

ALASKA LEGISLATURE COMMITTEES 1961-1982

1231 HERRA HB 170 - HB 201

29.40.170 - (PAA)

- This section doubles the violation misdemeanor from \$500 to \$1000 but solely for the misconduct of selling lots before properly platted and recorded!

Why was the same penalty not afforded to other land use regulatory penalties such as zoning, building?

29.45.010 - (Lee Sharp)

following line 10. It may be helpful to add a new subsection (3) indicating that boroughs may also levy a service area property tax for functions which are limited to the service area. The word "non-areawide" is defined as including all the area outside cities. A service area is generally something less than the entire area outside cities and the addition of this specific authority may avoid questions in the future.

29.45.040 - (Lee Sharp)

beginning at line 5. I think section 29.45.040 should be moved to some other section of the code as it does not in any way affect the authority or the procedures used by municipalities to levy and collect taxes. AS 29.10.110(35) purports to make this a limitation on home rule municipalities yet neither home rule nor general law municipalities have any duties under this section nor does this section act as a restriction on any municipality.

29.45.050 - (Lee Sharp)

Page 99, line 27. I believe that the need for the clause "excluding personal property from taxation" should be deleted as it gives rise to the implication that personal property could not otherwise be exempted by a borough. While this may be the case under the present Title 29, it appears that this has been changed by proposed section 29.45.010(c) (page 93 at line 14). This subsection refers to levying a tax on "real property, personal property, or both." The clear implication of this subsection is that a borough may, in effect, exempt personal property by levying its tax only on real property. This is a change from existing law. Leaving the reference to a personal property tax exemption on page 99 at line 27 implies that a borough may not fail to levy a tax on personal property unless it has exempted personal property by adopting such an exemption which a city within the borough has previously adopted.

29.45.050 (Peter Hallgren, Sitka)

Figure of \$10,000 refer to taxes or value?

29.45.050 (Department of Community & Regional Affairs)

As a tax on personal property is relatively difficult to administer and collect, and because many municipalities have the option to exclude personal property from taxation under the provisions of AS 29.53.025(c), why not extend the option to all municipalities.

29.45.160 (Joe Burch, Div. of Technical Services, Dept. of Natural Resources)

Page 107 - lines 22-26 - This reads as if the record owner should provide a copy to the Assessor. See AS 29.53.100 (b) as now written.

29.45.210 - (Lee Sharp)

Page 110, line 2. What's going on here? The phrase "of assessment and amount of taxes" has been added to the statute. The words "of assessment" don't change existing law or basic concepts; however, the addition of "and amount of taxes" constitutes a major and rather frightening change. The board of equalization sits solely for the purpose of determining whether property has been correctly assessed, that is valued, for tax purposes. It does not sit for the purpose of adjusting taxes. In fact, the taxes are not even levied at the time the board of equalization sits. They are levied only after the board has made its adjustments to the assessment role. I don't know what problem it was thought this language would clear up, but I believe it opens a nightmarish can of worms we should avoid.

29.45.250 - (Lee Sharp)

Page 111, line 27. It is refreshing to see an interest rate proposed which more nearly reflects that of the market. However,

based on the rise in interest rates which far exceeded what anyone would have predicted several years ago, may I suggest that you give the municipalities a little more flexibility to go either up or down by inserting the phrase "or such other amount as established by the governing body by ordinance or resolution" right after the word "year" in line 27.

29.45.320 (Joyce Rasler, Wrangell City Manager)

Real Property Tax Collections (a) and Sec. 29.45.330 Foreclosure List (a) (1) are in conflict. Wrangell's ordinance provides for enforcement of delinquent real property tax liens, however, not annually. The number of delinquent accounts would not justify annual foreclosure in many municipalities. It is recommended that Sec. 29.45.330 (a) (1) be amended by adding "unless otherwise provided by ordinance" to be consistent and save unnecessary foreclosure proceedings.

29.45.460 (Joyce Rasler)

Disposition and Sale of Foreclosed Property (c): A home rule municipality is not required to hold hearings on an ordinance. This section should be amended to provide for notice to the former record owner prior to introduction of an ordinance.

29.45.470 - (Lee Sharp)

Page 119, line 13. The eight percent interest which appears in this line is, I believe, a drafting oversight. This interest rate should correspond to the interest rate on delinquent taxes established in 29.45.250 (page 111 at line 27). Either the eight percent should be changed to fifteen percent or it should be replaced by merely referring to the rate of interest for delinquent taxes for the years involved.

29.45.470 (Joyce Rasler)

Repurchase by Record Owner (a): 29.45.250 provides for fifteen percent interest on delinquent taxes. It is inconsistent to charge eight percent following judgement and fifteen percent prior to judgement. In addition, AS 09.30.070 provides for interest on judgements. This subsection also provides for delinquent taxes assessed and levied as though it continued in private ownership. This should include delinquent taxes assessed and levied, plus penalty and interest.

29.45.470 (Peter Hallgren, Sitka)

Page 119 - Relating to foreclosing on property for taxes. Should be a date where the right of the original property owner to repurchase ceases.

29.45.480 (Tam Cook, Legislative Counsel)

Sec. 29.45.480 was omitted from this bill. Under existing law, that provision is AS 29.53.380 (proceeds of tax sale).

29.45.560 (Dept. of Community & Regional Affairs)

F. 120, 1 27 - It would seem that the provisions should include 29.45.080, 29.45.240(b) and 29.45.450.

29.45.650(a) (Lee Sharp, Juneau City Attorney)

While discussing the applicability of AS 29.53.415(a) to home rule municipalities with an attorney for the gas line, he pointed out that in the proposed municipal code (HB 170) the counterpart of that section now includes reference to home rule municipalities. See proposed AS 29.45.650(a).

As I read this proposed section, home rule municipalities would not be able to levy more than a six percent sales tax. The limitation on rate does not currently apply to home rule municipalities but would under the proposed section. Quite frankly, I do not recall the discussion which led to the inclusion of home rule municipalities under this limitation. Advancing years I guess. There is no reference to this subsection in the home rule laundry list in HB 170.

I also note that your commentary on the changes does not mention the addition of this limitation to home rule municipalities. I wonder if you could set me straight on what was intended for this subsection. The same question would apply to the sales tax section on cities.

29.45.650(a) and 29.45.700 (Tam Cook, Legislative Counsel)

Two errors in SB 180 have been brought to my attention by Mr. Gerald L. Sharp, Attorney for the City and Borough of Juneau. During the editing process the phrase "home rule or" was inadvertently added to Sec. 29.45.650(a) (existing AS 29.53.415) and to Sec. 29.45.700 (existing AS 29.53.440, 450), making these sections apparently applicable to home rule as well as general law municipalities. There was no intention on the part of the Title 29 Revision Committee to limit the amount of sales tax which a home rule municipality may levy to 6 percent, and there was no intention to limit the power of a home rule city to levy sales and use taxes. While the list of home rule limitations contained in Sec. 29.10.110 does not include either Sec. 29.45.650 or Sec. 29.53.415 (with the exception of subsection (d), limiting the amount of interest which may be charged on sales taxes), the inclusion of the language "home rule or" in Sec. 29.45.650(a) and Sec. 29.45.700 ought to be deleted so that it is clear that home rule power is not limited by these sections.

29.45.650 - (Lee Sharp)

Page 122, line 13. I suggest the limitation of fifteen percent on interest be changed to be the rate of interest established by ordinance. If this change is made the last sentence could be deleted. In any event, the last sentence should be deleted so that this section does not act as a limitation on home rule municipalities.

Page 112, lines 20 and 21. This subsection (e) is new, and much needed language; however, I believe that the rank of a lien for sales taxes should be higher than that of a mere judgment. The money collected by the seller belongs to the municipality, and never, at any time was it the property of the person collecting the sales tax. The person collecting the sales tax did not earn the sales tax nor did he obtain the sales tax as a loan from the municipality. He holds sales tax funds collected in trust for the municipality. He is something more than a mere debtor to the municipality. Because of the special relationship and because we are dealing with

taxes, a sales tax lien should come in behind liens for property taxes and special assessments and ahead of judgment liens. The last sentence of this section should be changed to read, "When recorded, a lien authorized under this section is superior to all other liens except those for property taxes and special assessments."

29.45.660 - (Lee Sharp)

Page 122, line 23. This section (29.45.660) requires that any borough levying and collecting a sales tax must provide sales tax equivalency notices for state grants. This means that a borough which levies both a property tax and a sales tax must give equivalency notices for each. The existing statute makes the requirements for the giving of sales tax equivalency notices applicable only to those cities which levy only a sales tax. I believe that the deletion of the word "only" may have been an oversight. In any event, the word "only" should be inserted after the word "a" in line 23. Otherwise, municipalities which levy both a sales tax and a property tax will be giving notices to its citizens which indicate that for every dollar of the subject grants received, the taxpayer has received a dollar of property tax relief and a dollar of sales tax relief.

29.45.670 - (Lee Sharp)

Page 123, lines 14 through 22. Subsection (a) has been changed from the existing language to establish a procedure whereby the assembly approves the new sales tax or new rate by ordinance, but the ordinance does not take effect until ratified by a majority of the voters. This makes the first sentence of subsection (b) superfluous. Leaving this particular sentence in the statute creates confusion as it indicates that the assembly must then adopt another ordinance doing essentially what it has already done in subsection (a). I believe the entire subsection (b) can and should be eliminated. The last sentence, while in existing law, appears to give the seller the option of extending credit to his buyers for the payment of the tax. Thus, the municipality does not make the decision as to whether someone should be permitted to pay the sales tax on credit, the seller makes that decision. If a municipality wishes to establish that option, it should be permitted to do so but it should not be forced to accept the credit worthiness evaluation of the merchant who is collecting the tax.

29.46.160 (Joyce Rasler, Wrangell)

Assessment Roll: (b) there is apparently language missing from this subsection. Real property is assessed to the record owner as shown in the records of the district recorder, who shall at least monthly provide a copy of each recorded change of ownership. The record owner does not provide the information.

29.60.010 (Dept. of Community and Regional Affairs)

P. 143, 1 8 - Substitute "(0.001)" for "(0.1)" or "(0.1%)."

P. 143, 1 9 - Add "per capita" between "the" and "property."

29.60.020 (Dept. of Community and Regional Affairs)

P. 144, 1 11 - Substitute "Census" for "Censis."

OTHER TITLES

TITLE 44

44.07.110(11) (Joe Burch, DNR)

Page 186 - line 1 - should be record.

TITLE 14 (Joyce Rasler, Wrangell)

Those sections in Title 14, Education, which pertain to home rule municipalities should be enumerated in home rule limitations under Sec. 29.10.110, or a chapter dealing with those sections in Title 14 should be added to Title 29.

ADDENDUM

29.35.020 (JoAnne Shanley, Seward City Clerk)

Regarding the control of watersheds outside a municipality's boundaries:

"Before this power may be exercised within the boundaries of another municipality, the approval of the other municipality must be given by ordinance."

A request had been made that some wording should be added similar to "such approval cannot be unreasonably withheld"; or, better still, "such approval cannot be withheld unless the other municipality is attempting to control the watershed."

