

ALASKA LEGISLATURE COMMITTEES 1980/2

1248 HCRA SB 612 - SB 871 1298

Municipal Assistance
Under
SB 612 Compared to Current Law
(\$ Millions)

FY	(1) Petroleum Income Tax	(2) Other Income Tax	(3) Total Income Tax	(4) Municipal Assistance @ 10%	(5) Municipal Assistance @ 30%
81	860.1	34.8	894.9		
82	713.0	31.0	744.0	89.5	268.5
83	304.0	35.0	339.0	74.4	223.2
84	-360.0	39.0	399.0	33.9	101.7
85	373.0	40.0	413.0	39.9	119.7
86	400.0	40.0	440.0	41.3	123.9
87	430.0	40.0	470.0	44.0	132.0
88	460.0	40.0	500.0	47.0	141.0
89	490.0	40.0	530.0	50.0	150.0
90	520.0	40.0	560.0	53.0	159.0

- Notes:
1. Computer report of Department of Revenue, January 1982; amounts exclude any gasoline income.
 2. FY 81-84 from "Revenue Sources", Alaska Department of Revenue, January 1982.
FY 85-90 projected to be 40.0 because growth in corporate income tax liabilities will be offset by the accelerated depreciation provisions of the Economic Recovery Tax Act of 1981.
 3. Col. 1 + Col. 2
 4. Under current law, an amount equal to or greater than 10% of the prior fiscal year's income tax revenue may be appropriated for municipal assistance.
 5. SB 612 would raise the amount to 30% or more; no effective date is specified, but presumably the first appropriation at the higher level is intended to be for FY 84. This would mean a slight decrease for FY 83. Of course, even under current law, any amount may be appropriated.

Prepared By: Legislative Finance
Milt Barker
1/25/82

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COMMITTEE REPORT

HOUSE

FURTHER: Finance

(5)

4/20/82

Date: 4/22/82

Mr. Speaker: Community & Regional

The Committee on Affairs has had SB 735

"An Act relating to organization grants and transitional assistance for municipalities; and providing for an effective date."

under consideration and reports it back as follows:

- 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 recommend
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

M E M B E R S H A V I N G
NO RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827
(907) 766-2711

RECEIVED
FEB 20 1982

BUDGET/AUDIT
COMMITTEE

February 18, 1982

The Honorable Don Gilman
Chairman - Community & Regional Affairs
Alaska Senate
Pouch Y
State Capitol
Juneau, Alaska 99811

Dear Senator Gilman and Members of CRA;

I would like to inform you and your committee that I am very much in favor of SB 736 - Home Rule Municipalities.

Since I have been Mayor of a third class borough, I have had a number of inquiries from unorganized areas requesting information concerning a third class borough. In each case they had specific problems that needed to be resolved. Some of them would not solve their problems by going third class. Thus, I feel they need a more flexible form of government to meet their needs. I believe that the home rule municipality will do this since the residents would be able to write their own charter to cover their own problems.

If we are to encourage the unorganized areas of Alaska to form an organized form of government, what better way than home rule borough. This lets the residents decide on what powers they want in their charter and allows them to add other powers when needs develop. I feel legislation of this type is very desirable and hope you will seriously consider this bill.

Sincerely yours,

R. E. Henderson
R. E. Henderson
Mayor

REH/mlp

cc: Senator Ziegler, Vice-Chairman
Senator Colletta
Senator Ferguson
Senator Sturgulewski

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 9, 1982

SUBJECT: Home rule municipalities
(Work Order No. 12-2035)

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

Here is the final version of the bill you requested that would allow incorporation of home rule municipalities. Please note that Sec. 17 of this bill conflicts with your bill dealing with organization grants to municipalities (Work Order No. 12-2382). Since Sec. 17 of this bill only becomes effective on passage of the municipal code revision, there is nothing more I can do with the effective date of that section to avoid conflicts with other pending legislation. The bill that becomes law last is presumed to take priority over conflicting bills that became law earlier, so if you desire the organization grants provisions of Work Order No. 12-2382 to take effect rather than the organization grant provision contained in the municipal code revision or in this bill, Work Order No. 12-2382 should be passed after both the municipal code and this bill are signed into law.

(55 735)

TBC:ljb

Enclosure

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF ADMINISTRATIVE SERVICES

POUCH B
JUNEAU, ALASKA 99811

March 16, 1982

The Honorable Don Gilman
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Gilman:

Enclosed please find position papers and fiscal notes for SB 735 and SB 736

Should you have any questions concerning these notes please contact me at 465-4709.

Sincerely,



Rod Mourant, Director
Division of Administrative Services

cc: Senator Sturgulewski
Alaska State Legislature

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

POSITION PAPERRequested by: Senate Community & Regional AffairsSubject: SB 735 "An Act Relating to Organization Grants and Transitional Assistance"Departmental Position: Support

Remarks:

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of \$50,000 the first year and \$25,000 the second year.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of \$300,000 the first year, \$200,000 the second year and \$100,000 the third and final year.

