don't what you to get the best? of us in our region, that's why we had this statement prepared for you. Or, otherwise, you are doing a good job.

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.

- 2. SENATE BILL 348 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.

EDWARD HOFFMAN'S STATEMENT ON PROPOSED LEGISLATION ON

THE UN-ORGANIZED BOROUGH

THIS STATEMENT I MUST MAKE CLEAR IS NOT ONLY MINE 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 HOWEVER 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.

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Aug 22-25

Fairbanks/ Chris Anderson

My name is Chris Anderson, I am representing Tanana Chiefs Conference and would like to take this opportunity to thank you for the time that you have here, to look over these 6 or 12 bills that are before your Jt. Committee. I have prepared before me right now. I hope to rush through and following this hopefully, if there is time enough for Ray Kent and Williams to expand from the same organization, would like to expand upon the general ideas that I have from the prepared statement. The issues of local government in rural Alaska are complexed. The Jt. Senate=House Community & Regional Affairs Committee has made an admirable attempt to deal with this issue. HB 580-586 and SB 348-354 represent the colination of this groups remarkable effort to solícite the input of rural Alaska residents. We support the basic concepts of this legislation. For example, SB 348, or HB 580, prior State agencies utilized standardized service districts based on the Native regional coordination boundaries. Basic concept is crucial for effective delivery of State services. Often village projects require a high degree of intergrated coordination. When these agencies have different service centers, it is possible to achieve this needed coordination. It is, therefore, quite clear that standardized boundaries are necessary. But mere standarization of boundaries ~~does not~~ agency service district ~~guarantee~~ boundaries does not guarantee that the agency will be more responsive to local desires and needs. In the past we have proposed home rule unorganized boroughs. It is a concept designed to implement the Constitutional mandates that the Legislature "shall provide for the performance of services deemed necessary or advisable in unorganized boroughs, along with maximum local participation or responsibilities." ... possible to create a home rule unorganized borough by adopting home rule charters, creating

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assemblies, the unorganized boroughs, would in effect be organized. This is unacceptable simply because the unorganized boroughs, which are by-passed by pipeline development generally fail to meet borough incorporation standards. This concept seems impossible to fully implement the Constitutional mandate for the local participation in the local government for the unorganized borough. We believe, however, that the Alaska State Constitution can easily solve the problem it creates. Specifically, Art. 10 thru 13 along as the State and the local government ... contacts, or agreements, or joint administration of ... and power. We wish to propose that the bill be amended to explicitly to allow the creation of consortium² of local government on a regional basis within the unorganized borough. The consortium would do 2 things. First, they would provide some coordinated administration of local government by studying costs and sharing staff, the consortium would provide effective local government, or the ... government that exists now cannot operate. Secondly, the consortium that address regional concerns, provide a form for expending^{MISSING} those concerns and advise state agencies on a regional needs and desires. Consortium method would operate through existing local government and ^M increase local action of state agencies. Rather than increase new layers of government, which we observed.... Often local governments and state agencies are not coordinated. Most notably, State land disposal involves State law generally favors local control, or at least local input in the organized areas of the State. The unorganized areas of the State, however, State agencies seem to .. This exists in spite of the constitutional problem of maximize[?] local participation. The proposed bill fails to change the situation in the unorganized borough. We, therefore, move that some mechanism be inserted into the bill to provide for subsequent participation. Three alternatives exist. 1. An administrative restraint may be placed on the agency's action. Specifically, consortiums agree to agency actions and plans within the region. Asking such content basically would have to show in a locally or mutual administrative hearing

that action represented is in the best interest of the State, requires the ...

The second alternative would be a planning restraint on the agency. The consortiums would produce regional plans (for which the agency would comply?) Absent compliants, the agencies must get a waiver from the consortium, or create local neutral hearings. Thirdly, a political mechanism would be established. State law could require issues to have local plans actions approved by the local hearing officer, and he will hear it, to allow consortiums and residents the opportunity to have input, hopefully influence agency action in the area. These proposals would certainly improve local participation to the

45) unorganized borough, but the ultimate goal is maximize local participation for this means borough incorporation. As we noted above, incorporation is not possible for an area that does not meet incorporation standards. This does not mean, however, that the local governments can increase their involvement to service delivery. We, therefore, propose that the bills be amended to eventually allow the consortium to directly contact state services on a regionalized and areawide basis. Prior to this contact, the consortium would be required to undergo a planning process, much like that proposed in HB 582, or SB 350. The plan would have to 1) analysis the feasibility of rural incorporation versus the consortium contacting 2) make recommendations concerning incorporation, or in the alternative 3) assess base service delivery and make recommendations for possible future consortium concept. During the interim period, the proposed base level revenue sharing is 25,000 per community should be authorized. This constitutes state moeny for a consortium, for the borough, for consortium preparing for either the contracting or incorporation; but the consortium contact, under legislative scrutiny would provide an effective alternative for incorporation for those areas which fail to meet incorporation standards. It should be the Legislature's responsibility to recognize the service delivery in the unorganized borough. Finally, it would allow maximum

local participation in such service deliveries, as required by the Constitution. There is no reason why proposed consortiums cannot also involve communities having traditional or reorganized state government. Most of these communities predominantly ... Native communities, and as such the Native government is truly represented. Included in the .. governments additional..... by the local government. Additionally we will provide a mechanism whereby the villages, state directly coordinate and complement their respective programs. Similiarly there is no reason these communities should not participate base level community revenue sharing. The theory of revenue sharing is to ^{de} increase the municipal dependents on local taxation. The central government collects taxes, and redistributes taxes to local government. Individuals living in the unorganized borough communities or equally state taxes, yet the government is not eligible for state revenue sharing. Finally, if revenue sharing is ... consortium on a contracting of a corporation operation, the communities cooperation and involvement will be necessary in order to on an areawide basis. Thank you.

Billingsham

SIDE TWO // TAPE 1.

Nome/ Bob Blodgett, Teller

Thank you very much, Sen. Sturgulewski. I just returned from a lengthy visit down in the developed areas of the North American Continent, and I only have had a brief time to browse through the legislation, HB 580-586. While I am not totally negative to this legislation, I am a long ways to being positive. I feel that the timing for introducing this legislation is awkward, in that this legislative session will sine die and there will be a new Legislature next year. Therefore, there will not be any opportunity for this legislation to be carried over legislation, which will deny us, the birds in the bush that are affected by this legislation an opportunity to study it in depth and in length and hold community meetings throughout the unorganized borough area,

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or within the REAA areas, if you may. Now the least government, is the best government. Now in this area, borough government, at this time, is a way of government that this bush area can ill afford. We don't have an economic base at this time to support it. Now on other hand, perhaps other bush areas, organized within the REAA, may have a viable economic base that can adapt itself to borough government. It would be an initial unorganized borough status based on the REAA boundary system. I feel, however, that the maxivilian? philosophy to divide and conquer is being thrust upon us by establishing unorganized borough areas in the 21 REAAs. These are small unorganized borough areas cannot draw any more water than political cow tows? in a broken pump. I envision, and another approach to my envision, a large borough embracing the area from the Canadian border westward including St. Lawrence Is. northward from the south bank of the Yukon River to the Beaufort Sea. I have no obversion to having borough assemblymen elected from communities throughout this vast area, represent me. We have some extremely competent people spread out through this area that could do a very fine job. We don't have the economic base otherwise, after all 70% of the revenues of the State, are generated from Prudhoe Bay, and then when the JUT CC? comes on and the North Basin comes on and the bottom fishery comes on, well then that economic base will be stretched further out, and then at some later date, afford us the opportunity to further the luxury of this additional way of government. I have no quarrel with our State Legislature serving as our borough assembly as provided by the Constitution. This borough government can hopefully divest many of the village corporations of their land. If the people are willing to borough, organized borough government, as a result of the establishment of the unorganized boroughs, then this whole thing is really going to make a big fat picnic for the professional planner. The contract planner that lives in the urban areas, that knows as much about us out here, as we know about them in their lifestyle. Twenty years after conveyance of D-2 Title lands to our village corporations, then these key title lands can

Key?

become subject to taxation and the deep sea² title lands have not been developed so that they bring a monetary return in paying those taxes, then the taxes are in default and the land will be taken away from our people. I object to paving the way to do that yet. We are having a lot of growing pains out here, learning how to function and people are having problems right now functioning village corporations. A number of our regional corporations have got problems, village corporations and regional corporations are working very diligently to overcome their problems, and I think that this would be another stumbling block in our way to divert the people's time away from addressing the problems already concerned with. Now as far as the REAA, who school boards go, the REAA school boards I recognize, I am very aware basically presently and am now serving as member after sitting on the sidelines and watching it for 3 years. The school boards are knocking their hearts out to develop a strong viable educational program to fulfill the needs of our people in their respective areas. There are too many legislators from the urban areas today, who do not know about rural Alaska. And I am not condemning them for this, not at all. On the other hand, we have legislators from rural areas that don't know what they really need to know about the metropolitan areas of the state. So, therefore, I feel that very strong alliance does not have to be placed in the rationale and the rural legislators, and we have very good rural legislators. They are getting . to the people. If they are not, we'd get rid of them. They wouldn't be there. I was there one time, and I'm gone. Maybe that tells you something. I don't know. Anyway, I urge you folks to give us an opportunity to study this intent, particularly in our communities, and evaluate and get some input back to you from the grass roots where the people will be affected by this. I thank

Prudent
...think of

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you for your courtesy and giving this opportunity to testify. I really urge that we be given the opportunity to participate in these teleconferences from the bush areas with telephone service so we don't have to spend \$34 to fly in

to testify and \$44 to fly back and spend a whole day, or get weathered in and spend several days in doing so, and I feel you get a broader input from more people out here in rural Alaska, that's very important. Thank you.

Juneau/ Mayor Hollowell? Haines

Thank you. I have a prepared statement which I will leave with you. I only have one copy. (See Statement)

Anchorage/ Liza Rudd

Thank you very much Madam Chair. Good Afternoon all of you. It's good ^{xo} talking to you. I want to begin first by expressing my pleasure that you have taken on this very difficult task of trying to deal with the development of local government in the rural areas, and express how impressed I am with what you have achieved. In general, I am very much in line with your thinking in all of the bills that have introduced only some comments possibly on .. and a few that you could call on nitpicking type comments, that I'd like to make as I go through the bills with you; but as I say, in general, I think it is very much in line with what is needed in the development of rural, local self-government. SB 348, I have a question, or comment that maybe there is no need for, but if you provide for unorganized boroughs to go directly to home rule status, does that mean that a home rule borough, incorporated under that provisions, does not have to provide any particular governmental service? In other words, it doesn't have to provide planning and zoning, or it doesn't have to provide education, it doesn't have.. itself, because of the provision of a home-rule boundary. Boroughs, of course, can do anything that is not forbidden by state government, so I'm wondering if that is your intention, it will be free to do anything not forbidden by State law, but doesn't have to provide any service at all?

Senator Sturgulewski

Liza, why don't you go ahead with your testimony and we'll do a little quick checking on it. That issue was raised and frankly just yesterday, and I haven't had time to research it, so if you'll continue on, I'll check and get back on that.

Liza, I'll raise some questions, but I don't expect

Liza Rudd- I'll raise some questions, but I don't expect answers because I know you've got lots of people and I just raise them so that you will aware and if you think they are worth looking into, then you go ahead, but I don't expect any answers to these questions. On Line 19 & 20 - SB 348 - the encouraging of the development of regional responsibilities of planning and implementation of these services, that seems to me to be ... for what you are really saying which is providing for these corporations of home rule boroughs by unorganized boroughs. And, I think if that's what you are really talking about, and it certainly is according to the title of your bill, then that's what you should say and in fact you should probably put it first rather than last under the pertinent section. On page 3, SB 348, Line 17, Sec. B, boundaries may be modified by the Legislature, the last sentence there the agency requesting modification of the boundaries shall submit to the Legislative Council - I wonder how this relates to the responsibilities of DPDP on the outline of SB 350, and whether or not this provision, in this bill might not be looked at as pat? by the Governor's Office. I wonder if the Governor's Office might not want agencies independently going to the Legislative Council and asking for suggested boundaries.

Sen. Sturgulewski. The answer is right. That issue has been raised and it will be addressed.