A case in point is Homer. The city is trying to protect its watersheds located outside the city limits but within the boundaries of the Kenai Peninsula Borough. The Borough has refused to allow Homer to proceed with their plans but also refuses to take any action to protect the watershed.

29.35.170 (Richard Hallgren, Sitka Borough Mayor)

Page 77 - 29.35.170 - wishing to tie in all of this as mandatory in home rule municipalities. As it relates to 29.45.

29.35.190 and 29.10.110 (Dept. of Community & Regional Affairs)

It would seem an oversight that unified municipalities, home rule boroughs and home rule cities in the unorganized borough are not subject to such provisions. If the apparent oversight is remedied, 29.40.150(c) should be stricken and a new section 29.40.190 should be added stating that AS 29.40.010 - 29.40.190 apply to home rule and general law municipalities.

Alaska Association of Municipal Clerks

January 15, 1982

Honorable Senators and Representatives
Senate/House Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska 99801

Dear Senators and Representatives;

The Alaska Association of Municipal Clerks has closely followed the work of your committees and wish to begin this message with a note of appreciation for the consideration you have given the issues we have raised. The changes brought about through careful consideration of our testimony and comment are commendable.

A joint session of the House and Senate Committee on Community and Regional Affairs scheduled for January 21st is of interest to us. It seems appropriate to review generally a few very important areas that may still require your consideration, and perhaps could be taken up at that time.

Petition procedures remain a concern. In the existing bill, Municipal Clerks are charged with language composition duties which more appropriately are responsibilities best placed with a municipality's legal counsel. In the absence of municipal legal counsel we suggest the State Department of Community and Regional Affairs provide assistance to communities without formal legal counsel channels.
(29.26.130)

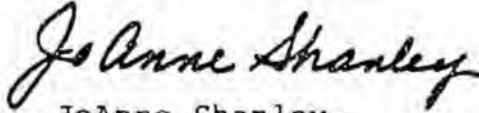
Sponsors of a petition may be numerous; currently, provisions require notification of these sponsor(s). Clarification of petition sponsor (s) and a definition of what constitutes notification, i.e. method, etc., are important to the proper execution of these acts. If a petition is multi-sponsored, then a spokesperson to act as group representative should be required. The petition format could provide for this instance. (29.26.130, 140, 150).

Finally, we believe local ordinance should determine majority elections. Of prime importance to the code of ethics established by clerks state and nationwide is the proper execution of the voting franchise. Time provisions allowed for run-off elections disenfranchise voters from balloting absentee. Determining the outcome of a candidate race by an election which draws historically yet fewer voters than the regular municipal election, should be left to the discretion of each community.

Alaska Assoc. Of Municipal Clerks
January 15, 1982 - page 2

In conclusion, may we request that each member of the joint committee receive a copy of this correspondence. We appreciate your patient consideration of these issues so vital to our profession.

Very truly yours,

A handwritten signature in cursive script that reads "JoAnne Shanley".

JoAnne Shanley,
President

KFH

A M E N D M E N T

TO: CS FOR SENATE BILL NO. 180 (C&RA)

CS FOR HOUSE BILL NO. 170 (C&RA)

Page 10, lines 1- 29, after "Sec. 29.05.180.":

Delete all material and insert

"ORGANIZATION GRANTS. (a) For the purpose of defraying the cost of transition to borough or city government and in order to provide for development and interim governmental operations, each first class borough, second class borough, and city incorporated after July 1, 1982, or, in the case of a second class city, incorporated or reclassified after July 1, 1982, is entitled to an organization grant equal to \$10 for every voter who voted in the incorporation election. However, each incorporated first or second class borough and each first class city incorporated or established by reclassification outside an organized borough is entitled to at least \$25,000.

(b) Within 30 days after the date of incorporation of a first class borough, second class borough, or city after July 1, 1982, the Department of Community and Regional Affairs shall determine the number of voters in the municipality who voted in the incorporation election.

(c) Within 30 days after the completion of its findings, or as soon after that as money is appropriated to it for the purpose, the Department of Community and Regional Affairs shall transmit to the municipality the total amount of money to which the municipality is entitled under this section.

(d) This section does not apply to a borough incorporated by consolidation or to a unified municipality."

Page 11, lines 1 - 27:

Delete all material.

#2 Cook

A M E N D M E N T

TO: CSSB 180(C&RA)

CSHB 170(C&RA)

1
2
3 Page 94, line 19:

4 After "real property" delete "," and insert "and"

5 After "personal property" delete ", or both"

6
7 Page 94, line 22:

8 Delete "real or personal"

9 Delete ", or both,"

10
11 Page 100, line 27:

12 After "AS 38.05.069(c)", change the period to a semi-colon.

13
14 Page 100, after line 27, insert:

15 "(3) exempt personal property from taxation."

16
17 Page 123, line 5:

18 Delete "real and personal"

A M E N D M E N T

TO: CSHB 170(C&RA)

1 CSSB 180(C&RA)

2
3 Page 1, line 24:

4 Delete "four" and insert "five"

5
6 Page 1, after line 26, insert:

7 "(3) third class boroughs;"

8
9 Renumber following paragraphs accordingly.

10
11 Page 2, after line 27, insert:

12 "(g) A third class borough may reclassify as a first or second
13 class borough in the manner provided by AS 29.35.320 - 29.35.330 for the
14 addition of an areawide power by a borough, except the petition or
15 proposal requests reclassification instead of requesting addition of a
16 power.

17 (h) At the time of voting on reclassification of a third class
18 borough to second class or first class status, voters shall vote also on
19 whether the borough shall on reclassification retain a combined assembly
20 and school board or elect a separate assembly and board as otherwise
21 provided for first and second class boroughs. If the majority of votes
22 cast on the question favors retention of the combined assembly and
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1 election. Expiration dates of terms of school board members elected at
2 a special election must coincide with the date of the regular election.
3 Until a board is elected and qualified, the assembly continues to serve
4 as the board."

5 Re-letter following subsection accordingly.

6 Page 49, line 2, after "BOARDS.", insert "(a)"

7 Page 49, line 3:

8 Delete "Members" and insert "Except as provided in (b) of this section,
9 members"

10 Page 49, after line 6, insert:

11 "(b) The assembly is the school board for a third class borough.
12 The mayor is the presiding officer of the assembly and president of the
13 school board. The mayor has all powers of a borough executive, except
14 that he may not veto an action of the school board."
15

16 Page 77, line 5, after "basis", insert:

17 ", except areawide exercise of powers other than education and tax
18 assessment and collection by a third class borough is not authorized"
19

20 Page 78, line 2:

21 Delete "general law" and insert "first or second class"
22

1 board, the assembly serving at the time of the reclassification election
2 continues to serve as the assembly and board on voter approval of reclas-
3 sification and until terms of assemblymen expire as provided before
4 reclassification. If a separate board and assembly are approved at the
5 reclassification election, a school board shall be elected in conformity
6 with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs
7 within 90 days of the date of the reclassification election, or otherwise
8 at a special election within 90 days of the date of the reclassification
9 election. Expiration dates of terms of school board members elected at
10 a special election must coincide with the date of the regular election.
11 Until a board is elected and qualified, the assembly continues to serve
12 as the board."

13 Page 2, lines 28 and 29:

14 Delete all material.

15 Page 3, lines 1 - 18:

16 Delete all material.

17 Page 4, line 19, after "law" insert:

18 "first or second class"

19 Page 5, line 18, after "a" insert:

20 "first or second class"

Page 14, line 3:

Delete "METHODS OF"

After "CONSOLIDATION." insert:

1 "(a) Two or more municipalities may merge or consolidate to form
2 a single municipality, except a third class borough may not be formed
3 through merger or consolidation.

4 (b)"
5

6 Page 25, line 15, after "AS 29.05":

7 Delete ", " and insert "or former AS 29.18.030 for a third class borough,"
8

9 Page 28, after line 26, insert:

10 "(b) At the time of voting on the proposed charter in a third class
11 borough, voters shall vote also on whether the borough shall on adoption
12 of the charter retain a combined assembly and school board or elect a
13 separate assembly and board as otherwise provided for home rule boroughs
14 If the majority of votes cast on the question favors retention of the
15 combined assembly and board, the assembly serving at the time of the
16 charter election continues to serve as the assembly and board on voter
17 approval of the charter and until terms of assemblymen expire as pro-
18 vided before adoption of the charter. If a separate board and assembly
19 are approved at the charter election, a school board shall be elected in
20 conformity with AS 14.12.030 - 14.12.100 at the next regular election,
21 if it occurs within 90 days of the date of the charter election, or
22 otherwise at a special election within 90 days of the date of the charte
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Page 79, after line 28, insert:

1 "Sec. 29.35.220. THIRD CLASS BOROUGH POWERS. (a) A third class
2 borough may, if approved by a majority of the voters at an election,
3 provide for planning, platting, and land use regulation in accordance
4 with AS 29.40, except the power may only be exercised within a service
5 area.

6 (b) A third class borough may exercise any power not otherwise
7 prohibited by law if approved by a majority of the voters at an election
8 except the power may only be exercised within a service area."

9 Page 80, after line 6, insert:

10 "(b) A home rule or first class city in a third class borough shall
11 provide for planning, platting, and land use regulation as provided by
12 AS 29.40 for first and second class boroughs. A second class city in a
13 third class borough may provide for planning, platting, and land use
14 regulation as provided by AS 29.40 for the first and second class bor-
15 oughs."

16 Re-letter the following subsection accordingly.

17
18 Page 80, line 20, after "for", insert:

19 "first and second class"

20
21 Page 80, line 23:

22 After "POWERS.", insert "(a)"

23 After "A", insert "first or second class"

Page 80, after line 27, insert:

"(b) The acquisition of additional powers under AS 29.35.220 for a third class borough may be initiated in two ways:

(1) a number of voters equal to 15 percent of the number of votes cast at the preceding regular election in the proposed service area may file a petition with the assembly; or

(2) the assembly may propose the acquisition of the power."

Page 84, line 26:

Delete "Boroughs" and insert "First and second class boroughs"

Page 178, lines 26 - 29:

Delete all material

Page 179, lines 1 and 2:

Delete all material

Renumber following bill sections accordingly.

Page 190, line 20, after "AS 28.35.260(10)" insert:

"AS 29.08; AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33;
AS 29.38; AS 29.41; AS 29.43; AS 29.53; AS 29.58; AS 29.63; AS 29.68;
AS 29.73; AS 29.78; AS 29.88; AS 29.89; AS 29.90; AS 29.95;"

TO: CSHE 170(C&RA)

CSSB 180(C&RA)

1
2 Page 102, line 23, after "LAND":

3 Insert "AND COMMERCIAL GREENHOUSES"

4
5 Page 102, line 27, after "purpose.":

6 Insert "A commercial greenhouse shall be assessed on the basis of full
7 and true value for farm use, whether classified as real or personal
8 property for municipal purposes."