AS 29.05.210 of the bill would provide for transitional technical assistance in the area of tax collections.

Even before the era of great state wealth the status quo in the unorganized borough was characterized as inequitable and inefficient. Inequitable in the sense that residents are not, generally, afforded the opportunity to participate directly in the decision making process nor do they participate on an equal basis in terms of financing local services; inefficient to the extent that existing service delivery mechanisms (cities and State regional offices) often lack the necessary expertise to provide services on an efficient and responsive basis. The inequity and inefficiency of the present system are now even more pronounced in light of the attention focused on and the millions of dollars spent in the unorganized borough. More goods and services are being provided in rural Alaska without the benefit of local control and a coordinated delivery mechanism.

The solution must be a voluntary one if it is to work. To make a voluntary progression from unorganized status to organized borough status work, it must have three major incentives to make it more attractive than the status quo: 1) money, 2) a mechanism for substantial local control, and 3) transitional assistance to help get a regional government off the ground. Rural areas of the State should not be rushed into any regional governance nor should they be presented with an all-or-nothing situation.

This bill combines monetary incentive with guarantees of assistance that will make regional government more attractive to residents of the unorganized borough.

The Department has long supported increased financial and technical assistance to municipalities (including newly formed cities) during the period immediately after incorporation. That initial period is critical in the development of municipal government and the assistance provided by this bill will help newly formed governments get started.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 735

Title "An Act relating to municipal government"

Requested by Rules committee by request of Legislative Date January 20, 1982
Council

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		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		400	250.0	425	250	425.00
TOTAL		405.0	255.0	430.0	255.0	430.0

FUNDING (Thousands of Dollars)

GENERAL FUND		405	255	430	255	430
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)

SEE ATTACHED

IV. DATE March 15, 1982

PREPARED BY Terry E. Earley

AGENCY C&RA/ Local Government Assistance

Original: Legislative Finance

PHONE 465-4730

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

AS 29.05.180 of the proposed bill provides for organizational grants for cities based on a formula of \$50,000 the first year and \$25,000 the second year. The proposed funding level in this fiscal note is based on 2 cities incorporating in Fiscal 82 and 1 every other year after that time.

AS 29.05.190 of the proposed bill provides for organizational grants for boroughs based on a formula of \$300,000 the first year, \$200,000 the second year and \$100,000 the third and final year. The proposed funding level in this fiscal note assumes one borough incorporation in each of the following years: FY 83, FY 85 and FY 87.

Page 5 of the bill (AS 29.05.210) deals with transitional assistance to boroughs and establishment of taxation systems. It is not completely clear how much assistance is intended by this language. Depending on the legislative intent, the cost of setting up those tax systems could run as high as \$300,000 per borough per year. This fiscal note assumes technical assistance only and that that assistance would be provided with existing staff. The only cost based on those assumptions would add additional travel of \$5,000.

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Legislative Budget & Audit
Community & Regional Affairs
Finance
Resources

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
FOUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

ANALYSIS BY SPONSOR

RE: SB 735 "An Act relating to organizational grants and transitional assistance for municipalities; and providing for an effective date."

This bill revises provisions of Title 29 relating to organizational grants to new municipalities, and to the assistance to be provided to those new local governments. This bill must be able to amend current statutes, as well as the corresponding sections of the new municipal code, if enacted. Therefore, section 1 revises the existing Title 29; sections 2 and 3, a repetition of the language in section 1, are numbered to correspond to SB 180/HB170.

Specifically, sections 1 and 2 of this bill would increase the organizational grants to cities from a minimum \$25,000 grant (except for second class cities, limited to \$10 for each person voting in the incorporation election) to a minimum \$50,000 grant, with an optional \$25,000 grant during their second year in existence.

Sections 1 and 3 also establish a separate organizational grant for boroughs, which provides \$600,000 over a three-year period. A \$300,000 organizational grant would be made to a new borough the first year, decreasing to \$200,000 the second year and \$100,000 the final year. The intent of these phased organizational grants is to allow local governments to offset state grant funds with revenue sharing funds and local revenues.

Transitional assistance to boroughs is provided in sections 1 and 3. Under this bill, the Department of Community and Regional Affairs is to determine the borough's population, and assist the new borough in establishing local assessment and tax collection capabilities. In the case of a borough that adopts sales taxes, the Department will help set up an assessment and collection mechanism. If a borough adopts a property tax, the Department will provide an initial tax assessment roll, including appraisals as required.

Sections 4, 5, 6 and 7 contain effective dates and repealers that control the implementation of this Act through current Title 29 language, and through SB 180/HB 170, if enacted.