Lize Rudd - O.K. maybe I should just shut up. I think everybody's .., or has already thought of. ~~On page 5, (C), I'm wondering why you only~~

42 - already thought of. On page 5, (C), I'm wondering why you only provide for one shot at a charter, instead of two, as other boroughs have. You know, when we unified here, in Anchorage, each charter commission got a chance to write the charter once and then if defeated, write it again; and that's not provided under this method of incorporation, and maybe you've thought why, but I was just wondering why. On page 6, line 16, (B?) the word substantially, I don't know if that's usual, but it seems to me that the Lt. Governor should provide the elections in the manner provided in the election code, rather than substantially in ON line 26 there, the repealers, these 2 repealers refer to the powers of home rule boroughs and general .. municipalities, and I understand the reason for repealing it, but I think you still need it on, do you not the statement that a home rule municipality can perform any functions not forbidden by State law, and you also need a state law that says general long? municipality purposes provides purposes, provided under state law, and if you repeal those 2 sections without reinstating those statements, I think something is missing in the law. SB 349 - it seems to me again there is a mutual fear that maybe this Act should be named something like the assistant to the study of the feasibility of borough incorporation, rather than talking about planning assistance, because the minute I got down to the section dealing with regional management programs, I asked myself the question, who will manage what? It doesn't say. It just says for the purpose of preparing the management program for an unorganized borough, and it doesn't say who is going to manage it, or what they are going to manage, and so on. If you are talking about ^{Managing} adding the delivery of state services in the unorganized borough, that should be .. but it seems that is not what you are talking about, because when you get over later, you are talking about this contract, the only thing required of the contract, is the analysis and recommendation concerning the incorporation of a borough government. So that seems to be the real purpose of this bill, is to provide for assistance to groups in order to plan for the incorporation of a borough, and I think that should be

straight forwardly stated. Page 3, the provision under (H), that no more than \$25,000 per year, plus \$25 per capita .. under contract, I don't understand the reason for the limitation there. On SB 350, I have no particular comments. SB 351, I'm glad to see that - that's an idea that's been around the Legislature. As I recall, we added it to the revenue sharing bill ...Legislature...so am on to that idea. The fiscal note bill - no comments - it seems like a very good idea. SB 353, an act relating, pretty straight forward and goes along with all the rest, SB 354 - it seems to me on page 2, Section 6, provides - if Jack

Chenoweth is

Chenoweth

Chenoweth is there, he'll recognize my concern with the division of planning ... unorganized borough, I don't like the idea of ... It seems to me it provides disincentive to the incorporation of boroughs, as the Division of Lands provides that service anyway. So, I have that problem. I have always wanted to take ... In addition, I have a question as to whether or not this power by the Division of Lands, how it relates to the management plan that is going to be developed, and would it not be better if the Dept. C/RA ... involve managing and planning in the unorganized borough. Would it not be better, if any state agency must do planning and zoning, platting in the unorganized boroughs, should it not be done by the Dept. of C/RA, since they are going to be taking on, under your bill, some rather other heavy planning responsibilities in the unorganized borough. And the same goes for the, planning and zoning powers that belongs to the Division of Lands. On the last page, 4, under repealers, section 29.080.040 J - relates to other 1st and 2nd class boroughs also, so possibly you shouldn't repeal it completely, I don't remember that section just now, so I don't recall my question, but I felt as though an outright repealer would do away with the provision that should be And while I was looking at the repealers, I noticed that in 38.050, 378 that you might want to include in these bills. And those are my comments on the specific bills. They seem to address some concerns. My

2 primary concerns have been first of all, that St. government has assumed more and more local government services, what are traditional ... unorganized borough, both in funding and deliveries, and the more this is done, the less you will find those areas are going to be wanting to establish their own boroughs and this leads to a great deal of dissatisfaction because ... and dependent And the other concern, is of course the reluctant to assume the financial responsibilities for local government, and I would like to see you address that somehow, by possibly putting in somewhere that when a tax base of an area reaches a certain level, that that area must assume a certain level of financial responsibilities, for the delivery of local government... for that area, I think that sounds rather cold hearted, but I don't think there is ever going to be a willingness to assume that financial burden unless it's made clear in the State law that the state expects areas to assume as much of the management responsibility as they can. Of course, in order to that we must identify with the tax base in the unorganized borough, and I think that is vital, aside from any other work that might be done in development of local government, even if we should do none

Senator Kelly Liza, could you identify that ^{last} provision you are talking about please? You really struck a chord here, with me in any case.

Lize Rudd

You mean about assuming responsibility? Well, it's not in any of your bills, it's a concern that I have, but, there is not, there is a pretty reluctant, ~~perfectly~~ perfectly understandable on the part of the people who are already receiving what are traditionally local government services from the State. And there are many areas in the unorganized borough that are receiving what are traditionally

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local government services from the state, and of course, they are receiving them "free", that is they are using state money rather than local money to pay for it, so those areas it seems to me are going to be very reluctant to take on local government responsibilities when they can already receive a lot of those services from the state. So I would like to see somewhere in the law in one of these bills, a statement that when a local area tax base has reached a certain level, then that area must assume some financial responsibility. Of course, not all, but some requirement of financial responsibility for the administration.

Sen Sturgulewski - We do have information on the home rule limitations. According to AS.29.33.010 (B) they would need among the other conditions to have the areawide borough powers, so that would include those mandatory functions. I appreciate your testimony and if you have any that can be telecopies down, it would certainly help us - you have a lot of background and made some very comments that will help us, and I do appreciate that.

Kotzebue, Jeff Smith / Maneeluk Assoc.

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Madam Chairman. I would like to testify on 3 bills. The first one being SB 348. Although we would prefer that the issue of establishing regional unorganized boroughs be addressed in 2 & 3 years after the completion of the regional strategy plan, I would like to stress that these lines be compatible with the Nena Regional REAA. As regards to SB 349, we support the establishment of a program for planning assistance in the unorganized boroughs more than any of the other bills presented in this legislative package. Our experience over the last 2 years in the development of the NANA regional strategy plan, has been to involve the residents of these different community ... region in the planning process of the state-federal agency. Because there are many problems that we can't resolve at the regional level, we would like to see

other regions become involved and we know that the other regions are going to find similar problems reoccurring and will provide a greater statement of needs for the resolution of problems at the state and federal level. For example, of these problems, are few local solutions to energy problems, state and wage requirements? of construction costs, alcoholism, etc. Other regional strategy .. working together will clarify the wide expanse of these problems. A useful form for the resolution of these problems could be places like the state and federal rural development task force, legislative committees, and other joint state and federal task forces. SB 351, again we have to consider this piece of legislation to be a for the survival of the small municipalities of the state. They can no longer rely on external funding like CETA to provide the core administration for the municipalities. We feel that through this legislation will provide them the ability to have a well trained administrator who can coordinate the different services and activities of the municipality and can provide for the future expansion and can look at the other programs available to provide continuity and stability to the delivery of these services. Thank you for letting me testify.

Bethel, Carl Jack

First of all, I would like to thank the Committee for giving the opportunity to be involved in these teleconferences. First of all, would like to reiterate the statement that was made by Mr. Hoffman, Chairman of the Board, on the bills that are up for consideration right now. SB 348 - main concern here is the boundary question, the comment on this the boundaries established under the Claims Settlement Act, for the option for the provision to be done after the full study is completed as proposed by the chairman of the Board. SB 349 - We feel that it is salvageable although its part of 348, but the concern here is again the underlying question of the continued absence of local government. We feel that the powers that will be given to the Commissioner, will certainly make the Commissioner a czar. WE won't

foreclose complete endorsement of the bill, with some modification. On SB 351, line 10, proposed amendment to that is take ... city or organized borough - replace or with "and" so the city has organized borough of any class entitled to etc., etc. SB 352, one of our concerns is line 22 thru line 25, where the Community & Regional Affairs shall prepare the fiscal notes on behalf of municipalities. We do have some concerns on that, in this regard, developing municipalities. Those are the specific comments that I have. I understand that there is supposed to be additional hearings on the 14th, and at that time, we will provide final comments. Question, when are you going to work on Committee Substitutes?

Sen. Sturgulewski - We have that scheduled for 14th in the Senate, 11th and 13th ^{his} 8:30 a.m.. Since we are limited to teleconference time, they will not be teleconferenced, but work is going forward. As you know, there is some sense of urgency to move forward to the next committee of referral, so I would appreciate whatever you can get to us as quickly as possible.

Fairbanks/ Ray Kent

Thank you Madam Chairman. I, too, would like to thank you for this opportunity. My testimony follows on the heels of the policy statement as stated by Chris Anderson previously. I would like to take a moment to go through the legislation. We too are not totally opposed to the legislation, with amendments, and we also agree pretty strongly with Mr. Hoffman. The position basically needs to be a much stronger involvement of rural government, i.e., Native traditional IRA? government outside the organized first and second class cities. SB 348 - I restate the purpose, again as testified to previously, the purpose seems to be to create service districts for the delivery of state services. However, the act itself does affect establish and probably will involve into boundaries or future rural governments, so in this regards, we would like to have included in the statement

of purpose, a statement to the effect that the service districts will be developed in a manner that will facilitate potential delivery of services by local We also would like to state boroughs? must be established for administration of local government and any look at these boundaries should take that into consideration. It seems that the Commissioner has a great deal of discretion in recommending changes. We would suggest that on page 2, line 7, that the language unless the ⁱⁿ conclusion of the territory is reasonably necessary for efficient administration of programs and services by state agencies be deleted. We feel that the boundaries should be limited to those Native corporation, but there is no provision for boundaries.. No mention is made in the proposed legislation concerning the involvement for Native or traditional government in the establishment of boundaries, and some combination should need to be made to recognize those needs and interests. On page 3, we are concerned about the appeals process. We feel that there should be some changes made in the appeals process to accommodate a normal administrative appeal that would perhaps stand in the Legislature and/or the courts. We would also like to be sure that the appeals process would be initiated by both the interested government in the region as well as the Commissioner. Page 4, as also mentioned previously, the question of definition of home rule borough - as I understand the bill, home rule borough means, as stated in current enacted law, which provides mandatory provision of services, we would like to consider perhaps an alternative to that, which would allow the government to develop basic comments, financial capability to provide services, perhaps not mandate the provision of services that are not financially supportive of autonomy. Half way down the page, charter election component provides for ... election for charter commission, is in fact ... it's our feeling that the charter commission should consist of two graphically representative members, rather than members at large, which could set up a stage for domination by a local community on this particular .. Then again, as

previously stated, let them decide a need for a second chance, they can't. The finding of the charter commission to the agency? I refer now to page 5, bottom, where there seems to be no ability for the charter commission to bring back a second review for the proposed charter. SB 349 - we like the concept contracting for planning the administration and the delivery of government services, however, we feel that the Commissioner's discretion should be limited, and that the Commissioner should not be able to contract without the consent of some locally representative group in the initiation of this kind of activity is described as a one shot deal, and some areas of the State, it would be premature, and it is our feeling that it would be necessary to limit that ability for it initially to come from the local region, rather than the Commissioner. SB 350 - we have no particular region, rather than the Commissioner. SB 350 - we have no particular comments. SB 351 - we have a lot of concern about this particular piece of legislation. It seems to discriminate against those communities that are not organized as 2nd class cities; i.e., traditional and Native governments, those just as much in need of funding as are the cities. We would recommend that additional language be added to include those villages. We feel that to not include them would be discriminatory, and we recommend "do not pass" on this bill unless those are included. SB 352 - have no comments. SB 354- no comments. SB 353 - as discussed previously the question of percentage or the numbers of people need to initiate the action, and after discussing that further with our people, we would like to reserve comment on that. That's the end of my testimony. Thank you.

Nome/ Andy Edge?, Nome City Manager

thank you Madam Chairman. First I would like to thank the Legislature for the provision of this service, and the legislative office you have opened here in Nome, and more particularly of TAPE I, Side 2..

I would like to say first that sure the organized boroughs, ^{have been?} slow in implementation in rural Alaska; but the Legislature, who by law, is the establishment [?] for the unorganized borough, for the first time seems to want to move toward this suggested local control. But like my old, old, acquaintance and very dear friend, whose my next door neighbor when I'm living over in Bethel, ^{Lidia?} Lady? Hoffman?, I would like to caution that haste makes waste. In going through the bills, I have cut my comments down considerably, so 348 and 349 needs more time, more study and more involvement on the local level; and less of the (tail wagging the doll?) 350, the same, needs lots of work, especially in the line of the people involved. You know, it's fine, committees come into our area for hearings, most of the ones that came in the past 6 or 8 months, just haven't given enough notice, and haven't provided for a consolidated hearing, one that we get together and talk about it a little before hand and then come in with a consolidated viewpoint, one that would include all of the villages, all of the organizations. 351, 352, I see no harm or objections to either one of these. 353, needs more work, again, to include consolidation hearings in the areas involved. In the passage, at this time, of any of these bills, I feel that we are invading self-determination and the rights of the local people to determine their own destiny. I speak very strongly against allowing a single board as cited in HB 584, I think, to express the views of both borough management and borough schools, or one board acting as both boards. It puts up a couple of interesting questions in the absence of Nome, which has a council, which has a school board, how does it tie in and mold with the borough board and REAA school board? I don't quite understand that. I am certain that it is taken into consideration. And, finally, Madam Chairman, and to my many friends in Juneau, I would like to remind them that my annual birthday party will be on the 26th of February, and this year will be held here in Nome, and those of you can make the party, are surely welcome.