9
10 Page 102, line 28, after "the":

11 Insert "greenhouse or"

12
13 Page 103, line 4, after "the":

14 Insert "greenhouse or"

15
16 Page 103, line 9, after "of":

17 Insert "a commercial greenhouse or"

18
19 Page 103, line 14, after "the":

20 Insert "greenhouse or"

21
22 Page 103, line 24, after "land.":

23 Insert "To be a commercial greenhouse the owner or lessee must derive at
24 least 10 percent of his yearly gross income from the greenhouse or from
25 the greenhouse together with other commercial greenhouses or farm use
26 land."

27
28 Page 103, line 27, after "use":

29 Insert "or commercial greenhouse"

SUGGESTED AMENDMENTS : MUNICIPAL CLERKS

Sec. 29.26.110. APPLICATION FOR PETITION

Pg. 62, Line 9 : Delete "application" and insert petition

Pg. 64, Line 15: Delete the (.) at the end of the sentence and
add at the address provided under 29.26.110 (a)

Pg. 67, Line 6: Delete "application" and insert petition

Pg. 69, Line 2: Delete the (.) at the end of the sentence and
add; at the address provided in 29.26.260 (a) (2)

Sec. 29.26.060. MAJORITY ELECTIONS

Page 60, Line 26: Delete "Unless otherwise provided by ordinance,"

Page 60, Line 29: Delete (.) and insert (,) and add: unless a munici-
pality by ordinance, provides a simple majority recieved
for those offices.

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

COMMITTEE REPORT

HOUSE

2/17/81

FURTHER:

(5)

Date:

2/5/82

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 170

"An Act relating to municipal government; and providing for an effective date."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 170 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Robert W. D. ...

CHAIRMAN

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF ADMINISTRATIVE SERVICES

POUCH B
JUNEAU, ALASKA 99811

January 28, 1982


The Honorable Patrick O'Connell
Chairman
House Community & Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative O'Connell:

As requested by the House Community & Regional Affairs Committee, enclosed is a fiscal note for CS SB 180/CS HB 170, "An Act relating to municipal government."

Should you have any questions concerning this note please contact me at 465-4709.

Sincerely,


Rod Mourant, Director
Division of Administrative Services

cc: Keith Specking, Legislative Assistant
Office of the Governor

Ron Lehr, Director
Division of Budget & Management
Office of the Governor

Elmer Lindstrom, Fiscal Analyst
Legislative Finance Division
Legislative Affairs Agency

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 180/ CS HB 170
Title "An Act relating to municipal government"
Requested by Community and Regional Affairs Committee Date January 22, 1982

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
Program Category Affected Community Development
BRU, Program, Or Subprogram(s) Affected Local Government Assistance
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

This bill, which substantially amends and restructures Title 29 of the Alaska Statutes, will not create any noticeable need for increases in administrative or grant program funding.

IV. DATE January 22, 1982

PREPARED BY Doug Griffin
AGENCY C & RA/Local Gov't Assistance

Original: Legislative Finance

PHONE 465-4736

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

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

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 4, 1982

SUBJECT: Chapter summary of Municipal Code
Revision [CSHB 170] (Work Order
No. 12-2379)

TO: Representative Patrick M. O'Connell
Chairman, House Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel

You have requested a chapter summary of the municipal code revision (CSHB 170) highlighting significant changes to existing law. For your convenience, I have attached a table of contents by chapter and article to the revision. Corresponding chapter numbers in the existing Title 29 are included in parentheses.

Chapter 03. The Unorganized Borough. No significant change.

Chapter 04. Classification of Municipalities. No significant change.

Chapter 05. Incorporation. Does not authorize incorporation of a third class borough.

Chapter 06. Alteration of Municipalities. Does not authorize incorporation of a third class borough through merger or consolidation.

Chapter 10. Home Rule Municipalities. Authorizes a second class city to adopt a home rule charter if the city has at least 400 permanent residents. Requires home rule municipalities to provide land use regulation.

Chapter 14. Capital City. No significant change.

Chapter 20. Municipal Officers and Employees. Requires a municipality to adopt a conflict of interest ordinance that requires a member of the governing body to declare a substantial financial interest he has in an official action. The presiding officer must then determine whether to excuse him from a vote and this decision may be overturned by majority vote of the membership. Allows a special meeting to be called if a majority of the members are given at least 24 hours notice and reasonable efforts are made to notify all members. A special meeting may be conducted with less than 24 hours notice if all members are present or if absent members waive in writing the required notice. Requires the governing body to appoint within 7 days the number of members needed for a quorum if the membership is reduced to fewer than the number needed. Requires that a veto be overridden at the next regular meeting or within 21 days after exercise of the veto. Grants authority to a municipality to establish advisory, administrative, technical, or quasi-judicial boards and commissions. Allows the governing body to provide for a classified service and to designate positions that are wholly or partially exempt from the classified service.

Chapter 25. Municipal Enactments. A penalty not to exceed that imposed for a class B misdemeanor may be imposed for a violation of an ordinance. A mandatory, nonsuspendable term of imprisonment for 5 days may be imposed for violation of an ordinance. A civil action may be instituted against a person who violates an ordinance and a civil penalty of up to \$1,000 may be imposed for each violation. An action to enjoin a violation may be brought and the court must grant the injunction on finding a violation. Each day a violation continues is a separate violation.

Chapter 26. Elections. The judge of a precinct must be a voter of the precinct for which he is appointed unless no voter is willing to serve. Both general law and home rule municipalities are required to give at least 20 days notice of a regular or special election. A runoff election shall be held if no candidate receives over 40 percent of the votes cast for the office of mayor or member of the governing body or school board. There is no super majority requirement for other elected offices, and a municipality

may change the requirement for mayor, member of the governing body, or member of the council by ordinance. The initiative and referendum process and the recall process have been substantially altered. An application must be filed with the clerk for a petition. The clerk prepares the petition and provides it to the voters who will sponsor the petition. When a petition is returned, the clerk certifies whether it is sufficient and notifies the sponsors. The petition may be supplemented with additional signatures obtained and filed within 10 days after the petition is first rejected, except that a recall petition may only be supplemented if it contains an adequate number of signatures, counting both valid and invalid. A person may not be recalled until after he has served 120 days and may not be recalled if there are only 180 days left in his term.

Chapter 35. Municipal Powers and Duties. The following have been included in the list of facilities that a municipality may provide outside its boundaries: solid and septic waste facilities, utility services, transportation facilities, wharves, harbors and other marine facilities. A municipality that provides a facility outside its boundaries may regulate its use only to the extent that the jurisdiction in which the facility is located does not. Extends eminent domain and declaration of taking power to second class cities as it may be exercised by other municipalities. Unless a grant of a franchise or permanent permit is made on a competitive basis, the grant of an exclusive right to use a public street or right-of-way for more than five years to a utility or transportation system that is not certified is valid only if approved by vote. (Under existing law no franchise is valid unless it is submitted to the voters for approval.) The governing body is required by ordinance to establish a formal procedure for acquisition and disposal of land, but is not otherwise limited in its ability to dispose of land. A first class borough is allowed to exercise on a nonareawide basis any power, and on an areawide basis any power that is acquired, so long as exercise of the power is not specifically prohibited by law. Allows a second class borough to exercise on a nonareawide basis any power approved by the voters living outside cities, unless the power is prohibited by law. Allows a second class borough to exercise an areawide power if it is approved by the voters or transferred by the cities in the borough, unless prohibited by law. A city may exercise any power not prohibited by law.

Chapter 40. Planning, Platting, and Land Use Regulation. A planning commission is authorized to utilize methods other than zoning to implement a comprehensive plan. The governing body must update the plan as necessary. Requires the assembly to provide for an appeal from the application of a land use regulation before a hearing officer or board of adjustment. The governing body must establish a platting authority, but the planning commission need not act as platting authority. Plat requirements may not be waived, but in certain cases a short plat procedure may be followed rather than the regular procedure. A person who violates a land use regulation or condition imposed by a platting authority is subject to the penalties that may be imposed for violation of an ordinance.

Chapter 45. Municipal Taxation. Allows a municipality to exempt by ordinance personal property from taxation. Extends the limit on assessing farm use land to greenhouses so that they are assessed at full and true value for farm use. A penalty not to exceed 20 percent of the tax due may be added to delinquent taxes, and interest not to exceed 15 percent shall accrue on unpaid taxes. The right to repurchase foreclosed property is cut off after 10 years. If, in the absence of a suit, it becomes obvious to the governing body that judgment for recovery of taxes would be obtained the municipality must refund the taxes. A petition for incorporation of a second class city may be combined with a sales and use tax proposal, so the incorporation proposition fails if the tax proposal fails.

Chapter 46. Special Assessments. Costs that may be included in a special assessment are listed. These may not exceed actual costs, but may include reasonable estimates of the costs of issuing bonds. If an assessment is increased a new public hearing must be held unless all owners of property subject to the increase agree to the increase in writing. A municipality may issue notes for the costs of a local improvement project to be eventually paid from assessments for the improvement.

Chapter 47. Municipal Debt. The issuance of revenue bonds and use of proceeds from revenue bonds are not subject to the prohibition against a political subdivision making a subscription to the capital stock of a corporation, lending its credit for the use of a corporation, or borrowing money for the use of a corporation. Refunding bonds may be

exchanged at the discretion of the governing body and need not be exchanges at par for bonds being refunded. Revenue bonds may be issued to finance any project and to be secured solely from the revenue and property of that project. Bonds and notes may be sold in the manner and at the price determined by the municipality regardless of the par value. Allows the interest rate payable on bonds or notes to exceed the contract usury rate. Indebtedness of a service area remains a debt even though a court subsequently determines that the service area was not validly formed under law.

Chapter 55. Municipal Programs. No significant change.

Chapter 60. State Programs. No significant change.

Chapter 65. General Grant Land. No significant change.

Chapter 71. General Provisions. Dedication of streets, rights-of-way, easements of other areas for public use may not be construed to require the municipality to maintain, improve or provide for municipal services in the area dedicated.

TBC:ljb

Attachment

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

Original sponsor: Rules/Legislative Council

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 170 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and providing
7 for an effective date."

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

9 * Section 1. AS 29.03 is amended by adding a new section to read:

10 Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the
11 Department of Natural Resources is the platting authority in the un-
12 organized borough in the area outside all cities.

13 * Sec. 2. AS 29 is amended by adding a new chapter to read:

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

15 Sec. 29.04.010. HOME RULE. A home rule municipality is a municipi-
16 pal corporation and political subdivision. It is a city or a borough
17 that has adopted a home rule charter, or it is a unified municipality.
18 A home rule municipality has all legislative powers not prohibited by
19 law or charter.

20 Sec. 29.04.020. GENERAL LAW. A general law municipality is a
21 municipal corporation and political subdivision and is an unchartered
22 borough or city. It has legislative powers conferred by law.

23 Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipali-
24 ties are of four classes:

- 25 (1) first class boroughs;
- 26 (2) second class boroughs;
- 27 (3) first class cities;
- 28 (4) second class cities.