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1982
3/30

Contacted Sen. Ray - rec'd letter from Jim Baldwin

" " Sen. CRA - no back up

" " Sen. Fin - they said the bill was waived from that committee.

3/30 Request fiscal from DCRA - Rod Mowant

3/30 Request fiscal from Revenue - Bob Stevenson

3/30-AAFC - Harry Goldbar - 276-5599 - ^{spoke to} Mark Cameron

- Yes - there would be fiscal impact - they are preparing fiscal note.

4-1 Mark Cameron - AAFC - Branch Mgr. @ FNB in Harris -

Orig. 10-15 more loans in next year = \$1 mill.

not sufficient to require fiscal impact

CRA - may have different definition of rural -

- find status of transfer of AAFC to CRA - Carl Nelson w/ Mackins

4-1 Will receive fiscal note from Rev by Wed. mtg 4/7/82
per (Denna Cline)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 11, 1982

Hon. Bill Ray
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: Draft bill re residential loans
administered by regional Native
housing authorities

Dear Senator Ray:

Pursuant to our telephone conversation of February 10, 1982, I am forwarding to you a bill which would make Haines and Skagway rural communities under AS 18.55.997. This amendment recognizes that the road connection between Haines and Skagway is somewhat different than the road connection between other rural communities located in areas of the state other than the southeast panhandle. The Haines and Skagway roads are impassable much of the winter and pass through Canada for a substantial distance. These factors may warrant a change in the law as it relates to southeastern rural communities. I will let you and the legislature be the judge of that. You may be interested to learn of the following population determinations compiled by the Department of Community and Regional Affairs for Southeast Alaska communities:

Haines	1,017
Hoonah	799
Petersburg	3,001
Skagway	819
Wrangell	2,345

I have spoken with Harry Goldbar of the Alaska Housing Finance Authority concerning this matter and he has stated that he is anxious to assist you in resolving this and other problems with the definition of the term "rural" in AS 18.

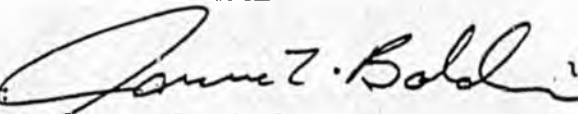
Hon. Bill Ray

February 11, 1982
Page #2

Please call if I can assist you further.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
James L. Baldwin
Assistant Attorney General

JLB/pjg

Enc.

agreement as those
 tal unit with whom
 y to separately or
 ssue notes, bonds or
 : within the scope of
 if any; contained in
 he regional housing
 ot be obligations or

on may not transact
 he governing body of
 declared that there is
 authority to function
 der (d) of this section.

question shall, after
 ive housing authority,
 commissioners of the
 for three years except
 shall serve for a term of
 years. Vacancies shall
 on in question.

boundary disputes as a
 of this section shall be
 Federation of Natives
 uire, construct, operate
 mmunity centers, child

anning, financing, con-
 onal housing authority
 ivity of the Alaska State
 e municipality in which
 t.

alteration, or repair of a
 tate funded housing pro-
 hority shall require the
 isions specified in AS

is section shall have to
 ependent certified public
 rcribe the form and content
 rity and shall have access
 A 1971; am §§ 3, 6 ch 151
 l ch 12 SLA 1977; § 6 c

Effect of amendments. — The 1975 amendment added the present second and third sentences of subsection (b) and added subsection (f).

The 1976 amendment, in paragraph (9) of subsection (a), substituted "North Pacific Rim Native Corp." for "Chugach Native Association," deleted "and" preceding "Seward," and added "Eyak and Chugach" to the end.

The 1977 amendment added subsection (g).

The 1981 amendment, effective July 17, 1981, added subsections (h) and (i).

Legislative history reports. — For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

Sec. 18.55.997. Residential loans. (a) In addition to the powers authorized to a regional housing authority under AS 18.55.996, a regional housing authority may, in accordance with procedures and policies adopted and approved by the board of directors of the Alaska Housing Finance Corporation, make loans for the purchase or development of residential housing in rural areas of the state. A loan shall be secured by collateral in an amount acceptable to the board of directors of the Alaska Housing Finance Corporation. The rate of interest on a loan authorized by this section may not exceed an interest rate approved by the board of directors of the Alaska Housing Finance Corporation.

(b) In this section,

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation or expansion of an existing home;

(2) "rural" means any community of the state with a population of 500 or less that is not connected by road or rail to Anchorage or Fairbanks. (§ 11 ch 167 SLA 1978)

Sec. 18.55.998. Supplemental housing development grants. (a) There is created in the Department of Community and Regional Affairs a supplemental housing development grant fund. Subject to the availability of appropriations for the purpose, the department shall make grants to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and water facilities, road construction to project sites, and extension of electrical distribution facilities to individual residences.