Sen. Sturgulewski - the questions you raised, Andy, on SB 354, or HB 584 are really right on, and that's one of the reasons we are recommending elimination of that kind. Some of the issues you have raised, seem to be causing some problem. I would hope that you take another look at the bills. As a matter of fact, the issue has been raised several times. We feel these are leading toward self-determination by an area. That's the whole intent. For instance, SB 350 changes nothing in the amount of services, etc., going toward rural

37 - Alaska What it does do, is say that the State needs to start to recognize some common boundaries out there, so there can be a greater coordination of services. That is the intent. I would be very happy to discuss that issue with you, and I am very appreciative of your general comments.

Andy Edge - final comment - only that involve the people. I realize the unorganized borough has been here a long, long time and that nothing has been done about it, but in our haste to correct this, let me caution, a little more involvement. There are people out in our area that just don't know, and what you don't know, you go back to the oldest rule in politics - what you don't know, vote no, and we advise no.

Haines - Dave Olerud

I want to thank you for the opportunity to make a few comments on my experience with 3rd class boroughs. At the present time I am a businessman in Haines. I have had the experiences of serving as a borough Mayor, I have served on the City Council, as well as other organizations within the area of Haines. It seems as though, it always boils down that we, in Haines, are a little bit of the exception to the rule. We are the ones with a 3rd class borough and listening today to the teleconferences going throughout the St. of Alaska, we are also without that. But you know, the 3rd class borough is something we should look at very carefully because of discrimination. Let me just make a few comments and salvage as much

time as possible. First of all, from the experience that I have had with 3rd class borough, and with government per se, I feel very strongly that the local government is the most important aspect of government for the people in the State of Alaska. We have to have ^{the} power reverting back to the people in the rural areas, or into the local government. I feel very strongly that over the years I have served on local governments, that a government should be very similar to a shoe on the foot. It would be very disastrous on the part of a parent to take look at a shoe on a foot, and let that shoe last for many, many years, without changing that shoe. It is quite obvious that that child is going to grow up and that shoe is going to start pinching. I feel very strongly that local government should be such that it can adjust to the realities developing within a community. Now, a 3rd class borough in Haines is not a just reality to the community. It is great as far as the school is concerned and as far as collecting taxes for that purpose is concerned. But going beyond this point, when our community develops to the point where, proportionally we are going to develop sooner or later, our population is increasing, and we are going to have to face the fact that our government, the 3rd class borough, is not going to do the job. I'll give you an example of where it will not do the job. With the last 5 years we've had a negative influence on our economy. We have seen our tax base erode by several millions of dollars, primarily because utilizational resource from the timber has not been made available to our community. 3rd class borough can do nothing but collect taxation. To stimulate the economy, to provide for the services that are desperately needed, schools, etc., it can do nothing. Basically, as a taker of a tax, but it cannot do anything to stimulate a tax base the prime sector that is so desperately needed. that the State of Alaska decrees that there should be land classifications, land claims. Well, the 3rd class boroughs regimented to schools and collecting of taxes. We turned to the State, Dept. of Natural Resources not necessarily interested in what

happens as far as classification and the will of the local people. We fought a little over a year, a year and a half, to have a classification through the State Dept. of Natural Resources as to the people of Haines situation. It was a very sobering experience. Anything I would like to emphasize - what is a 3rd class borough, what is it really? Because of necessity, since 1968 when the 3rd class borough came into existence, to serve our people, we have in a sense made a lasting cause under the 3rd class borough. It has been stretched to fit the needs of the people, even though possibly it is stretching the legality of the 3rd class borough, it has been stretched to the point that what we have, a lot of times, classified in a sense a monster. We have done things that basically we were not entitled to, the State of Alaska has allowed us to, we have asked them what can we do with roads and trails, they say it possibly could be construed as education we have asked them what to do about a multitude of problems and anywhere from boat harbors to museums, to cultural facilities, so the 3rd class borough of Haines has been stretched. But not only has it been stretched in the lasting sense, but it also has created a monster in our city, because a city is like a parent, as a last resort. Any time you have trouble and the child can't take care of it, you go back to the parent and the parent must accept the responsibility. Our city has been pulled to many extremes, primarily because the areawide government has not been able to adjust to the needs of it. The only thing that I find negative, is that I do not like in a sense where government mandates government. I believe the people should have enough common sense to adjust to the realities of the situation and do what is necessary. Bill 354 mandates within so many years, I believe by 1984, that the 3rd class borough will cease to exist. I would hope that this group that is working very diligently to set up an efficient government in the unorganized areas, and organized areas in the State of Alaska, could possible have the intentional fortitude to make decisions that could possible be unpopular to certain segments but is necessary for a more viable rural area.

Sen. Sturgulewski - what are you suggesting?

Sen. Sturgulewski - what are you suggesting?

Mr. Olerud - What I am suggesting is possibly that I do not envy your position that you are taking at the present time because the 3rd class borough is a reality because the State government did not have the intestinal fortitude of a long time ago to say now that we should be a second class borough. We were left in limbo, and because we were left in limbo, we have created many problems for the State Legislature, which has been I feel very strongly now that we should as a community of Haines evaluate very carefully, a little pressure from the State would not hurt at all, I do not feel it will be necessary to mandate anything. I believe the local community in Haines will be able to take care of the problems that are coming up, if we get rid of the hysteria. At the present time we have so many traumatic things pressed upon the people of Haines, particularly the economy, long-range timber planning, etc., from this, I believe, we have become very strong in a sense. I think we are capable tackling the problem of local government to provide a decent counterpart.

Sen. Sturgulewski I appreciate your comments. I might suggest, just from some comments made when the bill was introduced that people from both sides of the aisle in Haines might wish to communicate with their Senator and representatives from their area as to their feeling on the 3rd class borough. I do appreciate your taking the time to give us your comments, and I know you'll be watching the legislation carefully.

Mr. Olerud - just a follow-up. I state now it is very nice to see that - SB 352 - it is nice to see that the State Legislature is looking at the financial ~~responsibility~~ of a particular bill in relationship to the local comm.

responsibility of a particular bill in relationship to the local communities, and I am also very negative when it comes to saying it is nice that the Legislature spends money on behalf of the local community. I feel in a sense that the majority of the money should come from the local community, but you have allocated monies on SB 351, that would be very beneficial. Now we talked the other day in relationship to implementation of these acts. Now can a 3rd class borough, in a sense, be given funds to go through the research necessary to go into a second class borough, first class borough, or what it may need. In here we have, I believe, a clear indication if you are in an ^{unincorporated} unclassified area, there is financial assistance, aid, in coming to a decision as to what type of government is best for our people. I would like to make sure, now, that the 3rd class borough is included in this necessary and to do the research to move from a 3rd class to a 2nd class or whatever the people decide.

Sen. Sturgulewski - that is a good point. I appreciate that. Thank you very much for your testimony.

Anchorage/ Pat Keprcellie/ Rural Cap

Thank you for the opportunity to come in on the local government legislative package. I am from Ruralcap, and in the interest of timing to the primarily comments, and they incorporate those of Bob D..., deputy director. On behalf of Ruralcap, I urge you to schedule additional hearings on these bills during the week of March 17. The Rural Citizens Participation Conference will be meeting in Juneau that week and many of the delegates would like to testify directly on these bills after they have had a chance to study the committee substitutes thoroughly. ... developed as been a model one. Starting from the August 1979 Symposium on local government through an extensive ^{Schedule of} hearings throughout rural Alaska, and finally to the draft legislation. Along these same lines, SB 348 should require State agencies to provide for public participation before

making any decisions that affect the district. The Legislative Local Government Study's final report on self government, which ought to be local involvement. SB 349 - no provisions in A 1 and 2, requiring either group to involve anyone or any organization in the region being studied, we should reiterate people's concern for more local involvement, it's lacking in that bill. 349, it provides for assistance for developing regional management programs in unorganized boroughs, but in the report the priorities seem to revert, in the Local Government Study's Final Report, under regional strategy and planning studies, it says the strategy study fund will provide assistance for regional studies that will address economic, social and class for the unorganized boroughs, and provide the means from which the people in each region can participate with government in establishing policies and programs for the region. Then it says studies will also address the feasibility and viability of organized borough incorporations. In the bill, it seems to be reversed. Copies, which are optional, includes the ones listed first and the importance are economic development and potential, determination of housing and capital facility needs, and examination of ... graphic social and environmental factors. important in planning a regional management program. The requirement to provide a analysis and recommendation concerning the incorporation of a borough government is the main required topic. That requires a conclusion which cannot intelligently be reached without considering the factors, which are currently optional. That is why they should be required in all contracts. The optional topic should be required, but where this information is available, it should be included in the report, because that ²¹ information is necessary to ²¹ provide residing in the boroughs with the tools they need to make and form their opinion as to their own development. The bills in this package, especially SB 349 and 348 should be consolidated. SB 349 ought to be passed first. If it doesn't pass, than neither should SB 348. State financial support of a regional strategy planning cost for rural Alaska ought to happen before boundaries are drawn.

Sen Sturgulewski - Thank you Pat. The point you make is very good on the optional part really being necessary as a precondition to doing the regional government. I appreciate those comments and they are valid.

Kotzebue/ Bert Griff?, NANA Regional Corp.

Thank you Madam Chairman. I would like to make a regeneralized short statement on three Senate Bills. SB 351 - state aid to local government. I, myself, have been involved in local government, and I understand perfectly this grant, because revenue sharing a lo of times has been supplemented by bingo games, raffles, and volunteers. We've been in the red several times, and this affects the delivery of services ^P ₄ critical times, just the absence of needed police protection during the time when we don't have the financial status to continue this service. In the past the cost of energy, transportation, electricity have gone up in substantially increases while the revenue sharing remains relatively the same. My point is keeping in mind the inflationary factor. SB 351 - this should include, if it doesn't, the unincorporated villages also. We support also SB 348, if the legislation includes language to insure that option on whether to organize as a borough is given, and not mandated. ^{tc} ~~Remove~~ areas such as ours, do not have a tax base as yet to support the local according to fiscal needs of operating a borough, and it might take years before our area to get up to that point. I would say Kotzebue, for instance, right now income per capita is well under \$3,000 per year and even right now some of the villages have problems in supporting local sales tax. When other regions plan in incorporate into a borough then perhaps this should be assured that additional funds be available to form the borough. We also support the boundaries and this will conform to REAA and, our regional boundary. We also support 349, planning process basically educate both the federal and state agencies, as well as the local villages. It will be beneficial planning process. That's all I have now. Thank you.

Sen. Stulgulewski - Thank you very much for your testimony. I do want to assure you because I think it is a terribly important comment, that we are talking about voluntary as opposed, in other words it is optional to move ahead into the regional strategy, it's optional and up to the people of the area to move toward organized government. There are no mandatory features and I think that is a very important thing that needs to be reiterated. There is quite a difference between mandating areas to move ahead, and having the option to do so.

Bethel/ Ken Proll, City Manager of St. Mary's

I am Ken Proll, currently the City Manager of St. Mary's and I think I can speak on behalf of the Council when we say we can support some of the earlier statements of Eddy Hoffman. But I think for just right now, I would like to just specifically focus a little on SB 351. We, of course, support it, and we think the funds provided in this bill will significantly help the rural communities in the Yukon Kuskokwim-Delta. I did have 2 stylistic changes, one Carl Jackson pointed out earlier. We would like to see the "or" in line (10?) changed to "and" and also line 11, where it reads, a borough of any class ³³ which is entitled to state aid under AS 43.18.010 - I have that statute before me right now, and it does set up several categories, under which municipalities can (compete?) A - have to have power to provide certain services and exercise that power. Many of the rural communities out here do not have the power to provide some of the services that are set out here 43.18.010 - some of those powers like police, fire, pollution control, parks recreation and planning - it is not really clear from this bill whether municipalities have to have the power and exercise all the powers under the category listed under 43.18.010, or whether a municipality simply exercises power under only one of those categories, it will then qualify for the \$25,000, ~~the~~ ^{and} the legislative intent seems to be a little unclear and I would suggest a change in line 11 to read borough of any class that is entitled to state aid

under any of the provisions of AS 43.18.010 - which would seem to make it clear that rural communities will be included under this bill. That's all I have. Thank you for the opportunity.