29 Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may



Official Business

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

465-4934

465-4935

Donald Gilman, Chairman
Robert H. Ziegler, Sr., Vice-Chairman
Mike Colletta
Arless Sturgulewski
Frank Ferguson

Pouch V
State Capitol
Juneau, Alaska 99811

January 21, 1982

MEMORANDUM

TO: House and Senate Community and
Regional Affairs Committees

FROM: Staff, House and Senate Community and
Regional Affairs Committees

SUBJECT: Committee Substitute for House Bill 170/
Senate Bill 180

Attached is the draft of the Committee Substitute for House Bill 170/Senate Bill 180. Along with reviewing the Committee Substitute, there are three issues which the committees need to consider at today's joint meeting (3 p.m., Behrend's Conference Room). These issues are summarized below:

- 29.04.030 (1) With its current language, HB 170/SB 180 eliminates the third class borough as a form of local government with the specific exception of the Haines Borough, which it grandfathers. The Haines Borough would be required to abide by those sections of the existing Title 29 which pertain to it. It is not mentioned or included in the proposed Title 29. This could lead to the very awkward situation of having two Title 29's, one for the Haines Borough and one for the rest of the State. Legal Services has drafted proposed language that would eliminate this difficulty while maintaining the committees' intent.
- 29.45.060 (2) According to an Attorney General's opinion, current language in Section 29.45.060 does not include greenhouses used for commercial agricultural purposes in the definition

Continued on next page

of land eligible for an agricultural tax deferment. It has been suggested that greenhouses be included in this section and the State Assessor's Office supports their inclusion. Legal Services has draft language prepared.

29.71.040(16) (3) In the past, the committees have been concerned over the definition of "publish" as it is currently used in Title 29. Legal Services has prepared alternate draft language which the committees may wish to consider.



JUNEAU, ALASKA

Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

465-4934
465-3824

Pouch V
State Capitol
Juneau, Alaska 99811

January 19, 1982

M E M O R A N D U M

To: House and Senate Community and
Regional Affairs Committees

From: Staff, House and Senate Community and
Regional Affairs Committees

Subject: Committee Substitute for House Bill 170/Senate Bill 180

The following list has been compiled to briefly explain the major policy changes in the revision of Title 29; HB 170 and SB 180.

- 1) Numerical reorganization of Title 29.
- 2) Second Class Boroughs and Cities, with a population greater than 400, may now go directly to home rule status.
- 3) The procedure for Initiative Referendum and Recall petitions must now be drafted by City Clerks unlike former provisions requiring the petitioners' draft to be submitted to the Clerk.
- 4) Substantial easement of the approach to municipal powers with the differences between home rule municipalities and general law governments being less distinct.
- 5) Third Class Boroughs will no longer be able to be formed. Haines will be able to exist as a Third Class Borough or upgrade directly to home rule status.

To: House Community & Regional Affairs
Committee Members

Date: 1/20/82

From: Committee Staff

Re: CS for HB 170

Attached is the draft of the Committee Substitute for House Bill 170/ Senate Bill 180. In reviewing the Committee Substitute, there are three issues that have been suggested for change by the Legal Services Division. They are as follows:

29.04.030 With it's current language, CSHB 170/ CSSB 180 eliminates the third class borough as a form of government with the specific exception of the Haines Borough, which it grandfathers.

There is no other reference to the Third Class Borough (Haines) other than this section. Therefore, an awkward situation exists and unless the old Title 29 is also placed in the statutes, there is no directive for Haines to function.

Tam Cook has suggested that this situation could be resolved by not eliminating the references to the third class borough but simply putting in a proviso that no future third class borough may be formed nor may any current boroughs downgrade to third class status.

The Committee Substitute does provide for the direct transition from third class to home rule status if the Haines borough chooses to do so.

29.10.110 Section 29.45.650 states that a person who furnishes proof that he has paid the sales tax on the source of which a use tax is levied, is required to pay the use tax only to the extent of the difference. This subsection applies to any taxing jurisdiction whether inside or outside of the state.

Legal Services has suggested that this should be placed as a home rule limitation and has previously been overlooked.

29.71.040 (16) The Committee, in the past, has been concerned over the definition of "published" as it is currently used in Title 29 and exists in CSHB 170/CSSB 180. Tam Cook has suggested language that strengthens the definition if the Committee wishes to consider it.



JUNEAU, ALASKA

Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

465-4934
465-3824

Pouch V
State Capitol
Juneau, Alaska 99811

January 19, 1982

M E M O R A N D U M

To: House and Senate Community and
Regional Affairs Committees

From: Staff, House and Senate Community and
Regional Affairs Committees

Subject: Committee Substitute for House Bill 170/Senate Bill 180

The following list has been compiled to briefly explain the major policy changes in the revision of Title 29; HB 170 and SB 180.

- 1) Numerical reorganization of Title 29.
- 2) Second Class Boroughs and Cities, with a population greater than 400, may now go directly to home rule status.
- 3) The procedure for Initiative Referendum and Recall petitions must now be drafted by City Clerks unlike former provisions requiring the petitioners' draft to be submitted to the Clerk.
- 4) Substantial easement of the approach to municipal powers with the differences between home rule municipalities and general law governments being less distinct.
- 5) Third Class Boroughs will no longer be able to be formed. Haines will be able to exist as a Third Class Borough or upgrade directly to home rule status.

H

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CITY OF DILLINGHAM

P.O. BOX 191

DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-5211 or 842-5212

February 20, 1981

Representative Joe Chuckwuk
Senator Donald E. Gilman
Alaska State Legislature
Pouch V
Juneau, Ak 99811

Representative Fred Zharoff
Senator Frank Ferguson
Senator George Hohman

Gentlemen:

The City Council of the City of Dillingham are very concerned over Senate Bill 168. Reasons are as follows:

Background. Dillingham is experiencing rapid growth requiring us to expand our services. The city property is over 80% tax exempt. Total taxes collected (Sales and Property) for 1980 were \$771,563. These are our basic Operating Budget Revenues. Without any capitol expenditures it costs the city \$1,030,341 to survive. These additional revenues come from State Shared Revenue, Raw Fish Tax, Fund Balance. We lowered our mill rate to 10 mills in July 1978, a drop of 7 mills. Over the past 10 years a total decrease of 12 mills. We currently have 13 permanent employees, have eliminated all CETA positions and provide more services than the city used to with 20. In other words, we have already, without state imposition reduced our local government and budget to bare bones.

Effects Senate Bill 168

1. It combines Operating and Capitol Expenditures. These are 2 altogether separate items. Our capitol projects are all funded by grants. Our operating budget is necessary to survive.
2. The council feels Paragraph (c) of SB 168 should be deleted entirely.

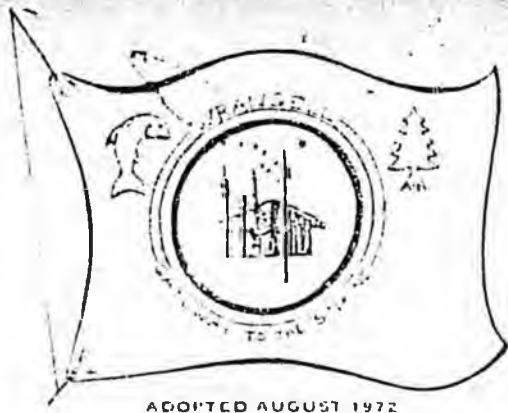
This bill would mean:

Population 1580 - \$1,580,000

a) Tax Relief: 20% of every \$1,000 = \$316,000 almost 1/2 of our total tax effort

b) Or Tax Relief 20% of Property Taxes = \$76,978

One must also realize SB 125 which would give us \$322,893 also cites tax relief. Current funding in these categories are used in our operating budget. HB 103 repeals Raw Fish Tax, another operating revenue of \$100,000.



CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1907

BOX 531, 99929 (907) 874-2381

February 18, 1981

Senator Don Bennett, Chairman
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

RE: Senate Bill No. 168

Dear Sir:

The City of Wrangell supports the concept of Senate Bill No. 168, however, we feel some sections of the Bill will not be to the benefit of Wrangell. Following are our areas of concern:

1. To reduce sales tax or property tax would reduce our operating and maintenance budget by 20% for fiscal year 1982. Wrangell's budget has been, for many years, a maintenance budget in an effort to maintain a level of taxation within reason. It appears obvious that inflation will increase our operating and maintenance costs in 1982. If we are forced to reduce revenues, we will be required to reduce services and/or employees. Wrangell has not been budgeting large capital projects from general fund revenues so Senate Bill No. 168 would not tend to replace funds currently derived from the taxpayer.
2. As a majority of the municipalities in Alaska are disputing the 1980 census, it would be in our best interests to have the population established the same as used for the 1980-81 State shared revenue. The Department of Community and Regional Affairs has already determined those figures based on prior reliable data.

*Ben - your copy.
from Senate CR*

Chenoweth

file

Original Sponsors: Dankworth, Kerttula,
Ferguson, et al

1 IN THE SENATE BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 168 (C&RA) *(HE 168 by Chenoweth)*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state assistance for capital
7 projects; and providing for an effective date."

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

9 * Section 1. MUNICIPAL AID PROGRAM. (a) During the fiscal year ending
10 June 30, 1982, the Department of Administration shall compute and pay an
11 entitlement to each qualified municipality. The entitlement shall be used
12 for capital projects at the discretion of the municipality. The entitlement
13 shall be computed in accordance with (b) of this section, and is payable by
14 the Department of Administration in accordance with AS 37.05.315.

15 (b) Within the limits of appropriations for the purpose, each munici-
16 pality is entitled to receive \$1,000 per person residing within the bound-
17 aries of the municipality, or \$25,000, whichever is greater.

18 (c) Money received as an entitlement by a municipality under this
19 section may be used only for capital projects.

20 (d) A municipality may not receive money as an entitlement under this
21 section unless it certifies to the Department of Administration that it has
22 adopted an ordinance or resolution authorizing the municipality to receive
23 and spend the money to be provided by the entitlement.

24 * Sec. 2. AID TO UNINCORPORATED COMMUNITIES. (a) During the fiscal
25 year ending June 30, 1982, the Department of Administration shall compute
26 and pay an entitlement to an unincorporated community

27 (1) which received money as an entitlement under AS 29.89.050
28 during the fiscal year ending June 30, 1981;

29 (2) in which is located a volunteer fire department which.

1 received money as an entitlement under AS 29.89.040 during the fiscal year
2 ending June 30, 1981;

3 (3) which is eligible to receive money as an entitlement under
4 AS 29.89.050 during the fiscal year ending June 30, 1982; or

5 (4) in which is located a volunteer fire department eligible to
6 receive money as an entitlement under AS 29.89.040 during the fiscal year
7 ending June 30, 1982.

8 (b) An entitlement payable under this section shall be computed in
9 accordance with (c) of this section, and is payable by the Department of
10 Administration in accordance with AS 37.05.315.

11 (c) Within the limits of appropriations for the purpose, each unincor-
12 porated community which qualifies under (a) of this section is entitled to
13 receive \$1,000 per person residing within that unincorporated community, or
14 \$25,000, whichever is greater.