(b) A grant may be made only for residential housing for which federal loan or grant approval has been obtained from the United States Department of Housing and Urban Development and which will be made available to the public on a nondiscriminatory basis. A grant may not be used to retire or repay obligations or debts of the grant recipient. A grant may only be for the difference between the maximum amount available under federal law or regulation for construction of the residential housing for which the grant is made and the actual costs of the construction. A grant may not exceed 20 percent of the United States Department of Housing and Urban Development total development cost per unit in effect at the time the grant is made.

Title 14
 Education

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SB 871 TITLE & SPONSOR SUMMARY

15:56 5/05/82 PAGE 1 OF

AMENDED TITLE:

AN ACT RELATING TO THE RELOCATION OF UTILITY FACILITIES
INCIDENT TO THE CONSTRUCTION OF HIGHWAY PROJECTS
BY A MUNICIPALITY

PRIME SPONSOR: SENATE STATE AFFAIRS COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 4/22/82 IN (H) C&R

REFERRAL: TRANSPORTATION

SB 871 SENATE ACTION

15:56 5/05/82 PAGE 2 OF

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/22/82	01	0640	FIRST READING -- COMMITTEE REPORTS
04/08/82	02	0938	C&R -- DF04
04/14/82	03	0898	TRAN -- DF03, NR02
04/19/82	04	0956	MOVED FROM FIN TO RLS BY UNAN CONSENT
04/21/82	05	0905	RLS -- OTHER03 TAKEN UP IMMEDIATELY
04/21/82	06	0982	SECOND READING
04/21/82	07	0929	ADVANCED TO 3RD READING BY UNAN CONSENT
04/21/82	08	0988	THIRD READING
04/21/82	09	0988	POSTPONED UNTIL 04/22/82 BY UNAN CONSENT
04/22/82	10	1019	PASSED BY DIV 17-00-03
****	**	**	*** **

SB 871 HOUSE ACTION
DATE SEQ PAGE

15:57 5/05/82 PAGE 3 OF

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/22/82	11	1497	FIRST READING -- COMMITTEE REPORTS C&R TRANSPORTATION RULES
****	**	**	*** **

§ 19.22.132

§ 19.25.010

§ 19.25.020

Chapter 25. Protection and Use of State Highways and Roads.

Article 1. Utilities in Highways.

Section
of right-of-way for utilities
relocation of utilities incident to
highway projects

§ 19.25.010. Use of rights-of-way for utilities. A utility facility may be constructed, placed, or maintained across, along, over, under or within a state right-of-way only in accordance with regulations prescribed by the department and if authorized by a written permit issued by the department. (§ 8 art VII title II ch 152 SLA 1957; am 13 ch 106 SLA 1977)

Effect of amendments. — The 1977 amendment rewrote this section.

§ 19.25.020. Relocation of utilities incident to highway projects. (a) If, incident to the construction of a highway project, the department determines and orders that a utility facility located across, along, over, under, or within a state right-of-way must be changed, relocated or removed, the utility owning or maintaining the facility shall change, relocate or remove it in accordance with the order. The department shall provide a reasonable time period for compliance.

If the utility facility is not changed, relocated or removed in accordance with the order, the facility becomes an unauthorized encroachment and may be disposed of in accordance with AS 19.25.240 - 19.25.250. In addition, the owner of the facility shall indemnify the state for any amount for which the state may be liable to a contractor because of the encroachment.

The cost of change, relocation, or removal necessitated by highway construction is a cost of highway construction to be paid by the state in accordance with AS 19.05.130(4), notwithstanding the terms or provisions of any existing permit, agreement, regulation or statute to the contrary.

If requested by a municipality, the department shall implement AS 19.25.010 - 19.25.250 by requiring to the maximum extent possible the location underground of electric power transmission lines within the municipality. (§§ 2, 3 ch 57 SLA 1961; am § 4 ch 106 SLA 1977)

Effect of amendments. — The 1977 amendment rewrote this section.

Title 15
Education

Title 14
Education

Title 13
Education

Title 12
Education

Title 14
Education

5/6/82 - (no Gussendorf)

SB 871 - Relocation of Utilities

Dave Hutchins - pro bill -

Omro question - time element - no effective date in bill - 90 days after gov signs - should there be a time frame here -

DH - Maybe should be phase in method attached to it.

Bylone - contracts let before effective date

~~DH~~ - No situations so specifically writing for this bill.

Clockin - Maybe require municipalities to pay for any changes "~~is~~ within its jurisdiction"

Bylone - no problem - Municipalities has no jurisdiction over "state hwy's"

C - Arch has plan for city to own & operate state hwy's.

- Bill to give local gov'ts option to take over maintenance not ownership

Derry Point - City Mgr. of Concord - Problem with transition part of this bill.