Sen. Sturgulewski - Thank you. That brings out a new point and we will check that out. It's my feeling that the fact of incorporation is adequate to mean that those would come and it is not dependent on the provision of any powers.

Fairbanks/ William C. William, Tanana Chief

Thank you Madam Chairman. I am glad to hear some of the comments coming from rural Alaska and the impact they see these bills having. I have one short statement and then I'll go into some comments and clarification on some of our issues. This statement I am about to make came out of a specific mountain time, a circular which comes rural organizations and communities in the West Coast. It seems to be quite pertinent that we are not the only ones having these kinds of problems of local control. The title of it is The Case for Citizen Involvement. Development will occur in rural areas regardless of anything we do, because of population pressure, and economic necessities. Impacts of development may or may not be desirable ^{From a viewpoint} ~~to many~~ of area residents. We need to question who will decide the nature and kind of development which takes place, and how the voice of the Council can be heard. There are a number of possible actors in the rural development decision making process, government agencies, local elected officials, property owners, corporate boards, environmentalists, and rarely the folks at large are involved. Conflicts which precede development decisions often pit exploiters against preservation. Regardless of which side wins, the primary impact of most development decisions will be on the (post?) In general, they hear about it after the fact. At best their voice is given by the clamor of strong vested interests. In the past few years there has been substantial movement from cities in the rural areas. In addition

to impact of business and industrial development, many of the ~~officials~~ ^{individuals} are seeking simpler, more self-sufficient humane lives in the country. Some state and federal programs are supporting population ^{Urban Surgeon?} as a solution to urban problems. This solution may satisfy the long term state interest, but in the short term, it places a tremendous burden on units of local government. Local government based in the past in protecting traditional lifestyle and values while expanding essential services. The factors which bring city folk to rural Alaska are those which kept rural folks at home. Continued quality of rural life is an issue which must concern the forces of rural economic development. Yet this quality is endangered by development. Since rural areas are bearing the ^{3a} brunt of problems created by change, it seems the State and Federal agencies must provide support for local government. Local government needs help in shaping community attitude, building long-range plans, and providing services which should be planned in advance of development. In generally ^{ly} conditions have forced local government to react rather than anticipate and correct events. Local direction should start in the school, city ^{circ} groups, media and with the local officials themselves. ^{I would hate to see us} ~~Now the agency is building~~ ^{a fence} ~~(borders)~~ around rural Alaska to keep the ⁱⁿ vibration out, but I would also hate to see ^{migrants bring the birds} they are escaping with them. I would much rather share the beauty of life we enjoy. I think it can be done, but it won't happen if we fail to make the effort to involve, inform and listen to the people. My constituency is mostly left out of the decision making process. Rural Alaskans are seldom the movers or shakers of public policy. yet no economic development decision should be made without an analysis of its affect on these people. The environmental impact statements are generally required before development takes place. It is time we gave people impact statement consideration. We may play a role in development, but we can't stop it. Our option is to shape and direct it by defining our goals and developing concessions as to what our communities ought to look like 5, 10, and 20 years from now. There are vast resources in the rural regions to be developed

managed, conserved or locked up. Special interests are present and prepared to do battle in each situation. The majority of folk are on sidelines vaguely aware of development impact. It is our challenge to involve them in the decisions that'll affect their lives. It is quite interesting to note that we are having the same problems, same concerns in rural Alaska, that were stated in this circular. I have changed some of the titles to say Alaska state and Alaska rural residents, names of different organizations, entities in the circular. Again, some of the basic concerns outlined by Chris Anderson, and Ray Kent. Again, I would like to reiterate in SB 351, there is no provision in this bill for funding for communities that aren't organized under State law. I think this is totally unfair. These communities are having the same problems that the organized communities are, they are taxed just like everybody else, but they don't have the benefit of receiving those taxes back in any kind of a plan now authorized by the State. I think in those instances where a lot of our communities are organized, the organization is just in name only and not in process or actuality. I think it was something told a lot of our communities, because it was told it was a good idea. I think the same thing is happening in this legislation now, with 348. You say it is an option. But a lot of the rural people aren't looking at it as a option. They read these bills and sometimes they are quite confused because it looks like the State is trying to force organized government on them. We have been into this type of activity now in trying to develop strategy planning. I heard somebody comment they would like see 349 introduced prior to 348, and I think that makes a lot of good sense. Without proper planning, without proper communication with the rural folks, it makes no sense to even pass 348. With that, I'll end my comments.

Nome/ Kalleb Bengowee?, _____, Inc.

Thank you. I'll quickly go through some of the comments on the proposed bills Senate version - SB 348, Art.2, ~~on question of~~ ^{collection of data} information, I think there should be some provision on part 4, for that information presented to the Governor

and the Legislature, some provision for public hearings since this information will be used for the consideration of the State budget and other considerations.

3) Therefore, it makes it very important that the people be involved in either of the development or the final estimation relating to the state government. The information collected by these agencies should be reviewed by the ... prior to presentation to the Legislature. Also, on Section, on the and ^{exemptions?} modification, part B, where it says that the boundaries of the district may be modified by the Legislature, I don't feel that the State agencies should have this power to modify any boundaries. They are set to serve the people, or they should not be served at their pleasure. On ... elections, I think there should be some provisions, for incorporation of a charter for some public hearing for that particular part. It currently just goes from the .. provision 2, C & RA foradvise with the laws of the State of Alaska. I think there should be provisions for the public will have input into the charter. Also on the 90 day, on some of the days that are on this particular bill, I think some of them are a little short, you probably should read between 30 and 60 days, and also 60 to 90 days, particularly in the rural areas where it is sometimes difficult to get people involved, especially where you have short notice. And then on page 5 part B, 90 days may be a little short on the compliance with the laws of C/RA feel the commissioner have met. Again, I would like to reiterate that we have some problems as this is a step toward of organizing boroughs by provision of the area, you create natural areas that would become boroughs, whether it may be necessary or not. SB 349, I think the provision of requiring a recommendation for, they should be formation for incorporationsomething that I don't feel comfortable with, and also although identified in this particular bill, I .. whether a portion of the area to be organized in a borough or not. There seems to be some conflicting portions in this particular bill. On SB 350, ... sounds fine, but I think that's a little unrealistic to all the information to the Governor concerning whether the state agency(?) can comply with it or not. On

SB 351 - we support this bill although I would like to point out that some of the municipalities governments have asked me (active?) and therefore they would be presently surprised if they get a check for \$25,000. SB 352 - I think this might create a monster for the Legislature, but if they want to do this, its fine with me. I think the bill is good, but I think it may place a burden on the Legislature. SB 353 - no comments. SB 354, section applied to the Div. of Lands having the authority, I particularly have ^{SOME} ~~no~~ problems with it and it will only say? see the coastal management programs available for the districts which may not be necessary and also on a ^{single} ~~continual~~? assembly or a seat of borough government and school board again would create some problems in some of the areas. I thank you for this opportunity.

Sen. Sturgulewsky---Thank you, I would like to point out to you that in fact the Div. of Lands currently has the planning and planning power in the unorganized boroughs, and this would not change the status, but it was necessary to retain that section because of doing away with the home rule boroughs, I mean 3rd class boroughs. They have the zoning power, I'm sorry, not the planning, so it's not adding to what they have. They already have that power. That is one of the major we've looked at. The whole thing of the coastal resource districts, there are problems in those areas that are not organized in the governments that have the ability to enforce the plan. Right now the only authority lies in the Div. of the Department of Natural Resources. So that is an area of concern.

Juneau/ Roger Allington

Madam, Chairman, I'll make this very brief. Speaking basically as a ³⁰ former assemblyman and former Coastal and Policy Council member, and officially as a citizen, basically I support the package from the activities of those two bodies, and would make a couple of minor comments. One has to do with boundaries, and from our work with the Coastal Policy Council in setting up the coastal boundaries, I suggest that to the extent possible, the boundaries

be left as flexible for as long as possible, because as these plans were developed under SB 349 comes down, I think there is going to be some changes indicated. However, I should also indicate that to the extent possible, the boundaries should be coincident with the school board boundaries that exist, coastal resource boundaries that exist, and because we are talking about private lands that are basically within Native regional corporations, to that extent they should be addressed already. 349 appears to put into the rest of the State some of the activities that were already taken into consideration as far as planning is concerned in the coastal areas. I would concur with the comments Jan. 31, 1981, for SB 350 is probably tight. I believe under the Coastal Mgmt. Act the DPDP was required to make sure that all departments had their regulations in line with coastal mgmt. regulations by a time certain, and I don't recall the time certain, but if it hasn't passed, it is darn close to being passed, and I don't believe that's been done. The net result is having an unrealistic time frame, it doesn't get ^{done} and that means it just doesn't get done. SB 352, I appreciate the fiscal notes on the bills that relate to municipalities, to the extent that it is possible to do it. I would suggest that this be amended to require fiscal notes on departmental regulations that affect municipalities also, and I believe there is a bill in to accommodate that. A brief statement on the 3rd class borough. We know from coastal management we have a void up there, we're not exactly sure how to handle it. ^{side @ Tape II} management and I see that this bill is written in such a way that it gives the Commissioner more discretion and I think that's desirable, at this point.

Anchorage/ Ron Mallott

Hello, Ron Mallott here currently attending ^{merely as an interest} as a student on state and local government. I believe I will be addressing SB 351 primarily in conjunction with much of the testimony I've heard today, I have heard a lot of pros and cons, in favor of and opposition to the various bills, which reminds me and I

should remind us all that the State Dept. C/RA should have been aware of all of these pros and cons prior to the proposed bills and that their groundwork should have included people like I believe I heard Kalob Vangowee mentioning that, the people should be reached, and their consideration should be incorporated into any legislative bill even if it is a proposal. As an individual I question the constitutionality of compelling unorganized boroughs to become organized. I view the issues placed at large in the form of legislation for their consideration a form of blackmail, or the majority population ruling the lesser population. Organization of unorganized boroughs for cities prior to the resolution of the D-2 issue, is questionable. Nobody knows what is coming or going. Identification of transient residents may need to consider an evaluation of necessities of organization of boroughs or cities, the same as they should be considered relating to regional educational attendance areas, as it is very clear also the question of transient, who is going to or coming from the education facilities in any organized or unorganized city or borough. There is a lot more I could say, but I think I would rather listen than speak. Thank you.

Sen. Sturgulewski - Thank you very much, I appreciate your comments. I want 29 you to know that were extensive hearings made, and that's why we are having a teleconference, and as I indicated, we have mailed out many, many copies of the report, there has been a sincere effort to not do this simply with a (fly up?) It is not the Department, it is the Joint Committees of the Legislature that have carried on this study, and we're certainly attempting to be responsive to the many interests that we do hear. I would like to repeat, as I think it is absolutely vital, that this is not a mandatory provision. We had a mandatory borough act that formed, with one exception the North Slope Borough, formed the current existing boroughs out there, Haines too was an example. This is not a mandatory bill, it is very important that that distinction be made because that is something we heard loud and clear. The people want to move ahead

at their pace and this particular bill, these set of bills, do make those provisions that people are not forced to move ahead. Hopefully it will cut out duplication of service delivery on the part of the State, but it adds no powers that presently do not exist.

Kotzebue/ Mr. Gene Moore, City Manager

Windmill report. SB 348 sets up the first step of an organization, getting them to be organized boroughs, and we realize here in Kotzebue and the NANA region that we are unique. We've done a lot of planning and looking at this. But I don't think ^{we} you really need SB 348, because if we do decide to become organized, we have the provisions already in the fold, and anyone else has those. I am certainly glad to hear that this is not a mandatory bill as everyone else has been led to believe it would be. We hope that no one will be the language in there that it be mandatory, because we all know the lessor amount of government, we have the better government it will be. The planning bill we strongly support as you know we have the regional strategy plan performed here in the region and I think that the whole state, particularly the unorganized borough, needs planning but, the one provision I heard today, particularly SB 350 - looks to me like this is something to tell your commissioners there in Juneau to do and not have to spend time enacting a bill. We can do coordinating out here. I think maybe need to talk to the commissioners in Juneau and not have a bill to reflect all the local governments ... probably lies in the state .. coordinating with .. We all know that happens in the state. SB 351 - I spoke on this when you were up for hearing here, and one gentlemen spoke awhile ago about the \$25,000 , was it really needed. I think this is additional state aid and not something that everybody gets, because everyone would get \$25,000 plus any other services performed, Alaska Statutes 43.18.10. This \$25,000 plus cost of living in addition to services they now perceive from revenue sharing . strongly urge as told to the people at the hearing here that we have a small village of ... less than \$6,000

a year, and that's not enough to pay for the paper work that takes place.
SB 352, if I'm understanding what it is saying, I think it could be cut down
and made real short. No mandating improvements that you can't provide the
money for, don't put a new burden on the small municipalities, or large ones,
either one
/.. when the money stops coming from the state on these programs, the program
stops. A short answer to it. SB 353 really have no problem other than I
think you ^{should} could include alternate ^{ive}incorporation^s, second class borough,
I think everyone should have the choice of making self-determination and
shouldn't be put to the expense of going through first class borough and first
class ^{city} study, they should have the option of going from such class organization
city or borough to home rule. Planning another ... expense wise ^{also}
election, ballots, hearings required take care of all of this by changing
that all municipalities have the option to go straight from second class city or
borough to home rule system of borough. I appreciate the opportunity to make
these comments to the Committee. I know you've done a lot of work on them and
I think more work still needs to be done before it's total accurate.