15 (d) Money received as an entitlement by a recipient under this section
16 may be used by the recipient only for capital projects in the unincorporated
17 community.

18 (e) The provisions of AS 37.05.315(f) do not apply to aid provided
19 under this section.

20 * Sec. 3. DETERMINATION OF POPULATION. (a) For purposes of this Act,
21 the population of a municipality and of an unincorporated community shall be
22 determined from the latest figures of the United States Bureau of the Census
23 or other population data which, in the judgment of the Department of Admin-
24 istration is reliable.

25 (b) For purposes of determining the population of a home rule or
26 general law borough, the population of each city located within the boundar-
27 ies of the borough shall be subtracted from the population of the borough.

28 * Sec. 4. MUNICIPAL AID ACCOUNT. The municipal aid account is estab-
29 lished in the Department of Administration. Money to carry out the provi-

1 sions of sec. 1 of this Act shall be appropriated to the account and dis-
2 tributed by the department as authorized under sec. 1 of this Act. If the
3 amount appropriated to the account is not sufficient to finance all entitle-
4 ments, the amount appropriated shall be distributed pro rata among eligible
5 municipalities.

6 * Sec. 5. UNINCORPORATED COMMUNITY AID ACCOUNT. The unincorporated
7 community aid account is established in the Department of Administration.
8 Money to carry out the provisions of sec. 2 of this Act shall be appropriated
9 to the account and distributed by the department as authorized under sec. 2
10 of this Act. If the amount appropriated to the account is not sufficient to
11 finance all entitlements, the amount appropriated shall be distributed pro
12 rata among eligible recipients.

13 * Sec. 6. DEFINITION. In this Act, "municipality" means a city, borough,
14 or unified municipality incorporated under state law and includes home rule
15 and general law municipalities.

16 * Sec. 7. This Act takes effect July 1, 1981.
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municipal office in Alaska; or
 a group seeking to influence the outcome of a ballot
 ion or question in Alaska; and
 es paid in a calendar year to a nonprofit organization
 ed primarily for the purpose of influencing elections in Alaska.
 ffective January 1, 1981] A resident individual is entitled to
 edit not to exceed \$100 for
 ontribution made in a calendar year to a person or
 ation for use exclusively
 or a political campaign for a candidate for
 resident or Vice President of the United States, whether or not
 ididate will be voted on in a primary election in Alaska;
 nited States senator from Alaska;
 nited States representative from Alaska;
 governor or lieutenant governor of Alaska;
 he Alaska legislature;
 delegate to an Alaska constitutional convention;
 electoral confirmation as a judge or justice of a court in Alaska;

) municipal office in Alaska; or
 by a group seeking to influence the outcome of a ballot
 tion or question in Alaska; and
 dues paid in a calendar year to a nonprofit organization
 ized primarily for the purpose of influencing elections in Alaska.
 A resident individual is entitled to a tax credit equal to 16
 t of the tax credit claimed by the individual on his federal income
 turn for household and dependent care services necessary for his
 il employment.

The commissioner of revenue shall pay the amount of a tax credit
 ed by this section to a resident individual who makes a return as
 ded in AS 43.20.012. A credit under this section shall be paid in
 nanner provided in AS 43.20.030(e) for the payment of refunds and
 ent may not be made without an appropriation for that purpose.
 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

ct of amendment. — Section 9, ch
 LA 1980, effective January 1, 1981,
 tuted "\$100" for "\$50" in the
 ctory language of subsection (a).

ective date. — Section 13, ch. 1,
 A 1980, and § 11, ch. 2, SSSLA 1980.
 le that this section take effect
 mber 25, in accordance with AS
 070(c). Section 12 of ch. 1 provides

that this section is retroactive to January
 1, 1980, and § 10 of ch. 2, provides that
 this section is retroactive to January 1,
 1979.

Editor's note. — For legislative
 findings and purpose of the enacting
 legislation, see § 1, ch. 1, SSSLA 1980,
 and § 1, ch. 2, SSSLA 1980, in the 1980
 Temporary and Special Acts and Resolves.

Sec. 43.20.015. Individual tax credit.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980,
 effective September 25, 1980.

Editor's note. — The repealed section,
 derived from § 1, ch. 144, SLA 1978.

For legislative findings and purpose of
 repealing acts, see § 1, ch. 1, SSSLA 1980,
 and § 1, ch. 2, SSSLA 1980, in the 1980
 Temporary and Special Acts and Resolves.

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10 per cent of the income tax revenue received by the state under AS 43.20.011(e) and ch. 21 of this title for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978)

*From
Municipal
League*

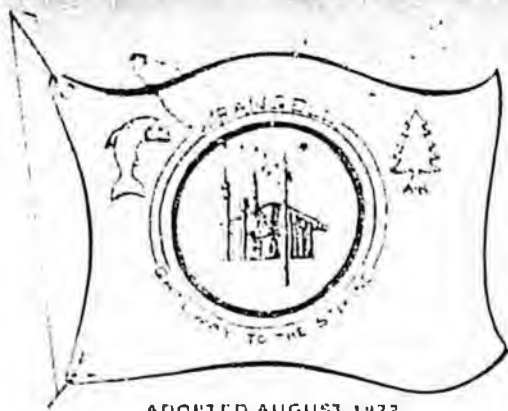
Initials	Date
GC	
Approved By	2/26/81

(in thousands)

Municipality	HB 1182 SB 168 entitlement	(2)	(3)	(4)	(5)	(6)
		20%	est. 1981 property tax (less losses)	20%	est. 1981 sales tax	20%
1 Anchorage	204328	40865.6	90,426.93	18055.39	-	-
2 Bristol Bay	1685	337.0	458.59	91.72	-	-
3 Fairbanks Bor.	60277	12055.4	16666.54	3333.31	13923.47	2784.69
4 Haines Bor.	1924	384.8	279.51	55.90	498.52	99.70
5 C.B. of Juneau	24211	4842.2	7781.51	1556.30	3988.16	797.63
6 Kenai Pen Bor.	25507	5101.4	10912.99	2182.60	332.88	466.58
7 Ketchikan Gateway Bor.	14400	2881.2	3770.36	754.07	3713.49	742.70
8 Kodiak, I. Bor.	11978	2395.6	3816.34	763.29	-	-
9 Mat-Su Bor.	23177	4635.4	8029.56	1605.91	-	-
10 N. Slope Bor.	4610	922	1983.19	396.64	2780.28	556.12
11 Sitka C.B.	8787	1757.4	1157.97	231.59	2563.99	512.80
12						
13 Cordova	2780	556	612.26	122.45	1050.28	210.06
14 Craig	387	117.4	78.65	15.73	129.47	25.89
15 Dillingham	1656	331.2	342.04	78.41	536.03	107.21
16 King Cove	733	146.6	68.97	13.79	107.69	21.54
17 Nanana	503	100.6	67.76	13.55	85.91	17.18
18 Nome	2892	578.4	710.27	142.05	682.44	136.49
19 Polican	221	44.2	42.35	8.47	85.91	17.18
20 Petersburg	3197	639.4	838.53	167.71	1120.46	224.09
21 Skagway	877	175.4	390.83	78.17	306.13	61.23
22 Unalaska	768	153.6	550.55	110.11	1028.5	205.7
23 Valdez	4060	812.0	567.49	113.5	-	-
24 Wrangell/ Yakutat	3325	665	584.43	116.89	790.13	158.03
25	442	88.4	145.2	29.04	71.39	14.28
26						
27						
28						
29						

entitlement figures assume that population counts for current state revenue sharing program will be used numbers for boroughs include amounts for cities located within them

1981 property tax and sales tax estimates are based on 1979 figures, assuming a 10% increase each year; property tax figures may be high because mill levies have gone down; however, increased assessments & growth factors have increased the total assessment.



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

February 18, 1981

Senator Don Bennett, Chairman
Senate Finance Committee
Alaska State legislature
Pouch V
Juneau, AK 99811

RE: Senate Bill No. 168

Dear Sir:

The City of Wrangell supports the concept of Senate Bill No. 168, however, we feel some sections of the Bill will not be to the benefit of Wrangell. Following are our areas of concern:

1. To reduce sales tax or property tax would reduce our operating and maintenance budget by 20% for fiscal year 1982. Wrangell's budget has been, for many years, a maintenance budget in an effort to maintain a level of taxation within reason. It appears obvious that inflation will increase our operating and maintenance costs in 1982. If we are forced to reduce revenues, we will be required to reduce services and/or employees. Wrangell has not been budgeting large capital projects from general fund revenues so Senate Bill No. 168 would not tend to replace funds currently derived from the taxpayer.
2. As a majority of the municipalities in Alaska are disputing the 1980 census, it would be in our best interests to have the population established the same as used for the 1980-81 State shared revenue. The Department of Community and Regional Affairs has already determined those figures based on prior reliable data.



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 182 - by Rep. Cuddy etc.

"An Act establishing a special municipal aid program; and providing for an effective date."

Provides for an annual entitlement to qualified municipalities to be used for capital projects at the discretion of the municipality. The Program will be administered by the Dept. of C&RA. Entitlements are based on \$1,000 per person residing within municipal boundaries, or \$25,000, whichever is greater.

In order for a municipality to qualify, they must agree to collect no more than 80% of the sales and use taxes levied in 1981, or no more than 80% percent of the taxes levied on real property in 1981. (Does not apply to taxes levied on oil and gas production and pipeline property or to a tax levied on unimproved land.

Populations to be based on latest census or other population date which is a reliable figure to the Department.

Establishes the municipal aid account in the Department. the money shall then be appropriated to the account and distributed by the department as authorized and if the amount is not sufficient to finance all entitlements, the amount appropriated shall be distributed pro rata among eligible municipalities and the unorganized boroughs. Excess amounts will lapse into general fund.

The Act terminated July 1, 1982.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 168 HB 182
 Title An act establishing a special municipal aid program, and providing for an effective
 Requested by Senate C & RA Committee Date _____ date

II. FISCAL DETAIL
 Agency Affected Department of Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	614.0	663.0	-0-	-0-	-0-
200 TRAVEL	-0-	63.0	47.0	-0-	-0-	-0-
300 CONTRACTUAL	-0-	274.0	295.0	-0-	-0-	-0-
400 COMMODITIES	-0-	3.8	4.1	-0-	-0-	-0-
500 EQUIPMENT	-0-	24.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	401,000.0	-0-	-0-	-0-	-0-
TOTAL	-0-	401,978.8	1,009.1	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	401,978.8	1,009.1	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	19	19	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

Grant cost based on Preliminary figures of U.S. Census x \$1,000.

There are 102 communities in the unorganized borough with 25 or more residents. Travel and personnel costs are based on holding hearings in each of these communities to determine their wishes for capital projects.

FY '83 travel costs are based on auditing one fifth of the total grant recipients.

Inflation figured at 8% except as noted for travel.

Total administrative costs per year are approximately two tenths of one percent (.002) of total program cost.

IV. DATE 2/23/1981 PREPARED BY McKie Campbell
 AGENCY DC&RA
 Original: Legislative Finance PHONE 465-4735
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

BILL SUMMARY

SB 168 and HB 182 both establish a special municipal aid program which would entitle municipalities to \$1,000 per capita.

SB 168 would mandate that the entitlement be spent on capital projects at the discretion of the municipality. To qualify, the municipality must agree to collect no more than 80 percent of the property tax levied in 1981 or no more than 80 percent of the sales tax levied in 1981.

HB 182 would mandate the entitlement be used for capital projects and tax reduction. To qualify, municipalities would have to agree to reduce the amount of taxes levied in 1981 by 20 percent of the amount of the entitlement.

We envision entering into contracts with the municipalities in which they agree to abide by these statutory requirements.

The bills further state the department shall administer the entitlement for the unorganized borough and disburse money for capital projects upon authorization of the legislature.

There are 150 Census Designated Places in the unorganized borough, 102 of which have 25 or more residents. We envision making entitlements based on population to all communities larger than 25 persons. The wishes of the communities would be determined by public hearing in each community. A report would be submitted to the Second Session of the 12th Legislature in its first ten days for approval. The department would contract with the communities to construct the approved projects as stipulated in Section 1(h) (2) of AS 37.05.315 (Chapter 156, SLA 1980, copy attached).

The department anticipates monitoring and assisting with these grants, including compliance auditing approximately one fifth of the total recipients. If the legislature envisions a different procedure, specific guidance would be most helpful.

1 the Fiscal Procedures Act (AS 37.05), and the Executive Budget Act
2 (AS 37.07), a department may not adopt regulations or impose additional
3 requirements or procedures to implement, interpret, make specific or
4 otherwise carry out the provisions of this section unless required by
5 the federal government for participation in federal programs.

6 (h) A grant to an unincorporated community made under this section
7 shall be disbursed as follows:

8 (1) Within 45 days after the effective date of the appropriation,
9 the Department of Community and Regional Affairs shall notify the
10 governing body of the unincorporated community, if any, that a grant is
11 available.

12 (2) The Department of Community and Regional Affairs shall
13 determine whether there is a qualified incorporated entity in the com-
14 munity area which will agree to receive the grant and administer it,
15 subject to terms generally applicable to private grantees. If there is
16 more than one such entity, the Department of Community and Regional
17 Affairs shall select the most qualified and the grant shall be awarded
18 to that incorporated entity for the purposes of the appropriation;
19 however, the Department of Community and Regional Affairs shall give
20 preference to a nonprofit corporation organized by a community for
21 receipt of the grant.

22 (3) If there is no incorporated entity qualified to receive
23 the grant, the Department of Community and Regional Affairs shall ad-
24 minister the program directly or through agents or contractors with whom
25 it may contract in the community area.

26 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).
28

156

PERSONNEL

PROGRAM DIRECTOR (Exempt)
Range 21 Step A Supervisory

Salary	\$39,816.00
Benefits	6,119.72
SBS	2,004.00
Health Insurance	<u>1,848.00</u>

\$49,787.72

2 LGS IV's
Range 19 Step A General

Salary	\$34,044.00
Benefits	5,232.56
SBS	2,004.00
Health Insurance	<u>1,848.00</u>

\$43,128.56 x 2 = \$86,257.12

BUDGET ANALYST
Range 18 Step A General

Salary	\$31,248.00
Benefits	4,802.82
SBS	2,004.00
Health Insurance	<u>1,848.00</u>

\$39,902.82

4 LGS I - II's
Range 15 Step A General

Salary	\$25,520.00
Benefits	3,937.79
SBS	2,004.00
Health Insurance	<u>1,848.00</u>

\$33,309.79 x 4 = \$133,239.16

PERSONNEL (Contd)

4 INTERNAL AUDITORS I - II's
Range 15 Step A General

Salary \$25,520.00
Benefits 3,937.79
SBS 2,004.00
Health Insurance 1,848.00

\$33,409.79 x 4 = \$133,639.16

2 ACCOUNTING TECHNICIAN I's
Range 12 Step A General

Salary \$21,132.00
Benefits 3,247.99
SBS 2,004.00
Health Insurance 1,848.00

\$28,231.99 x 2 = \$56,463.98

1 ACCOUNTING CLERK III
Range 10 Step A General

Salary \$18,768.00
Benefits 2,884.54
SBS 2,004.00
Health Insurance 1,849.00
\$25,504.54

4 CLERK TYPIST II's
Range 7 Step A General

Salary \$15,828.00
Benefits 2,432.76
SBS 2,004.00
Health Insurance 1,849.00

\$22,112.76 x 4 = \$88,451.05

FY '82 \$613,545.55 FY '92 \$514.0

x.08

\$49,091.55

FY '83 \$562,737.30 FY '83 \$563.0

TRAVEL FY '82

102 PUBLIC HEARINGS IN FY '82

Census Region	# of Communities	X Average Price of trip	Equals Amount by Region
2	1	\$300.00	\$300.00
3	2	300.00	600.00
4	18	700.00	12,500.00
5	6	600.00	3,500.00
7	1	150.00	150.00
8	11	300.00	3,300.00
9	16	400.00	6,400.00
11	10	750.00	7,500.00
15	8	200.00	1,600.00
17	2	100.00	200.00
22	8	300.00	<u>2,400.00</u>

38,550.00 AIR

plus 19 communities by rental CAR

3 weeks at \$40 a day 840.00
 2,000 miles at .30 a mile 600.00
 gas at 20 mpg at \$2 a gallons 200.00

\$1,540.00 rental
 CAR expense

per diem at \$70 a day (state average) x 187 days \$13,090.00

Coordination and contingency travel 5,000.00

\$38,550.00 Air
 5,000.00 Coordination and Contingency
43,550.00
 +4,355.00 10% for anticipated travel increases.

48,015.00
 13,090.00 per diem
+1,640.00 car expenses

\$62,745.00

FY '82 TOTAL TRAVEL EXPENSES \$63.0

TRAVEL FY '83

Based on auditing one fifth (50) of the grant recipients

50 trips x average of \$485 per trip	\$25,250.00
Coordination and contingency	<u>5,000.00</u>
	30,250.00
+ 15% for travel price increases	<u>+4,537.50</u>
	34,787.50
+ per diem for 50 trips at 3 days each \$76.	<u>11,400.00</u>
	\$46,187.50
	\$47.0

CONTRACTURAL

PSA with Department of Law			
Contract development			
Review of individual contracts larger than			
\$1 million (31)			
General legal advice			
Recovery actions			
Subcontract review (exceptions)			\$50,000.00
RSA with DOT/PF			
Advice on request on structural and design			
feasibility			
Inspections upon request			
Cost estimates			\$100,000.00
RSA with Labor			
Population verifications			\$50,000.00
Word Processing			
Lease of 3 Wang workstations, 1 printer			\$15,000.00
Space			
19 x 150 sq.ft. x \$1.50 per sq.ft. x 12			\$51,300.00
Telephones			
Basic service	Long Distance		
15 phones \$4,275.	\$15,000		\$20,000.00
Data Processing			
Programming fees			\$10,000.00
Training in holding Public Hearings (FY '82 only)			\$5,000.00
Printing,	Advertising,	Postage	<u>\$7,000.00</u>
\$4,000	\$1,000	\$2,000	
			273,300.00
			\$274.0

COMMODITIES

19 x 200. a year	\$3,800.
	\$3.8

EQUIPMENT

19 Desks	\$8,034.00
19 Chairs	\$2,939.00
3 File Cabinets	\$2,100.00
4 Book cases	\$500.00
1 Credenza	\$322.00
15 Calculators	\$3,750.00
4 IBM Dictating machines and 2 IBM Transcribers	\$4,440.00
19 Plastic Floor mats	\$750.00
19 Trash cans	<u>\$190.00</u>
	\$23,035.00
	\$24.0

H

B

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9

COMMITTEE REPORT

HOUSE

8/24

FURTHER: FINANCE

2/19/81

Date: 2-19-81

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 189

"An Act making a special appropriation to the Department of Transportation and Public Facilities for a sports arena complex in the Matanuska-Susitna Borough; and providing for an effective date."

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

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

**MEMBERS SIGNING
DO PASS**

Jan Mull

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature]

CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 189

"An Act making a special appropriation to the Department of Transportation and Public Facilities for a sports arena complex in the Matanuska-Susitna Borough; and providing for an effective date."

The bill is self explanatory. Attached information has been provided by Rep. Carney's office. A fiscal note was requested from the Dept. of Transportation but not received as yet. We were told that there is no fiscal impact in regard to the Department.

VII.

Project Development Schedule

Introduction

It is likely that funding will not be forthcoming in an amount sufficient to construct the entire complex at once. Therefore, an initial phase was determined, based upon facilities that appear to be virtually "self-supporting," i.e., revenues roughly equal operating costs. (See cost/benefit section.) This first phase includes a hockey rink, a running track, handball/racquetball courts, and an exercise facility. The estimated cost of constructing this initial phase is \$5.9 million. Additional facilities could be constructed individually over time, added in several phases, or built as one single second phase. The linear design concept is included for illustrative purposes, with a shaded area to indicate the suggested first phase. This is shown in Figure VII-1.