28
Sen. Sturgulewski - I think I need to make something clear, because I don't
want to leave anything that creates more confusion. When I talk in terms of
mandating boroughs, a form of government, but it does call for a drawing of
lines in SB 348, and I just don't want to have given a false impression on that.

Mr. Moore Yes. We understand that you are drawing lines, and we don't have
any objection to your drawing lines, as long as they don't ^{Put a (-) on} mean a whole lot
to us.

Fairbanks Wolfgang (Falk?)

5/13/22
PC II -
not finished
4

Anchorage/ Dave Walsh

Chairman of the Anchorage Municipality. I am just glad I made it back in time. I'm also speaking on behalf of the Alaska Municipal League today, of which I am President this year. We have not taken formal Municipal League action on these proposed bills, but I imagine that we will at our next Board meeting tentively scheduled at the end of this month, or beginning of March. I have gone through the bills, I have the Senate verious in front of me. In general, I think they are excellent. A marvelous effort these past few months to put this together and I would heartedly endorse the bills as an individual and also as an assemblyperson. And as President, hopefully in the next couple of weeks we will provide you with formal resolution from the Board. SB 348 - Two conceptual problems, generally - not as the bill is written, but perhaps the effect of it, and what could result from overreaching administrative approach. By that I certainly don't mean to imply the current Administration, because (interference - mike change required)... The two conceptual problems that I have with it is that I think there is the ^{natural} tendency that once the lines are drawn, it'll make those lines concrete and make it very difficult to change and I would hate to see that happen with this approach, because I think it as a first step, it is excellent, but whether the lines that will be drawn as a result of this bill would be or should be finalized, is another question completely. It is more the problem of human inertia I think, than the bill itself. I would suggest that legislative history? or committee reasoning ... contain some pretty definite language that the lines are not meant to be set in concrete or meant to endure forever, but are essentially the first drawing of what we would hope to be a fluid approach, until the final local governmental lines in the state are established. The second problem that I see is again, not the legislation itself, but ... is that these districts essentially become an administrative tool to provide local government services through a state function. In other words, you would have the potential for the ... or co-termini

co-terminus boundaries with different ... for example in Anchorage, take Anchorage as a proposed district, would not like to see the situation arise where there were several district administrators that could have much influence or powers as the local elected representatives here. I don't think that's as much a problem in Anchorage, Fairbanks, Juneau or Ketchikan. It might be in other areas of the state. In terms of specific amendments, and these are somewhat .. and obviously as a result of my local government ... On page 3, SB 348, subparagraph 4, from municipal point of view, I think we would like to see (stop for static again)

Page 3, paragraph 4, my personal preference would be if it was spelled out in the legislation the part of the function/^{would be} to provide information to

27 to local government units that may exist in the larger state and service area that approach. Other than that, I think 348 is excellent. Amendment to Ch. 19, Sec. 29.19 etc. are excellent. I think it is a very fine workable approach. SB 349, I also think this is excellent. You know the League has a membership that not only includes the largest municipality, but is made up by 1/3 degree from the municipalities that are rural in nature. In fact the majority of the vote in any municipal league by those who are not in organized borough, and on their behalf, I would say that I think 349 is very good. In terms of 350, I would ^{tackle?} .. what Don Gilman said at the beginning, and I would have no comment of value on behalf of the League ... state matter, which had .. personally, I like it, any time the system can get support ^{report?} directly from the Legislature I think that's a positive thing. In terms of 351, I can't give.. ^{For the League} but I think that is an excellent approach, particularly to ... The lady from Kotzebue testified earlier at the hearing. I think this will provide a valuable service to the rural second class dity. SB 352 is I think the best of the package. I think ... the fiscal note requirement is something that that local government has .. for a long time. I'm sure you are all aware a lot of times the Federal government mandates programs for the state, and local government that is beyond

our ability to finance and I think this approach insures that that same kind of problem is not going to arise in regard to ... SB 353, I'm also very much in favor of.... SB 354, I don't think the League would want to take any official position, and I certainly wouldn't personally. As Don Gilman noted previously, there is some controversy in the Kenai Borough and in other areas of the state in regards to the elimination of the 3rd class borough and so I would suggest you go directly to them for input and their viewpoint. In summary, I would say thank you in behalf of local government for. I think this is marvelous and would be glad to support it. That concludes my testimony.

Fairbanks/ Allen Busbee(?)

I would like to give testimony on HB 584, and I'm with the Salcha .. With our detachment from the North Star Borough, we have been looking over forms of government to replace what we now have. We aren't satisfied with a second class borough due to the fact that we are a rural area..... a third class borough in reviewing what we have to choose from, fits our area more so than anything else. We find that the eliminating of it would be harmful to our community and other outlying rural and bush areas. As far as third class borough not having any planning and zoning, Salcha area is planning and has tried to develop this area for its need and has resisted in some aspects in doing through government agencies. I would like to recommend that legislators drop this bill and if they want to help the unorganized boroughs, maybe they could form a (4th?) class borough.

Sen. Sturgulewski. Thank you very much. Just out of general interest, have you petitioned the Local Boundary Commission for the deannexation, I'm just curious as to what is happening right now.

profit regional corporation and other agencies have gotten in the act by certain limited services that are typically provided on a municipal basis. The third reason, in many cases is just an inadequate tax base. In some areas of the state, there is just nothing there to tax, so there is very little in the way of support for local government, so they can form a local government all they'd like, but they wouldn't be able to support that local government, if they had the inclination; and finally probably the biggest reason, at least in my opinion, was the disincentives. The biggest one is school financing in many cases its been proven that ^{to} the form of local government you actually lose money, on a regional basis. The state financing program is a disincentive, so there would have to be at least a equalization formula so there is no disincentive formation of regional government and that's probably the biggest stumbling block is state educational financing.

Sen. Sturgulewski - I would like to point out, as I am sure you are aware, there is a report out now and that matter is before the House Finance and it does address that in lieu of, and we gave testimony this summer, and whether that concept will go through, but I certainly agree with you.

Mr. Aronson - very briefly, my summary would be that basically the concept of regional government, whatever you want to call it

Mr. Busbee - We have submitted a petition to the Boundary Commission and they will be reviewing it the 29th of this month, and I assume they will be setting the date for a public hearing inhouse and conduct further

Juneau/ Bruce Aronson

My name is Bruce Aronson, I'm City Manager of Petersburg. A little bit of background, I worked for Dept. C/RA for 4 years, my speciality would be the time law creating the recent school districts in 1975, so I have a little bit of interest in this bill, plus also being a Manager of a City in an unorganized. The package of bills is of great interest to the City of Petersburg. Very briefly, I would like to address the bills and general concepts of regional government. First question, why do we have regional governments? Whether you call it organized or unorganized boroughs, or whatever. I think the obvious answer is to provide areawide municipal services, including education, police, fire, planning, municipal services, on a regional basis. Another question would be do boroughs serve a useful purpose in Alaska? I think an examination many people would have to agree, that a borough would serve, whether organized or unorganized, does serve a useful purpose, if it is appropriate to the region, and is properly structured, as the right formation and representation and provides the services required. Another question would be, why haven't additional boroughs been formed? I think the latest account is 11, and it has been at 11 for many years, it seems like. I think in my mind, 1) is that regional type agencies have been formed in lieu of boroughs to address regional type problems, for regional school districts REAAs formation provides local control educational services. Another reason why we don't have additional boroughs, would be municipal services are provided by other agencies. For example, the State Troopers here in Juneau provide municipal type police services here in the valley, so there is no incentive to provide those basic services that the state agencies provide. Also a non-

Public Hearing
418 588-1586

3/19/80 7:30 PM

Meeting with Rural Res. Act: Participation Conference

Name _____ Address _____

MEMBER - Chris O. Jones Tenora Corp. & Partners Inc.

ASSOCIATE - William C. "Spot" Williams 1st Nat'l Savs

191, AK 99701

Palma McIntire Pouch B - Juneau, AK

D. POPE 912 28. 6TH, Anchorage

Norman H. Cohen Juneau AK

Patricia Petrucci "

Charles Hubbard 3305 (COPPER RIVER NATIVE ASSOC.) 99504
Rossett/A - Anch, AK

Charles Mueller PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)

PAUL WATFIELD Box 276, Fort Lions, AK 99550 (KAIIF)

Robinson Brooks United Area Band P.O. Box Tok, Alaska 99780

J. Stinson F.Y. Inc. Chairperson Boxes FYU 99740
Jen Smith Mandink, Inc

Bob Lohr Rural CAP 327 Eagle, Anch 99501

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

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Community & Regional Affairs

VICE-CHAIRMAN
Commerce
Health & Social Services



Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811

January 4, 1980

Mr. Thomas F. Klinkner
Law Offices of Richard W.
Garnett III
900 West 5th Avenue, Suite 540
Anchorage, Alaska 99501

Dear Tom:

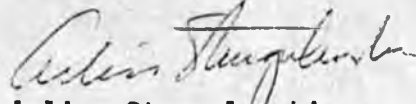
Thank you very much for your comments regarding the Local Government Study. Our final report is due out very soon and I will see that you are added to this mailing list. Overall, I am pleased with the results of this study. Although the proposals may seem modest, they seem to follow well the constitutional directions set for local governments and certainly can bring some cohesiveness and coordination to the delivery of services to rural Alaska. Your indepth comments and support can certainly help in seeing that this needed legislation is adopted by this session of the Legislature.

Your voice adds to a growing chorus speaking to the need for thorough technical revision of Title 29 of the Alaskan Statutes. When a certain number of amendments have been made to the Statutes, a recommendation is made for a revision of the Title. This is the case, as I understand it, with Title 29 and the recommendation is being made that Title 29 be the next title to be revised. I have had preliminary discussions with Representative Bill Parker regarding this and with several other interested parties, such as the Alaska Municipal League. One possible approach might be the establishment of a short-term committee composed of chairs of the Senate and House Community and Regional Affairs, Mr. Jack Chenoweth, from the Legislative Legal Department, other attorneys who are familiar with working on the Statutes, and other interested persons. I would see this as a working group that would produce revisions to Title 29 for introduction to the next Legislature. It seems to me there needs to be a careful delineation of the so-called house-keeping aspects and other issues that may be of major policy impact. For example, issues dealing with service areas, annexation procedures, etc., may take some special review and consideration.

January 4, 1980

I will discuss this matter further with Mrs. Ginny Chitwood, Alaska Municipal League, and with Representative Bill Parker as to possible methods for best proceeding with the revision of Title 29. I am sending copies of this letter to a number of people in hopes that both you, Tom, and the ones receiving copies will send me their thoughts and comments as to how best to proceed. It would be very helpful to have some input as to the number of policy issues, in addition to overall revisions that may well need to be addressed. Again, thank you for your interest and I will look forward to hearing from you further on this.

Sincerely,



Arliss Sturgulewski
Senator, District 10-H

cc: Mr. Lee Sharp
Juneau City Attorney
Mr. Bruce Aronson
Petersburg City Manager
Mrs. Ginny Chitwood, Ex. Dir.
Alaska Municipal League
Mr. Alan Tesche
Mat-Su Borough Attorney
Mr. Jim Nordale
North Star Borough
✓ The Honorable Bill Parker
House of Representatives
Mr. Jim Nordale
North Star Borough

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 14, 1980

SUBJECT: Identification of administrative regional units as "unorganized boroughs."
(Work Order Nos. ~~7569~~, ~~7570~~ and ~~7571~~)
7655 7656 7657

TO: Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee

→ Representative Bill Parker, Chairman
House Community and Regional Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

The designation of administrative regions as "unorganized boroughs" in the context of these bills is wrong as a matter of legislative drafting and contrary to provisions of the state's constitution.