Development Schedule

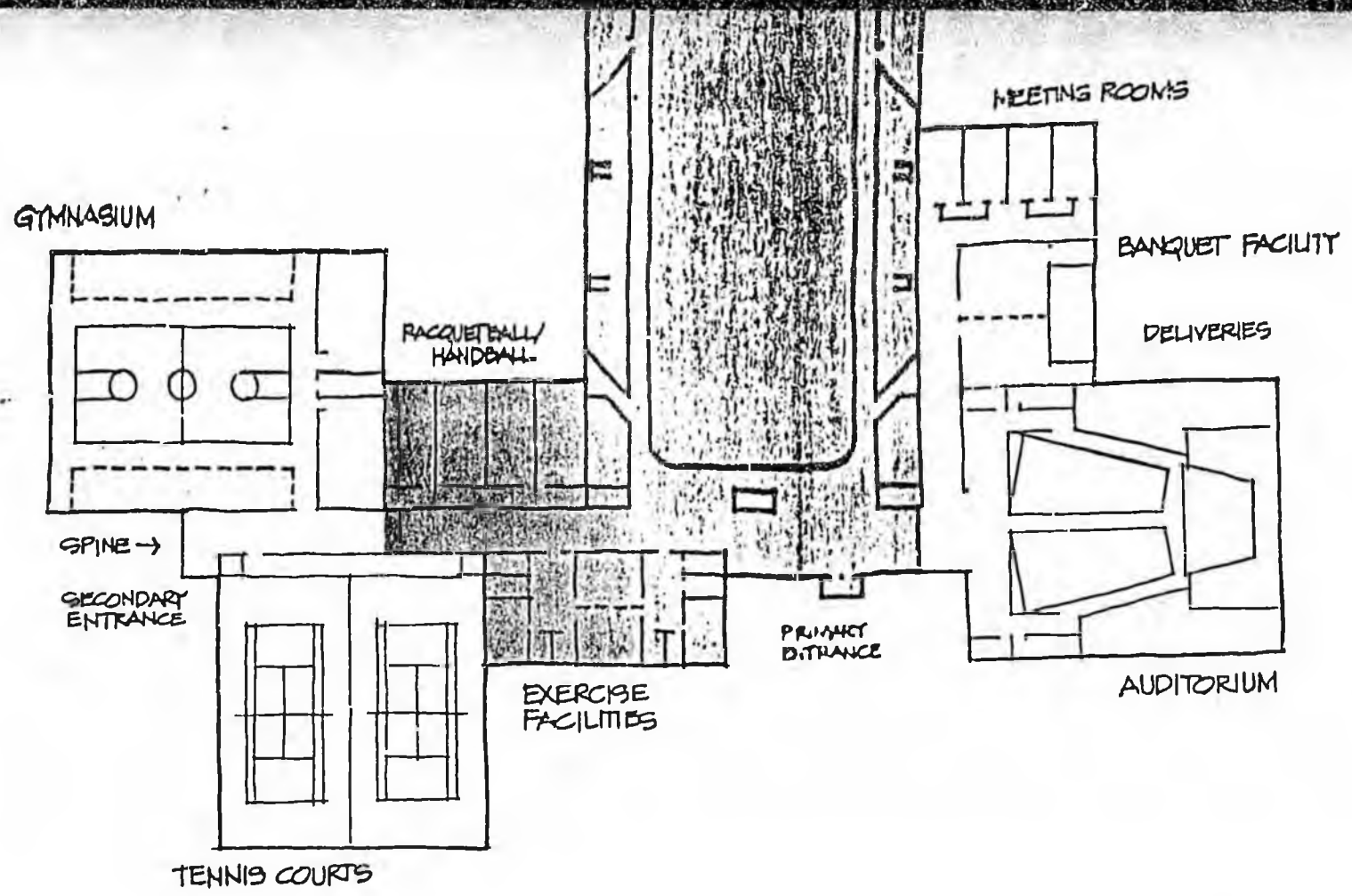
The amount of time required before the recreational/cultural complex can be opened is dependent upon funding procedures, property acquisition, design phases, and construction stages. With respect to funding, it is expected that the Legislature will receive a request for appropriations early in January. It is likely that the process of committee review, legislative debate, and executive approval will take several months. Actual transfer of funds to the Borough would probably not take place until July of 1981. However, prior to that date some work could be accomplished with respect to final site selection and negotiation as well as selection of an architect. It may even be possible for some of the design work to be done via funding from a special state revolving fund.

Assuming, however, that by mid-summer the site and funds are available, architectural design work could proceed. By the end of 1981, a complete package of construction documents (plans and specifications) should be

completed, so that the project could be put out to bid early in 1982. Construction could commence in the spring, with completion of the project scheduled for December of 1982. There may be ways of compressing this schedule to some extent, but the total time span is considered to be reasonable. It may be possible for some components of the complex to be finished earlier than others in order to allow for seasonal space commitments.

Prior to actual opening, it will be necessary to establish the management and staffing of the facility. Whether the complex is operated by the Borough or by a private contractor is premature at this point. However, the Borough would be well-advised to solicit bids from qualified management companies.

Figure VII-2 illustrates the development schedule.



Feasibility Study: RECREATIONAL/CULTURAL COMPLEX

Matanuska - Susitna Borough

TRA/Farr

H B

1900

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/19/81

(S)

Date: March 11 1981

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 190

"An Act relating to state aid to Native village governments; and providing for an effective date."

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John Miller

CHAIRMAN

Introduced: 2/19/81
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE BY ADAMS, VASKA AND GRUSSENDORF

2 HOUSE BILL NO. 190

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to Native village govern-
7 ments; and providing for an effective date."

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

9 * Section 1. AS 29.89.050 is amended to read:

10 Sec. 29.89.050. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The
11 state shall pay \$50,000 [\$25,000] to a Native village government for a
12 village which is not incorporated as a city under this title. In this
13 section, "Native village government" means

14 (1) a local governing body organized by authority of the Act
15 of Congress of June 18, 1934³⁴, (25 U.S.C. sec 476); or

16 (2) a traditional village council or, if there is no tradi-
17 tional village council, the paramount chief or other governing body of
18 a Native village which meets the requirements of the Alaska Native
19 Claims Settlement Act (43 U.S.C. secs. 1601 - 1628).

20 * Sec. 2. This Act takes effect July 1, 1981.

21
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(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and regional affairs that any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose. (§ 3 ch 155 SLA 1980)

Cross reference. — As to state aid for hospital construction, see AS 29.90.

Editor's note. — As to reports by Department of Health and Social Services and Department of Community and

Regional Affairs and commissioner of health and social services, see § 14, ch. 155, SLA 1980, effective July 1, 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 29.89.040. State aid to volunteer fire departments in the unorganized borough. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or city a sum for protection purposes equal to \$10 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or city, upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal. (§ 3 ch 155 SLA 1980)

Sec. 29.89.050. State aid to Native village governments. The state shall pay \$25,000 to a Native village government for a village which is not incorporated as a city under this title. In this section, "Native village government" means

(1) a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. § 476); or

(2) a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 — 1628). (§ 3 ch 155 SLA 1980)

Sec. 29.89.060. Population determination. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls. (§ 3 ch 155 SLA 1980)

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST
JUNEAU ALASKA 99801

March 11, 1981

to: House Community & Regional Affairs Committee
from: Ginny Chitwood, AML Executive Director *gc*
re: SB 125 - Supplemental Appropriation

If the committee adopts the language suggested by Berrier for distribution of additional funds to native village governments, each would receive about \$13,000 in supplemental funds, raising the FY 81 entitlement for each to about \$34,000. In order to correct the inequity between the native village governments and the small incorporated communities that would be created by that language, please consider the following additional amendments:

Change amount in Section 1 of SB 125 from \$18,400,000 to \$18,650,000.

add a new section:

Sec. 29.95.020. Qualification for minimum payment. (a) is amended to read:

inc in HB/90
A municipality qualifying for an entitlement under AS 29.88 or AS 29.89 shall receive a minimum payment of \$34,000 [\$25,000] plus an area cost-of-living differential for each fiscal year if

(1) the municipality has conducted a regular election under AS 29.28.010 - 29.28.050 during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and has reported the results of the election to the commissioner of the Department of Community and Regional Affairs;

(2) regular council meetings are held in the municipality in accordance with the requirements of AS 29.23.210 during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and an audit or financial statement for the preceding fiscal year has been prepared and furnished to the Department of Community and Regional Affairs in accordance with AS 29.23.560(a); and

(4) local ordinances adopted by the governing body of the municipality have been codified in accordance with AS 29.48.180.

Communities that would benefit from this amendment are:
Hydaburg, Klawock, Akhiok, Akiak, Akutan, Aleknagik, Allakaket, Anaktuvuk Pass, Anderson, Anvik, Brevig Mission, Chefornak, Chevak, Clark's Point, Deering, Diomedea, Eagle, Eek, Ekwok, Elim, Fortuna Ledge, Gambell, Golovim, Goodnews Bay, Grayling, Holy Cross, Hooper Bay, Hughes, Kachemak, Kaktovik, Kaltag, Kasaan, Kiana, Kivalina, Kobuk, Kotlik, Koyuk, Koyukuk, Kupreanof, Kwethluk, Larsen Bay, Manokotak, Mekoryuk, Napakiak, Napaskiak, Newhalen, New Stuyahok, Newtok, Nightmute, Nikolai, Nondalton, Noorvik, Nuiqsut, Old Harbor, Ouzinkie, Pilot Station, Platinum, Point Hope, Port Alexander, Port Lions, Quinhagak, Ruby, Russian Mission, Saint Michael, Savoonga, Saxman, Scammon Bay, Selawik, Shageluk, Sheldon Point, Shishmaref, Shungnak, Stebbins, Tenakee Springs, Togiak, Toksook Bay, Tununak, Upper Kalskag, Wainwright, Wales, and White Mountain.

cc: Senator Dankworth
Dept. of C&RA



TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST
JUNEAU, ALASKA 99801

STATE REVENUE SHARING WITH MUNICIPALITIES

Title 29, Chapter 88. Municipal Tax Resource Equalization:

This chapter provides for revenue sharing to municipalities based on the formula - population times millage rate equivalent. Millage rate equivalent is determined by multiplying the sum of the locally generated revenue of the municipality by one-tenth of one percent of the full and true value of assessed property in the municipality. (The former revenue sharing program provided for per capita grants based on services provided, such as police, fire, planning, etc.)

Title 29, Chapter 89. State Aid For Miscellaneous Municipal Purposes:

Road Maintenance. Provides \$2,500 a mile for each mile of road, street or highway maintained by the local government and \$1,500 a mile for ice roads. (same provision as former program except amounts per mile increased.)

Health Facilities and Hospitals. For municipally operated and non-profit hospitals, provides \$1,000 per bed or \$75,000 a hospital with 10 beds or more, or \$25,000 a hospital with less than 10 beds. This money goes to the hospitals; there is no discretion on the part of the municipality on how the money should be spent. For a municipally operated health facility, provides \$1,000 per bed or \$4,000 per health facility, with the restriction that the money must be used for expenses of health facilities or operation and maintenance of health facilities. (same as former program)

Volunteer Fire Departments in Unorganized Borough. Provides \$10 per capita for population served by a volunteer fire department in the unorganized borough. (Former program contained a per capita amount for all fire departments. Since expenses for fire departments in organized municipalities are included in the Chapter 88 formula, this section applies only to departments in the unorganized borough.)

Native Village Governments. Provides \$25,000 to each native village government. (new provision)

Title 29, Chapter 90. State Aid for Hospital Construction:

"If construction of a hospital began after January 1, 1968,

and state matching aid for construction approved for payment to the municipality or other hospital sponsor constitutes less than 25 percent of the total project cost, the department shall pay to the municipality or other hospital sponsor each fiscal year \$2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five percent of the total project cost, whichever is greater. State aid provided for in this section shall continue until the municipality or other hospital sponsor has received an amount which, combined with state matching money for construction of the hospital, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose." (emphasis added) (Same provision in former program; most of the money goes to a private hospital in Anchorage and a private hospital in Fairbanks.)

Title 29, Chapter 95. Administration of Municipal Financial Assistance Programs: Provides for a \$25,000 minimum entitlement and for cost of living differentials.

Temporary and Special Acts, Chapter 155.

Hold Harmless. Provides that for the 1st five years no municipality may receive less than 125% of what it was entitled to receive under the former program; further provides for proration of payments if appropriation is not sufficient to cover hold harmless provision. (The 33½ million appropriated last year for FY 81 revenue sharing was not sufficient to cover hold harmless provision. The supplemental amount in SB 125 almost covers deficit.)

	<u>FY 81</u>	<u>with SB 125</u>
Chapter 88 - Tax Resource Equalization	\$13,242,132	\$32,248,645
Chapters 88 & 89 - Misc. and Hospital	13,750,176	18,333,280
Chapter 95 - Minimum Entitlement Add On	1,502,161	1,889,491
Chapter 155 - Hold Harmless Add On	<u>5,005,529</u>	<u>208,582</u>
Totals	\$33,500,000	\$52,680,000

ALASKA

STATE LEGISLATURE

MEMORANDUM

3/13/81

TO: Ben

FROM: Linda

RE: HB 190 'An Act relating to state aid to Native Village Governments;
and providing for an effective date.'