As a drafting matter, this Agency has consistently tried to describe single purpose subdivisions of the state's unorganized borough fairly and accurately. Responsibility for schools and for resource planning in the state's coastal zone was transmitted to single-purpose unorganized borough "service areas" consistent with the directive of the constitution and state statute that "service areas" be used to accommodate provision of "special services". While uneasy with adaption of an organized borough mechanism for use in the unorganized borough, at least the choice of nomenclature fairly served to describe what was in the works. The terminology did serve to inform the citizens of the state fairly and fully of the status of the new subdivision. The choice of "unorganized borough" in this bill does not, as a matter of bill drafting, fairly describe the nature of the subdivision or unit that is being established in the accompanying bills. The "unorganized borough" authorized in these bills is clearly a single-purpose entity not characterized (as were earlier "service areas") by regional public participation and direction. These "unorganized boroughs" are confined to assist state planning efforts. "Unorganized borough" is a defective nomenclature that does not accurately identify the result embodied in the legislation.

Senator Arliss Sturgulewski

Page 2

January 14, 1980

The Constitution, at Article X, sec. 6, suggests that the term "unorganized borough" be used in conjunction with a scheme by which services are to be performed in areas not within incorporated areas, indicating that the legislature "[allow] for maximum local participation and responsibility." Since "service areas" have been used to describe the devices adopted for "special services" in the unorganized borough, and since the principal bill of the three accompanying this memo does not address "local participation and responsibility" for a function or service, use of the term "unorganized borough" -- which at least implies a delivery of multiple services with local participation and responsibility -- to describe an entity the sole purpose of which is to redirect the nature of state agency efforts is inconsistent with applicable constitutional directive.

The choice of terms in this regard is not insignificant. Fulfillment of the constitutional directive with respect to formation of unorganized boroughs -- "maximum local participation and responsibility" -- suggests to me that the three bills as presented are incomplete: the unorganized borough bill should also make provision for accommodation of existing services which involve local participation and responsibility, and, accordingly, should include transitional provisions by which the current service area responsibilities for single purpose subjects (i.e. education and coastal management planning) are folded into these new "unorganized boroughs." Your selection of the term "unorganized borough" almost certainly requires that, if adopted, the continued use of "service areas" of the unorganized borough as the structure to transfer responsibility for a service from a state agency to an entire region is no longer appropriate; hereinafter, bills drafted making such a transfer must make use of these new "unorganized boroughs."

JBC:ljb

Enclosures

Sen. Arliss Storgulewski

Rep. Bill Parker

January 15, 1980

to Arliss S. and Bill P, CRA committees

from Vic Fischer

re Jack Chenoweth's 1/14/80 comments on "unorganized borough" nomenclature

Jack takes the position that use of 'unorganized borough' in proposed bills is wrong from standpoint of legislative drafting and contrary to provisions of state constitution.

I defer to Jack with respect to legislative drafting.

However, I cannot accept Jack's position regarding what the constitutional provisions would require.

Jack's argument revolves around section 6, Article X provision of services in the unorganized borough with maximum local participation and responsibility. To deal with this matter, however, one has to look at section 3 as well as 6, plus keep in mind what the constitutional intent was as set forth quite clearly in the convention record.

The key to the issue is sec. 3: it provides that the entire state be subdivided into boroughs. Whether organized or unorganized, they are to meet criteria of population, geography, economy, transportation, etc. Each borough - unorganized as well as organized -- shall embrace an area and population with common interests.

The problem today is that the existing unorganized borough is patently illegal under the constitution. It does not meet the criteria or standards set forth in ~~section 3~~ section 3 for both organized and unorganized boroughs.

The constitution and the constitutional record are very clear that the intent was to divide the entire state into regions, using standards currently being applied to organized boroughs only. The intent always was to have regional units that would be able to move from totally unorganized status to whatever degree of organization might be appropriate.

Unlike Jack, I don't believe that sec. 6 "suggests" that the term unorganized borough be used in conjunction with service schemes entailing maximum local involvement. Note that sec 6 states: "The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs," then adding "allowing for maximum local participation and responsibility." ~~What~~ the proviso is not the other way around: it does not say that only where local participation is provided can the state provide services. Thus, the state is to provide services it decides upon, with whatever local participation is appropriate. The principal purpose of the and proviso is to make sure that local participation be provided to maximum extent possible. And I think that the regional strategy planning provisions lay the basis for truly major local participation in all services being provided by the state in the particular region.

Note also that the first sentence of sec. 6 refers to "unorganized boroughs", using the plural -- another indication that the regional concept is basic to article X and that the present single unorganized borough is counter to both constitutional language and intent.

Thus I agree with Jack fully that the choice of terms is not insignificant. It's just that we end up on opposite sides!

The designation of regional unorganized borough would, in my opinion, carry out the mandate of the constitution. Maybe a bit late, but not too late. I do believe it should be handled now, without perpetuating an illegality and incongruity that was perpetrated twenty years ago. (By the way, this whole matter is discussed in greater detail in our draft/unpublished study on regional government in Alaska.)

I do not think that establishing unorganized boroughs would create any problem whatsoever with service areas, REEAs or CMSAs. Some appropriate language can assure that their status is preserved. In doing so, the legislature would simply be exercising its authority and jurisdiction under sec. 6. The process of folding existing service areas need be no more complex than legislative action long ago providing that independent school districts be part of organized boroughs. Since unorganized boroughs would not, under proposed legislation, have their own governing body or facsimile thereof, the relationship between the service areas and state government need not change in any way whatsoever.

Ok?

A handwritten signature in dark ink, appearing to be 'Vic', is written on the right side of the page.

Pls give copy to Jack C. before our conference call

10. [Fran Ulmer, Director
Div. of Policy Develop. & Planning

DATE: November 13, 1979

FILE NO: J-66-220-80

ATTN: John Halterman
Deputy Director

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: Proposed legislation
on unorganized boroughs

By:
Rodger W. Pegues
Assistant Attorney General

This responds to your request for our review of the draft bill on this subject.

Because the bill is a working draft, we will not discuss technical matters but rather will limit our review to the bill's basic aims and mechanisms.

The bill has two basic purposes: (1) Provide some reasonably systematic means of obtaining popular review of state agency operational and construction programs in rural areas on a regional basis. (2) Provide a means for incorporating home rule boroughs on a regional basis in presently unincorporated areas. The latter presents no legal problems. The former does.

The basic legal problem is that the bill, perhaps inadvertently, gives any assembly a pocket veto power over the use of any appropriation which "affects" residents of its unorganized borough. For example, the appropriations for the criminal justice system affect residents of rural Alaska. Under AS 37.07.080(b) as it would be amended by the bill, if the assembly of an unorganized borough does not comment and make recommendations on, say, the State Troopers operations plan, no appropriation in support of the plan could be expended. (We doubt if the draftsmen intended this result, but that is it.) A pocket veto of this dimension would not only be unacceptable as a matter of public policy but also as a matter of constitutional law. The governor's power to budget and to supervise the executive simply cannot be made subject to a veto without offending the constitution.

Even if the language here (lines 2-16 at page 7) were revised to eliminate the pocket veto, it is still overly broad. The appropriation for the Department of Law's civil division in the Juneau office, for example, "affects residents of the unorganized borough" because the office routinely writes legal opinions and memoranda of advice -- as well as providing oral advice -- upon which other state agencies rely in administering their programs. If unorganized boroughs are to be brought into the process of preparing the state's budget, the language must be made much more

precise than this. (That raises a related question: Legal questions aside, what is the rational basis for bringing unorganized boroughs into the budget process but not the cities and organized boroughs?)

As a practical matter, is there a reasonable way to bring the unorganized boroughs into the budget process as proposed in the bill? Assuming that it is constitutionally permissible to require this review and consultation, can it be accomplished with a favorable cost-benefit ratio? How many specialists will have to be hired by the state to translate the agency budget proposals into the bill's narratives for the assemblies to review? How many more specialists will be required to consider the assembly comments? How will proof of that review and consideration be made? By written decisions? Oral?

Given that not everyone can understand budget documents -- even if translated into a "narrative summary" as the bill proposes -- how much review and comment of practical value can reasonably be expected? Assuming that a worthwhile review can be made, how will comments be prepared and how will recommendations be made? The paperwork involved for both the state agencies and the assemblies becomes readily manageable only if there is an administrative staff on hand to do it. Given the massive amount of budget material which would have to be reviewed and the limited time available in which to review it, a large administrative staff would be required in each unorganized borough.

The REAA's (and the regional corporation's) boundaries are not coterminous with regional boundaries for budget purposes. As a result, even if the bill's language were made more precise so as to delimit the reviews to budget items for expenditures actually within an unorganized borough, the risk of error and confusion would remain great, with attendant uncertainty for spending appropriated moneys. The risk grows still greater when the review extends to budget items spent elsewhere but which affect residents of an unorganized borough.

In sum, the proposal for review and comment on the budget requires a great deal of work before it will be a reasonable and feasible appropriation for the Department of Law's civil division. It affects

The proposal to include unorganized boroughs which have established assemblies with those entities (municipalities and village councils) which review proposed public

John Halterman
November 13, 1979
Page #3

works projects appears to be feasible. However, if a village is within an unorganized borough which has an assembly, review by the latter should suffice, and there should not be a requirement to have review by both, any more than there is to have review by both an organized borough and a city within it.

Finally, while the stated concern here is to move away from the development of overlapping, duplicative special districts, this bill merely adds another layer. Apparently, there is an underlying hope or mild expectation that, eventually, home rule boroughs will be incorporated, thereby succeeding to and consolidating the unorganized boroughs, the REAAs, and the coastal resource service areas. Given, however, that the special districts have 100 percent state financing and that the organized boroughs do not, the hope is wishful and the expectation unrealistic.

RWP/pjg

withhile

WO 7573
Vassar

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

IN THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid to local governments; and providing for an effective date."

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

* Section 1. AS 43.18 is amended by adding a new section to read:

Sec. 43.18.015. ADDITIONAL ENTITLEMENT. A city or organized borough of any class which is entitled to state aid under AS 43.18.010 shall receive additional state aid for each fiscal year in the amount of \$25,000 adjusted to include an area cost-of-living differential determined in accordance with AS 43.18.012.

* Sec. 2. This Act takes effect July 1, 1980.

Let Fiscal Note!

Admin. Regions - no call reorganized here!

CS - purposes!

DPDP

Call Dick Bradley -

Chenault review of CZM changes -

- Fiscal note for our bills!

CZM # - numbered for further use. Call Jan Erickson - Sharon Shurock

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 21, 1979

SUBJECT: Elimination of Third Class Boroughs
(Work Order Number 7574)

TO: Community and Regional Affairs Committee
Attn: Marge Gorsuch
Administrative Assistant

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

In the draft of the bill to eliminate third class boroughs it was necessary to revise statutes that used the term "third class borough" which were outside the municipal code (AS 29). In particular, attention should be given to AS 14.-12.110 which is contained in that title of the Alaska Statutes reserved for education. Although AS 14.12.110 does address a topic related to education, i.e. the composition of school boards, it also quite clearly expands the potential power of the borough assembly without any parallel provision in the municipal code. It might be desirable to add such a provision to AS 29 so that reference to that title in order to examine the powers of the borough assembly would reveal this potential dual function.

TAS:ljb

Enclosure

HOUSE/SENATE Bill Number or Statute	Activity	Time Required
H B 560 S B 348 pg 1	Each REAA becomes an unorganized borough ⁷	Effective 120 days after the passage of the Act.
H B 560 S B 348 pg 1-2	Commissioner reviews the boundaries of unorganized boroughs, amends them if necessary, and certifies the boundaries.	Estimates time to complete this task in 180 days.
H B 561 S B 349 pg 1	A municipality, group of municipalities, a nonprofit corporation, or the Commissioner proposes that a management plan be prepared for an unorganized borough.	This may occur at any time.
H B 561 S B 349 pg 1	Commissioner reviews the request for a management plan and accepts or rejects it.	Estimated time to complete this task is 30 days.
H B 561 S B 349 pg 1	Commissioner advertises for proposals to prepare a management plan for the unorganized borough.	The proposed act requires that requests for proposals be advertised for at least 15 days. Estimated time to complete this task is 60 days
H B 561 S B 349 pg 2	Commissioner reviews proposals and awards a contract.	Estimated time to complete this is 60 days.
H B 561 S B 349 pg 2-3	Management plan is prepared.	A maximum of 4 years is allowed to prepare the management plan. The Department may not pay more than \$25,000 plus \$25 per resident each year for preparation of the management plan.
H B 560 S B 348 pg 3	Residents of the unorganized borough petition for the election of a charter commission and incorporation as a home rule borough.	This activity may occur at any time.
AS 29.18.060	Department reviews the petition and determines its sufficiency.	Estimated time to complete this task in 30 days.
29.18.070	The Department investigates the proposal and prepares and submits a report with recommendations to the Local Boundary Commission.	Estimated time to complete this task is 120 days.
AS 29.18.080	The Local Boundary Commission conducts public hearings throughout the unorganized borough.	Estimated time to complete this task is 90 days.