The following list is an accurate account of all Native Village Governments to date including population figures of those areas from the 'preliminary' 1980 Census.

	<u>name</u>	<u>population</u>
1.	Arctic Village (CDP)	104
2.	Atka (CDP)	93
3.	Beaver (CDP)	66
4.	Birch Creek (CDP)	32
5.	Cantwell (CDP)	95
6.	Chalkyitsik (CDP)	95
7.	Chignik (CDP)	179
8.	Chignik-Lagoon (CDP)	48
9.	Chignik Lake	138
10.	Chistochina	55
11.	Chitina	34
12.	Circle	80
13.	Cooper Center	213
14.	Crooked Creek	108
15.	Dot Lake	66
16.	Eagle Village	54
17.	Egegik	75
18.	Evansville	93
19.	False Pass	65
20.	Gakona	85
21.	Gulkana	111
22.	Healy Lake	33
23.	Iguigig	33
24.	Iliamna	94
25.	Ivanof Bay	41
26.	Kipnuk	367
27.	Klukwan	138
28.	Koghanok	83
29.	Koliganek	116
30.	Kongiganak	229
31.	Kwigillingok	241
32.	Levelok	80
33.	Lime Village	48
34.	Mentasta Lake	59
35.	Metlakatla	989
36.	Minto	152
37.	Nelson Lagoon	59
38.	Noatak	273
39.	Northway Village	113
40.	Pedro Bay	42

HB 190 - Fed. Law Citation -

476 - Sect says trustee
has authority to organize. -

Sect that follows says fed.
authority to incorporate.

477 - can issue papers of
incorporation.

- Vaacka - Motion

HB 190 -

operated under

1934 - created but didn't extend
to Ah ~~1936~~ extended

~~1936~~
citation

25 U.S.C. 476 (As amended
by sect. 473 (b), 1936)

Amend - HB 190

- 1) included section to incorporate 2nd Class Cities.
- 2) Proper inclusion of U.S.C. cited ~~to~~ on line 15 pg. 1 - HB 190

(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and regional affairs that any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose. (§ 3 ch 155 SLA 1980)

Cross reference. — As to state aid for hospital construction, see AS 29.90.

Regional Affairs and commissioner of health and social services, see § 14, ch. 155, SLA 1980, effective July 1, 1980, in the 1980 Temporary and Special Acts and Resolves.

Editor's note. — As to reports by Department of Health and Social Services and Department of Community and

Sec. 29.89.040. State aid to volunteer fire departments in the unorganized borough. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or city a sum for protection purposes equal to \$10 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or city, upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal. (§ 3 ch 155 SLA 1980)

Sec. 29.89.050. State aid to Native village governments. The state shall pay \$25,000 to a Native village government for a village which is not incorporated as a city under this title. In this section, "Native village government" means

(1) a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. § 476); or

(2) a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 — 1628). (§ 3 ch 155 SLA 1980)

Sec. 29.89.060. Population determination. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls. (§ 3 ch 155 SLA 1980)

Introduced: 2/19/81
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY ADAMS, VASKA AND GRUSSENDORF

2 HOUSE BILL NO. 190

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to Native village govern-
7 ments; and providing for an effective date."

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

9 * Section 1. AS 29.89.050 is amended to read:

10 Sec. 29.89.050. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The
11 state shall pay \$50,000 [\$25,000] to a Native village government for a
12 village which is not incorporated as a city under this title. In this
13 section, "Native village government" means

14 (1) a local governing body organized by authority of the Act
15 of Congress of June 18, 1934 (25 U.S.C. sec 476); or

16 (2) a traditional village council or, if there is no tradi-
17 tional village council, the paramount chief or other governing body of
18 a Native village which meets the requirements of the Alaska Native
19 Claims Settlement Act (43 U.S.C. secs. 1601 - 1628).

20 * Sec. 2. This Act takes effect July 1, 1981.

21
22 *- Add another Sec. to include 2nd Class*
23 *cities. -*
24
25
26
27
28
29

Manley Hot Springs

1st & 2nd class cities -

108 - 2nd class cities }
56 - Villages }

No accountability -

8 people can qualify



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 190, By Adams, Vaska & Grussendorf

"An Act relating to state aid to Native Village Governments;
and providing for an effective date."

This bill raises the amount of state aid paid to a Native Village Government for a village which is not incorporated as a city to \$50,000 (presently \$25,000). The aid is funded through the revenue sharing formula.

A "Native Village Government" is defined as:

1. a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. sec 476); or
2. a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. secs. 1601-1628).

The Act provides for an effective date of July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE (CORRECTED 3/12/81) JG

I. REQUEST

Bill/Resolution No. H B 190
Title An Act relating to state aid to Native Village Governments
Requested by Representative Adams Date March 12, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Community Assistance Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		19.3	20.8	22.5	24.3	
200 TRAVEL		9.0	9.9	10.9	12.0	
300 CONTRACTUAL		8.1	8.9	9.8	10.8	
400 COMMODITIES		.3	.3	.4	.4	
500 EQUIPMENT		.9	0	0	0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		2029.6	2029.6	2029.6	2029.6	
TOTAL		2067.2	2069.5	2073.2	2077.1	

FUNDING (Thousands of Dollars)

	2067.2	2069.5	2073.2	2077.1
GENERAL FUND				
FEDERAL FUNDS				
OTHER (Specify Fund Source)				

POSITIONS

	1	1	1	1
FULL TIME				
PART TIME				
TEMPORARY				

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

The new State Revenue Sharing Program enacted last year presented new and complex administration problems. The addition of Native Village Governments under AS 29.89.050 expanded the number of clients served under this program by over 30%. It also created the need for an additional application format and, in general, created a separate class of applicants that required special attention.

With the enactment of HB 192 last year, several other major changes occurred:

- 1) The program has become substantially more complex. This has made the program both more difficult to administer and to explain to municipalities, Native village governments and Volunteer fire departments.

--CONTINUED ON NEXT PAGE--

IV. DATE March 13, 1981 PREPARED BY Doug Griffin
AGENCY Department of Community & Regional Affairs
PHONE 465-4736
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

- 2) An increased level of funding has, in part, spawned legislation to reduce property taxes. If this type of legislation is enacted, State Revenue Sharing will fund an increased portion of the municipalities budget and become an even more politically sensitive issue.
- 3) The requirement for a minimum entitlement (regular elections and council meetings, budgets and codified ordinances) have increased the need to deliver technical assistance to all communities requesting it.

These changes in the State Revenue Sharing Program require, therefore, for the Administrative Assistant I to provide more technical assistance over the telephone, in written correspondence, in workshops and through personal technical assistance visits. This additional responsibility merits an upgrade of the position to a Local Government Specialist I. This fiscal note also proposes the hiring of a Clerical Aide to handle the routine clerical and data management duties the Administrative Assistant now handles.

BREAKDOWN
FY 82

100 PERSONAL SERVICES

- 1 Upgrade Administrative Assistant I range 12 step C to Local Government Specialist I range 13 step B

Local Govt. Spec. I	$\$1,928 \times 12 = \$23,136 \times 15.37\% + \$2,004 + \$154 =$	\$ 28,850
Admin. Asst. I	$\$1,870 \times 12 = \$22,440 \times 15.37\% + \$2,004 + \$154 =$	\$- 28,047
		\$ 803

- 1 Clerical Aide - range 5 step A

$\$1,181 \times 12 = \$14,172 \times 15.37\% + \$2,004 + \$154 =$	\$ 18,508
---	-----------

TOTAL PERSONAL SERVICES	\$ 19,311
-------------------------	-----------

200 TRAVEL

15 Trips @ 500 each plus \$100 per diem each

TOTAL TRAVEL	= \$ 9,000
--------------	------------

300 CONTRACTUAL

Long Distance Telephone	\$ 780
Basic Phone	120
Centrex	403
Postage	1,800
Printing and Advertising	1,440
Repairs and Maintenance	660
Copier	180
Office Space 150 sq. ft. @ 1.50 mo. X 12	2,700

TOTAL CONTRACTUAL	= \$ 8,083
-------------------	------------

400 COMMODITIES

TOTAL COMMODITIES

= \$ 300

500 EQUIPMENT

1 Desk	\$ 477
1 Chair	141
1 Calculator	<u>249</u>

TOTAL EQUIPMENT

= \$ 867

700 GRANTS, CLAIMS, ETC.

HB 190 Funding	70 villages X 50,000	3,500,000
FY 82 Funding	Less	<u>1,470,404</u>
Additional Funding Needed for TOTAL GRANTS		<u>2,029,596</u>

Assumptions:

1) FY 82 funding under the present Native Village Government provisions comes from February 4, 1981 printout. The Governor's funding level of \$51.9 million is assumed

2) 11 additional INVG's will apply bringing the total to 70.

3) No inflation factor was applied to grants.

4) Eight percent inflation factor applied to personal services with ten percent inflation for travel, contractual services and commodities.

5) Funding for Native village governments can be targeted per Section 3 language in SB 125.

H

B

2

0

1

Funding Information
General Fund \$9,000,000
Other Funds -0-
\$9,000,000

Introduced: 2/19/81
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

HOUSE BILL NO. 201

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations to the Department
7 of Revenue to provide partial interest payments on
8 municipal bonds ; a general fund subsidy to local
9 government; and providing for an effective date."

10

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

11

* Section 1. The sum of \$6,000,000 is appropriated from the general fund
12 to the Department of Revenue, Alaska Municipal Bond Bank Authority, for the
13 purpose of bond reserve and subsidy for debt service which exceeds the
14 interest rate of eight percent for bonds issued after January 1, 1981.

15

* Sec. 2. The sum of \$3,000,000 is appropriated from the general fund to
16 the Department of Revenue to pay to the initial purchasers of bonds issued
17 by the Municipality of Anchorage the difference between the price at which
18 bonds of the municipality bearing interest at the rate of eight percent a
19 year are purchased and the initial reoffering price, including the under-
20 writing fee, as certified by the municipality. If the Municipality of
21 Anchorage certifies to the commissioner of revenue that it has determined to
22 sell its bonds to the Alaska Municipal Bond Bank Authority, the commissioner
23 of revenue shall pay the amount appropriated by this section to the Alaska
24 Municipal Bond Bank for debt service and bond reserves.

25

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).

27

28

29

29



City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 13
19 81

check with SAM

Representative Ben Grussendorf
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Ben:

Enclosed is a copy of a letter to Representative Cotten from Dave Rose which I believe you will find self-explanatory. Since Sitka has a \$1.1 million bond issue to sell, we will appreciate your efforts in insuring that the legislation proposed by Dave Rose receives favorable consideration.

Very truly yours,

Fermin Gutierrez
Fermin Gutierrez
Administrator

enclosure - per letter

CRA Committee