AS 29.18.090	The Local Boundary Commission conducts a decisional meeting and enters a decision to accept the petition. The Commission could, if the area did not meet borough incorporation standards, reject the petition. A formal statement of decision is issued and sent to the Lieutenant Governor.	Estimated time to complete this 30 days.
H B 560 S B 348 pg 4	The Lieutenant Governor issues an order calling for the election of a charter commission.	The order must be issued within 30 days of receipt of notice that the LBC has accepted the petition.
H B 560 S B 348 pg 4	Local residents submit nominating petitions for the charter commission to the Lieutenant Governor	20 - 30 days are allowed for this activity.
H B 560 S B 348	Lieutenant Governor conducts an election.	The election is held not less than 60 or more than 75 days after the date of the election order.
H B 560 S B 348 pg 5	Charter commission prepares and submits a charter to the Commissioner.	One year is allowed for this activity.
H B 560 S B 348 pg 5	Community and Regional Affairs reviews the petition and accepts it. If the charter is legally deficient it is returned to the Charter Commission which has 90 days to submit a revised charter.	Estimated time to complete this task is 60 days.
H B 560 S B 348 pg 5	Community and Regional Affairs notifies the Lieutenant Governor of the acceptance of a charter. Lieutenant Governor orders an election held to consider adoption of the charter and incorporation as a home rule borough.	Estimated time to complete this task is 30 days.
H B 560 S B 348 pg 5	Lieutenant Governor conducts an election to consider approval of the charter and and incorporation as a home rule borough.	The election must be held 60 to 90 days after the date of the election order.
H B 560 S B 348 pg 6	If incorporation is approved the Lieutenant Governor issues an order calling for a second election to elect borough assembly members, a mayor, and any other elected officials called for by the charter.	Estimated time to complete this task is 30 days.

P.O. Box #1166
Fairbanks, Alaska 99707

Third Open Letter to All
Legislators of the State of Alaska

January 28, 1980

RE: Borough Powers (HBs 580, 581, 582, 584, 585 and 586)

Dear Legislator:

On January 21, 1980, the above named bills were introduced by the Rules Committee and referred to the Community and Regional Affairs Committee. These bills are interrelated and if enacted will eliminate the Borough System. The little bit of freedom reserved by the Alaska voters over local government and of local self-determination as demanded by the Alaska Constitution Article X, will be replaced by a state socialistic dictatorship under the Governor and the Department of Community and Regional Affairs.

HB 580, if enacted, will generally speaking, establish each existing regional educational attendance area (school district) as an unorganized borough and will provide for their direct incorporation as a Home Rule Borough.

HB 581, if enacted, will authorize the Office of the Governor to study and to report to the legislature recommendations requiring legislation regarding development and implementation of state services to districts. (Each existing borough and unified municipality and each unorganized borough will be considered a State Service District if HB 580 is enacted.)

HB 582, if enacted, will provide public tax dollars to a municipality or a non-profit corporation to prepare the management program for the unorganized boroughs.

HB 584 will, if enacted, eliminate the Third Class Borough.

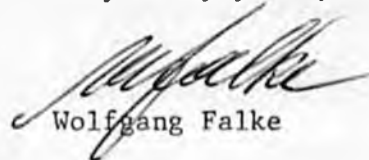
HB 585, if enacted, will provide for direct incorporation as a Home Rule Borough for the Second Class Borough. (Last session as part of HB 66 legislation was slipped in giving the Second Class Borough powers of a First Class Borough without the consent of the voters. Presently I am challenging this legislation at the Superior Court of Alaska.)

HB 586, if enacted, will give the Department of Community and Regional Affairs sole authority to prepare a statement of expenditures or appropriations to be made by any municipality, necessitated by enactment of State legislation. In other words, the legislature may impose any State provided service on any municipality and make that municipality pay for the same, and only the Department of Community and Regional Affairs will be authorized to prepare a statement or note of the anticipated cost to be born by the people of the municipality affected.

All these bills are monuments of a state socialistic dictatorship, impairing and denying the people of Alaska rights guaranteed under both the U. S. Constitution and the Alaska Constitution. They are violating the principals of providing for maximum local self-government as set forth under Article X of the Alaska Constitution and they are ignoring the limitations of power to the legislature as set forth under Article II of the Alaska Constitution.

These bills cannot be legally enacted without first changing the Constitution of Alaska. Therefore, I urge you to devote your efforts that HBs 580, 581, 582, 584, 585 and 586 will die in committee.

Very truly yours,



Wolfgang Falke

CONFIRMATION COPY

P. O. Box 1166
Fairbanks, Ak. 99707

Senate Community & Regional Affairs Committee
Senator Arliss Sturgulewski, Chairman, and
House Community & Regional Affairs Committee
Representative Bill Parker, Chairman
Pouch V, Juneau, Alaska 99811

February 13, 1980

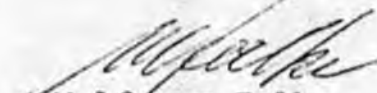
Dear Committee Members:

Enclosed please find a copy of my forth open letter to all legislators, which, together with my third open letter of which you have received a copy (I hope), I hereby formally ask to be entered as testimony at your next committee meeting. I hope there will be a chance for the committee to consider my suggestions and objections.

I appreciate very much the opportunity to participate in your last weeks teleconference and to listen to the problems faced elsewhere in our State. I am sure I did not address all the questions you may have regarding my comments and I would sincerely appreciate if you could drop me a short line with the specific questions why you think the law must be changed and amended to better solve the "problems", and state the problem. I will respond at once.

I thank you for your kind consideration of my comments.

Very truly yours,


Wolfgang Falke

Enclosure

CONFIRMATION COPY

P. O. Box 1166

Fairbanks, Ak. 99707

Fourth open letter to all
Legislators of the State of Alaska

February 12, 1980

Re.: Borough powers (HBs 580, 581, 582, 584, 585, 586, and the
corresponding bills in the Senate)

Dear Legislator:

This letter is written in opposition to the above named bills, which will, if enacted, eliminate the borough system. Thereby the opportunity for maximum local self-government as mandated by the Alaska Constitution, article X, will no longer be provided for.

If the sole purpose for this legislation is, (as I have perceived from listening to verbal testimony by members of the Joint Senate & House Community & Regional Affairs Committee) to streamline delivery of State provided services and to encourage local participation in the process, then nothing would prevent the legislature from simply amending present law to the extent that the existing regional school boards may also act as Regional Health and Welfare Boards. The providing of municipal services to any area of the State where people may desire them is very adequately covered by existing law in Title 29, Alaska Statutes.

Under AS 14.08.41 regional educational attendance areas were established to provide for education in the unorganized borough and to "establish and maintain a system of public schools open to all children of the State" as set forth in the Alaska Constitution, article 7. Each regional educational attendance area is operated on an areawide basis under the management and control of an elected regional school board. If a higher or different level of education than that provided by the State is desired in any part of a regional educational attendance area, or if a municipal service is desired by the people in any part thereof outside first or second class cities, the legislature

may act as the assembly for the unorganized borough and may establish, alter, or abolish service areas for that purpose (AS 29.03.020). The regional school board has no taxing authority and the Division of Lands has the zoning authority in the unorganized borough (AS 38.05.037), except that first class cities shall and second class cities may provide for planning, platting and zoning.

A Third Class Borough is an organized borough and a municipal corporation; it provides for the most local control under State law. A third class borough has an elected assembly which also serves as school board. The presiding officer of a third class borough assembly is both president of the school board and borough executive (AS 29.41.020). The presiding officer is elected from among and by the assembly and has no veto power. A third class borough is a general law municipality (AS 29.08.030) and is granted the powers applicable to all municipalities under chapter 48 of title 29. It must exercise the mandatory areawide powers of education and tax assessment and collection and may assume any municipal powers granted under chapter 48, title 29, by voter approval and may exercise the same on a service area basis only (AS 29.41.010). Planning, platting and zoning powers may be assumed after approval by a majority of the voters of the entire borough and may be exercised on a service area basis. First class cities shall and second class cities may provide for planning, platting and zoning. The State has no zoning authority within a third class borough (AS 38.05.037) except within any portion covered by the Alaska Coastal Management Program, if the municipality has not done so. The State Division of Lands may provide for platting:

"...for only the purpose of hearing and acting on petitions for the change and vacation of plats" (AS 40.15.075).

The third class borough may well be considered the ideal form of maximum local self-government to facilitate organization of large and sparsely populated areas, such as encompassed by many of the existing regional educational attendance areas.

"All political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole." (Alaska Constitution, article 1, section 2)

In other words all rights of self-determination are originally retained by the people. The State assumed only the rights enumerated in the constitution of Alaska through voter approval and assumed at the same time the obligation to fulfill the responsibilities enumerated in the same. Article VII of the Alaska Constitution requires the State to provide for education, protection of public health and welfare. Article X of the Alaska Constitution requires the State to provide for maximum local self-government and to divide the State into boroughs, organized and unorganized, and that the legislature shall classify boroughs and prescribe their powers and functions and methods by which they may be organized, incorporated, reclassified and dissolved.

The legislature did that; it established 3 classes of organized boroughs and provided for their reclassification, and it did provide for regional educational attendance areas operated by elected school boards. The borough system as enacted provides for maximum local self-government on one hand and for stringent municipal rule on the other, thereby satisfactorily accommodating the needs of the various population centers as well as the sparsely populated areas of the State. The unorganized borough with its multitude of first and second class cities is evidence for the success of the local government system.

As private ownership of land will increase, population centers of various character will develop and thereby will demand increasingly more and different kind of municipal services. The third class borough will undoubtedly fill the need for a first step to organize local municipal government. The Haines third class borough very successfully proves its purpose. The majority of the people of Haines prefer to retain their right of self-determination as evidenced in recent elections by voter rejection of reclassification proposals to a different class. It also reflects their desire and need for self-determination regarding planning and zoning, the power which the people of Haines prefer to retain as evidenced in a recent election. Of course there are always people who prefer a stronger form of local government. In the case of Haines those people are in the minority, but very vocal in favor of HB 584, a bill calling for the elimination of the third class borough. On the other hand in many second class boroughs evidence is apparent of the dominance of the populated center areas over the outlying areas; specifically, over dictatorial zoning administration unjustly denying the less populated

areas their rights to self-determination. Serious attempts have been made and are currently contemplated for putting the question of reclassification to third class status for all or part of some second class boroughs on the ballot.

This flexibility of municipal government organization is absolutely necessary to insure orderly and diversified development in the future; the only way to achieve prosperity to the people and establish a sound economy. For these reasons, and because the Alaska Constitution demands it, I urge you to defeat the above named bills in committee.

Unfortunately most of the citizens of Alaska are not aware of the legislation under consideration and therefore the input you receive reflects mostly that of special interests, such as existing government bodies and government related or dependent groups, who will benefit from this legislation at the expense of the majority of the people. The current administration and the Department of Community and Regional Affairs in particular are consistently opposing and rejecting the third class borough form of local government. This is evidenced by the misleading and false statements found in the recent Yukon Flats Regional Government Study, such as: "A third class borough is little more than a local school board which must levy taxes to support its educational programs. Because it lacks planning authority, it cannot deal with important issues such as planning for public facilities, providing utility services, and planning for growth and development which best fits local needs and desires." This is of course not so. Education is provided and paid for by the State, the third class borough government can do all the planning it needs or wants to do and can establish any municipal service such as utilities, roads, fire protection, recreation, water, sewer, garbage collection, and so on, on a service area basis with the consent of the voters. In the unorganized borough, where most communities at present are not connected by road, the third class borough should be the form of government most attractive for the people to adopt.

The Joint Senate & House Community & Regional Affairs Committee's final report of the Local Government Study - 1979 states: "Creation of the Rural Education Attendance Areas throughout Alaska eliminated the purpose of the third class borough, which has education as its only authorized substantive function." This statement reflects total misinterpretation


of the law and displays arrogance and disrespect for the principals of the right for self-determination of the Alaska people as set forth in their Constitution. Agency representatives as well as members of the legislative local government study committee expressed verbally before public hearings such misinterpretations of the law purely for the benefit of enhancing the power to special interest groups and government bodies. The evidence of their misrepresentations warrants serious consideration of a legislative investigation into the misuse of power and funds by the Department of Community and Regional Affairs. The Department has worked purposely against implementation of the law as prescribed by Alaska Statutes and has unlawfully propagandized misleading facts to influence public opinion in order to change law and thereby enhance the self-serving powers to that department.

Present law very adequately serves the needs for organized and unorganized local government. Education is very well provided to the unorganized borough through the elected school boards of the Regional Educational Attendance Areas. In the same way health and welfare services could be administered by the State. If special services are desired in specific areas, first and second class cities may provide for the local needs of such services or the legislature may act as the assembly for the unorganized borough and establish service areas to satisfy those needs. A third class borough may be formed in which the assembly is also the school board and may, in addition to the mandatory functions of administering education and tax assessment and collection, exercise any or all additional municipal functions, including planning, platting and zoning, on a service area basis, after voter approval. If the need for areawide exercise of the additional services should arise or be desired, the people may by majority vote reclassify or incorporate with the powers of a borough of the second or first class, or as a home rule or unified municipality, as prescribed by law.

No purpose is cited for the enactment of the above named bills under consideration which could not be implemented under present law. The proposed legislation will substantially eliminate the opportunity for local self-government and thereby impair and deny the people of Alaska the right of self-determination as set forth under the Constitution.

These bills are contrary to the best interest of the people as a whole. Therefore they should die in committee, and in any case must never be enacted.

Very truly yours,



Wolfgang Falke



Alaska State Legislature

House of Representatives

Committee on

Pouch V

State Capitol

Juneau, Alaska 99811

Official Business

Community & Regional Affairs

BILL NUMBER AND TITLE: HB 580-586 Legislative Package Bills

ORIGINAL SPONSOR: Joint C&RA Interim
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 3/19/80 (7:30 P.M. Informal hearing specifically

MEMBERS PRESENT: Bill Parker X with members of RuralCap CPC
Margaret Branson X Pat Carney X
Pat O'Connell X Charlie Parr
Fred Zharoff X

Also present were: Sen. Arliss Sturgulewski
Ray Metcalfe

Bob Lohr, Deputy Director, RuralCap

- * Voluntary process contained in HB 580 should be emphasized repeatedly. Not intent to promote mandatory boroughs and this should be continuously emphasized. Insert wherever reasonable (p. 1 line 19) Overkill the voluntary aspects of the bill. Does boundary drawing encourage borough formation? This is a question which will be raised.
- * p. 2 line 8 120 days not long enough
- * The boundaries which are developed should be provisional for the duration of the planning process.
- ? p. 4 Add to planning process
- Financing issue not addressed*
- * Expressed concern tht REAA boundaries might not meet borough boundary standards.
- * p. 3 line 29 Add that the commissioner would "seek public participation in the evaluation process.

Suggests that wording used in the development of coastal resource service districts could be used, i.e., by resolution by a majority of villages or petition of 15%--to ask for funds for study. Whatever entity receives the money should be representative of the community. People are deciding what should take place. People want to evaluate.

Questioned if enough money was being appropriated in HB 886? Palmer McCarter explained that the estimate was that 3-4 regions might request funding during a given year.

- * Spud Williams - Citizens' Participation Conference re HB 580
- * No phase between organized and unorganized status of regions. Will be spending alot of money to develop plans and a "planning commission" of sorts will have been established and yet then there will be no mechanism for local followthrough. What will be done with the plans? p. 5 line 14

(see p. 2)

COMMITTEE ACTION: No action. Scheduled for hearing 3/21/80

PAGE # SIDE Footage Cassette Tape #

There will be no way to implement the recommendations of the study. There should be a phasing process allowing for planning and zoning powers. There is a need to implement what we are planning for. Allow enough time to see what works in each area. Check for legitimacy of planning instrument.

There should be a provision for review of the exemption provision* in HB 851 every 3 years or after provisional boundaries have been made final.

State should recognize IRA Councils as a new class of city.*

Revenue sharing for IRAs and recognition of IRAs for revenue sharing purposes has been raised by Saxman. Legal research is being done in conjunction with the Tanana Chiefs which addresses this question, according to Palmer McCarter.

Lohr pointed out that there are a number of native villages which perhaps need modification from the requirement that Native Regional Corporation Boundary lines be respected: Mentasa, Cantwell, Lime Village. Suggests that perhaps there should be listed in the bill.*

580-

Report adapted.

Similar precedence to ~~REAA~~ Regional Native Corp boundaries

* Inside/outside city note

Concerns re provisional boundaries.

Fed. concept 'opting in/out' planning areas.
Accountability comes

* Planning groups perhaps ~ no stake ~ result. ?
Questioning effectiveness of REAA ~ ability areas

Public Hearing
HB 588-1586

3/19/80 7:30 AM

Meeting with Rural/Urban Participants/Influencers

Address

Name

Charles - (Class) ...
1st - Hall ...
FBI, AK 99701

John ...
Fouch B - ...
912 W. 6th / Akhobayev

Norman H. ...
Fouch C ...

Charles Hubbard
3305 Rossell/A - Anch, AK 99504
(Copper River Native Assoc.)

Charles Mueller
Box 189 Dillingham AK 99576
(Bristol Bay Native Assoc.)

Rita Waterfield
Box 276, Fort Lions, AK 99550 (KANA)

Walter Good Bond
P.O. 1208 Tok, Alaska 99780

John ...
Fid Log. Chain ...
Boxes FYU 99740

Marlene, Inc
Rural CAF
327 Fogle, Anch 99501

Bob Lohr

Jeff Smith

Rita ...

...



Alaska State Legislature

House of Representatives

Committee on

Pouch V
State Capitol

Juneau, Alaska 99811

Official Business

Community & Regional Affairs

BILL NUMBER AND TITLE: CS HB 580/581 Establishing Unorganized Boroughs
Responsibilities of DPDP

ORIGINAL SPONSOR: _____
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 3/17/80

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

Pat Carney X
Charlie Parr X
Fred Zharoff X
Ray Metcalfe

CSHB 580

Bob Lohr, Ruralcap

Substantial improvement over original bills. Requests that action be deferred until Thursday when RuralCap Citizens' Participation Conference will have final position paper developed. RuralCap believes it is desirable to combine the drawing of the boundary lines with the planning fund for the unorganized boroughs as is done in CSHB 580. Likes the addition of the word "shall" in page 4 line 5 as was recommended during RuralCap testimony.

Parr - Suggests that the assistance being given in Sec. 44.47.085 P. 3) is really for "planning" rather than for "management" programs and suggests that this be reworded.

CSHB 581

Bob Lohr - Sees the effective dates as the key in this bill and states that the lag time between creation of the unorganized boroughs and the use of these new boundary lines by the state is too long. Also suggests that the exemption language be tightened in Sec. 44.17.130 (1) and (2)(A). Concerned that in (1) that the whole Dept. of Admin. might be exempted or that certain important programs might be exempted. Lohr sees (A) as overly broad with the current wording. Resource information will be main concern after local governments are formed. Lohr expressed concern re how agencies might combine "one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs" (p. 2 lines 27-29)
p. 2 line 3 Lohr suggests that it be stated that this exemption not be renewable.
p. 2 line 5 It appears that a higher standard is implied with the use of "substantially" re increased workload and a similar higher standard should be applied to "additional expense" and "decreased efficiency".

COMMITTEE ACTION:

TAPE # SIDE Footage

HB 580

Palmer McCarter, Director Division of Local Assistance
DC&RA

p. 3 Line 4 Questions inclusion of nonprofit in this section and suggests that it should be "corporation" while the idea of "nonprofit" should be included in (c) of this section. Asks whether DC&RA would be able to contract with a consultant with the given language? The language of A should be consistent with C. A consultant shouldn't be able to initiate a study.

Parr - Questions if ISIGR would be able to do a study under the existing wording and states that it should not preclude a group such as that which has substantial expertise.

McCarter - Suggests that corporation of whatever type should be able to do study. Should go back to the notion of nonprofit corp. as being among those who can request.

Parr - The people or C&RA should be the only ones who can request the study.

Branson - suggests that this section be reorganized to put (c) first and (a) in place of (c).

Parr - There is a need to address just the constitutional standards for borough incorporation as few REAAs would meet these standards.

Jeff Smith - Maneluk, Planning Director
Concurs with Parr that what is being addressed is a "planning" strategy. Local control should be of prime importance and it would be a mistake to allow a private consultant to request that a study be done. Smith discussed some of the history of the NANA regional strategies and the current state of the effort.

HB 581

Jeff Moor DPDP

Logical sequence of bill is good. Section 1 Requires that basic program data and information conform to specific boundaries. Feels that certain happenings in state government will be complimentary to proposal in CSHB581:

1. automation of state budget
2. State library mandate for the data access center
3. ALARS system of Natural Resources
4. Management by objective approach

Parr - Will all of these systems be compatible?

Moor - Change wording on p. 1 line 21 to read:

(1) Information which may be required by the Office of the Governor for purposes of modeling the geographic distribution of the state's population, economic activities and public services."

Parr - Suggests that the intent in Section 1 (p. 1 lines 12-18) is not clearly stated and should instead be rewritten to be similar to statement on p. 2 lines 19-26.

Question is raised as to when the effective date of the ~~exception~~ exemption will be? Will it be from the effective date of this section?

Parr - Suggests eliminating everything on p. 3 line 14 after the word "public".

Committee Log Book - 1979

Ht CIRA Teleconference

Tape Number III IV V

Co-Chairman - Sen. Sturgulewski

Side Number ② | ③ | ①

Committee - Rep. Parker

Dates 2-7-80 to _____

Hs. Mbrs Present: Rep. Branson, Rep. Fuller
Sen. " " Sen. Kelly, Stimson, Mulcahy, Rodery

Bill Numbers Discussed

SB 348-354	(Hs. Version)	580-586				
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Tape III

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-7-80 1:30 P.	005		Start - Introductions
	125		Sig Strandberg, (Anc.)
	304		Don Gilman - (Kenai)
	465		Pam Herman (Kotzebue) - Maurieluk Maxpower
	563		Edward Hoffman (Bethel) <small>Chairman of F-Bad. Assoc. v. Hogg. Cndl. Acc.</small>
	730		Chris Anderson, (Fbx) - Tanana Chiefs Conf.
	866		Bob Blodgett, Jeller (Nome)
	108		Mayor Halliwell, Haines (Anu)
	217		Lisa Ruckl, (Anc. h.)
	484		Jeff Smith, (Kotzebue) Maurieluk Assoc.
	534		Carl Jack, (Bethel)
	615		Ray Kent, (Fbx.) Tanana Chiefs
	738		Andy Edge, City Mar. (Nome)
	181		Dave Olerud, Haines (Anu)
	400		Pat ^{Petrivelli} Kep [?] (Anc.) Rural Cap
	493		Bert Criff (Kotzebue) Nenana Rep'l Ass'n
	560		Ken Prohl, City Mar. St. Mary's (Bethel)
	612		Wm. C. Wm. - (Fbx) Tanana Chiefs

Side ②

Tape IV
Side ①

(over)

722 - Kailob PEN gowee (name)

828 - Roger Allixy tax (Inu)

side

(2) - 028 - Ron Mallett (anc.)

139 - Mr. Gene? Moore, City Mgr. (Kotzebue)

305 - Wolfgang Falk? (Fbx.)

588 - - Dave Walsh - (Anc) - Municipality & on behalf AHL

744 - Allen Busbee? (Fbx.) Shalsha

800 - Bruce Anonson (Inu) City Mgr. of Petersburg

Tape V

~~12187~~

039 - End - 5 P.M.

GARNETT, KLINKNER & BENDELL

ATTORNEYS AT LAW

900 WEST FIFTH AVENUE, SUITE 540

ANCHORAGE, ALASKA 99501

(907) 276-2221

MARGE
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.

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.

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.

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

A. Sturgulewski
Page 3
February 21, 1980

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

STATUS OF HOME RULE BOROUGHS 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

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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-area-wide 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

February 4, 1980

The Honorable Robert F. Messegee, Mayor
City of Skagway
P.O. Box 415
Skagway, Alaska 99840

Dear Mayor Messegee:

It was good to meet you when you were in Juneau at the Mayor's Conference recently.

As I mentioned, Senator Arliss Sturgulewski's staff informed me that the joint House and Senate Community and Regional Affairs Committees will be discussing the Skagway annexation on February 29, 1980, from 8 to 10 a.m. in room 110 of the Capitol Building. I informed both the House and Senate committees that you would be willing to come down and present testimony if necessary; therefore, I am sure you will be hearing from the committees in that regard.

Sincerely yours,

Marie Fignalberi
Deputy Commissioner

cc: The Honorable Arliss Sturgulewski
The Honorable Bill Parker
Palmer McCarter